

SOUTH AFRICA GREAT POWER STATUS: PROSPECTS AND CHALLENGES

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DECLARATION

This research study is my original work and has not been presented for the award of a degree in this University or any other Institution of higher learning for examination.

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DEDICATION

I hereby dedicate this research project to my family, colleagues and friends who have continuously been a source of encouragement and offered their endless support during the entire time I was writing this research project and even when at times I felt defeated and all hope seemed lost.

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ABSTRACT

Great power can be studied in terms of the logic of small-number systems. Since South Africa is conceived to be a “leader”, it is also expected to demonstrate its leadership capacity on the continent. The purpose of this study was determining prospects and challenges of South Africa in a move to accomplish great power status. The objective of the study was to examine the prospects and challenges of South Africa great power status by examining South Africa military capabilities, South Africa’s industrial/economic development and if they qualify as great power; South Africa’s political stability, issues of ideology, foreign policy and democratization. The study descriptively analyzed the relationship between South Africa and other African countries through an “inside-out” approach. South Africa as a country was evaluated in order to see whether it has the capacity to successfully lead a hegemonic project of regional development. The study mainly relied on secondary data sources obtained from books, journals, government briefs, Newspapers, NGO publications and internet sources. In addition interviews with foreign policy experts served as an illustration to strengthen the overall study. The study concluded that South Africa is Africa’s largest Gross Domestic Product (GDP), with a diverse economy, and a government that has played an active role in promoting regional peace and stability, hence it is poised to have a substantial impact on the economic and political future of Africa. However, there are still opportunities to address the core problems behind contemporary political violence. Therefore foreign policy, being an extension of national policy and interests, is an important component in South Africa’s strategy for development and social purposes. The study recommends increased capacity building in terms of highly skilled human capital to propel South Africa to greater heights of economic prosperity. More fundamental course corrections are needed to steady South Africa’s political stability and extinguish the slow-burning fuses that threaten long-term stability: Expand Socioeconomic Opportunities through sustained investments in building effective health, education, housing, sanitation service institutions and private sector job creation; Reduce Patronage Opportunities by eliminating a political culture with the opportunities for wealth and influence that accrue to politicians.

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ABBREVIATIONS/ ACRONYMS

- ACDP: African Christian Democratic Party
- ANC: Africa National Congress
- DOD: Department of Defense
- EAC: East Africa Community
- GNP: Gross National Product
- ID Independent Democrats
- LED: Local Economic Development
- MIDP: Motor Industry Development Programme
- NNP: New National Party
- OFDI: Outward Foreign Direct Investment
- PSOs: Peace Support Operation's
- RIDP: Regional Industrial Development Programme
- SADC Southern African Development Community
- SANDF: South Africa National Defense Force
- SARPN: Southern African Regional Poverty Network
- SDIs: Spatial Development Initiatives
- SMEs: Small and Medium Enterprises
- SSA: sub-Saharan Africa
- U.S.: United States
- UDM: United Democratic Movement
- UN: United Nation's
- UNDP: United Nations Development Programme
- UNOMSA: United Nations Observer Mission in South Africa
- UNPKO: United Nation's Peace Keeping Operations

CHAPTER ONE

INTRODUCTION TO THE STUDY

1.1 Background

Great power can be studied in terms of the logic of small-number systems¹. For Gilpin, both individually and in interaction with one another, a state that historically has been called the great power and is known today as the superpower establish and enforce the basic rules and rights that influence their own behavior and that of the lesser states in the system. Gilpin also quotes Raymond Aron to the effect that the structure of international system is always oligopolistic. In each period the principal actors have determined the system more than they have been determined by it².

Wit (2004), states that the most conspicuous theme in international history is not the growth of internationalism. It is the series of efforts, by one power after another to gain mastery of the states-system efforts that have been defeated only by a coalition of the majority of other powers at the cost of an exhausting general war³. While not all of international affairs can be explained in terms of the Great Powers, it is impossible to understand most of history or current global processes without considering the Great Powers.

A Great Power is presumed to enjoy certain elements that most other states are denied. According to Waltz, for instance, a State is placed in the top rank because it excels in one way or another. The rank depends on how they score on *all* of the following items: size of population and territory, resource endowment, economic capability, military strength, political stability and competence⁴. For Wright, The power that makes a power is composed of many elements. Its basic components are size of population, strategic position and geographical extent, and economic resources and industrial production. To these must be

¹ Waltz, Kenneth N. 1979. *Theory of International Politics*. Boston: McGraw-Hill,

² Gilpin, Robert. 1981. *War and Change in World Politics*. Cambridge: Cambridge University Press,

³ Wit, Joel S., Daniel B. Poneman, and Robert L. Gallucci. 2004. *Going Critical: The First North Korean Nuclear Crisis*. (Washington D.C.: Brookings Institution Press,

⁴ Ibid

added less tangible elements like administrative and financial efficiency, education and technological skill, and above all moral cohesion⁵. These scholars simply list capabilities, much as they and others list Great Power, without specifying theoretical reasons for doing so.

Organski attempts to bring the list of elements to, an economic and a political capability. In his book *World Politics*, he first examines six determinants of great power. He points out that geographical size does not correlate with power. As for resources, as Organski points out, the nation that can turn its raw materials into manufactured goods possesses even greater powers of reward. The great manufacturing nations have always been great powers⁶.

Organski reserves his greatest enthusiasm for the economic and political determinants of power. Thus, Organski highlights two critical ideas: that technological progress in machinery leads to changes in national power, and that there is a positive feedback process at work in the economy, in which investment in capital yields more capital, that is at the heart of modern industrial economies. Organski does not pursue these technological themes, however. Instead, he attempts to construct an index that will reflect technological prowess. High per capita product accompanies high productivity per worker and can be used to give a rough idea of it. On the other hand, population size is the most important determinant of great power. With it, a lack of other determinants can be overcome. Without it, great power status is impossible. Therefore, one can multiply product per capita times population, which equals Gross National Product, or GNP, and arrive at a combined measure of economic power⁷.

While economic resources are crucial to power, so are the capability and more particularly the efficiency of the national government in utilizing these resources in pursuit of national goals⁸. The single most important tool available to any national government for mobilizing its human and natural resources is the governmental bureaucracy. Thus, bureaucracy, the

⁵ Wright, Quincy. 1942. *A Study of War* (Chicago: University of Chicago Press, 1965).

⁶ Organski, A.F.K. 1958. *World Politics* (New York: Alfred A. Knopf, 1968).

⁷ Organski, A.F.K. 1968. *World Politics* (New York: Alfred A. Knopf, 1958).

⁸ Mansfield, Edward D. 1994. *Power, Trade, and War* (Princeton, NJ: Princeton University Press).

machinery of government, and the monopoly of force in a territory, are identified as the two most critical aspects of the state.

Hans Midlarsky⁹ used a list of elements that are similar to Organski's. On the one hand, the quality of government is deemed to be important by quality of government. Midlarsky seems to have in mind the distribution of domestic political power, because democracies receive greater support from the population than dictatorships. He is also very concerned about the quality of national diplomacy. On the other hand, Midlarsky is very aware of the material aspects of power: Since victory in modern war depends upon the number and quality of highways, railroads, trucks, ships, airplanes, tanks and equipment and weapons of all kinds, from mosquito nets and automatic rifles to oxygen masks and guided missiles, the competition among nations for power transforms itself largely into competition for the production of bigger, better, and more implements of war. The quality and productive capacity of the industrial plant, the know-how of the working man, the skill of the engineer, the inventive genius of the scientist, the managerial organization, all these are factors upon which the industrial capacity of a nation and, hence, its power depend¹⁰. Thus it is inevitable that the leading industrial nations should be identified with the great powers, and a change in industrial rank, for better or for worse, should be accompanied or followed by a corresponding change in the hierarchy of power¹¹.

What distinguishes the great power from all other nations, aside from ability to wage all-out nuclear war and absorb a less than all-out nuclear attack, are its virtual industrial self-sufficiency and their technological capacity to stay abreast of the other nations¹². The fate of nations and of civilizations has often been determined by a differential in the technology of warfare for which the inferior side was unable to compensate in other ways. Thus, Midlarsky forcefully argues for the proposition that industrial power leads to military power, and that military power is the basis of great power.

⁹ Midlarsky, Manus I. 200. (ed.) *Handbook of War Studies II* (Ann Arbor: University of Michigan Press).

¹⁰ Martin, Lisa, "Interests, Power, and Multilateralism," *International Organization* 46 (1992): pp. 765-792.

¹¹ Kennedy, Paul. 1993. *Preparing for the Twenty-first Century* (New York: Random House).

¹² Friedman, Thomas L. 1999. *The Lexus and the Olive Tree* (New York: Farrar Straus Ciroux,).

South Africa occupies an ambiguous position within the international political economy. It is the most developed state on the continent of Africa. Within the Southern African Development Community (SADC) region, it contributes 82 per cent to the regional gross domestic product¹³. There are some sections of world opinion who would argue that South Africa is the natural leader of Africa. Consider in this regard, the following statement by Angela King who headed the United Nations Observer Mission in South Africa (UNOMSA) in 1994: "*... this country [South Africa] will soon become a catalyst for the rapid development of not only the southern African region but the rest of the continent*"¹⁴."

As the 21st century dawned, a number of immeasurable changes in South Africa's domestic political sphere and eventually its relations with the rest of the world took place. This rapid political change led to the perception of South Africa as a leading economic, political and military influence on the continent and around the world. Since South Africa is conceived to be a "leader", it is also expected to demonstrate its leadership capacity on the continent.

International relations scholars such as Matlosa¹⁵ and Hamill¹⁶ assert that South Africa is expected to assume a supreme continental role in terms of security assurance. They reiterate that South Africa, due to its military (army, air-force and navy) power, resourcefulness and better organisation, is anticipated to spearhead peacekeeping interventions and mediations, particularly in the Southern African region.

1.2. Problem Statement

Despite the ambiguous nature of great power leadership in theory and practice, it has been noted that certain academics have called on South Africa to play such a role. First, an

¹³ Kariithi, N (2000). "Through a Hazy Looking Glass," Africa Now, August/September 2000

¹⁴ King, A (1994). "Keynote Address," Paper delivered to the Seminar on the Image of the United Nations in South Africa. Co-hosted by the UN Department of Public Information and the Centre for Southern African Studies, University of the Western Cape. Somerset- West. 8-10 February 1994.

¹⁵ Matlosa, K. 2007. South Africa and Regional Security in Africa. In: Adebajo, A., Adedeji, A. & Landsberg, C. (eds.). South Africa in Africa: The Post- Apartheid Era. Scottsville: University of KwaZulu Natal Press, pp. 105-127.

¹⁶ Hamill, J. (2001). South Africa's Regional Security Dilemmas. In: Broderick, J. Burford, G. & Freer, G. (eds.). South Africa's Foreign Policy: Dilemmas of a New Democracy. New York: Palgrave, pp. 29-54.

enormous amount of South Africa's diplomatic and military energy is deployed in stabilizing the continent, due to its military (army, air-force and navy) power, resourcefulness and better organization, is anticipated to spearhead peacekeeping interventions and mediations, particularly in the Southern African region. This involves peace building initiatives directed at facilitating negotiations between political and military adversaries.

On the basis of its GNP, South Africa certainly qualifies for great power status. The South African government has identified economic development as one of its foreign policy priority areas. South Africa has also led by example with regards to investment in the continent. By the turn of the millennium, it was active in 20 countries, in sectors ranging from among others, mining, manufacturing, energy, aviation, telecommunications, and research and development. The promotion of regional economic development is of supreme significance as the economies of the countries in the region are inextricably linked.

On political basis, South Africa is a constitutional democracy with a three-tier system of government and an independent judiciary. The national, provincial and local levels of government all have legislative and executive authority in their own spheres, and is defined in the Constitution as "distinctive, interdependent and interrelated. South Africa's peaceful and stable transition to democracy, universally recognized as one of the major achievements of the 20th Century, is not a coincidence or a mere short-term success: the realities in South Africa, which made this miraculous transition possible, are still in place and guarantee future stability.

South Africa is a mixture of many cultures which have not yet gelled into a unanimous shared South African culture; it is fragmented. Concretized manifestations of the ideologies prevailing within a society (within a broader culture) include national symbols. Due to South Africa's chequered political history, many such symbols exist and new ones are created within the new democratic regime.

The problem with assessing the putative hegemonic trajectories of emerging powers such as South Africa's in Africa is that, as some scholars have cautiously asserted, in many respects it is not behaving as a hegemony. For instance, on the thorny question of the collapse of rule of law and the economy in Zimbabwe which has had a detrimental impact on international –

and more recently African – perceptions of South Africa’s leadership on the continent as well as a negative impact on the economies of Southern Africa, South African diplomacy has been an utter failure. In the trade arena, the South African government’s efforts to secure ratification and compliance with the SADC Trade Protocol has fallen victim to local interests. And on the question of HIV/Aids, which affects tens of millions of people in the region, the South African ‘denialist’ position is widely ridiculed domestically, regionally and internationally. For some analysts, the problem is primarily a moral failing, an unwillingness to fulfill the promise of inculcating values into its foreign policy.

As far as the study is concerned, the problem is confined to determining prospects and challenges of South Africa in a move to accomplish great power status; thus, how does military capabilities; industrial/economic development political stability, issues of ideology, foreign policy and democratization qualify South Africa as a great power?

1.3 Objectives of the study

The general objectives are to examine the prospects and challenges of South Africa great power status.

The specific objectives are to:

- i. Examine South Africa military capabilities, and if they qualify as great power.
- ii. Examine South Africa’s industrial/economic development and if they qualify as great power.
- iii. Examine South Africa’s political stability, issues of ideology, foreign policy and democratization.

1.4 Research Questions

- i. How do South Africa’s military capabilities qualify it as great power?
- ii. To what extent does South Africa’s industrial/economic development qualify it as great power?

- iii. What is the influence of political stability, ideology issues, foreign policy and democratization on South Africa's great power qualifications?

1.5 Justification of the Study

The main aim of the study is to provide an in-depth analysis of South Africa's foreign policy vis-à-vis Africa, and ultimately, to determine whether South Africa is a great power. As an academic justification, this study aims at providing a source of information on South Africa's key position in the Africa in an endeavor to attain great power as depicted by military capabilities, industrial/economic development, political stability, ideology issues, foreign policy and democratization .

The study's significance also lies in the fact that it will contribute to the range of policy options available to the South African government in its quest to play a constructive role on the African continent. The findings of this research will help clarify regional and international conceptions on South Africa-Africa relations. The study will help to clarify the conceptual controversy surrounding South Africa's role on the continent and to settle the issue whether South Africa should be epitomized as a partner or a superpower.

1.6. Literature Review

This section reviews various studies that have been done on great power status, their findings and the gap that still exists and which makes it worthwhile to undertake this study. In particular attributes of great power; capabilities, domestic politics, and social convention; domestic politics and great power and social conventions: Norms, Identities, and Great power are reviewed.

1.6.1 Attributes of great power

Rising great powers have sought to expand their influence to international status. Since the set of countries that are known as the Great Powers have a preponderant influence on the processes of international relations, it would seem reasonable to know how a Great Power is defined. While the state has normally been introduced as the main unit of analysis in

international political scholarship, the focus on Great Powers has in fact superseded the attention given to the state, conceived of as an abstract entity.

There are two major criteria in the international relations literature that is used to specify when a particular country was a Great Power. First, there is the alleged consensus choice; everybody agrees that a particular state was a Great Power during a specific period of time. Second, a list of the capabilities that characterize national power is presented, and a threshold level is discerned which differentiates a Great Power from a non-Great Power. This dividing line is almost never specified.

Singer and Small¹⁷ claim that we do achieve a fair degree of reliability on the basis of intercoder agreement. That is for the period up to World War II, there is high scholarly consensus on the composition of this oligarchy. In a later statement, Singer and his co-authors state that we emphasize that our criteria quite intentionally are less than operational. That is, rather than define the major power sub-system over time in terms of certain objective power and/or prestige indicators, we adhere to the rather intuitive criteria of diplomatic historians. It is never demonstrated that diplomatic historians have either a consensus or intuitive criteria if anything; historians such as Paul Kennedy look to political scientists for theory. Historians in general tend to concentrate on the time period before World War I, and almost never venture in their studies beyond 1945; on the other hand, political scientists do most of their scholarly work for the period after 1945, leaving the interwar period as a kind of scholarly orphan.

The most exhaustive analysis of previous definitions of the term Great Power was undertaken by Levy, who sets out a series of criteria, and then makes an effort to apply these criteria to the various Great Powers. Most of the criteria are rather vague, such as differentiating Great Powers based on their behavior or their interests, or else consisting in part of other states' perceptions of the Great Powers. Perception is important in explaining foreign policy, but

¹⁷ Singer, J. David and Melvin Small (1966) 'The Composition and Status Ordering of the International System, 1815-1940,' *World Politics*, 18/2, p. 236-282.

should not be part of a definition of Great Power because such a definition should be based on objective factors. This does not mean that the objective criteria will lead to an infallible ability to predict outcomes, but simply that by distinguishing between subjective and objective factors, scholars may be in a position to separate the resources that states have available to them from the ways in which states use those resources in foreign policy.

Indeed, defining and understanding the difference between emerging powers and great powers is more complicated than might be initially expected. After all, both terms suggest that a country's status is not that of a great power, but neither is it small or indeed insignificant within the global political economy¹⁸.

They thus both belong to the same 'grey area' that makes up the 'middle' between the small and the great powers. In many scholarly contributions the conclusion thereof seems to have been that emerging powers could somehow be included into the great power category. This has led scholars like Corbetta¹⁹, Huth²⁰ and Lague²¹ to refer to emerging powers as 'new' or 'emerging' great powers, the only difference to the traditional great powers being that they still somehow pertain to the category of 'developing' or 'newly industrializing' countries. Undeniably, the idea of an emerging power also being a 'developing' country is a crucial factor in the definition of emerging powers. Much of this can be accredited to the growing attention given to the increasing presence of 'developing' countries in the international arena.

¹⁸ Fearon, James D. 1995. "Rationalist Explanations for War." *International Organization* 49(3):379–414.

¹⁹ Corbetta, Renato. 2006. "The Dynamics of Multilateral Conflicts: Collective Dispute Initiation and Third Party Intervention." Presented at the International Studies Association Annual Convention, San Diego, CA, March 22–25, 2006.

²⁰ Huth, Paul K. 1998. "Major Power Intervention in International Crises, 1918-1988." *Journal of Conflict Resolution* 42(6):744–70.

²¹ Lague, David. 2008. "China Plans Steep Increase in Military Spending." *New York Times* (March 5).

Robertson and East (2005), for example, point to the narrowing distinction between foreign policy making in ‘developing’ and ‘developed’ countries due to international systemic changes that in many instances have worked to the advantage of the ‘developing’ nations. While these changes have not led to a “...wholesale shuffling of the power and influence rankings of nations...”²² stresses, it still means that “...nations today are often less disadvantaged in some respects and the gap is closing in some areas”. The few existing, more refined differentiations between traditional great powers and emerging powers also point to the emerging powers’ position at the ‘semi-periphery’, or their positioning ideologically and materially outside the dominant hegemonic paradigm of the liberal west, as one of the defining characteristics of emerging or ‘would-be great powers’²³.

The categorization of emerging powers as ‘developing’ countries or ‘recently industrialized’ economies is not in itself problematic, if with such a definition one merely tries to find a term that indicates the differences between these ‘developing’ countries and the industrialized economies²⁴. However, when using theories that were explicitly or implicitly created for countries that belong to the advanced industrialized economies and applying these to those countries that are situated in different structural contexts, then these differences become problematic. As already referred to above, middle power theories have been created by policymakers and scholars from Canada (and Australia) to establish a very particular image of their country. In existing middle power theories this has led to a set of very specific assumptions about the structural positions these states have in the international political economy and the type of behaviour they exhibit, assumptions which, are not transferable and therefore become problematic once applied to emerging powers. Although, as already mentioned, several scholars have already used existing middle power theories to explain the position and behavior of an emerging power, the results, are unsatisfactory²⁵.

²² Ibid

²³ Ibid

²⁴ Wright, Quincy. (1942). *A Study of War* (Chicago: University of Chicago Press, 1965).

²⁵ Starr, Harvey. (1997). *Anarchy, Order, and Integration: How to Manage Interdependence* (Ann Arbor: University of Michigan Press,).

Great powers have a strong international identity, which is based on a clear view of world order and an understanding of the country's actual and potential position within this order. Great powers are those countries that are traditionally situated in different structural contexts to the industrialized economies, but whose material capabilities have developed on terms which have allowed a degree of influence in the global economy²⁶.

The behaviour of great powers tends to be influenced by a different global agenda to that of the traditional great powers, which means that emerging powers do not necessarily emphasize the involvement in issue areas that require a sense of ethically or morally infused responsibility towards the international community. Great powers are those states whose strategies have a 'reforming' character and are also regional powers²⁷.

1.6.2 Capabilities, Domestic Politics, and Social Convention

Despite a strong interest in the mechanics of international influence -- as evidenced in large, and growing, bodies of literature on deterrence, statecraft, and international sanctions -- IR scholars have devoted little attention to the systematic study of what David Baldwin calls the 'logic of choice': that is to say, the logic by which policymakers choose from among various policy tools in their efforts to achieve their foreign policy goals²⁸.

Due to their overwhelming interest in uncovering the conditions under which various foreign policy tools "work, it appears that scholars have neglected the systematic study of the determinants of their choice. This is especially true when it comes to the question of how the strong choose to impose their will upon the weak. Although Realism is mostly concerned with the interactions among great powers, its emphasis on states as unitary, cost-sensitive, and goal-oriented (rational) actors, trying to thrive and survive in a harsh anarchical environment, also offers a number of plausible hypotheses as to how the strong choose to

²⁶ Powell, Robert (1996) "Uncertainty, Shifting Power, and Appeasement," *American Political Science Review* Vol. 90, No. 4: pp. 749-764.

²⁷ Rock, Stephen R. (1989). *Why Peace Breaks Out: Great Power Rapprochement in Historical Perspective* (Chapel Hill: University of North Carolina Press,).

²⁸ Baldwin, David A (1971). "The Power of Positive Sanctions." *World Politics* 24, No. 1: 19-38.

impose their desired international order upon the weak²⁹. The notion of instrumental rationality posits that in pursuit of their foreign policy goals policymakers will be both goal-oriented (i.e. interested in choosing effective policies in pursuit of their goals) and cost-sensitive. They will, therefore, in each situation prefer to employ the strategy that they believe is most likely to achieve their goals at the lowest possible cost. They will also consider all available policy options in an agnostic manner, uninhibited by moral or ethical considerations and regardless of the motivations that drive the behavior of their antagonists.

In combination with the realist focus on relative material capabilities and the reputational concerns that are mandated by the logic of anarchy, the assumptions of cost-sensitivity and goal-oriented behavior generate a number of predictions about the policy choices of those seeking to enforce order in the international environment³⁰.

Two central arguments in particular are of interest here: First, when a dominant state responds to behavior that deviates from the rules and norms it seeks to promote, its policymakers will be sensitive to material costs, as material capabilities are necessary to resolve conflicts in one's favor in an anarchical environment³¹. That is, calculations of the relative material costs of alternative policy options will have a major effect on the choice of punishments and rewards in international statecraft. In particular, states will choose the least costly policy option available to them in order to achieve their goals. In this context, David Baldwin has noted that, *ceteris paribus*, threats are costless when they succeed, but costly when they fail. Conversely offers of rewards are costly primarily when they succeed. Going beyond this assertion, Daniel Drezner argues that punishments (economic sanctions, in particular) are a priori less costly than rewards (economic inducements), as the latter transfer benefits from the sender to the target state, without the added certainty of a successful

²⁹ Midlarsky, Manus I. (2000) (ed.) *Handbook of War Studies II* (Ann Arbor: University of Michigan Press.).

³⁰ Ruggie, John Gerard. (1993). *Multilateralism Matters: The Theory and Praxis of an Institutional Form* (New York: Columbia University Press).

³¹ Brawley, Mark R. (1993). *Liberal Leadership: Great Powers and their Challengers in Peace and War*. Ithaca: Cornell University Press,

outcome. These benefits, in turn may improve the target state's ability to better withstand future influence attempts³².

Following this logic, therefore, the dominant states will prefer to use threats of negative sanctions to elicit compliance with the international rules and norms they promote, especially in situations in which threats are most likely to succeed. In an anarchical environment, such as the international system, realists should logically expect this to be the case when states are involved in disputes with what they believe, or know, to be weaker and therefore more vulnerable opponents³³.

Because capabilities, and not justice, are the ultimate arbiter of disputes in the anarchical international system, it is logical for the strong to assume that weak states, who are obviously also cost-sensitive, will capitulate in the face of demands backed up by overwhelming coercive capabilities. Given the high probability that the weak will eventually capitulate in the face of overwhelming capabilities, threats of punishments will be the primary means by which the strong choose to impose their will upon the weak³⁴.

Second, the tendency to resort to coercion is strengthened because of the condition of anarchy that prevails in the international system. The latter, according to realists, increases the importance of reputational considerations in the choice of punishments and rewards. Because disputes in an anarchical environment are decided not by who is right, but by who is more powerful, dominant states should have a strong desire to maintain a reputation for strength and resolve. Such a reputation allows them to deter challenges to their interests, and

³² Drezner, Daniel W. (1999). "The trouble with carrots: Transaction costs, conflict expectations, and economic inducements." *Security Studies* 9, No. 1-2 (1999/2000): 188-218

³³ Kegley, Charles W. Jr. and Gregory A. Raymond. (1994). *A Multipolar Peace? Great-Power Politics in the Twenty-first Century* (New York: St. Martin's).

³⁴ Hewitt, Joseph J. and Gary Goertz (2004). "Fighting Chances: Choosing Populations in Conflict Research." Typescript.

to achieve their foreign policy goals successfully through the use of threats, instead of the more expensive use of punishments or rewards³⁵.

Of course, dominant states do not have to use military threats to issue threats or to punish wayward states. When they lack the resources to make credible military threats, leaders of dominant states may try to use economic coercion instead. In fact, the use of economic coercion might be preferable as the imposition of economic sanctions does not directly degrade the military capabilities of the dominant state. The logic, however, remains the same. Absent the ability to issue a credible threat, the dominant state will consider positive inducements, but only when policymakers believe that their reputation for resolve will not suffer³⁶.

1.6.3 Domestic politics and Great power

A review of the literature on post-Cold War U.S. foreign policy suggests that material capabilities and international concerns may not be the most dominant factor in determining how the powerful respond to challenges from the weak³⁷. A number of scholars have recently argued that the absence of a major external threat may undermine the utility of the unitary actor assumption posited by the realist model. Existential threats to a state's survival are said to have a unifying effect, as they strengthen the hands of policymakers and reduce the willingness and ability of parochial interest groups to manipulate the foreign policy process to their own advantage. The absence of such sobering threats, on the other hand, offers the latter an opportunity to run rampant and may reduce the autonomy of key policymakers to pursue the national interest³⁸.

Given the absence of a serious unifying threat, therefore, a dominant state may be unable to pursue a coherent grand strategy, and will be much less likely to resemble the unitary actor

³⁵ Gowa, Joanne (1989) "Bipolarity, Multipolarity, and Free Trade," *American Political Science Review*, vol. 83.

³⁶ Lemke, Douglas and William Reed. (2001). "War and Rivalry Among Great Powers." *American Journal of Political Science* 45(2):457–69.

³⁷ Levy, Jack S. (1983). *War in the Modern Great Power System*. Lexington: University Press of Kentucky

³⁸ Nye, Joseph S. Jr.(1990). *Bound to Lead: The Changing Nature of American Power*. New York: Basic Books.

portrayed in the realist model. Under these conditions, its foreign policy process is more vulnerable to manipulation by parochial interest groups that seek to exploit the state's resources to achieve their private interests. According to Samuel Huntington this will be especially true for culturally fragmented societies that have no overarching unifying goals and aspirations, such as the US³⁹.

The implications of the domestic politics argument for international order and international order enforcement are threefold: First, although policymakers may want to actively enforce their desired international order, they will be severely limited in the policy tools that are available for them to do so, as there will be little societal support for costly enforcement strategies⁴⁰. As a result, in the absence of a parochial interest group that has a stake in a particular issue; policymakers rely primarily on persuasion to produce compliance with their desired international norms and rules. Inaction (in tangible terms), in other words, should be the most common response to challenges from the weak.

Second, we should see a dominant state respond actively to challenges only when the latter affect the interests of powerful parochial interest groups. Only groups with sufficient political clout will be able to put pressure on policymakers to act. While all interest groups may try to appeal to policymakers to protect their interests, only those with sufficient political leverage will be able to influence policymakers⁴¹. The domestic balance of power will determine whose voice will be heard, and heeded. Third, the choice of enforcement strategy will ultimately reflect the interests and preferences of the most powerful domestic interest group that has a stake in the issue, rather than of the policymakers in charge. Interest groups may not only have preferences over outcomes, they may also have preferences over what policies are adopted to achieve their desired outcomes⁴². For example, the use of economic sanctions may not benefit exporters of goods to the target state. Thus, the latter are more likely to

³⁹ Ibid

⁴⁰ Nye, Joseph S. (2004). *Soft Power: The Means to Success in World Politics*. New York: Public Affairs.

⁴¹ Neumayer, Eric. (2008). "Distance, power and ideology: diplomatic representation in a world of nation-states." *Area* 40:2280236.

⁴² Singer, David J. (1988). "Reconstructing the Correlates of War Dataset on Material Capabilities of States, 1816-1985." *International Interaction* 14(2):115-32.

support swift and powerful military action, rather than extended periods of economic sanctions. Better yet, offers of positive inducements may bring with them economic benefits for such groups⁴³.

A domestic politics explanation of international order enforcement, therefore, posits that how the strong respond to challenges is determined primarily by the domestic political process, rather than by international constraints and incentives, such as the balance of capabilities. The choice of enforcement strategies can best be explained by an examination of the domestic balance of power in the dominant state, and the role of parochial interest-groups in the policy process⁴⁴. The more policy makers are beholden to various political interest groups, the more they will feel obliged to adopt their policy preferences in response to challenges to international order.

The modal response to challenges from the weak, according to the domestic politics perspective, should be non-response, as policymakers will be hard-pressed to garner domestic political and material support for costly foreign policy initiatives. Deviation from this modal response will be a function of the preferences and relative power of domestic interest groups whose interests are challenged⁴⁵.

Unlike the realist perspective, the domestic politics perspective does not offer specific predictions about the conditions under which dominant states will choose positive inducements or negative sanctions to impose their rule upon the weak. Instead, it offers a hypothesis about the factors and policy processes behind these choices.

1.6.4 Social Conventions: Norms, Identities, and Great power

Although the realist and domestic politics models differ about the specific factors that govern the choice of enforcement strategies, they both assume that policy choices are driven by instrumentally rational cost-benefit calculations. This assumption has recently been criticized

⁴³ Ibid

⁴⁴ Suzuki, Shogo. (2008). "Seeking 'Legitimate' Great Power Status in Post-Cold War International Society: China's and Japan's Participation in UNPKO." *International Relations* 22: 45-64.

⁴⁵ Ibid

for not taking into account the extent to which policymakers are influenced by the social context in which they operate. State behavior, critics claim, is to a large extent governed by socially constructed norms, values, and rules that provide non-material standards, constrains and incentives for behavior⁴⁶.

Such identities and norms (social conventions) have recently been used to explain a variety of important international phenomena, which cannot be easily accounted for by an exclusive focus on material capabilities and reputational considerations, or by the bargaining process among domestic interest groups. Scholars have linked international norms respectively to the efforts by states to procure modern conventional weaponry in the absence of strategic necessity, to the emergence of a nuclear- and chemical weapon taboo, and to changing purposes of foreign military intervention. Cultural norms, which are seen to reflect actor-specific characteristics (identities), have been found to influence states' negotiation- and bargaining styles, their proclivity to resort to third-party arbitration and peaceful conflict settlement, and their propensity to engage in multilateral action and international war⁴⁷.

This 'sociological' logic and a number of recent studies suggest that social conventions (ideas about what constitutes appropriate behavior) may also have an impact on how dominant states choose to enforce international order. After all, the creation and enforcement of political and social order is inherently governed by socially constructed rules, norms, and values⁴⁸.

South Africa's ambitions to play a leadership role in Africa, bolstered by its preponderance of economic power and recognized internationally political stature in the continent, have contributed to an unprecedented restructuring of the regional economic and political architecture. Employing techniques as varied as institution building and moral suasion, the post-apartheid government has sought to cast its aims in the promotion of new regional structures and processes and, concurrently, a revivalist form of the pan- Africanist ideology.

⁴⁶ Wallace, Michael D. (1971). "Power, Status, and International War." *Journal of Peace Research* 1(1):23–35.

⁴⁷ Sullivan, Michael P. and Randolph M. Siverson (1984). "Alliances and War: A New Examination of An Old Problem." *Conflict Management and Peace Science* 8(Fall):1–16.

⁴⁸ Huntington, Samuel (1999). "The Lonely Superpower," *Foreign Affairs* Vol. 78, No. 2 (: pp. 35-49)

Coupled to South African capital, whose outreach into the continent has fueled both growth and controversy, Pretoria has begun to reshape Africa's economic landscape and, to a certain extent, its political landscape⁴⁹.

In spite of these achievements, it is clear that the ability of the South African government to act decisively in the name of African interests is more accepted in global settings like the G8 or WTO than is always the case within Africa. For instance, South African trade negotiators have found themselves isolated from fellow African positions at key international forums; South Africa has been unable to achieve adherence to a trade protocol within SADC (which it dominates economically); and, finally, South African efforts at mediation in cases like Zimbabwe and Ivory Coast have been regularly castigated by Africans and the international community.

1.7 Theoretical framework of the study

1.7.1 Hegemonic theory

Hegemonic theory maintains that the existence of a dominant state or hegemon has been a crucial feature of international systems that engage in long term co-operation. A world power structure dominated by a single country, according to Robert Keohane and other neo-realists, is 'most conducive to the development of strong international regimes whose rules are relatively precise and well obeyed'. Such leadership is based on a general belief in the legitimacy of the dominant power, as well as its prestige and status in the international political system⁵⁰.

Schoeman identifies the following characteristics of a hegemon on the grounds of an actor's exercise of power, in "Theory of Hegemonic Stability" terms⁵¹: A (potential) hegemon will

⁴⁹ Anthony Butler (2005), "How Democratic is the African National Congress," *Journal of Southern African Studies*, 31:4, December, 734.

⁵⁰ Robert Keohane, 'The Theory of Hegemonic Stability and Changes in International Economic Regimes, 1967-1977', in Ole Hosti et al, (eds.), *Change in the International System*, Boulder, Colorado: Westview,

⁵¹ Schoeman, M. (2007). South Africa in Africa: Behemoth, Hegemon, Partner or "Just another Kid on the Block"? In: Adebajo, A., Adedeji, A., & Landsberg, C. (eds.). *South Africa in Africa: The Post-apartheid Era*. Scottsville: University of KwaZulu-Natal Press, pp. 93-104.

always yearn for economic and military dominance in the global or, at the very least, in the regional political sphere, while sidelining rivals; Materially, a hegemon must be politically, economically and militarily influential in the areas where it seeks hegemonic leadership; Its participation and recognition in the international system must speak volumes about its political and leadership prowess; It must, to some degree, exhibit a sense of benevolence and “Ubuntu” (a commonly used South African vernacular word to refer to “humanity”) to fellow members within the system or even beyond; It ought to play an all-encompassing leadership role grounded in its values and interests; and a hegemon would strive to maintain and develop its role and position in what it perceives to be its sphere of influence⁵².

Hegemons actively construct rules making bodies and institutions that formalize their dominant position; at the same time they provide stability and the promise of prosperity as a trade off for adherence to their dominance by lesser states. In the case of regional groupings, the theory of hegemonic leadership implies that regionalism would develop ‘more fully in those areas of the world in which there is a local hegemon able to create and maintain regional economic institutions’ and will not progress ‘in those areas where hegemonic leadership is less visible’⁵³.

The dominant state(s) will either be able to impose co-operation or bear a disproportionate part of the burden of the regional arrangement. At the same time, as Keohane and Nye noted in an elaboration upon their initial musings on the topic, ‘for leadership to be sustainable under non-hegemonic conditions, other states must cooperate somewhat, such co-operation by middle-level states, however, will depend in turn on the legitimacy of the regime’ promoted by the hegemonic power⁵⁴. However, as critical theorists on hegemony such as Robert Cox have emphasized, economic and military pre-eminence of a given state within a region are an insufficient source of coercive power to ensure localized acceptance of

⁵² Ibid

⁵³ Robert Keohane, (1987). *After Hegemony: Cooperation and Discord in the World Political Economy*, Princeton: Princeton University Press, 1984. Also see Charles Kindleberger, *The World in Economic Depression, 1929-1939* Harmondsworth: Penguin, 1973; and Robert Gilpin, *The Political Economy of International Relations*, Princeton: Princeton University Press,

⁵⁴ Robert Keohane and Joseph Nye.(2001), *Power and Interdependence*, 3rd edition, New York: Longman

hegemony⁵⁵. Rather, to be effective hegemony requires consent amongst the weaker states, or at least amongst the elite, built around the acceptance and internalization of the universalizing ideology as expressed by the leading power and usually is echoed or reified through the construction of collectively-based institutions. Structural dominance is distinguished by Cox from the more limited sense of dominance as understood solely in terms of material power as presented, at least initially, by neo-realists⁵⁶. Here, the international community plays an important role in fostering recognition of this regional dominance amongst the otherwise recalcitrant neighbouring states. Philip Nel, Janis van der Westhuizen and Ian Taylor have all written in this tradition⁵⁷.

Structuralists, led by Immanuel Wallerstein, utilize a materialist reading of history in their understanding of hegemony which emphasizes the gradual construction of statebased hierarchies within the international system based upon the staged development from mechanized agriculture to industrial production and financial supremacy⁵⁸. States occupy a position within either the capitalist core, semi-periphery and periphery and, as such, exercise power (or are acted upon) within the framework of a relatively fixed chain of production and consumption, bolstered by the hegemon's control of financial services, currency, insurance and codified through international law. The semi-periphery corresponds with, for instance, the South African position as an intermediary between the industrialized core and the resource (and market) rich periphery⁵⁹.

Material possession is not solely responsible for determining hegemony. Ideological affiliation also plays a significant part. A hegemon, in principle, follows what it ideologically stands for. The ideal image of what a hegemon stands for can be identified as the way in which it views and interprets the world and its contents, perhaps partly influenced by its

⁵⁵ Robert Cox, (1996), 'Social Forces, States and World Orders', in Robert Cox, *Approaches to World Order: Beyond International Relations Theory*, Cambridge: Cambridge University Press, 99.

⁵⁶ Ibid

⁵⁷ Philip Nel, Ian Taylor and Janis van der Westhuizen .2001. *South Africa's Multilateral Diplomacy and Global Change – The Limits of Reformism*, Aldershot: Ashgate,

⁵⁸ Immanuel Wallerstein.1980. *The Modern World System: Mercantilism and the Consolidation of the European World Economy, 1600-1750*, New York: Academic Press,

⁵⁹ Kato Lambrechts and Chris Alden, 2005, 'Regionalism, Regionalization and Developing Countries,' in Jeffrey Haynes, (ed.), *Palgrave Guide to Politics: Development Studies*, Basingstoke: Palgrave, 288-312

national interests⁶⁰. By way of illustration, South Africa serves as the embodiment of a regional hegemonic actor in the Southern African region; within the framework of a continent.

Power balance in Africa: The case of South Africa

At the same time, it should be understood that the case for a South African form of hegemonic leadership in Africa rests on a strictly materialist reading of its standing on the continent. While South Africa has long had many of the economic pre-requisites for hegemony when seen in aggregate terms, these material dimensions are in fact unevenly distributed across the African continent. More importantly, outside of a geographically proximate area of its own ‘near abroad’ in Southern Africa, this economic power is not embedded in institutional form and consequently does not enable South Africa to exert influence with anything like consistency in other parts of Africa. Moreover, in the realm of ideas – for neo-Gramscians a crucial arena of hegemony – South African power lags considerably, even within its own region.

Since the ending of apartheid, South African transnational corporations have invested extensively in Africa, especially in the mining, financial services, construction/manufacturing, telecommunications, and leisure industries. Notably, South Africa’s banking and financial sectors have been able to gain significant access to markets in the continent in the aftermath of apartheid. Stanbic Africa, in addition to its presence in all SADC countries save Angola, has operations in Kenya, Uganda, Nigeria, Ivory Coast and Ghana. ABSA is committed to expanding its ‘African footprint’ outside of the Southern African region. With the top five banks on the continent, South Africa’s dominance of African financial services seems assured and is only limited by continued caution on the part of management 45

Furthermore, thanks to South Africa’s export-led growth strategy South Africa’s trade with Africa has risen by more than 300% since 1994⁶¹. There remains, however, a vast trade

⁶⁰ Ibid

⁶¹ Neuma Grobbelaar, 2004, ‘Can South African Business Drive Regional Integration?’, *South African Journal of International Affairs*, 11:2, 96

discrepancy between South Africa, which accounts for 40% of Sub-Saharan Africa's total GDP, and its continental trade partners. South Africa's total trade with the rest of the continent remains heavily skewed in its favour: exports to Africa, mostly manufactured goods, increased from US\$1.3 billion in 1994 to US\$5.9 billion in 2003, while imports from Africa to South Africa increased from a low base of US\$0.4 billion to US\$1.2 billion during the same period⁶².

The degree to which this surge in South African investment outside of Southern Africa can be ascribed directly to government actions is nonetheless somewhat debatable. Decision-making by South African based (or traditionally so, as in South African Breweries and Anglo-American Corporation) multinationals seems to be ad hoc at best and more fundamentally take place outside of any government-inspired framework. For instance, unlike in the Southern African region, politically-driven mega-investments such as Mozal and Sasol remain a rarity across the rest of Africa⁶³. The principal exception is Eskom, the giant South African parastatal, whose ambitions to dominate the electricity supply market in Africa are evident in public statements as well as actions⁶⁴.

Pretoria's foreign policy interests in pursuing conflict resolution strategies in the Democratic Republic of the Congo (DRC), which included considerable financial and personal engagement by the Mbeki government to bring stalled talks to fruition, seem to closely converge with Eskom broader aims. The Inga dam project on the Congo river, which would be able to provide electricity to alleviate not only South Africa's pending shortfall estimated to manifest in 2007, but is expected to produce power for West Africa as well as Morocco and Egypt.

The improved economic ties between South Africa and Nigeria mirror the burgeoning wider political and strategic relationship between the two countries. And the closeness of bilateral

⁶² Ibid

⁶³ Ibid

⁶⁴ Maxi Schoeman, 2007, "South Africa in Africa: Behemoth, hegemon, partner or 'just another kid on the block'," in Adekeye Adebajo, Adebayo Adedeji and Chris Landsberg, (eds.), *South Africa in Africa: The Post-Apartheid Era*, University of KwaZulu-Natal Press, 93.

links has been reinforced by the establishment in 1999 of a high-level bi-national commission – chaired by the countries’ vice-president and deputy president – designed to enhance mutual co-operation and partnership in the areas of trade and investment, infrastructure development, science and technology, agriculture, minerals and energy, defence and security, transport, and telecommunications. In spite of this (or perhaps, some may argue, because of this), the South Africa-Nigeria bilateral relationship has not been devoid of political and economic fissures. With Nigerian firms unable to match their South African counterparts outside of West Africa, much of this has centered on the political expressions of competing claims to continental leadership, especially in the contentious debate over the reform of the UN Security Council and any purported permanent African seat.

While the South African posture has generally been to publicly understate its ambitions, the Nigerian government has been notably forthright in its declaration of an interest. South African diplomatic forays into West Africa (where Nigeria has traditionally dominated), such as Mbeki’s short-lived negotiations in the Cote d’Ivoire, have been met with coolness by Abuja. Equally, Nigerian intervention in the Zimbabwe crisis, which saw first former Nigerian leader Abdulsalami Abubakar as head of the Commonwealth election observer mission in 2002 issue an influential report that was highly critical of Mugabe’s election conduct and subsequently Nigeria’s president, Olusegun Obasanjo, play a critical role in the Commonwealth Troika authorized to address the suspension of Zimbabwe from the organisation.

Where economic tensions between the two countries have tended to manifest themselves are in those areas where the Nigerian government has had some role in authorising South African business activities in the country through licensing or related measures. The controversy over the abortive SAA-Nigerian airlines agreement, which would have seen the South Africans gain a share of Nigeria’s flagship carrier, seems to reflect this situation⁶⁵.

⁶⁵ Ibid

1.8 Research Methodology

The study is qualitative since it involved the explanation of terms and concepts, attained via a literature review. It is also deductive in approach, commencing with a critical, conceptual analysis of the term “great power” and related terms. It progresses from a general description to specific and focused analyses of South Africa’s prospects and challenges as an emerging great power in Africa and in Africa as a region and the world as a whole.

The study also descriptively analyses the relationship between South Africa and other African countries through an “inside-out” approach. It discusses South Africa’s capabilities as a great power and analyzing its role beyond its borders, the continent and further afield. It is also based on a literature study aimed at working towards explanations why South Africa, among many other policy choices available to it, prioritized human rights, peace and security, and trade relations.

1.8.2 Research Design

Theoretical insights of any study is enabled and hampered by the conceptual framework of the discipline from which it originates. Subject specific variables such as the level or unit of analysis necessarily define the parameters of the inquiry. The new regionalism approach moves away from disciplinary boundaries, specifically the classical notion of viewing the state as the only actor in international relations. In so doing it avoids limiting the observations of Southern Africa to reflect only a presupposed set of security and developmental variables.

This study consisted of qualitative research and analysis although quantitative data was used to support the analysis in some instances. South Africa’s supremacy was examined in a descriptive and explorative manner. This study was not based on fieldwork or questionnaires. The research design is a case study and is based on studies of existing literature on Southern Africa and on using existing statistics during the presentation and analysis of data⁶⁶. The study is known as ‘non-reactive research’ as the people being studied are not aware that they

⁶⁶ Neuman, L.W 2006. *Social Research Methods, Qualitative and Quantitative Approaches*. University of Wisconsin,, Pearson Education, Inc.

are being explored; rather evidence will be collected from government (South African) and international agencies (such as UNDP and SADC) reports (Neuman; 2006:320). The aim is to contribute to the growing literature on multivariate approaches to existing IR theory, and to find valuable sources of literature contribution to the development and construction of security communities in Southern Africa. The type of study conducted is a non-empirical study of Southern Africa; data that has been previously collected has been used in order to address the question of supremacy as a tool for sustainable peace.

1.8.3 Unit of Analysis

The unit of analysis in this study is South Africa, as it acts as the regional superpower for the purpose of this study. The study sought to make an evaluation of South Africa's role in the development corridors in Southern Africa specifically. Units of analysis are typically the units of observation⁶⁷. South Africa as a country was evaluated in order to see whether it has the capacity to successfully lead a hegemonic project of regional development. Nathan's⁶⁸ assertion of the importance of domestic stability as a prerequisite for the establishment of a security community will be crucial in this examination.

1.8.4 Time Dimension

This study took multiple observations of the same cases over the period 1994-2009. In particular the rise of South Africa as a regional power and how that has directly influence the achievement or maintenance of peace in the region. The years 1994 and 2009 have been chosen purely on the basis that it allowed the study to capture the most recent developments in the region and of academic analyses over the fifteen year interval.

1.8.5 Data Collection

The study is descriptive in its nature and an evaluation of South Africa's role in the development corridors in Southern Africa specifically. The study according to Rutman (1984:11) can be classified as a case whereby an intervention is mounted in order to meet

⁶⁷ Babbie, E. & Mouton J. 2008. *The practice of social research*. South African Edition. Oxford: Oxford University Press

⁶⁸ Ibid

some recognized social need or to solve an identified problem. “An evaluation research addresses some of the most fundamental and important issues that arise from the intervention that human beings make in the world”⁶⁹.

The study mainly relied on secondary data sources. Secondary data was obtained from books, journals, government briefs, Newspapers, NGO publications and internet sources. In addition interviews with foreign policy experts served as an illustration to strengthen the overall study.

1.9 Limitations of the study

The study was mainly conducted through secondary data analysis and thus issues of financial constraints and travelling were not relevant to the study. Literature on the specific topic however is still in its infancy and finding material might prove challenging at times.

Development Corridors and research on it is mainly done through what is called ‘applied research’. Applied research is designed to offer practical solutions to a concrete problem; it is often used by practitioners who want to find quick results that can be used in the short term⁷⁰. Research that seeks to build on theory is limited on the subject. This study would contribute in the framing of Southern African relations, particularly in the understanding of the potential that exist in the Development Corridors.

The aim of the study was to investigate the feasibility of South Africa to lead a process of regional integration and supremacy in the word. Such a study’s findings will contribute to the studies of security and development in an effort to address the conundrum of absolute poverty in particular and the question of development in general.

⁶⁹ Ibid

⁷⁰ Ibid

1.10 Chapter Outline

The study is structured as follows:

Chapter One: Discusses what a great power means in international relations , the problem statement, objectives, justification, theoretical framework, literature review as well as the methodology to be adopted by the study.

Chapter Two: Discusses South Africa military capabilities, and if they qualify as great power.

Chapter Three: Discusses South Africa's industrial/economic development and if they qualify as great power.

Chapter Four: Discusses South Africa's political stability, issues of ideology, foreign policy and democratization.

Chapter Five: Summary, conclusions and recommendations

CHAPTER TWO

SOUTH AFRICA MILITARY CAPABILITIES

2.1 Introduction

South Africa military capabilities can be illustrated in terms of human resource, financing as well as involvement in Peace Support Operation's (PSOs), Le Roux and the ISS argued that: ...the Defence Review define the primary functions of the South Africa National Defense Force (SANDF) as 'to defend South Africa against external military aggression' and determines that the SANDF should be designed mainly around the demands of its primary function. It determines, incorrectly and in contrast to its own defence strategic logic, that peace support operations is a 'secondary' task and should ideally be executed largely by means of collateral utility inherent in the design for the primary function, defence against external aggression.

However, as Williams correctly pointed out secondary tasks more as a rule than not, become the day to day tasks for the armed forces, because the primary tasks often only are relevant in times of war and crises. The ISS argument can therefore be interpreted in two ways, i.e. that the PSOs should in fact be securitized because of its existential importance to South African national security and hence prioritized in the same way as defence against external aggression, or it could be seen merely as a wish to have increased priority given to PSOs deployment beyond the collateral utility.

In the case of the latter it would in fact still be a secondary task, but with increased priority as long as no direct threat against South Africa can be detected. In the case of the first interpretation it seems unrealistic, because despite the stated priority given to Africa and the statement from government officials that South Africa's destiny is tied to Africa, it has so far not be possible to detect that this is an issue that merely operates within a normal political framework. Since the passing of the Defence Review, the DOD and the policy-makers have decided that, in addition to its primary objectives, the SANDF has to provide extensive support to South Africa's diplomatic efforts in Africa. PSOs are something that the SANDF

is expected to be able to undertake. However, the political level also expects the armed forces to be able to take the lead in both African-led PSOs and the building-up of the security architecture. Part of having the role as a benign leader is that South Africa must be willing and able to undertake the role as the lead nation in African PSOs. This was, for instance – as previously mentioned – stressed at the AU level, where the bigger nations have special tasks in the ASF.

The expectations to South Africa come both from the global and regional levels and must be seen as requirements if South Africa wants acceptance of its benign role. Participation in and contribution to international PSOs is, generally speaking, an effective and widely used way of improving a nation's international image. Argentinean participation in the SHIRBRIG cooperation is just one example of this. It is therefore not only a consequence of external pressure that make South Africa undertake this task, but also a result of domestic pressure and ambition because it serves, broadly speaking, what the government consider to be South Africa's national interests.

2.2 Role for the SANDF and South Africa in Africa

The many years of military counter-insurgency operations in southern Africa meant that South Africa was perceived as possessing, in relative terms, a significant military capability. It was therefore supposed that it would be able to play a central part in the resolution of future conflicts in southern Africa⁷¹. However, the first post-apartheid decade showed South Africa to be very reluctant to undertake this particular international military role for both practical and political reasons. Politically it proved difficult to deploy the new SANDF in international missions in Africa, just a few years after its predecessor, the SADF⁷², had itself been a main source of conflict. The SANDF has also undergone a far-reaching transformation and reduction process following the transition to democracy in 1994. The

⁷¹ Alden, Chris & Martin, Guy, 2003 Eds. *France and South Africa: towards a new engagement with Africa* Protea Book House, Pretoria,

⁷² The name of the South African armed forces was changed in 1994 from SADF to SANDF to mark the transition.

defence budget has been reduced to 1.6% of GDP, one of the lowest percentages in southern Africa. However, the Pretoria government has slowly come to acknowledge that the military tool is instrumental in its attempt to fulfill the country's post-1994 foreign-policy ambitions. This resembles what Adrian Hyde-Price argues of the EU, that it can only function as a "civilizing power" if it is also a "Centaur"⁷³ – half man and half beast – willing and able to use force as part of a comprehensive security strategy. South Africa cannot achieve its diplomatic goals in Africa without being willing to use its coercive tool: that is, there can be no effective South African engagement with the African Renaissance without the support of the SANDF.

That said, the international role being played by the current government is somewhat different from that of the white regime during the apartheid era. The perception of threat differs significantly from the P.W. Botha era especially, when the National Party government saw South Africa as the target of a total communist onslaught. At that time, the SADF had to deter this threat and redirect the confrontation away from South African soil. Today Foreign Minister D. Zuma has claimed that the SANDF is an integral part of South Africa's new foreign-policy ambition of creating an African renaissance⁷⁴. Nevertheless, until 1998 and the South African-led military intervention in Lesotho, the ANC-led government was reluctant to commit troops to PSOs.

In 1996 the government produced a White Paper on Defence, followed in 1998 by a Defence Review that attempted to implement the White Paper's recommendations, but in general it lacked a policy on the deployment of the SANDF in international operations. Another problem for the government was that the SANDF was in the middle of a transformation, integrating and training a large number of former nonstatutory members so that they could function in a conventional army. At the same time the statutory members had to learn how to be a civilian-controlled armed force in a democratic society. Then, in 1999, the ANC government issued a White Paper on South African participation in peace missions that was supposed to set the guidelines for the country's commitment to international missions. The

⁷³ Machiavelli, Niccoló Fyrsten Borgens Forlag 1962 2. udgave, 5 oplag, Holstebro 1997.

⁷⁴ Speech by Foreign Minister Zuma at SAIIA, 1 November 1999.

first real test of the new guidelines was the South African-led African force sent into Burundi, in which South Africa acted as the lead nation in a mission tasked to monitor the peace agreement that had been brokered by South Africa itself. Shortly afterwards a large contribution was also made to the UN mission in DR Congo with the French acronym MONUC.

This was the first time that South Africa had participated actively in a peace process beyond the negotiations or deployed a military force in an attempt to implement and monitor an African-negotiated peace deal. The implications of this development for South Africa and the SANDF have been that international expectations concerning the country have now been expanded to include significant participation and acting as the lead nation in future African peace missions. The first example of this was seen in Burundi, where the SANDF was deployed together with troops from Mozambique and Ethiopia. The international community was looking to South Africa because it seemed to be the only state in sub-Saharan Africa (SSA) with the necessary military capacity and will to act as the lead nation in these types of operation. The question that remained was to establish whether, both politically and militarily, South Africa had the capability to undertake this kind of task.

The SANDF (and before that the SADF) had a reputation within military circles of having high military standards equivalent to those of most first-world countries. South Africa has been very active in the formation of the so-called African Standby Force (ASF), which, according to the plan, by 2015 should be able to provide the African Union (AU) with a rapid reaction capability consisting of five regionally based brigades. The responsibility for PSOs in SSA and the creation of the ASF structures have to a large extent been placed upon the regionally dominant states, for instance South Africa in southern Africa and Nigeria in West Africa.

Military co-operation in SADC is, after some years of internal struggle, beginning to take shape and seems today more than just a long-term ambition. For the SANDF, this poses some concrete challenges because its existing strategies and doctrines have turned out to be insufficient: that is, its 1996 White Paper on Defence and the subsequent 1998 Defence Review do not match the tasks that the SANDF is being required to undertake. Internally, it

will have to continue its process of reform and transformation, shaping it to the task which lies ahead by making the best use of the limited resources available and enabling it to serve the interests of the republic. It will always be debated in a society like South Africa's, where a third of the population live in poverty, whether these resources might have been better used elsewhere. This is especially the case with a technologically relatively advanced force, which, as Gilpin points out, tends to become increasingly expensive⁷⁵.

2.3 Transformation and the New Defence Posture

In 1994, the SANDF had to create a new 'raison d'être', especially following the years of destabilisation through the SADF, and, as part of the transformation process from apartheid, it had to transform itself into a civilian-controlled armed force operating in a democratic society. The new Defence White Paper from 1996 and the subsequent 1998 Defence Review were inspired by the principles of non-offensive defence in an attempt to create a force that was not considered a threat by South Africa's neighbours, but still had the capacity to deter any potential aggressor. Since 1994, the force's "offensive" capability, that is, its ability to strike first, has therefore largely been removed, according to the SANDF and the ANC government. Nevertheless, Defence Minister Lekota has on several occasions stressed that the primary objective of the SANDF is still to protect the integrity and sovereignty of the state and the SANDF is therefore not going to be transformed into just a peacekeeping force, despite the increased demands on the force for its participation in international PSOs⁷⁶.

However, assistance to the government's foreign policy, primarily in the form of PSOs, has become an increasingly important day-to-day task for the SANDF. During the first deployments in 1998, the force had only limited experience of international PSOs. Today it is an integral part of South Africa's foreign policy and has increasingly been asked to participate in robust peace-keeping and even peacemaking, that is, operations under either UN Chapter VI with robust elements added or Chapter VII mandates. UN and African-led

⁷⁵ Gilpin, R. 2001. *Global Political Economy: Understanding the International Economic Order*. Princeton, N.J.: Princeton University Press

⁷⁶ Jordaan, Evert and Abel Esterhuysen, 2004, *South African Defence since 1994: The influence of Non-offensive defence* *African Security Review* 13(1),

PSOs in the 1990s generally suffered from insufficient mandates and resources and open-ended commitments. The South African government seems to have acknowledged this insufficiency and has in several instances chosen to overrule its own conditions for the commitment of South African troops put forward in the White Paper on Participation in Peace Missions by committing troops to open-ended missions without clear exit strategies, mandates, or rules of engagement (RoE)⁷⁷. The alternative would have been not to deploy SANDF in these operations. This has increased the demands and challenges for the SANDF when deployed. South Africa's commitment of troops to the Burundi mission, despite the lack of a peace agreement with one rebel group, is instructive in that respect.

Deployment into such a situation increases the risks to the force significantly, and it needs to be able to defend itself and act proactively if need be, for example, using force to pre-empt military takeovers, or even imposing consent. For such operations, the SANDF will therefore need flexibility and sophisticated military equipment, as well as being a well-trained and disciplined military force.

2.4 Foreign Policy and Military Power

As shown previously, a military capacity is increasingly considered a necessary condition for South Africa to achieve its foreign policy objectives, which is why it is important to cover this gap in the literature. It seems that the academic literature on South Africa's foreign policy though often mentioning the increased military contribution, has neglected to make a comprehensive analysis of this foreign policy tool, and therefore of South Africa's combined capacity as a state and a foreign policy actor. The presentation shows that the military dimension in foreign policy has so far not been given substantial attention, which is why this study presents a new contribution to the existing research field on South Africa's international relations.

⁷⁷ Shelton, 2005, Garth South Africa's Defence Policy and an Updated Defence White Paper IGD, Global Insight, No 45, March

Like any regional heavyweight, South Africa will be damned if it does act and damned if it does not act to resolve regional conflicts. This is one of the most widely debated issues on South African foreign policy, whether seen through an analysis of its involvement in handling the Zimbabwean crisis, in its capacity as a mediator in Burundi or in the integration process in SADC. In the literature, big differences exist concerning the interpretation of this role, often with a normative twist to it, i.e. that South Africa has a special role and responsibility in Africa. A question which is often debated in the literature is South Africa's capacity in exercising this role and responsibility.

According to Alden and Maseko, the idea that South Africa has a special role and responsibilities in Africa is not only the product of domestic political ambition in South Africa itself, but also the result of international expectations from, for instance, former Tanzanian President Julius Nyerere, who is quoted for requesting that South Africa take up its responsibilities in Africa. A statement from then US Ambassador to South Africa McNamara in 1996 supports this interpretation. He stated that: ...we encourage South Africa to consider what its proper leadership role should be on African and global security issues. This country's political, economic, as well as military; capabilities make it an important player in the areas of conflict prevention, arms transfers, and non-proliferation. And the moral stature gained through your peaceful transition to democracy has made South Africa a country that people around the world look to. The US Government looks forward to continued cooperation with South Africa as we tackle security challenges around the world⁷⁸.

According to Henwood, the ANC leadership has deliberately tried to use its nonaligned position internationally to create a role as a peace broker in international disputes between the centre and the periphery⁷⁹. This was the case in the negotiations following the dispute between the EU and UK on the one hand and Libya on the other following the Lockerbie bombing, which led to a financial settlement in 2003. There was also South Africa's attempt

⁷⁸ Vale, Peter & Maseko, 1998, Siphos South Africa and the African Renaissance International Affairs Vol. 74, No. 2, pp. 271–287.

⁷⁹ Henwood, 1997, Roland South Africa's Foreign Policy: Principles and Problems In Solomon, Hussein (eds.), Fairy Godmother, Hegemon or Partner – In search of a South Africa's Foreign Policy Institute for Security Studies, Halfway House, Monograph no. 13,

to broker a deal between the warring parties in East Timor in 1999. Furthermore, the government repeatedly held talks with the Iraqi regime up until the coalition attack in March 2003, and it also brought the parties to the Israeli-Palestinian conflict together by facilitating talks between them. However, South Africa's leadership role and ambitions do not go uncontested by its partners in Africa. In the contemporary academic literature South Africa is generally described as a regional power, though differences exist concerning its capacity to exercise that role. It has been described as a regional power, debating whether it is a regional (emerging) hegemonic and an international "middle power", and sometimes even a combination of these labels is used. Though differences exist over the content of the "label" to be used for South Africa's role, broad agreement exists on the fact that South Africa is in a heterogeneous power relation with at least its immediate region.

Alden and Vieira argue that, since Thabo Mbeki's inauguration as president in 1999, South Africa has increasingly acted with confidence and sees itself as the natural leader of Africa⁸⁰. However, the increasing international penetration, and especially China's increasing influence on the continent, could create problems for the South African project because China offers an alternative route of development. South Africa's attempt to project its leadership has been characterized by an attempt to be the "gentle giant", as Van der Westhuizen called the South African approach back in 1995.

However, according to Alden and Le Pere, the ambition to achieve continental leadership is being negatively affected by the crisis in Zimbabwe and the ANC government's handling of the situation, while the increased Chinese presence on the continent is also putting this benign strategy under pressure. Exercising leadership requires acceptance and trust towards South Africa from especially its (sub-) regional partners⁸¹. As Hammerstad, in a slightly different context on security cooperation in SADC, argues, "it is easier to destroy than build trust and mutuality between and within states"⁸². Along the same lines, Nathan argues that

⁸⁰ Ibid

⁸¹ Ibid

⁸² Hammerstad, Anne Domestic threats, regional solutions? The challenge of security integration in Southern Africa *Review of International Studies* (2005), vol. 31, pp. 69-87

the Pretoria government is very sensitive to being perceived as a bully in its dealings with the other African states⁸³. As Spence argues, a critical South African stand towards Zimbabwe may dismantle the attempts made by South Africa to construct trust between regional players and the continent more generally, which could jeopardize its long-term strategy. The quiet diplomacy approach has the downside that it might frighten off potential private investors and western actors because the ambition of succeeding with the long-term strategy has so far not permitted any criticism of states like Zimbabwe⁸⁴.

According to Landsberg, among others, as part of its so-called “peace-diplomacy” South Africa has nevertheless tried to play a constructive role as a ‘peacemaker’ in an attempt to end conflict and reconcile former enemies in Africa. It has been actively involved in the peace processes as a mediator in the DRC, Burundi, Zimbabwe, Lesotho, the Comoros, Sudan, the Ivory Coast, Liberia, East Timor, Lockerbie, Sri Lanka, and most recently Uganda. The government has attempted to draw on and use its own domestic experiences from its negotiated transition to democracy and transferred them to these peace processes⁸⁵.

The role of the SANDF as a tool in propping up these diplomatic efforts and in implementing negotiated settlements has become increasingly important. According to Landsberg, amongst others, another problem faced by the ANC leadership was that its negotiating strategy was sometimes considered too harsh by the belligerent parties because the result of the peace negotiations often included an element of power-sharing and political reform, something which often runs counter to the interest of the old elites⁸⁶.

⁸³ Nathan, Laurie. 2004. *The Absence of Common Values and Failure of Common Security in Southern Africa, 1992-2003 Crisis States Programme*, LSE, Working Paper No. 50, July

⁸⁴ Ibid

⁸⁵ Landsberg, Christopher .2004. *The Quiet Diplomacy of Liberation: International Politics and South Africa’s Transition* Jacana Media, Johannesburg,

⁸⁶ Ibid

2.5 Constraints within the Army

Various challenges face the SANDF. During 1997/98, the SA Army faced a series of major budget cuts – becoming a financially driven organization rather than a ‘needs’ driven SA Army. The result of budget ‘cuts’ then and now, is a very expensive SA Army HR component – ‘eating up’ two thirds of the allocated budget, leaving the Capital and Operating environment with only a third of the budget. The limited resources available constitute a major constraint on the SANDF’s capabilities, but according to the strategic plan it will be able to conduct international operations within the framework provided by the defence budget.

However, it is also clearly stressed that, due to the limited resources available, the maintenance of existing equipment is insufficient, because the focus has been shifted to the sectors of the armed forces that are strategically considered to be of vital importance to the state. In June 2004, the South African Parliament’s Defence Ad Hoc Committee was briefed on the new defence budget, including in particular the state of the army. According to Major-General Lusse, military vehicles have been a problem, although most of the critical equipment has been replaced. Tanks are more than fifty years old and support vehicles thirty.

The weapons acquisition programme could take ten to fifteen years to realize, which, in Lusse’s view, creates the danger of block obsolescence, destroying specific Army capabilities as major investments in the army have to wait until after the completion of the first phase of the SDP. For instance, according to the DA’s spokesman on Defence, only 12 of the army’s “Rooikat” armoured vehicles are in use and 15 out of 24 of the navy’s vessels operational, while the SANDF Landward Capability is at only 45% of capacity.⁵³ As previously mentioned, the current levels of conventional readiness and deployment are unbalanced and unsustainable in relation to the current resources available. There is thus an urgent need to prioritise resources or allocate more of them. However, once a military capability has been removed, it takes a long time to re-establish it again. The consequence is, of course, that defence planning must be directed by these basic primary defence objectives and not driven by finance.

According to the Minister of Defence, the SANDF's priorities for FY 2004/05 were to support the government's diplomatic drive in Africa and promote regional security in the form of peace missions, as well as restoring the force's conventional defence capability.⁸⁷ The human resource composition constitutes a problem for the SANDF because its current staff members, due to personal circumstances such as age, family status, economic dependents and health status, are less flexible and mobile. A high rank-to age ratio plagues the SANDF because personnel even at the private level are of relatively advanced ages. In addition, their family status, often with wives and children, makes it difficult to deploy these members too frequently. This underlines the dichotomy between political intentions and stated will on the one hand and the resources allocated for these intentions to become a reality on the other.

The South African army suffers from a lack of funding, which has resulted in insufficient maintenance of even primary mission equipment, with significant negative effects on the first line of defence capability, taking into account that this has been singled out as the main priority of the force. Given that there are only limited funds available for the renewal of equipment, this will lead to block obsolescence in the medium term, with direct negative consequences for South Africa's ability either to deploy forces in international missions or to carry out its primary domestic tasks⁸⁸. The SANDF has also been a 'victim' of the general international tendency of governments to sub-contract new tasks and responsibilities to the armed forces without allocating them the additional funding. In South Africa, for instance, in 1998 responsibility for border control was transferred to the SANDF without additional funding – a huge task, given the budgetary resources available and the country's size. This happened in the same period when some of the most dramatic budgetary cuts in the DOD were being implemented.

⁸⁷ DOD Strategic Business Plan for the FY 2004/05 to FY 2006/07, Chapter 1, p. 2.

⁸⁸ Ibid

2.5.1 The AIDS/HIV Virus and its Consequences for SANDF's Capabilities

The South African National Defence Force has not failed to meet any of its United Nations or African Union peacekeeping obligations because it was "running short of soldiers not infected with HIV/AIDS". This comment was made by the governing party in its weekly newsletter as a response to an article in *The Economist* entitled 'A man of two faces'. Technically speaking, it is correct to say that so far the SANDF has been able to field the required number of soldiers to fulfill its international commitments⁸⁹.

The HIV/AIDS pandemic has hit South African society and its armed forces particularly hard. According to UNAIDS, South Africa has one of the highest numbers of individuals in the world of people living with the disease, approximately 20% of the population. According to these figures, life expectancy will drop from 59 to 45 years within the next ten years, with severe negative consequences for the economy. As a microcosm of society in general, therefore, the SANDF is being strategically weakened by the pandemic, approximately 20% to 40% of its personnel being HIV positive. According to newspaper reports citing the SANDF health director, the current official figure is 23%⁹⁰. Although the first policy on HIV/AIDS was formulated back in 1988, it was not until 1999 that the DOD issued instructions on how to handle the crisis. However, awareness campaigns have been launched since 1996 and in 1998 HIV/AIDS was declared an issue of strategic importance. Force readiness, force morale, and levels of training and experience are all suffering from the pandemic⁹¹. The capacity to deploy forces in international missions is therefore also suffering because of the weakened ability of many individual soldiers to act in a stressful environment. Furthermore, it is estimated that 40% of all SANDF personnel who fall chronically ill have HIV, though it is difficult to collect statistics on this. Therefore, one of the greatest challenges facing the SANDF is that posed by HIV/AIDS or by related diseases such as cancer and tuberculosis, which are threatening to undermine the force's capabilities.

⁸⁹ Mbeki, Thabo Weekly letter from the president ANC Today, 22 April 2005.

⁹⁰ SANDF Health Service Director Pieter Oelofse, in AllAfrica.com, 20 August 2004.

⁹¹ Daniels, HIV/AIDS and the Cultural Challenge with Specific Reference to the SANDF Peace Operations

Given the policy only to deploy HIV/AIDS-negative soldiers, the SANDF has been left with a tremendous capacity problem. As Heinecken concludes, this will occur when, for medical reasons, the SANDF has to reconfigure its units before deploying them internationally because 30% of the force fails the medical test. This may severely undermine the force's capabilities if the central element in a unit has to be replaced immediately before deployment. Another side to this problem is whether it is necessary and right to exclude individuals just because they are HIV-positive. It could be argued that the SANDF would be serving both its own and the country's interests if the criteria for non-deployment were that the individual had already developed AIDS or that there was a risk that he or she might have to be repatriated during the deployment⁹². This would solve the question of discrimination without negatively affecting the capabilities of the forces that have been deployed to the same extent.

As long as the individuals concerned do not need medical treatment for their condition, they should be seen as assets. However, that would risk reflecting negatively on the South Africa's international standing, especially as long as the force facing the problems with its personnel that has been witnessed during the present international operations. The SANDF also needs to consider the fact that most staff members catch the virus while in the service⁹³. As Heinecken argues, this is an area where the SANDF needs to act because catching HIV/AIDS is connected with patterns of sexual behaviour among its personnel. In the coming years, the SANDF will lose 20-40% of its capacity due to HIV/AIDS-related deaths or early retirements, and not necessarily among the pool of surplus staff. We have only just begun to see the impact this will have on the SANDF and its consequences for national security. Although HIV/AIDS is not a security problem in itself, therefore, its effects are. Thus, a defence force or a state can lower physical requirements to avoid discrimination, but in doing so it is also reducing the force's capabilities.

⁹² Heinecken, L.1994. "Regional Involvement: Attitudes of SANDF Officers towards future Military Missions", Strategic Review for Southern Africa, vol. 21, no. 1, pp. 44-65 .

⁹³ Ibid

2.6 Summary

Since 1998, the academic debate dealing with the SANDF's foreign policy role has changed from asking whether it should play a role in foreign policy to whether it has *Diplomacy of Liberation*, thatSouth Africa has overstretched itself in African peacekeeping and peacemaking in a bid to assume great power status. This was done to boost South Africa's image as peacemaker.

Alden and Le Pere⁹⁴, arguing along similar lines, concluded in their 2003 study of South African foreign policy that South Africa's ambitious foreign policies are in need of adjustment because of constraints that hinder its ability to reach these ambitious goals, including a lack of capacity in the SANDF and the DOD. In opposition to this, in 2004 Jack Spence argued, in an analysis of whether South Africa is in fact an emerging power, that: The country has a respectable military capability (though opinions vary about its effectiveness); and new capabilities have been purchased from abroad. There is, in addition, a local arms industry of substantial substance..... in order to be defined and regarded as an emerging power a military reputation is essential.

Sidiropoulos and Hughes⁹⁵ suggest that so far South Africa has had greater success in dealing with conflict by using a more interventionist strategy, including the SANDF, in for instance Burundi and the DRC, as opposed to the non-interference strategy used towards Zimbabwe. Along the same lines, Habib and Selinyane conclude that, wherever South Africa has chosen to use its hegemonic potential in an interventionist manner, it has been able to bring stability to that country through political and sometimes military means.

That South Africa has capacity problems within its defence force is nothing new. Neethling cites the former Chief of Joint Operations, Godfrey Ngwenya, who, back in 2003, warned against deploying more troops because this would overstretch the SANDF's capacity.³¹⁶ Neethling concludes in his article that, because of South Africa's role in Africa,the

⁹⁴ Ibid

⁹⁵ Ibid

country has no choice but to accept participation in multinational peacekeeping as a foreign policy priority. ...the government believes that close political-military involvement in regional and continental matters should be pursued.

He furthermore argues that the military planners must prioritise capacity building for peacekeeping because the current demand will continue and grow in the future. According to Le Roux, some of the reasons for these problems stem from a lack of political inputs during the defense review process, especially in developing a clear foreign policy, which could be used as guidance in shaping the defence policy. Kent and Malan argue that the experience of the SANDF's initial involvement in Burundi showed that South Africa had been singled out to function as the lead nation in the mission, i.e. provide the framework for the operation.

According to them, South Africa thereby set itself up to take full credit for the success or failure of the mission. In another article, Heinecken points out that, due to the widespread proliferation of HIV/AIDS in the SANDF, it will experience a capacity problem when, for medical reasons, it has to reconfigure its units before deploying⁹⁶.

⁹⁶ Ibid

CHAPTER THREE

SOUTH AFRICA'S INDUSTRIAL/ECONOMIC DEVELOPMENT

3.1 The South African Energy Sector

The South African economy is energy-intensive, using a large amount of energy for every rand of value added⁹⁷. South African energy is dominated by coal, which contributes 70% of primary energy, so that the economy is therefore also carbon dioxide-intensive. Local coal is cheap and this results in low energy costs, particularly for electricity, which is the cheapest in the world. South Africa has little oil and most of its crude is imported. South Africa obtains useful amounts of energy from biomass and nuclear power, with smaller amounts from hydropower, natural gas, solar and wind. Much of the primary energy is transformed into final energy, such as electricity and liquid fuels. The country's final energy demand in 2005 is estimated to be 2400 PJ (excluding marine bunkers and non-energy fuel use), consisting of electricity (24%), coal (24%), liquid fuels (26%), biomass (15%) and with natural gas and other renewable less than 1%⁹⁸.

Approximately 28% of South Africa's liquid fuel needs are produced from natural gas (5%) and coal, with relatively expensive, crude derived oil, providing the balance. The low cost of energy has helped provide a competitive advantage, and encouraged the growth of energy-intensive industry, such as aluminum smelting and mining. The use of this low-cost energy is inefficient, and there are significant opportunities to save energy cost effectively via energy efficiency measures. Further, these measures will not necessarily change the economy's energy-intensive structure⁹⁹, but rather move it towards better practice and closer to its efficient frontier. Several studies have documented reasons for the non-realization of these

⁹⁷ Hughes, A, Howells, M & Kenny, A 2002. Baseline Study: Energy Efficiency. Energy Research

⁹⁸ ERC [Energy Research Centre] 2005. Unpublished data, Energy Research Centre, March 2005.

⁹⁹ Ibid

energy savings (DME 2004)¹⁰⁰. Recently the South African Department of Minerals and Energy (DME) developed an energy efficiency strategy in order to help realize policy goals. While the DME has supported energy efficiency initiatives (DME 1998)¹⁰¹, there has been very limited active policy.

3.2 Historic Pattern of Industrial Development in South Africa

After the first industrial phase in the city, which is characterized by the introduction of import substitution, the scale of industry shifted dramatically, towards larger establishments, higher capital to labour ratios, the growing importance of foreign capital investment, and the increased application of mechanised, assembly-line labour processes. This transformed the type of labour required and African and Coloured workers were increasingly drawn into the semi-skilled operative employment in mass-producing industries. Such workers were in a position to organise and shape production according to their own interests. This has had important implications for labour as from the 1970s, the black semi-skilled workers began to organise what would become the most powerful industrial union in the country (Adler, 1993)

As a result of the local content programme in the 1960s, the significance of imports of CKD kits declined relative to locally-produced goods, and Port Elizabeth's harbour became a far less important factor in shaping the decisions of firms to operate there. "Port Elizabeth may have had the sea, but the arid PWV had steel, capital, and the bulk of the market"¹⁰². The transitions from import, to assembly, to manufacturing thus repeated a milliar19thcentury pattern whereby Port Elizabeth's growing, but not deeply rooted economy lost out to the

¹⁰⁰ DME [Department of Minerals and Energy] 2004b. Draft Energy Efficiency Strategy of the Republic of South Africa. DME, Pretoria.

¹⁰¹ DME [Department of Minerals and Energy] 1998. White Paper on Energy Policy for South Africa. DME, Pretoria.

¹⁰² Adler, G. (1993). "From the 'Liverpool of the Cape' to 'The Detroit of South Africa': The Automobile Industry and Industrial Development in the Port Elizabeth-Uitenhage Region", *Kronos: Journal of Cape History*, 20, pp.17-43

development of other centres in the country (Adler, 1993)¹⁰³. In 1980 the Port Elizabeth metropole was considered an industrial centre as it contributed 40% of GGP and employed almost 30% of the labour force. The most significant sub-sector was that of automotive and components which had been central to the industry for many years. In fact, in 1978 this sub-sector accounted for just over 50% of the value of the area's manufacturing industry production. It is evident that the city has been reliant on the automotive and component sub-sector since the 1920s¹⁰⁴.

Although the Port Elizabeth metropole experienced a period of relative prosperity as did the other metropolitan centres in the country in the 1950s and 1960s, industrial stagnation and decline were evident in the 1970s and 1980s. Perhaps one of the most serious influences was the vulnerability of an undiversified industrial sector to respond to periodic recessions and inappropriate macroeconomic policies. In the second place, structural changes which altered the international division of labour in the international economy may have contributed to a change in the inter-regional division of labour in Southern Africa. Thirdly, certain structural weaknesses arose from national government's policy of tariff protection, limiting the ability of local manufacturers to compete in the national and international markets. Fourthly the policy of import substitution, although initially introduced to protect final consumer goods, was extended to include the protection of intermediate and eventually capital goods – industries in Port Elizabeth faced the greatest disadvantage in competing with outside producers due to the cost-cutting effect of the policy to protect material inputs. In the fifth place, the policy of industrial decentralisation, perhaps the major reason for the relative shift of manufacturing activity at both national and regional level played an important part. Further, the manufacturing sector in the area displayed "a bias towards the production of final consumer goods for the non-local South Africa market, using manufactured inputs

¹⁰³ Ibid p.60

¹⁰⁴ Ibid p.60

procured from non-local sources”¹⁰⁵. Unfortunately this kind of industry has a significant disadvantage when competing on a global level and characterizes local industry.

The decline in the area’s share of national motor vehicle production from nearly 60% in 1965 to around 30% in 1986 was largely due to the structural changes in the motor industry at national level. This was largely due to the effects of the local content programme and the inability of the industry to realize economies of scale in a relatively small domestic market served by too many producers. The decline had a serious ripple effect in that it impacted on a number of other component manufacturing industries, largely because the textile, chemical, rubber products, metal products, machinery and electrical machinery industries all sell a significant proportion of their output to the motor sector¹⁰⁶. The overall result was a long-term period of stagnation for the metropole during the 1970s and a decline in the 1980s. Despite signs of export activity in later years, the industry is still far behind its competitors and will face some major challenges. In particular, there has been growth in the automotive component industry in the city in more recent times¹⁰⁷. Adler¹⁰⁸ suggests that it is impossible to predict whether some new industry will arise “to supplant the motor industry, as it supplanted wool export, whether the automobile industry can be turned around, or whether the industry will continue to decline.

Besides the automotive and components industry, the other predominant industries in Port Elizabeth are: - the chemical; metal, metal products, machinery and electrical machinery;

¹⁰⁵ Wallis, J. (1986). An Analysis of the Manufacturing Sector in the Port Elizabeth/Uitenhage (PEU) Metropolitan Area, Working Paper N0.32, Development Studies Working Papers, Institute of Social and Economic Research, Rhodes University.

¹⁰⁶ Ibid p.61

¹⁰⁷ Robinson, J. (1990). ““Progressive Port Elizabeth”: Liberal Politics, Local Economic Development and the Territorial Basis of Racial Domination, 1923-1935”, *Geojournal*, 22.3, pp. 293-303, Kluwer Academic Publishers.

¹⁰⁸ Ibid p.60

textile and clothing; and the food and beverages industries. Due to the industrial development policies in existence at that time, their location was a significant disadvantage in terms of distance from the main markets, limited export potential, and the close ties with the motor industry. It is clear that the problems experienced by the Port Elizabeth area in the 1970s and 80s were the result of national economic forces, but also the particular characteristics of the area's own economic fragility.

Despite the apparent lack of dynamism in the other main manufacturing industries, certain industries that could be considered "propulsive manufacturing industries" according to certain criteria in the Eastern Cape were identified. The exercise revealed that the industrial "hubs" in the area had a particularly strong relative advantage in the production of textiles, clothing, electrical cables and conductors, microelectronics and motor components, and in the processing of food items like dairy products, meat, vegetables and fruit. In the Port Elizabeth metropole, the links with the hinterland were considered to make it a potentially profitable location for the processing of wool, mohair, skins and hides, depending on the ability of the city to penetrate certain foreign markets.

3.3 The Nature of Industrial Development in South Africa

Port Elizabeth is the largest city in the Eastern Cape Province, which is the second largest province in terms of surface area of the nine existing provinces in the country. The city houses just over 1 million inhabitants, and this represents eighteen percent of the almost 6.5-million people living in the province. In 1994, in the region of 360,000 inhabitants were part of the labour force in the city, and the total labour force contributed almost 60% to the total GGP output in the province¹⁰⁹. The latest GGP figures available for Port Elizabeth indicate that the city had a growth rate of 2.0% in 1994, an increase over the lower figures during the early 1990s. The national contribution to total output for the same period was 2.1%, suggesting that the performance of the city of Port Elizabeth successfully remained on a par with the rest of the country. The manufacturing sector is the largest in Port Elizabeth in terms of the size of its relative contribution to the GGP, even though this contribution declined

¹⁰⁹ Ibid

during the 1980s. In fact, the percentage contribution of the manufacturing sector declined from 40% in 1968 to around 36% in 1991. Recent statistics suggest that by 1994 the relative size of the manufacturing sector in Port Elizabeth had fallen to one third of the total contribution to GGP.

The community and general government services sector contributed almost 20% to total GGP for the city in 1991 and similar figures were reported for 1994, but have grown considerably from 1.6% in 1968. The trade and catering sector contributed the third largest percentage to GGP in 1991 and in 1994. Although the percentage contribution has not changed much since 1968, there has been an increasing contribution from 13% in 1980 to in the region of 17% in 1994. Of these three sectors, which contribute the largest percentage of GGP in comparison with the other sectors, manufacturing has been in decline since 1980, while community and general government services and the trade and catering sectors have been growing. Other than the financial and real estate services sector, for which the GGP contribution has increased from around 11% in 1980 to just over 17% in 1994, the community and general government sector and the trade and catering sector were the only two economic sectors to experience significant growth during the 1980s and early 1990s¹¹⁰.

In terms of employment figures, the total labour force in Port Elizabeth numbered almost 360,000 people in 1994. Of this figure, 160,000 were formally employed, just over 140,000 were unemployed, with the remaining number of just over 55,000 employed in the informal sector. Between 1980 and 1994, the percentage of those that were formally employed dropped from 80% to 44%. During this same period, unemployment escalated sharply from 16% to almost 40%, and employment in the informal sector increased from 3% to 16%¹¹¹. In 1991 approximately 32% of the formally employed were engaged in the manufacturing sector, and there was a similar amount of people employed in the community and general services sector. These two sectors accounted for the highest percentage contribution of employment.

¹¹⁰ Spence, J. 2004. South Africa's Foreign Policy: Vision and Reality. In: Sidiropoulos, E. (ed.). *Apartheid Past, Renaissance Future: South Africa's Foreign Policy 1994-2004*. Johannesburg: South African Institute of International Affairs, pp. 35-48.

¹¹¹ Ibid

Between 1980 and 1991, there was an increase in formal employment in the following sectors: - community and general government services, finance and real estate, trade and catering and construction. These statistics suggest that without major investment in the city, manufacturing activity is unlikely to be a major source of employment growth in the future, unless it occurs in sub-sectors that are expanding, such as components in the automotive industry.

After the election of the new government in 1994 many international firms became interested in reinvesting in the country. Until then, the city of Port Elizabeth experienced many years of isolation from the international economy. This had a significant influence on the nature of industrial development in that it primarily focused on the satisfaction of domestic demand; more recently, however, the export orientated stance promoted by national government has challenged industry to respond to global markets. The city of Port Elizabeth is traditionally known for its' automotive and components agglomeration industry. This sector is well represented in the city, with three of the seven assembly firms in the country including Volkswagen SA, Delta Motor Corporation, and Samcor being located there. There are in the region of 300 component producers in the country, of which around 120 are in Port Elizabeth. This industry is fairly concentrated in South Africa with nearly 50% of total employment and an even greater percentage of output being employed by fourteen large firms that employ over 1,000 workers. Largely due to the changing trade and industrial policy environment, and the introduction of the Motor Industry Development Programme (MIDP), exports have risen sharply in the country as a whole with an annual rate of increase of 47% from 1988 to 1996. In the 1994-96 period, the bulk of exports has been limited to a relatively small range of products with seat parts and leather seat covers (31.1%) and catalytic converters (12%) being most dominant (Department of Trade and Industry, 1997).

Although exports have risen sharply in the automotive components sector, the reduction of protection has been difficult for the automotive and components industry. Despite a dip in profits, as experienced in 1996, the sector seems to have risen to the challenges of reduced protection, and is performing well. As the sector has become more integrated into the international economy, the structure of the industry has changed rapidly. Firms have been

encouraged to become more competitive on global markets by lowering costs, and this has led to market expansion and a growth in exports. There has also been an increase in investment, particularly of foreign direct investment in both the assembly and component sectors. The main challenge for the sector is rationalization so that the high volumes that are necessary to compete on global markets can be attained. Unfortunately, there is a paucity of information available on a sub-sectoral level about the other industries in the area. One study revealed that there seems to be export potential in the textile, wool and mohair; leather and footwear; food processing and automotive and components sectors – four of the potential cluster sectors in the Fish River Spatial Development Initiative¹¹².

The manufacturing sector in the Port Elizabeth metropole employed a total of around 66,000 workers in 1993, and 69,000 in 1988 (a decrease of 4% in two years). The total number of manufacturing establishments that were officially registered in 1993 was 698, and in 1988 there were 605 establishments recorded. In 1993, there were 1,267 manufacturing establishments officially recorded in the census in the Eastern Cape Province, and a total of 105,126 people were employed to work in these factories. The Eastern Cape figures fell in the two years since the 1991 Census, when the number of establishments totaled 1,300 and the number of those formally employed in this sector was in the region of 120,139 workers.

A survey of 430 manufacturing establishments in the city in 1993 found that 63 of the firms had more than 200 employees. This means that approximately 15% fell into the category of “large” business. In the same year official manufacturing statistics for the Eastern Cape suggest that the employment breakdown was skewed towards the small and medium size of enterprise. In fact, in the region of 85% of the industries fell into an employment size of less than 100 employees. In view of the fact that 55% of the manufacturing establishments in the Eastern Cape were located in the Port Elizabeth metropole, it is safe to assume that a similar employment size pattern prevails in this metropole. An analysis of the main input materials

¹¹² Nel, E. L. (1996). Regional and Local Economic Development Strategies in the Eastern Cape and Guidelines for Future Development, Thesis, Rhodes University, December.

specified by these firms indicate that the most common input required was steel in various forms – piping, tubing, sheet, stainless, mild etc. A total of 32% of all the firms required this input. Some of the other inputs required by a relatively high percentage of firms included:- other metals, especially aluminum, wood, chemicals, and textiles¹¹³.

A survey of 160 formal manufacturing firms in the city shows that there are certain skills in short supply. In particular, blue collar skills seem to be most lacking – artisan, technical, supervisory, machine operating, basic literacy and spray-painting skills. The implications of these findings are that, in terms of the relatively high level of skills shortages reported, there are employment opportunities in the manufacturing sector that are not currently being exploited. However, it remains to be determined whether this phenomenon is due to a lack of information flow in the labour market or whether there is a shortage of these types of skills in the area. It should be noted, however, that the main method of recruitment of the formal manufacturing firms in the Port Elizabeth metropole is by “word-of-mouth”, and that firms are more likely to recruit staff from inside the firm than from outside the firm. The apparent lack of sufficient and effective linkages between local industry and local education and training institutions constrains initiatives to plan for the needs of industry. There is a high level of trade union presence in the Port Elizabeth manufacturing sector. Almost 90% of the 160 firms surveyed recorded that they experienced some kind of union presence. Just over forty percent of the firms in the sample cited the National Union of Metalworkers South Africa (NUMSA) as the main trade union to be officially recognised as representing workers. The influence of this union nation-wide is significant. Thus, the strength of this union and the high degree of presence of unions among manufacturing firms in the area is likely to have various labour market implications.¹¹⁴

¹¹³ ERI [Energy Research Institute]. 2000d. Energy Efficiency Guidebooks: Refrigeration and Thermal Saving. ERI, University of Cape Town.

¹¹⁴ Pakes, T. (1996a). The formal manufacturing sector in the Port Elizabeth metropole: its relationship with the formally employed, the unemployed and the self-employed, Research Report No. 64, Institute for Development Planning and Research, University of Port Elizabeth, April

The use of outsourcing as a more efficient and “flexible” method of production remains relatively unexploited, with an average of only five percent of the respondents reporting that their firms are engaged in production methods of this nature. However, outsourcing opportunities were mentioned by almost 40% of the sample, the dominant kind of opportunities being machining, cleaning, engineering and maintenance. A large number of other outsourcing opportunities were mentioned by the firms, however (Pakes, 1996a). From a spatial point of view, most industrial development in the city of Port Elizabeth has occurred in a north-easterly and north-westerly direction.

3.4 Local economic development strategies in South Africa

There has also been considerable interest in upgrading the airport to international status, and to relocate the petroleum tanks and manganese ore dumps from their harbour location to Coega so that the harbour can be redeveloped into a “waterfront” tourist attraction. Initiatives such as that planned to extend the Addo Elephant National Park growth of the city. Tourism is, in fact, often referred to as the sector with the most potential in the city – perhaps reflected

in the rising trade and catering official statistics - and it has been argued that it is important for the Eastern Cape to develop a “cohesive, strong branding or image for the region as a whole”¹¹⁵. The image of the Eastern Cape can sell not only tourism, but also industry and agriculture”. However, Hanival¹¹⁶ points out that a strong internal marketing exercise is “needed to encourage the people of this area to become their own best ambassadors, with a positive attitude, speaking with pride and enthusiasm of their special place in the national and global picture. The big challenge is that you need to take a very long term perspective of your product development”. The Eastern Cape is currently the fourth most popular tourist destination in the country, and is the fastest growing, receiving around 2.5-million tourists per annum. This is not surprising considering the number of game farms and nature reserves

¹¹⁵ Ibid

¹¹⁶ Hanival, S. (1996). Sectors, Clusters and Regions – The South African Fruit Processing Industry: Is the Climate Ripe?, Working Paper 1, DPRU Industrial Strategy Project: Phase Two, Development Policy Research Unit, University of Cape Town.

in the province, the heterogeneity of plant and animal species, variety of beaches and unspoilt coastline, and the cultural and historical richness of the area.

With the implications as spelt out by the Constitution for local government as well as the Local Government White Paper, the Port Elizabeth Transitional Local Council responded by creating an Economic and Tourism Portfolio consisting of three councillors under the chairmanship of the Deputy-Mayor. The aim of this Portfolio is to begin working on the ways in which council will adopt a new economic development role. A Task Team was also established that consists of representatives from organised business, organised labour, the TLC and the provincial government to identify initiatives and monitor progress¹¹⁷.

In South Africa, just as in the rest of the world, small and medium business development is seen as the key to economic regeneration. The Department of Trade and Industry has in recent years developed a national strategy that includes a range of policies that will improve the competitiveness of these enterprises. It is contended that these policies support the notion of industrial districts¹¹⁸. However, in South Africa, largely due the neglect and the discrimination of state policy against small business development in the past, there is currently a “SME sector which shows little evidence of the highly productive, innovative and flexible production processes usually associated with this sector in industrial districts.¹¹⁹ Although SMEs play a significantly large role in light manufacturing in South Africa especially of differentiated products, these firms are still under-represented in manufacturing in relation to international norms. The country is characterised by a high level of industrial concentration as well as the dominance of four giant business conglomerates in South Africa,

¹¹⁷ Curtis, D.2007. “South Africa: ‘Exporting peace’ to Great Lakes region?” in Adebajo, A. (eds) *South Africa in Africa: The Post-Apartheid Era*. Cape Town: University Of KwaZulu Natal Press, pp. 236-252.

¹¹⁸ Hanival, S. (1996). Sectors, Clusters and Regions – The South African Fruit Processing Industry: Is the Climate Ripe?, Working Paper 1, DPRU Industrial Strategy Project: Phase Two, Development Policy Research Unit, University of Cape Town, Jul

¹¹⁹ Ibid

which in 1991 controlled just over 81% of the JSE. It is clear that there will need to be significant change before the industrial strategy of promoting SMEs can succeed in the country. Although small business has been suggested as the panacea for the high levels of unemployment, there is a distinct lack of sufficient industrial SMES in the country. Internationally studies have shown that successful SMEs are run by highly educated and experienced entrepreneurs – as is the case in South Africa. Most of the industrial activity in South Africa is undertaken by white-owned enterprises. Thus, although the promotion of small industrial businesses is politically attractive and can theoretically promote black advancement, it seems unlikely that this will happen in the near future.

3.5 State policy and local industrial development strategy

Assuming that “manufacturing matters” and is important in stimulating the economy, there are a number of ways in which industrial development can be promoted at a local level. The old Regional Industrial Development Programme (RIDP), which was based on the growth Centre theory, was unsuccessful. Current direct investment promotion policies include the Tax Holiday Scheme Spatial Development Initiatives, and Industrial Development Zones. In its spatial approach, the DTI is concerned with regional development. The aim of these types of programmes is not only to develop industries in specific locations for economically strategic reasons, such as the development of industrial clusters around specific resources or to tap the potential of currently under/undeveloped areas. There is also a strong redistributive component. The targeting, whether at a sectoral or spatial level, forms an important component of the strategy to move away from import substitution to an outward oriented manufacturing sector, increased regional co-operation and a more diversified ownership base. Moreover, there are agglomeration economies within specific locations that are advantageous for manufacturing competitiveness and these advantages have to be drawn upon, and where possible, duplicated¹²⁰.

Investment support, one of the five key pillars of policy intervention that have been designed by the state to accelerate manufacturing development, has in the past favoured large-scale

¹²⁰ Ibid

capital-intensive natural resource based industrial production. The new policies emphasise increased policy co-ordination between the DTI and other institutions, incentives for investment in small business, economic empowerment of historically disadvantaged individuals and communities, and promotional programmes. There is an emphasis in current industrial policy, largely due to recent economic theories of manufacturing growth and trade, on laying the foundations for success in the initial stages as “success is endogenous. It is possible that an initial disadvantage can give rise to a long-lasting low-level equilibrium trap”. Further “countries that start off from a disadvantaged position and wish to compete in world markets have to out-compete established industries in developed markets”. The Department of Trade and Industry has set up an industrial strategy framework that is acceptable to a broad range of interest groups through its supply side measures that accompany trade reform. This is advantageous in that it sends signals to investors that there is a clear industrial strategy that is widely accepted within the context of sound macroeconomic policies. In fact, “the investment facilitation programmes are therefore designed to complement industrial sectoral strategies and spatial development strategies. They are designed to breed success where the chances of success are greater and where the spin-off effects that will encourage further investment and job creation are most significant”¹²¹.

The Spatial Development Initiatives (SDIs), first introduced in 1996, are based on two theoretical concepts. In the first place, they have as a foundation the notion of regional agglomeration which refers to the tendency for industries to be concentrated in relatively confined geographical areas. A second theoretical concept is that it is necessary for government to contribute to the provision of basic infrastructure that enables private investors to invest in profitable industrial establishments. The SDIs aim at generating long-term globally competitive growth and development as well as restructuring the “apartheid space economy”. They aim at “crowding in” private sector investment in particular regions that have inherent under-utilised economic potential, and tend to be located near to transport

¹²¹ Allen, M. 2006. *Globalization, negotiation, and the failure of transformation in South Africa. Revolution at a bargain?* Palgrave, Macmillan. New York.

hubs such as harbours or airports. Besides aiming at upgrading physical infrastructure, the SDIs aim at leveraging private investment funds “by packaging industrial projects and introducing them to potential investors”. They also are designed around at least one “key anchor project” funded by the Industrial Development Corporation, and provide regulated support mechanisms for the IDZs to be established. Throughout the country, there are different kinds of SDIs, each focused on tourism, industry, agriculture, or a combination of these sectors. In the Eastern Cape there are currently two SDIs that have been developed. The Fish River SDI is focused on industrial development, while the Wild Coast SDI looks at agro-tourism. As pointed out by Allen “SDIs in the Eastern Cape certainly need to be adjusted to the specific conditions in the province”, and that the SDI “broad conception allows for adjustment to local, national or regional conditions”¹²².

In South Africa, LED is a post 1994 phenomenon. Under apartheid, South Africa had a distinct regional planning policy regarding settlement patterns with all residential areas underpinned by racial segregation. As a result, the majority of the population was displaced and lived in marginalised townships. Strong central government control, characteristic of most of the 20th century, suppressed the emergence of LED initiatives in towns and cities of South Africa and lead to the erosion of local autonomy. With democratization in 1994 however, came a new vision of development, and the concept of LED attracted more and more attention in government circles and amongst policy makers, to the point of being an explicit government priority today.

The Industrial Development Zones (IDZs) are planned to provide a further mechanism to facilitate investment in manufacturing. The linkages between SDIs and IDZs are considered important by government, and for this reason the IDZs are designed to fall within the SDI areas that are marketed to foreign direct investors for export oriented manufacturing production. The reasons for the creation of IDZs are based on the need for industrial concentration in order to respond effectively to global markets, as well as evidence in other countries that it has become important to provide incentives in order to attract foreign direct

¹²² Ibid

investment in manufacturing production. The IDZs, different from the traditional export processing zone concept, will not allow labour conditions to be relaxed, but will offer various incentives that are attractive to foreign investors:- an institutional framework, administrative support, advanced labour relations, incentive structure, regulatory mechanisms, physical zone qualities, and other attributes specific to the particular location (Department of Trade and Industry, 1998).

While some of the above industrial policies devised by the Department of Trade and Industry are suitable for development at a local or city level, the concept of local economic development that has also been supported by national government, offers the use of particular "tools" to be used at a local level. There are nine tools proposed, including:- (1)small, medium and micro enterprise (SME) development; (2) regulations and by-laws; (3)land buildings and other public assets; (4) public/private partnerships (PPPs) for infrastructure and service delivery; (5) business retention, expansion and attraction; (6)human resource development; (7) promotion and marketing; (8) regional linkages; and (9) plugging the leaks. A "bottom-up" up approach is key to the local economic development concept and is complementarities with national and regional planning processes. In fact, the management of a city in these times cannot be along the lines of "top-down" or "command and control" models of governance. In order for LED to be sustainable, it is a long-term process that cannot rely on quick-fix measures, and is centered around the community's comparative and competitive advantages. Local entrepreneurialism and opportunism are important characteristics, as is "seeking consensus around development issues at the local level". In South Africa, successful local economic development has achieved the central aim of employment, and has been characterised by a number of key characteristics. These "key ingredients" are:- ownership and involvement of local residents, vision and passion, committed and skilled local leadership, practical and realistic goals, partnerships and shared vision, credible structures and processes, the sourcing of outside skills and resources where necessary, and entrepreneurship and opportunism¹²³. As has happened in the United States,

¹²³ National Business Initiative and the Development Planning Branch of the Office of the President. (1996). Taking the Lead – A Community Resource Kit for Local Economic Development, Auckland Park.

and in parts of Europe, the role of local government in South Africa has become important in facilitating local economic development. In South Africa “local authorities must take a strong view on how the local economy will be grown. The following issues must be the basis of a LED agenda: which industries have the most potential; how jobs can best be created; how to meet the needs of the poorest sections of the society; the potential of SMME emphasis versus investment attraction emphasis; and which an interest does the local authority hope to promote through LED initiatives”

A new policy for local government has been developed in the context of globalisation, there definition of the national state, as well as a new emphasis on decentralisation. The White Paper on Local Government (1998), a so-called “mini-Constitution” for local government, will affect all South Africans. It documents a unique form of decentralisation that can impact on reconstruction and development, and appropriate legislation will be prepared to enact the policy directions contained in this document. Some of the specific measures proposed to promote LED are to invest in the “basics”(through the provision of good quality cost-effective services and by making the local environment a pleasant place to live and work), to review existing policies and procedures to promote LED (such as revising procurement procedures, establishing a spatial framework to help speed up rezoning, and the establishment of user-friendly one-stop-shops for advice and the centralization of all municipal services), and the provision of special economic services(such as marketing and investment support, provision of small business support services, provision of targeted assistance to potential growth sectors, training and placement centres, supporting or contributing to the activities of other agencies with the provision of such services, and a review of existing legislation which impedes LED)¹²⁴.

It has been found that international theories of LED are appropriate in South Africa, and that the Eastern Cape has a long history in the use of LED strategies. The pre-1991 regional development strategies in the area revealed that “politically based planning did not establish

¹²⁴ ERI [Energy Research Institute]. 2000d. Energy Efficiency Guidebooks: Refrigeration and Thermal Saving. ERI, University of Cape Town.

a permanent industrial base”¹²⁵. However, LED in the 1990s has been relatively successful in a number of Eastern Cape towns such as Stutterheim, Seymour and Hertzog. This has been largely due to the existence of ideal combinations of skills, resources, infrastructure and goodwill, and “the limited role played by the state and the limited range of LED strategies implemented”. It is advocated that LED needs to be implemented as complementary to other forms of development intervention. LED appears to largely be a “small town and rural area phenomenon” in South Africa, but the community based efforts of East London and Durban in the 1990s indicate that this might be changing. However, in the larger cities the strategies that are implemented are likely to have a project focus rather than a broad-based community focus¹²⁶.

The objectives of industrial strategy in South Africa are to create employment, increase investment, improve trade performance, and raise productivity. Further, it is envisaged that the broader objectives of the Reconstruction and Development Programme (RDP) and Growth, Employment, and Redistribution (GEAR) programmes will be achieved by gearing the South African economy into a “sustainable, fast growing, internationally competitive, labour absorbing and export-orientated economy”. These objectives are reflected in the industrial policies of the Department of Trade and Industry. Whether at a sectoral or spatial level, these policies aim at the promotion of an outward oriented stance, increased regional cooperation, and a more diversified ownership base. They emphasise increased policy co-ordination between the DTI and other institutions, incentives for investment in small business, economic empowerment of the historically disadvantaged individuals and communities, and promotional programmes. In accordance with these objectives, and international evidence that the most rapidly growing economies are those with industrial agglomerations (producing manufactured goods that are dispersed further down the commodity chain to other locations or agglomerations), the DTI has introduced the Spatial Development Initiatives, Industrial Development Zones, the Tax Holiday Scheme, cluster

¹²⁵ Nel, E. L. (1996).Regional and Local Economic Development Strategies in the Eastern Cape and Guidelines for Future Development, Thesis, Rhodes University, December.

¹²⁶ Ibid p.79

initiatives, and a national Small Business Strategy. It is clear that national government aims at both “economically strategic” as well as redistributive development in the industrial arena.

In more recent years, the city has displayed positive growth figures in line with national averages. Since the late 1960s the manufacturing sector has been on the decline; the percentage contribution to the city's total output has dropped from 40% to 33% in 1994. In employment terms, the absorption rate of this sector has dropped and in 1991 it employed a similar percentage of workers to that of the community and general government services sector (32%). However, the sectors that have been growing, both in terms of contribution to output and to employment, are the community and general government and trade and catering sector. The finance and real estate and construction sector also recorded employment growth. However, the formal sector absorption rate has dropped considerably from 80% to 44% between 1980 and 1994. Furthermore, the economic growth figures recorded in the city are below those projected in the GEAR policy document. It is questionable as to whether the other objectives of industrial strategy and local economic development are being achieved in the current situation¹²⁷.

It is clear that LED in South Africa is viewed as a national priority by government. There is abundant legislation that provides the environment for LED to be a strategically-planned process through all levels of government. There are also numerous developmental organizations like the Development Bank of Southern Africa, the Industrial Development Corporation, GTZ, European Commission and others who provide capacity and support to national, provincial and local government to implement effective LED. Current support and practice in LED reflect a lot of international good practice, viewing LED as an ongoing process, requiring an enabling environment, participation by all stakeholders, good governance and political commitment, capacitated stakeholders and facilitators, ongoing

¹²⁷ Loulou, R, Goldstein, G & Knoble, K 2004. Documentation for the MARKAL Family of Models. Energy Technology Systems Analysis Program, www.etsap.org, October 2004.

learning and funding. Retaining existing businesses, although still fairly new, is featured through various business retention and expansion programmes and strategies.

There are numerous examples of local economic development extending beyond the urban environment, with programmes such as the EU LED Support Programmes specifically targeting rural areas. There are interventions that target hard infrastructure such as the Municipal Infrastructure Grant, those that target governance issues and policy and strategy development and those that specifically target knowledge dissemination and capacity building of stakeholders as well as experts and facilitators. Support for LED is provided particularly at national and provincial level. However, there is a degree of fragmentation within various government departments as to how to approach LED. The dual nature of the South African economy has at times resulted in conflicting paradigms with regard to national LED policy. It is apparent that there is a need to be “pro-poor” in responding to the developmental needs of local economies in South Africa, where mobilizing local resources and poverty alleviation strategies are important. While at the same time, the global needs of the market economy cannot be ignored, and policy should indeed respond to market-led forces that enhance the competitive advantages of South Africa. Current policy acknowledges this, but the challenge is to combine and coordinate the two approaches to best achieve the objectives of growth and poverty reduction in South Africa. National LED policy recognises the importance of local government in facilitating LED at local levels. The challenge there, however, is that very little capacity, competence and understanding of LED exists.

3.6 Factors that make South Africa industrial/economic development qualify as a great power

South Africa belongs to High Africa – the part of the continent that ranges from the Ethiopian Highlands to the Cape Mountains. Its average altitude of 1200 metres distinguishes High Africa clearly from Low Africa, which stretches from the southern slope of the Atlas Mountains to the Congo Basin at an average altitude of 300 metres. The geomorphological features of High Africa are its seemingly endless plateau landscapes, vast basins and the

Great Escarpment. The Great Escarpment seals off the continental interior and this are reinforced by some features of the coasts: river mouths are mostly deltaic; coastal waters tend to be shallow; and because of alongshore drift, there are few bays but many sandbars. Mozambique' sport of Beira, for instance, can only be reached by larger cargo ships at high tide. At low tide, many ships would run aground¹²⁸.

An access channel of 40 kilometres has to be dredged continuously to keep the port open. Moreover, mangroves and shallow in shore waters are frequent. Lagoons and swamps often are at the coasts. Only the coast of South Africa provides steep cliffs with at least some bays suitable for harbours. The East African Rift Valley ties up with the Congo Basin and delimits Southern Africa from a geomorphologic perspective. Therefore South Africa being a gateway is about facilitating the transport of goods in large quantities from the region to overseas locations, South Africa's role as a gateway ends in the DRC's rain forests and at the East African Rift Valley. The elevation changes, often abruptly, between Durban and Johannesburg and between Dar es Salaam and Lusaka.

There are four linked possibilities regarding how South Africa may serve a gateway function for goods and services trade. First, multinational companies (MNCs) could use South Africa as a hub for regional headquarters, taking advantage of the country's relatively superior services infrastructure to co-ordinate and direct their regional activities. Although this means that the MNCs manage their regional affairs from South Africa, South Africa's superior services infrastructure also implies that it may be used as a hub for logistics and distribution activities, which constitutes the second dimension. Being a hub for logistics can best be shown by regional trade patterns. Third, the MNCs could use South Africa as a sourcing hub for goods destined for regional markets. For example, the American retailer, Walmart, could source perishable goods from South African farmers for its regional markets. And fourth,

¹²⁸ Mills, G. 2000. *The Wired Model: South Africa, Foreign Policy and Globalisation*. Johannesburg and Cape Town: South African Institute of International Affairs and Tafelberg Publishers.

Johannesburg may serve as a financial hub for regional markets, channeling overseas savings into the region for various activities and via various modalities.

1) A hub for regional headquarters

There are various components of the regional headquarters function. Johannesburg and the surrounding Gauteng province is the largest urban economy in sub-Saharan Africa. It is the centre of sophisticated services networks, which underpin a range of economic activities increasingly centered on regional markets. Network services, comprising transport, energy, finance and communications arguably constitute the backbone of Johannesburg's competitive proposition. They are readily available at relatively reasonable cost compared with other sub-Saharan countries.

Over time, this sophisticated economic structure has been supplemented by agglomerations of other services activities that enable the complex business processes required to run modern economies and associated corporate networks. Those related services encompass a wide range of activities, from professional services such as legal and accounting through consulting to education services represented by South Africa's relatively sophisticated business schools and well-endowed universities, the widespread availability of various news and analytical services through numerous and growing channels, and a vibrant free press that underpins these. Such knowledge services are critical to head office functions, enabling knowledge accumulation at the centre in order to better manage subordinate activities in satellite countries – a general conviction that the authors encountered in practically all of the interviews¹²⁹.

South Africa's relative competitive strength in services, , which shows that relative to the putative gateways to West and East Africa, Nigeria and Kenya respectively, South Africa scores very high, particularly in services related areas such as financial market development

¹²⁹ Loulou, R, Goldstein, G & Knoble, K . 2004. Documentation for the MARKAL Family of Models. Energy Technology Systems Analysis Program, www.etsap.org, October 2004.

and business sophistication. Relative to other sub-Saharan African countries and with a few exceptions such as Mauritius, South Africa performs very well indeed. Clearly South Africa has built up strong comparative advantage in the kind of services that support establishment of regional headquarters in the country.

These factors must at least partly explain why office space provision has grown rapidly in Johannesburg, with a range of foreign companies setting up offices there since the end of apartheid. Unfortunately, it is not possible to establish empirically the extent to which those foreign operations represent regional headquarters co-ordinating a network of regional activities, as opposed to operations based in South Africa and targeting the local market. Geographically these professional services clusters go beyond Johannesburg; Cape Town has an agglomeration of companies, and professionals, working in the oil and gas sector servicing the West African coastline's growing energy fields.

Moreover, soft factors reinforce South Africa's attractiveness to foreigners. The country offers a western style and standard of living, or what one commercial diplomat interviewed for this project called the 'golf course effect', if expatriates are prepared to accept the risks arising from a high crime rate and growing bureaucratic hassle. Relative to other sub-Saharan destinations, such as Nigeria, it would seem that many of the MNCs are prepared to take this risk, since the latter are regarded as 'hardship posts'.

Owing to all these factors, South Africa, and Johannesburg in particular, is attractive as a location for the MNCs conducting business in sub-Saharan Africa. Those activities are easily accessible via air, through South Africa's extensive connections to countries in the region. Data on flight connections from OR Tambo reveal that South Africa does not only interlink Southern Africa globally. It is rather a transport hub for sub-Saharan Africa: working in Johannesburg, the staff of the MNC scan easily reaches the cores of the world economy and all major destinations southwards of the Sahara¹³⁰.

¹³⁰ Pohelar, S. & Ramachandran, M 2004. Renewable and Sustainable Energy Reviews 8: pp.365-381.

Adding another perspective, South Africa's strength in services also manifests in the country's outward foreign direct investment (OFDI) patterns, which are dominated by private sector financial, distribution, and telecommunication services. Southern Africa is the focus region for South Africa's OFDI footprint. Yet West Africa has figured more prominently in recent years. In the case of South African investment in West Africa, the concerned sectors, are primarily finance but also communications, indicate that transport of goods in large quantities does not matter. Therefore, the economic gateway role assumed for South Africa as a conduit for the MNCs is partly independent of the factors analyzed in the two previous sections. The South African gateway has different regions of influence, its spatial scope varying according to the concerned economic activities.

Even though South African OFDI is not a direct indicator of a gateway, some of the MNCs are very interested in acquiring South African companies in the above mentioned sectors in order to control the regional networks the latter have built up over the years. The recent acquisitions of Massmart Holdings by Walmart; of Absa Bank by Barclays Bank PLC; and Vodacom by Vodafone in the retail, financial services, and telecommunication sectors respectively, are good examples of this. By purchasing South African enterprises and their regional networks, the MNCs turn South Africa into a gateway. In order to establish empirically the extent of such mergers or acquisitions, an analysis on a sector by-sector basis, through extensive use of interviews, would have to complement this investigation.

2) A hub for logistics and distribution activities

South Africa's ports play a substantial role in regional containerized transit trade, which in turn must utilize South African infrastructure to reach the relevant final destination. Transit trade in non-containerized goods, by contrast, is negligible. Unfortunately, there is no data showing how much of this transit trade is destined for other African markets, as opposed to constituting east-west trade linking, for example, Brazil with India. Apparently, the data

exists at port level, so in order to determine an aggregate picture individual port data would have to be collated and aggregated¹³¹.

South Africa has relatively strong capabilities in transportation, logistics and distribution or in supply chain management more generally. It is reasonably clear that according companies provide a range of sophisticated logistics and distribution services into the region, mostly using road transport given the many challenges involved in using rail infrastructure. Again, the true extent of these corporate capabilities is not known and would have to be established through detailed sector and company interviews.

It is also interesting to note that in a recent survey, 58% of South African corporate respondents stated that their main strategy for servicing regional markets is ‘selling into them’. One-quarter were considering ‘operating businesses in them, and only 15% planned to manufacture in them. This reinforces the point that the sophisticated logistics, distribution, and transportation services on offer in South Africa are still the preferred route for connecting to regional markets, at least for South African companies. It would not be unrealistic to suggest that the MNCs interested in regional markets see things the same way.

3) A sourcing hub for regional markets

It is increasingly recognized in the trade policy literature that global trade and investment is driven by value chains in which production is parceled out across different jurisdictions and recombined at various points before final products are dispatched to final destinations. This is largely an East Asian phenomenon, centered on China and the broader East Asia region, with North American and European markets driving final demand. However, the geography of global value chains is shifting in line with the inexorably rising ‘China cost’, thus affording new countries and regions the opportunity to insert themselves into these networks. Africa is regarded as the final frontier for this process.

¹³¹ World Bank, *World Development Report 2009: Reshaping Economic Geography*. Washington, DC: World Bank, 2009, pp. 74–81, 108–109.

Presumably, South Africa is particularly well placed to be the regional hub of such activities, given its superior services and logistics infrastructure. Yet there are substantial obstacles in this path, with one interviewee characterizing the South African economy as 'high-wage; low productivity'. Since global value chains require low wages and high productivity, then to the extent that this characterization is accurate, it would clearly militate against their relocation to South Africa.

Nonetheless, SADC is the largest export destination in Africa for South African exports, accounting for South Africa's global exports in 2011. That exports to SADC only constitute a minor share of South Africa's total exports results from the simple fact that SADC is a small market compared with the cores of the world economy. Regarding a delimitation of South Africa's gateway role, it is essential that Africa beyond SADC is relatively insignificant for South African exports¹³².

There has, however, been growth of value-added exports, particularly luxury cars and agro-processed goods, into Nigeria and Kenya in recent years, albeit off a low base. Given the apparently rapid growth of the middle classes in these two countries and their respective hinterlands (the Economic Community of West African States for Nigeria; the EAC for Kenya), the government's intention is to target those markets for substantial future growth. Taking a closer look at the composition of South Africa's exports to SADC, one sees that South Africa has managed to diversify its export basket to SADC very well. Since 2001 a gradual shift away from commodities to manufacturing is clearly shown. Moreover, most of South Africa's exports to SADC depend upon good transport infrastructure. Absa Bank and MTN Group can easily access West African markets because what they need most is a rapid internet connection and flights for their managers from Johannesburg to Accra and Lagos. However, most goods listed require railway lines, roads, pipelines and harbours – infrastructure that hardly connects South Africa to countries beyond SADC.

South Africa's import basket from SADC is dominated by commodities, particularly mineral fuels, distillation products and oils. Other product groups vary widely in the consistency of

¹³² Stock R, 2005, *Africa South of the Sahara: A Geographical Interpretation*. New York: Guilford Press, pp. 25–26.

trade, with the exception of copper. However, the authors' finding, which was confirmed by several interviewees, is that copper generally transits South Africa for export from the Congolese–Zambian border region via Durban en route to Asian destinations, especially China¹³³.

Since 2007, mineral fuels and similar products have accounted for more than half of South Africa's imports from SADC. This development has been driven by South African imports of oil from the dominant regional producer, Angola, and imports of ores, slag and ash from Zimbabwe.

It is clear from this data that South Africa broadly fulfils the role expected of it in regional trade relations – an exporter of value-added products and importer of some commodities it does not possess. So long as transport of goods in large quantities is involved, conditions of physical geography, railway lines and roads are reflected by trade intensity. It is very likely that a substantial portion of the measured value-added exports are accounted for by the MNCs, but it is not possible to disentangle their contribution, which hampers a convincing analysis of South Africa as a gateway in terms of value chains.

4) A financial hub for regional markets

Given the relatively large size and sophistication of South Africa's financial sector and the liquidity of its financial markets, especially the JSE, intuitively the proposition that South Africa channels financial transactions from overseas to Africa makes sense. Relative to its African peers the JSE is the giant, with an average day's trade being more than the annual trade of Nigeria and Mauritius put together¹³⁴.

The South African government's strategic posture towards the financial sector on the face of it supports this notion, with the National Treasury developing a strategy positioning South Africa as the financial centre for Africa and, some time ago, having lifted exchange controls

¹³³ Ibid

¹³⁴ Chitala D, 2007, 'The political economy of the SADC and imperialism's response', Amin S *et al.* (eds.), *SADC: Prospects for Disengagement and Development in Southern Africa*. London: Zed Books.

for South African companies investing on the continent, while retaining those controls for investments outside the continent. If this strategy works as intended, foreign investors will use South African markets for at least two purposes from the gateway perspective: to invest in South African companies, in other words portfolio investment, in order to access an African growth story by leveraging South African corporate networks; or to raise finance in South Africa directly for their own African operations.

As far as the JSE is concerned the first proposition dominates and in that sense South Africa, the JSE specifically, is an African gateway, but the sources of funds are primarily portfolio in nature. The chief executive officer of the JSE does not see the second proposition as having much traction with respect to the MNCs moving into the region. The MNCs tend to have their own sources of finance and exchange control regulations make the exercise difficult. However, the JSE interviewees are of the opinion that there is a substantial opportunity to capture some of the business of financing corporate expansions into Africa directly, even if they are not currently doing so. They are also exploring how best to link African commodity markets to South African and potentially global buyers; and refer to the example of Zambian grain, which they are in the process of offering to make available through their commodities exchange.

With regard to the geographical scope of the South African gateway, observations on the JSE as a channel for financial transactions from overseas indicate that there is a third region of influence. Although physical geography, railway lines and roads define Southern Africa as the gateway's region and South Africa's role as a hub for regional headquarters of the MNCs expands its influence to the entire sub-Saharan region, the JSE appears to make South Africa a gateway to the entire continent¹³⁵.

¹³⁵ Murry R, 2012, 'Botswana's financial hub gains momentum, *The Africa Report*, 38, pp. 68–69; and Interviews with Nicky Newton-King and Mike Spicer.

CHAPTER FOUR

SOUTH AFRICA'S POLITICAL STABILITY: IDEOLOGY, FOREIGN POLICY AND DEMOCRATIZATION.

4.1 South Africa's Political Stability and Democratization

The Republic of South Africa held its first universal suffrage elections in April 1994. The African National Congress (ANC), which led the struggle against white minority rule and the apartheid system of state-enforced racial segregation, won control of the National Assembly. The Assembly chose Nelson Mandela as President, the ANC leader who had been released from prison in 1990, after serving 27 years.¹³⁶ His release followed years of secret contacts between the ANC and key white business and political figures. These contacts had led both sides to conclude that a settlement could be negotiated that would protect the interests of all South Africans. The negotiations themselves encountered many difficulties, including several outbreaks of violence that threatened to destroy the peace process.

Finally, however, in November 1993, all-party negotiations resulted in a final agreement on a new constitution and free elections, held in 1994. South Africa's second universal suffrage elections were held in June 1999, and the ANC retained control of the National Assembly. Deputy President Thabo Mbeki, who had served in key ANC posts overseas during the anti-apartheid struggle, was chosen by the Assembly to succeed Mandela. Mbeki retained his position as President following the April 2004 parliamentary elections, in which the ANC won almost 70% of the votes.¹³⁷

South Africa's politics continue to be dominated by the ANC, which has enjoyed support among many black South Africans because of its role in spearheading the long struggle against white minority rule. Until December 2007, when he lost the party presidency to a

¹³⁶ Lauren Ploch, 2011, South Africa: Current Issues and U.S. Relations, CRS Report for Congress January 4, Congressional Research Service

¹³⁷ Ibid

rival, Thabo Mbeki served as president both of the party and the country.¹³⁸ He was expected to remain President of South Africa until the 2009 elections but resigned from the position in September 2008. He was replaced by an interim president, former Deputy ANC leader Kgalema Motlanthe. Following Mbeki's resignation, several prominent members of the party led a breakaway faction, now known as the Congress of the People (COPE).¹³⁹

Prior to the 2009 elections, the ANC held a 72% majority of the seats in the 400-member National Assembly, where the country's legislative power principally resides, far ahead of its nearest rival, the Democratic Alliance (DA), which had 12% of the seats. The Inkatha Freedom Party (IFP), headed by Mangosuthu Buthelezi, had about 6% of Assembly seats. Buthelezi, who has been active in South African politics for decades, holds a Zulu chieftainship, and the party is largely Zulu in membership. The IFP has experienced a steady decline in parliamentary seats since the 1994 election, while the ANC and the DA have gained electoral support. Other parties represented in parliament include the New National Party (NNP), the United Democratic Movement (UDM), the Independent Democrats (ID), and the African Christian Democratic Party (ACDP). In addition to the National Assembly, there is a higher legislative body, the National Council of Provinces (NCOP), with limited powers. Its members are chosen by the governments of the nine provinces.¹⁴⁰

The Democratic Alliance

The second-largest party in the National Assembly, the Democratic Alliance (DA), was created in 2000 through a merger of the Democratic Party (DP) and the New National Party (NNP) to challenge ANC dominance of the political system. The merger surprised many analysts, since the NNP was directly descended from the National Party, which had created apartheid and established the white minority regime that ruled South Africa for more than 40 years. In contrast, the DP, though also largely white in its membership, advocated a classical liberal platform and was heir to the Progressive Party, which had strongly opposed apartheid

¹³⁸ Under the South African constitution, the President is elected by the National Assembly.

¹³⁹ Lauren Ploch, 2011, South Africa: Current Issues and U.S. Relations, CRS Report for Congress January 4, Congressional Research Service

¹⁴⁰ Ibid

and campaigned on human rights issues. However, by allying, the two parties were able to ensure their control of the legislature of Western Cape Province and of many local governments in the province, including the government of Cape Town, in the 2000 local elections.¹⁴¹

The Dominant Party System

The African National Congress (ANC) has solidified its role as the dominant party within South Africa by receiving approximately 70 percent of electorate support in national elections following the historic 1994 election of Nelson Mandela. In a dominant party system, multiple parties compete for power, but only one party wins consecutive elections (Lodge 2003, 154). This structure arguably may have played an important role in establishing the foundations of a democratic regime in the infancy of the newly freed South Africa because it is more stable than a system characterized by multiple fragmented parties. However, dominant parties have the ability to be incredibly undemocratic; looting the economy, intimidating minorities, and participating only in elections they know they can win.¹⁴²

Unfortunately, the negative impacts of dominant parties increase the longer they remain in power.¹⁴³ Because the dominant party system is so unbalanced in the favor of one recurring winner, opposition becomes discouraged. The absence of opposition to the ruling party ultimately eliminates the threat of losing power which affects the accountability of the government. When a genuine electoral challenge finally does emerge, a dominant party system is likely to become either a competitive multi-party state or an authoritarian one-party regime.¹⁴⁴ In other words, the future of the state depends on how the dominant party reacts to

¹⁴¹ Tom Lodge, 2006, "The Future of South Africa's Party System," *Journal of Democracy*, Vol 17, No. 3, July, pp. 154-170.

¹⁴² Butler, Anthony . 2005. "How Democratic is the African National Congress?" *Journal of Southern African Studies* 31, no. 4 : pp.719-735.

¹⁴³ Ibid

¹⁴⁴ Butler, Anthony . 2005. "How Democratic is the African National Congress?" *Journal of Southern African Studies* 31, no. 4 : 719-735.

a genuine electoral challenge. If the challenge is accepted it could become a competitive multi-party state, but repression of the challenge could result in the development of an authoritarian one-party regime.

Since the ANC's rise to dominance in South Africa at the end of apartheid, elections have been entirely predictable. Mandy Rossouw, a political reporter at the Mail & Guardian in South Africa, describes election time as an occurrence every five years when the ANC beats the "we won liberation for our people" drum to attract voters.¹⁴⁵ The symbolic history of the ANC as the party of liberation has allowed it to receive the majority of votes in elections regardless of the party's performance. Tom Lodge claims that the supporters of the dominant party will be fairly uncritical if the party represents a racial majority in a society which has a history of racial conflict and oppression.¹⁴⁶ With this in mind, it is possible that the black majority has an affinity with the ANC that renders it uncritical of the party's performance. The ANC is renowned as a driving force during South's Africa's struggle for freedom. Following years of nonviolent protest against apartheid, the ANC developed a military wing called Umkhonto we Sizwe ("Spear of the Nation") in 1961 in the wake of being banned as a political party.¹⁴⁷ This wing of the ANC favored "hard targets" and carried out acts of sabotage against police stations, post offices, electrical substations and railway installations instead of putting civilians at risk.¹⁴⁸ The response from the apartheid government was a violent one. Policies were implemented giving law enforcement the tools necessary to discourage involvement in Umkhonto we Sizwe and association with the ANC. Among the policies were the Sabotage Act (1961) and General Law Amendment Act (1961). The former allowed the restriction of any persons the regime found suspicious, while the latter included a

¹⁴⁵ Rossouw, Mandy. 2009. "Letter from Johannesburg: The ANC's Party Crashers." *Foreign Affairs* 88, no. 2 : <http://www.foreignaffairs.com/features/letters-from/letter-from-Johannesburg-the-party-crashers>.

¹⁴⁶ Lodge, Tom. 2003. "Democracy in a Dominant Party System." In *Politics in South Africa: from Mandela to Mbeki*. 153-176. 2nd ed. Bloomington: Indiana University Press,

¹⁴⁷ Joyce, Peter. 2007. *The Making of a Nation: South Africa's Road to Freedom*. Cape Town: Zebra Press,

¹⁴⁸ *Ibid*

“ninety-day” clause that provided every police officer with the authority to detain any person suspected of “political activities” for up to three months without a warrant.¹⁴⁹

Once the liberation movement turned violent, the struggle for freedom in South Africa made waves throughout the world. It was a cause that many devoted their lives to, and has become an era in South Africa equal in status to the achievement of independence and freedom movements in other countries around the world. The ANC was a key player in the struggle for freedom in South Africa, and has been remembered as such by their constituents. While opposition parties have always existed in South Africa, they have never posed a significant political threat to ANC dominance because they have no way to acquire the type of legitimacy the ANC has through its historic role in the liberation movement. This could ultimately discourage not only challenges from opposition parties, but participation from South Africans in the electoral process altogether. This effect on the electorate was evident in the two national elections following 1994. According to the International Institute for Democracy and Electoral Assistance (International IDEA), the number of valid votes declined from over 19.5 million in 1994 to 15.9 million in 1999 (International IDEA). Likewise, in 2004, valid votes in the national election dropped to 15.6 million (International IDEA). In addition to votes, the ANC’s active membership has also declined, most likely because South African politics have become less exciting and more predictable.¹⁵⁰ Adrian Leftwich theorizes that democratic elections are “a process of institutionalizing uncertainty,” claiming that because democratic politics involves open competition for power, no group should be certain of winning.¹⁵¹ If the ANC is aware of its capability to use its symbolic history in order to earn approximately 70 percent of votes in national elections, then South Africans are aware of whom the winners and losers are well before the polls close. The only viable challenge to ANC dominance would be a political schism from within, since opposition parties have been unable to attract votes from the South African black majority.

¹⁴⁹ Ibid

¹⁵⁰ Lodge, Tom. 2003. “Democracy in a Dominant Party System.” In *Politics in South Africa: from Mandela to Mbeki*. 153-176. 2nd ed. Bloomington: Indiana University Press,

¹⁵¹ Leftwich, Adrian. 2000. “The Politics of Democratic Governance in the Third World.” In *States of Development: on the Primacy of Politics in Development*. Cambridge: Polity.

Recent Challenge to ANC Dominance

A recent rift prior to the 2009 South African national elections introduced the country to its first black opposition party. The Congress of the People (COPE) was formed in 2008 following a split between ANC leadership in 2005. The rift within the ANC began when former president, Thabo Mbeki, fired his deputy Jacob Zuma in June of 2005. He was fired when it was discovered that his financial adviser, Schabir Shaik, was found guilty of corruption.¹⁵² Though Zuma was implicated in the crime, no charges were brought against him. In the midst of the corruption case, Zuma was also accused, but ultimately acquitted, of raping a young HIV-positive woman. The onslaught of bad press called for serious damage control on the part of President Mbeki. However, when he chose to fire Zuma, the ANC's rank and file revolted and demanded Zuma's reinstatement (Rossouw 2009).

The uprising forced Mbeki to reinstate Jacob Zuma as the ANC's deputy president, but he refused to reinstate him as the second in command of the nation as a whole. Despite these efforts to maintain control of the party, the ANC fired Thabo Mbeki in September of 2008. This move by the ANC created a ripple effect that was felt a week later when eleven of the President's ministers and three deputy ministers loyal to Mbeki all resigned.¹⁵³ These events laid the groundwork for the establishment of COPE, the first black opposition party in South Africa. COPE styled their campaign around Barack Obama's "hope and change" mantra as an attempt to attract voters fed up with the ANC's poor service delivery record, unaccountability and corruption.¹⁵⁴ Public discontent was illustrated across townships in South Africa where protestors expressed their frustrations with the ANC's inability to provide over one million South Africans with electricity and clean water. Municipal IQ,

¹⁵² Rossouw, Mandy. 2009. "Letter from Johannesburg: The ANC's Party Crashers." *Foreign Affairs* 88, no. 2 : <http://www.foreignaffairs.com/features/letters-from/letter-from-johannesburg-the-anc's-party-crashers>.

¹⁵³ Ibid

¹⁵⁴ Ibid

which monitors municipal services in South Africa, found an increase in the number and size of protests concerning service delivery.¹⁵⁵

Although the ANC won re-election in 2009 to another five-year term, and captured 264 seats of the 400 seat national assembly (three short of the two-thirds majority required to alter the constitution), the schism within the party before the election made politics in South Africa interesting again. One indicator of increased interest is that on Election Day voter turnout rose by over 2 million votes from the 2004 national election (International IDEA). While there was no doubt that the ANC would remain the ruling party and elect their leader Jacob Zuma to the presidency, the precedent set by COPE as the first legitimate contender briefly redrew the line between the ANC and the South African government. Although this line has been blurred since 1994, COPE's presence gave South Africans a taste of democratic electoral competition in the 2009 national election. Unfortunately, COPE's dismal performance in the 2011 municipal elections crushed the hope that the party would become a perennial challenger to the ANC, but nevertheless this precedent has the ability to re-establish Leftwich's notion of democratic elections as "a process of institutionalizing uncertainty." Once the ANC realizes that there is a possibility of viable competition emerging from the periphery, they will be inclined to assess their performance. This is not to say that the ANC will be ousted within the next election, but the mere presence of a worthy opponent that could cost the ANC parliamentary seats and authority within the provinces of South Africa, may persuade the party to become more accountable.

The Zuma Administration

Zuma was inaugurated as South Africa's newest President on May 9, 2009. He named his cabinet the following day. Zuma's victory has not entirely allayed the tensions within the ANC, which may be exacerbated by the country's recent recession and growing budget deficit. COSATU remains highly critical of the macroeconomic policies supported by the party's "right," policies that Zuma's finance minister has maintained. In November 2009,

¹⁵⁵ Municipal IQ. Municipal Data and Intelligence. South Africa. 2009. http://www.municipaliq.co.za/index.php?site_page_article.ph.

Congress of South African Trade Unions (COSATU) announced a “war” against anti-left elements within the ANC.¹⁵⁶

Strains between South African Communist Party (SACP) and the ANC Youth League, led by the controversial and outspoken Julius Malema, have increased during the Zuma Administration. Malema, who has been a vocal proponent of nationalizing the country’s mines, was disciplined by the party in 2010 and ordered to apologize for insulting Zuma, who still serves as president of the ANC. This infighting may prove distracting for Zuma in advancing his policy goals.

President Zuma has actively sought for South Africa to play an increasing role in world economic fora. The country is a member of the G20, and was invited in late 2010 by China to join the BRIC (Brazil, Russia, India, and China), a formation of major emerging market economies. Some economists, including the Goldman Sachs analyst who originally coined the term “BRIC,” argue that the country’s economy is considerably smaller than several other emerging markets, such as South Korea, Mexico and Turkey, and question China’s motives for extending the invitation.¹⁵⁷ China became South Africa’s largest trading partner, in both imports and exports, in 2009.

The Future of Democracy in South Africa

Political Risk Services (PRS) is a widely accepted system of independent political risk forecasting. According to the recent PRS report on South Africa, the most likely regime scenario within the next five years resembles the current domestic situation.¹⁵⁸ While the 2009 election established a precedent for viable political opposition to the ANC, the party will most likely retain its dominance for the next five years. The PRS analysis admits that during their five-year forecast period the ANC will most likely control the presidency and

¹⁵⁶ South Africa’s COSATU Says to Take On the ANC Right,” Reuters, November 30, 2009.

¹⁵⁷ What’s Behind China’s Move to Include South Africa in the BRIC Grouping?” International Business Times, January 3, 2011.

¹⁵⁸ PRS: Political Risks Services. South Africa Country Report. East Syracuse, NY: The PRS Group, Inc., 2010.

legislature, but will also face daunting challenges that may have negative implications on the future of democracy if they are not addressed.

Internally, according to the PRS, the ANC will continue to struggle appeasing both advocates of the liberal economic policies introduced during the Mbeki administration and a leftist bloc that favors a socialist policy.¹⁵⁹ Internal friction between the ANC's socialists and liberals was forecasted to be the cause of a split within the party since the 1990s.¹⁶⁰ The party has often regarded itself as a "big tent" capable of accommodating a multitude of ideologies. The ANC could easily accommodate different ideologies during its fight against apartheid. The different factions within the ANC ultimately put their differences aside to unite against the ruling white minority. Now that the goal of freedom has been achieved, it is only a matter of time before rifts in the ANC will become more prominent. With this in mind, it may be easier to think of the current ANC as a coalition of parties under one banner. Within the ANC there are three primary factions, also known as the Tripartite Alliance, which include: ANC proper, the Congress of South African Trade Unions (COSTAU) and the South African Communist Party (SACP).¹⁶¹ COSTAU is arguably the most powerful group represented in the Tripartite Alliance. It is South Africa's largest trade union federation boasting over 1.8 million members (Stratfor 2011). This number of members makes COSTAU an important voting bloc within the ANC, which gives it enormous potential to influence President Zuma's economic policy. For example, the wages of South African workers have struggled to keep pace with the cost of living, resulting in workers strikes across a variety of sectors during the annual midyear period when unions negotiate wages and benefits for their members.¹⁶² If President Zuma does not appease the unions, he could lose electoral support from a major voting bloc he needs to be re-elected. Unfortunately, in order to bridge the gap between competing ideologies within the ANC, President Zuma will have to make compromises to

¹⁵⁹ PRS: Political Risks Services. South Africa Country Report. East Syracuse, NY: The PRS Group, Inc., 2010.

¹⁶⁰ Ibid.

¹⁶¹ Stratfor. 2011. "Rifts Challenge South Africa's Ruling Party." Stratfor. August 4, <http://www.stratfor.com/sample/analysis/rifts-challenge-south-africas-ruling-party>.

¹⁶² Ibid

appease both wings. The circumstances of this balancing act may drastically affect the route he decides to take with economic policy in the future, an uncertainty that may discourage investors.

Additionally, there seems to be a developing internal struggle between the ANC and the ANC Youth League (ANCYL). The Youth League was established in 1944 to recruit, unite, consolidate and discipline African youth to become the future leaders of South Africa (ANCYL Manifesto 1944). Recently, the ANCYL displayed its abilities to unite the ANC's young rank and file by mobilizing support for Jacob Zuma's reinstatement and the eventual firing of former President Thabo Mbeki in 2008. However, controlling the ANCYL has also become a challenge. The former president of the ANCYL, Julius Malema, was critically renowned for issuing reckless statements pertaining to the nationalization of South African industries and mines, in addition to racially divisive statements that drew on the sensitive issue of past race relations in South Africa.¹⁶³ For example, Malema was a strong advocate for radical land reform. He praised Zimbabwe's President Robert Mugabe for implementing policies that returned the country's land to its rightful owners.¹⁶⁴ These calls for retribution critically point out the ANC's failure to provide adequate land reform with racially motivated undertones. Unlike other issues in South Africa such as unemployment and income disparity, land inequality is easy for the black majority to understand because of its historical roots.¹⁶⁵ Malema was expelled from the ANC for portraying its government and leadership under President Zuma in a negative light.¹⁶⁶ He has maintained a strong support base and plans to appeal his expulsion.

Although he may remain on the fringe of the party right now, Malema's charisma could potentially bring him to the helm of a populist movement behind the land reform issue alone.

¹⁶³ Ibid.

¹⁶⁴ Atuahene, Bernadette. "South Africa's Land Reform Crisis." *Foreign Affairs* 90, no. 4 (2011): pp. 121-129.

¹⁶⁵ Ibid

¹⁶⁶ Bauer, Nickolaus. "Malema: Presidency of Controversy." *Mail and Guardian* (Johannesburg), August 30, 2011. <http://mg.co.za/article/2011-08-30-malema-presidency-of-controversy>.

He is gaining popularity and will continue to do so if the ANC does not make significant improvements to the daily lives of the black majority. The ANC party leaders have punished Malema for his reckless actions through suspension and subsequent expulsion as ANCYL President, but it is clear that Malema is still an aspiring force. If supporters from the ANCYL remain loyal to Malema and press the land reform issue, this developing generation may have the potential to really shake the party up in the future.

Additionally, South Africa's socio-economic disparities continue to undermine the legitimacy and effectiveness of the state. The country's high crime rate is largely attributable to excessive poverty and unemployment. Despite the government's recurring pledges to combat rising crime rates by providing better training for police and security officials, the magnitude of crime continues to surpass the capabilities of security services (PRS 2010, 20). According to the 2009 Rule of Law Index, South Africa received its lowest scores in accountability of military, police, and prison officials in addition to the ability to enforce a stable law that protects "security of the person" (World Justice Project 2009). The Rule of Law Index classifies "laws that protect the security of person" as a fundamental right. South Africa is often regarded as a shining light on the African continent, boasting one of the most progressive constitutions in the world, but in comparison to countries in Sub-Saharan Africa and Upper/Middle Africa, South Africa fairs worse overall when it comes to protecting fundamental rights.

The ANC has undoubtedly reformed South Africa since 1994 with regards to the fundamental overhaul of state institutions that existed during apartheid and the establishment of new institutions that together seek to ensure the economic and political stability of the new South Africa.¹⁶⁷ Such institutions contribute to a certain stability within society characterized by the interactions between citizens and the state based on the democratic principles of representation, taxation and accountability. However the aforementioned social problems that characterize South Africa undermine the effectiveness of the ANC and their policies. Poverty, inequality, unemployment, HIV/AIDS and personal and property insecurity have

¹⁶⁷ Beall, Jo, Stephen Gelb, and Shireen Hassim. "Fragile Stability: State and Society in Democratic South Africa." *Journal of Southern African Studies* 31, no. 4 (2005): pp. 681-700.

not improved since the apartheid era, and in some cases have even deteriorated further.¹⁶⁸ For instance, in 2002 an estimated 37 percent of South Africans lived below the national poverty line.¹⁶⁹ Additionally, unemployment rates in 2003 were projected to be almost 42 percent among economically active citizens. Research conducted by the Southern African Regional Poverty Network (SARPN) found that the poverty gap has grown faster than the economy over a period from 1991-2001. This indicates that poor households have not shared the benefits of economic growth.¹⁷⁰ In other words, the ANC has worked to establish institutions that ensure economic stability, but they have been unable to ensure the populace benefits from the success of these institutions.

In addition to poverty, inequality and unemployment, issues concerning HIV/AIDS and violent crime also plague the effectiveness of the ANC. In 2002, the estimated HIV prevalence rate in South Africa was approximately 11.4 percent, making South Africa the country with the largest HIV+ population in the world.¹⁷¹ Following the fall of apartheid, South Africa was designated as the murder capital of the world by Interpol data with 64 murders per every 100,000 people. Violent crime within South Africa continues to thrive with 47.4 murders for every 100,000 people, 115.3 rapes and 1286.5 assaults in 2003.¹⁷² These social problems characterize conditions within the structure of South Africa, and play a major role in shaping societal attitudes. Those attitudes have the potential to develop into behavior that may affect democratic consolidation. Furthermore, the government's inability to adequately address land reform has the potential to cause mass social uprising. The minority white ruling class stole large quantities of land from black Africans through the

¹⁶⁸ Ibid

¹⁶⁹ Woolard, Ingrid. 2002. "An Overview of Poverty and Inequality in South Africa." (working article, Pretoria, DFID South Africa,

http://www.sarpn.org/CountryPovertyPapers/SouthAfrica/july2002/woolard/Poverty_Inequality_SA.pdf.

¹⁷⁰ Schwabe, Craig. 2004. "Fact Sheet: Poverty in South Africa." Human Sciences Research Council. Southern African Regional Poverty Network.. <http://www.sarpn.org/documents/d0000990/>.

¹⁷¹ Human Sciences Research Council (HSRC). 2003. Nelson Mandela/HSRC Study of HIV/AIDS: South African National HIV Prevalence, Behavioral Risks and Mass Media. (Pretoria, HSRC Press)

¹⁷² Ibid

Natives Land Act of 1913. This law prohibited blacks from owning land that was not in a “scheduled area.”

These scheduled areas were overpopulated tribal lands that would later become the Transkei, Ciskei and Kwazulu homelands, the bedrock of the apartheid regime’s network of areas set aside as black homelands, or “Bantustans”.¹⁷³ During the struggle for freedom, reclaiming this stolen land became a rallying cry for the liberation movement. However, fairly redistributing this land has proven to be a real challenge to the ANC. When Nelson Mandela took office in 1994, approximately 87 percent of South Africa’s land was owned by whites, who made up ten percent of the entire population.¹⁷⁴ With consultation from the World Bank, the ANC created a plan to redistribute 30 percent of the land owned by whites to blacks by 1999, however in 2010 only eight percent of land had been reallocated.

The sentiments throughout the black community testify to the fact that land reform is a major issue. In 2009 James Gibson conducted a survey of 3,700 South Africans about land reform and found that over 85 percent of black respondents believed that “most land in South Africa was taken unfairly by white settlers, and they therefore have no right to the land today”.¹⁷⁵ Gibson also found that over 66 percent of these black respondents believed that “land must be returned to blacks in South Africa, no matter what the consequences are for the current owner and for political stability in the country”.¹⁷⁶ The PRS also warned that landless blacks’ sense of entitlement to the land they deemed “stolen” could result in an upsurge in illegal land seizures across the country. Section 25 of the new South African constitution provides guidelines for a process for land redistribution in a fair manner. It states that “South Africans whose property was dispossessed after 1913 as a result of racially discriminatory practices are entitled either to restitution of that property or to equitable redress” (Atuahene 2011, 122).

¹⁷³ Joyce, Peter. *The Making of a Nation: South Africa’s Road to Freedom*. Cape Town: Zebra Press, 2007.

¹⁷⁴ Atuahene, Bernadette. “South Africa’s Land Reform Crisis.” *Foreign Affairs* 90, no. 4 (2011): pp. 121-129.

¹⁷⁵ *Ibid*

¹⁷⁶ *Ibid*

Unfortunately, this hasn't happened in South Africa. The ANC has underfunded land reform projects and failed to assist the recipients of property or equitable redress stated in section 25 of the constitution. Their inactions imply a certain insincerity, further antagonizing the black majority. While it has been clearly forecasted that the ANC will likely remain politically untouchable within the next five years, despite developing internal friction, they are still economically vulnerable. This vulnerability directly translates to their inability to provide adequate land reform to the black South African majority. Because the ANC relies heavily on capital from white South Africans and foreign investment in order to maintain a healthy economy, the ANC cannot pursue policies that may compromise capital (Atuahene 2011, 124). Unfortunately, if the ANC continues to underfund land reform projects and ignore the black majority that feels entitled to regain their land, they may in fact begin to seize land themselves and create total unrest and chaos.

South Africa will remain politically stable for some time to come. There are tensions in rural areas over land, but South Africa seems far from a rural upheaval over the issue, as has been the case in Zimbabwe. Social tensions over perceived inequalities in the distribution of wealth and inadequate service delivery, which resulted in violent attacks on African immigrants in 2008, are likely to continue in the near term as the government struggles to address the needs of its poorest citizens. South Africa's longer-term stability is linked to the success of the South African government and its partners in fighting poverty and reducing the toll of the AIDS pandemic.

The principal worry is that South Africa would become a de facto one-party state under the ANC, weakening checks and balances in the political system. Should this happen, the regime could become increasingly authoritarian and unresponsive to the needs of its citizens. ANC leaders reject this view, arguing that their party is a national liberation movement committed to transforming South Africa and fulfilling the aspirations of the poor.¹⁷⁷ The power of the ruling party is limited by the country's very active press, independent judiciary, and a bill of rights enshrined in the constitution. In any event, ANC leaders want their country to be seen

¹⁷⁷ See, for example, President Mbeki's December 16, 2002, address to the ANC national conference <http://www.anc.org.za/ancdocs/history/mbeki/2002/tm1216.html>.

as a leader in Africa, and as a spokesman for Africa and developing countries generally in world affairs. To play such roles, South Africa must continue to be recognized as a successful democracy.

4.2 South Africa's Foreign Policy

In a fast changing and interdependent world, it is essential for South Africa to regularly make an evaluation of its foreign policy and to ensure that its national interests are maximized. Foreign policy is not an abstract matter separate from domestic policies and as such South Africa ensures that these inform its foreign policy. Remaining loyal to the constitutional principles that have inspired South Africa since 1994, the foreign policy is based on the primacy of the African continent and the Southern African Development Community; commitment to South-South cooperation; the centrality of multilateralism; consolidating relations with the North; and the strengthening of bilateral social, political and economic relations.

The tenets of South Africa's foreign policy are mostly informed by elements of political culture. 'Tenets' refer to ideas that the government holds as true and are supposed to guide its actual conduct. Included under this rubric are what South African policy-makers have variously called foreign policy objectives, principles, pillars, and roles. A few have not been proclaimed explicitly, but can be inferred from the words and deeds of policy-formulators. The seven tenets of South Africa's foreign policy are democracy and human rights; sovereignty as responsibility and accountability; an African renaissance or agenda; solidarity with the Global South; liberatory solidarity; developmentalism, and good international citizenship. These tenets have remained remarkably consistent under the successive presidencies of Nelson Mandela (1994-1999), Thabo Mbeki (1999-2008) and Jacob Zuma (since 2009). There have been also other tenets informing South Africa's foreign policy since the advent of non-racial democracy in 1994, including multilateralism, nuclear non-proliferation and emerging power status.¹⁷⁸

¹⁷⁸ Geldenhuys, Deon (2011). 'The challenges of good global citizenship: Ten tenets of South Africa's foreign policy', *Africa Review*, Vol. 3(2), pp.179-99.

Democracy and Human Rights

The first of the seven relevant tenets is the promotion of human rights and democracy. In a foreign policy blueprint issued in December 1994, seven months after ascending to power, the African National Congress (ANC) pledged to canonise human rights in South Africa's international relations' and assigned a 'central role' to South Africa in a 'worldwide human rights campaign.'¹⁷⁹ The document went on to proclaim that South Africa shall not be selective nor, indeed, be afraid to raise human rights violations with countries where her own interests might be negatively affected.¹⁸⁰ In 1996 Foreign Minister Alfred Nzo reaffirmed the commitment by stating that human rights are the cornerstone of South Africa's government policy and the country shall not hesitate to carry the message to the far corners of the world.¹⁸¹

During Mbeki's presidency (1999-2008) the first two principles underpinning foreign policy remained a commitment to the promotion of human rights and democracy.¹⁸² Mbeki championed African renaissance, of which the establishment of democratic political systems and the protection of human rights were principal tasks.¹⁸³ The Zuma government has confirmed the centrality of human rights in foreign policy. Ebrahim Ismail Ebrahim, Deputy Minister of International Relations and Cooperation, assured Parliament in 2009 that South Africa would henceforth place a greater emphasis on human rights, will focus on preventing gross violations of human rights and the country intend to more robustly flex our muscles on human rights issues so that she can never be accused of betraying the ideals on which our democracy was founded.¹⁸⁴ Ebrahim's superior, Minister Maite

¹⁷⁹ ANC Policy Document, 1994: 2-4

¹⁸⁰ Ibid

¹⁸¹ DFA (1996). Discussion Paper on South Africa's Foreign Relations, Department of Foreign Affairs, Pretoria.

¹⁸² Strategic Plan 2003-2005 (2003). Department of Foreign Affairs, Pretoria.

¹⁸³ Mbeki, Thabo (1999). Speech of the President of South Africa, Thabo Mbeki, at the launch of the African Renaissance Institute, Pretoria, 11 October 1999, <http://www.au2002.gov.za/docs/speeches/mbeki991011.htm>.

¹⁸⁴ Ebrahim (2009). 'Reply to the budget vote by Deputy Minister of International Relations and Cooperation, Ebrahim Ismail Ebrahim, to the National Assembly', 18 June, South African Government Information, <http://www.search.gov.za/info/previewDocument.jsp?dk>

Nkoana-Mashabane, likewise stressed that South Africa's foreign policy would be shaped by its commitment to advance democracy and human rights across the world.¹⁸⁵

The current strategic Plan of the Department of International Relations and Cooperation (DIRCO, as Foreign Affairs was renamed in 2009) reaffirmed that the promotion of human rights and democracy remained the first two principles underpinning the country's foreign policy.¹⁸⁶ It is instructive that South Africa's advancement of human rights abroad was not confined to political rights, but embraced also economic, social and environmental rights.¹⁸⁷

A major factor that explains the steadfast commitment to the promotion of democracy and human rights through South Africa's foreign policy is political history, especially the black majority's denial of fundamental human rights under apartheid. According to Foreign Minister Nzo, the Republic spread the message of human rights across the globe, had promised, because the black have suffered too much not to do so.¹⁸⁸ The same sentiment was articulated in the recent White Paper (2011: 10)¹⁸⁹ on South Africa's foreign policy: The values that inspire and guide South Africa as a nation are deeply rooted in long years of struggle for liberation...South Africa believes strongly that what it wishes for its people should be what it wishes for the citizens of the world.

President Jacob Zuma reaffirmed the domestic roots of foreign policy by declaring that South Africans believe in a society based on democratic values, social justice and fundamental human rights, adding that South African's foreign policy is an extension of her domestic

¹⁸⁵ Nkoana-Mashebane (2010a). Lecture by Minister of International Relations and Cooperation, Maitekoana-Mashabane, Westin Hotel, Beijing, China, 26 February, South African Government Information, <http://www.info.gov.za/speech/DynamicAction?pageid=461&sid=8672&tid=8689>,

¹⁸⁶ Ibid

¹⁸⁷ Ibid

¹⁸⁸ Discussion Paper on South Africa's Foreign Relations (1996). Department of Foreign Affairs, Pretoria.

¹⁸⁹ White Paper on South Africa's Foreign Policy (2011). Building a Better World: The Diplomacy of Ubuntu, DIRCO, Pretoria.

policy and her value system.¹⁹⁰ These officially proclaimed commitments to human rights and democracy express a core value of the political culture of not only the ruling elite but the masses.¹⁹¹

Sovereignty as Responsibility and Accountability

A second tenet of South Africa's foreign policy holds that state sovereignty entails responsibility and accountability: leaders are responsible for the safety and well-being of their respective countries' citizens, and are accountable to them as well as to the international community for their conduct at home. This 'soft' notion of sovereignty challenges the traditional 'hard' sovereignty that emphasized state rights and created a climate in which abusive leaders could act with impunity.¹⁹²

In 1998 President Mandela had read his African counterparts a stern lesson in this regard by stating that South Africans must all accept that they cannot abuse the concept of national sovereignty to deny the rest of the continent the right and duty to intervene when behind those sovereign boundaries, people are being slaughtered to protect tyranny.¹⁹³ President Mbeki¹⁹⁴ was an equally stout advocate of sovereignty as responsibility in the African context stating that South Africa should not allow the fact of the independence of other countries South Africans into spectators when crimes against the people are being committed. South Africa will have to proceed from the position that countries are brother's and sister's keeper.

¹⁹⁰ Zuma (2010). Address by President JG Zuma to the South Africa-Russia Business Forum on the occasion of the official visit to the Russian Federation, Moscow, Russia', 6 August, South African Government Information <http://www.info.gov.za/speech/DynamicAction?pageid=461&sid=12012&tid=14420>,

¹⁹¹ Kotzé, Hennie & Steenekamp, Cindy L (2009). Values and Democracy in South Africa: Comparing Elite and Public Values, Konrad Adenauer-Stiftung Occasional Papers, Johannesburg. Afrobarometer (2012). Round 5 for South Africa, www.afrobarometer.org.

¹⁹² Landsberg, Chris (2007). 'South Africa and the making of the African Union and NEPAD: Mbeki's "progressive African agenda"', in Adekeye Adebajo et al (eds), South Africa in Africa: The Post-Apartheid Era, University of KwaZulu-Natal Press, Scottsville, pp 195-212.

¹⁹³ Ibid

¹⁹⁴ Ibid

The elements of political culture underlying this second tenet are again the core values of liberal democracy and human rights, coupled with the expectation that government is duty bound to deliver public goods for the population at large and the belief that government should be accountable to the people. It is safe to assume that these aspects of political culture are as evident among the ruling elite as the general population of South Africa.

An African Renaissance or African agenda

A third tenet of contemporary South African foreign policy has been the comprehensive regeneration of the African continent, embracing all spheres of life. In the Mandela and Mbeki eras this commitment was styled an 'African renaissance'. At a Southern African Development Community (SADC) summit in 1997, Mandela referred to the dream of Africa's rebirth the continent enter the new millennium. That rebirth, Mandela argued, was critically dependent on African countries committing themselves to 'the principles of democracy, respect for human rights and the basic tenets of good governance.'¹⁹⁵ During Mbeki's tenure an African renaissance was elevated to 'the main pillar of South Africa's foreign policy objectives'; the revival of Africa was, according to an official policy review published in 2008, 'central to ensuring a better life for all in South Africa and on the continent'.¹⁹⁶

Under President Zuma the 'African agenda' replaced the notion of an African renaissance. Deputy Minister of International Relations and Cooperation Ebrahim¹⁹⁷ explained that this agenda seeks to promote peace and security on the continent, strengthen the pursuit of good governance and democracy, deepen regional integration, develop skills and build capacity within the organs of the AU, and advance Africa's development agenda.

The centrality of Africa in South Africa's foreign policy is based not merely on geographic proximity. South Africans owed their victory over apartheid to support and

¹⁹⁵ Gumede, William M (2005). Thabo Mbeki and the Battle for the Soul of the ANC, Struik, Cape Town.

¹⁹⁶ Ibid.

¹⁹⁷ Ibid

solidarity from the rest of Africa and this imposes an obligation on South Africans to use this gift of freedom to advance the cause of the peoples of African continent.¹⁹⁸ The recent White Paper (2011: 10)¹⁹⁹ affirmed that as a beneficiary of many acts of selfless solidarity in the past, South Africa is committed to contributing to a better and safer Africa in a better world.

Solidarity with the Global South

Solidarity with the Global South is a firmly established fourth tenet of South Africa's foreign policy. The ruling ANC's foreign policy blueprint of December 1994²⁰⁰ set the tone by asserting that South Africa stands firmly as a country of the South. The Global South, Africa in particular, represents the ocean of the alienated and marginalized, whereas the affluent countries of the North were 'islands of prosperity'. South-South cooperation was therefore vital in addressing the challenges confronting Africa.²⁰¹ The new South Africa from the outset saw an active and leading role for itself in developing and strengthening multilateral forums that would empower the nations of the South.²⁰²

President Mbeki added a strong dose of anti-imperialism to South Africa's affinity for the South. He classified the nations of the world as 'the dominant and the dominated', based on the unequal distribution of political, economic, military, technological and social power.²⁰³ In Africa's case its subservient position in the global system had been created by Western capitalism and colonialism. Mbeki²⁰⁴ maintained that the enrichment of the West was predicated on the impoverishment of Africa. He accused the rich and powerful nations of

¹⁹⁸ Ibid

¹⁹⁹ White Paper on South Africa's Foreign Policy (2011). Building a Better World: The Diplomacy of Ubuntu, DIRCO, Pretoria.

²⁰⁰ Foreign Policy Perspective, 1994: 10

²⁰¹ Overview (2007). Overview of South Africa's Foreign Policy, Pretoria: Policy Research and Analysis Unit, Department of Foreign Affairs, June.

²⁰² Ibid

²⁰³ Nathan, Laurie (2008). Anti-Imperialism trumps Human Rights: South Africa's Approach to the Darfur Conflict, Crisis States Research Centre, Working Paper 31.

²⁰⁴ Ibid

consistently trying to maintain the ‘existing power relations and so perpetuating ‘the wretchedness of the poor.’²⁰⁵

South Africa’s commitment to what could also be styled as southernism or southern internationalism has continued under Zuma. Minister Nkoana-Mashabane²⁰⁶ noted that the states of the South are defined not merely by their location in the southern hemisphere, but they also share a common history of struggle against slavery, colonialism, and neo-colonialism. She depicted them, in terms reminiscent of Mbeki, as being ‘in the periphery’; the centre comprises states who benefited from the fruits of Columbus’ voyage across the Atlantic, those who wield power in our international system.

The identification with the countries and peoples of the South is an extension of South Africa’s own status as a developing country that is still struggling to overcome the legacies of its colonial past (under which the era of white rule is often included as representing a form of colonialism). Whether this sense of a ‘southern’ identity is as pronounced among the general public as in ruling circles in South Africa is uncertain. What counts now, is that solidarity with the Global South is indeed a tenet of South Africa’s foreign policy – also one with domestic roots.

Liberatory solidarity

Being more than a variant of South solidarity, liberatory solidarity deserves to be treated as a separate fifth tenet of South Africa’s foreign policy. Although not featured as a principle of South Africa’s foreign policy in official pronouncements, both rhetoric and action suggest that the government regarded foreign ruling parties and leaders that had actively supported the ANC in its struggle against apartheid as allies of a special kind. On a visit to Zimbabwe in 2009, President Zuma thanked Zimbabweans for their unceasing material and

²⁰⁵ Shillinger, Kurt (2007). From Hegemony to Champion: South Africa and Strategic Balance, Estudio egionais, Working Paper no. 24, 21 February.

²⁰⁶ Ibid

political support against apartheid and asserted that the critical incidents in the history of the two countries will forever bind them for generations to come.²⁰⁷

Indebted to them for their backing in the past, ANC governments under Mandela, Mbeki and Zuma expressed their solidarity by bestowing state honours on these foreign leaders, exchanging top-level visits, expanding economic and other bilateral ties, and refusing to criticize their old allies for human rights violations and other undemocratic practices. Among the ANC's erstwhile benefactors thus honored have been Cuba, Angola, Uganda, Mozambique, India, Algeria, China, Russia and Vietnam. More broadly, liberatory solidarity extended to the whole Global South. Ever since the founding of the Non-Aligned Movement in 1955, Minister Maite-Mashabane²⁰⁸ maintained that developing countries' mutual cooperation in their quest for a world free of injustice, poverty and inequality had contributed to South Africa gaining its freedom in 1994. When relating liberatory solidarity to political culture, the value of loyalty to old friends comes to the fore. Whether this value is as strongly endorsed by the masses as by the ruling elite is a moot point.

Developmentalism

Developmentalism, a sixth tenet, is the foreign policy extension of South Africa's portrayal of itself as a 'democratic developmental state'. The ANC government subscribed to a socio-economic programme pursued through 'active state interventions and supportive institutional structures.'²⁰⁹ The accompanying 'developmental foreign policy' and 'economic diplomacy' were designed to include developmental issues in the global agenda; secure a stronger voice than presently for the Global South in deciding these matters; democratize the global economic order; challenge the hegemony of the Global North, and

²⁰⁷ Ibid

²⁰⁸ Ibid

²⁰⁹ Ibid.

promote development especially in Africa (via the New Partnership for Africa's Development, known as NEPAD).²¹⁰

President Zuma²¹¹ has reaffirmed the ruling party's commitment to a developmental state, 'which will play a strategic and central role in shaping key sectors of the economy', including mining, energy and infrastructure development. This developmental framework, Nkoana-Mashabane²¹² insisted that South Africa has and will continue participate in the global economy and engage in international relations broadly. South Africa continues to build developmental states throughout African continent and such countries must be self-reliant and self-sustaining, supported by strong economies with a solid industrial base.²¹³

South Africa's developmental foreign policy can be linked to a pertinent attitude among the ruling elite and no doubt also the masses towards the role of the state. The ANC government and its constituency clearly support the idea of a strongly interventionist state to address the country's serious socio-economic challenges, of which severe income inequality is one.²¹⁴

Good international citizenship

The notion of good international citizenship has been a consistent theme in South Africa's post-1994 foreign policy. A good international citizen among states is a law-abiding member of international society, meeting its specific obligations and willing to pull its weight

²¹⁰ Ibid.

²¹¹ Ibid

²¹² Nkoana-Mashabane (2010b). Speech by Minister Maite Nkoana-Mashabane at the Ambassadors Dinner Banquet hosted by the Standard Bank, Johannesburg, 20 May, South African Government Information, <http://www.info.gov.za/speech/DynamicAction?pageid=461&sid=10766&tid=10783>,

²¹³ Ibid

²¹⁴ SA Reconciliation Barometer 2010 (2011). Institute for Justice and Reconciliation, Johannesburg, http://www.ijr.org.za/upload/SA_Reconciliation_Barometer_10th.

on international projects devoted to the common good.²¹⁵ More specifically, such a virtuous state will promote universal norms of human rights and democracy as a logical extension of its fundamental national values; address common challenges such as terrorism and arms control through multilateral cooperation instead of unilaterally; participate in various kinds of international peace operations; and champion a rule-governed (as opposed to a power-driven) international order.²¹⁶

Probably the first government announcement of South Africa's aspirations in this regard was made by then Deputy President Thabo Mbeki when addressing the UN Security Council on 25th May 1994, a fortnight after the ANC had assumed power. Referring to the Council's responsibility in advancing global peace, security and stability, Mbeki committed South Africa as a responsible citizen of the world, to live up to our obligations in this regard.²¹⁷

The sources of South Africa's self-proclaimed good global citizenship have often been spelled out. An ANC foreign policy blueprint of 1994 expressed the conviction that South Africa's 'miracle' of democratization could and indeed should serve as a role model for other societies suffering injustice and conflict.²¹⁸ Zuma reiterated this view when referring to South Africa's experience of having emerged from a ravaging conflict to become a peaceful stable democracy.²¹⁹

A related notion was South Africa's 'unique moral legitimacy', as an official foreign policy document of 1996 called it (Discussion Paper, 1996).²²⁰ A decade later the foreign ministry still invoked South Africa's 'particular moral authority' said to derive

²¹⁵ Brown, Chris (2001). 'Ethics, interests and foreign policy', in Karen E Smith and Margot Light (eds), *Ethics and Foreign Policy*, Cambridge University Press, Cambridge, pp.15-32.

²¹⁶ Vickers, Brendan (2003). *From Human Rights to Wealth and Security: The Discursive Changes in South Africa's Foreign Policy from 1994 to 1999*, unpublished MA dissertation, Rand Afrikaans University, Johannesburg. Schoeman, Maxi (2003). 'South Africa as an emerging middle power: 1994-2003', in Johan Daniel et al (eds), *State of the Nation: South Africa 2003-2004*, HSRC, Cape Town, pp.349-67.

²¹⁷ Statement by Mr Thabo Mbeki, First Deputy President of South Africa, at the 3379th meeting of the United Nations Security Council, 25 May 1994, <http://www.info.gov.za/speeches/1994/02081417101001.htm>, accessed 12 April 2012.

²¹⁸ *Foreign Policy Perspective*, 1994: 2-4

²¹⁹ *Ibid*

²²⁰ *Ibid*.

from the country's principles, policies and priorities that provide hope not only for the people of South Africa and Africa, but also for the Global South since they essentially provide hope for humanity as a whole.²²¹

The 2011 White Paper on South Africa's Foreign Policy again portrayed the country as a good international citizen, and reiterated that South Africa's greatest asset lies in the power of its example.²²² The policy document also alluded to the leading role South Africa has been playing in championing values of human rights, democracy, reconciliation and the eradication of poverty and underdevelopment' not only in the Southern African region and elsewhere in Africa, but globally . The tasks fall squarely in the realm of good international citizenship.

There are also expectations that the South African government carries a responsibility to help make the world a better place, not least because of international support for the ANC in its struggle against apartheid. Moral norms find expression in South Africa's good global citizenship in the sense that its national values and government practices make it an exemplary state. A belief that clearly informs this final tenet of South Africa's foreign policy is that even the most intractable political conflicts should and could be resolved peacefully. South Africa presents itself as living proof thereof and maintains that as a virtuous global citizen it should share its experiences of peacemaking and reconciliation with others less fortunate.

South Africa's foreign policy takes into account the ever-evolving global environment in which the country operate in order to respond effectively to our domestic imperatives. Effective policy development is essential for the survival and prosperity of any country in the global system. Governments are faced with complex and ever rapidly occurring global

²²¹ A Strategic Appraisal of South Africa's Foreign Policy in Advancing the Agenda of Africa and the South (2005). Draft Discussion Paper compiled by the Policy, Research and Analysis Unit, Department of Foreign Affairs, Pretoria.

²²² White Paper on South Africa's Foreign Policy (2011). Building a Better World: The Diplomacy of Ubuntu, DIRCO, Pretoria.

inflection points and must make key strategic decisions that will determine a country's future prosperity, standing and influence in the world. South Africa has embraced multilateralism as an approach to solve challenges confronting the international community. In this regard, it took up a leading role in various multilateral fora, including SADC, the AU, NAM, G77+China, the Commonwealth, and the United Nations, championing the cause of developing countries and Africa in particular. As a non-permanent member of United Nations Security Council (UNSC) from 2007-2008 and for the period 2001-2012, South Africa promoted peace and security with emphasis on Africa and improving cooperation between the UNSC and regional organisations such as the AU Peace and Security Council.

South Africa's foreign policy takes cognizance of the socio-economic realities that continue to prevail in the country. South Africa remains deeply marked by its historical legacy, and economic disparities still prevail. South Africa's economy continues to be characterized by great inequality. The developed component of this economy with its large capital-intensive firms, modern and outward-looking orientation has been best placed to take advantage of trade liberalization and macroeconomic stability. Parts of the country have advanced physical infrastructure and sophisticated financial, ICT and telecommunications networks, comparable to that of the developed world.

South Africa's first democratic election in 1994 was a major achievement. The achievement was hailed as remarkable in the light of the fact that there was no civil war and that democracy has not fared well on the African continent. Michael Bratton and Nicholas Van der Walle point out that all across Africa, the signs of democratic gains are eroding.²²³ Either democratization has been reversed as military forces have overthrown elected governments, or, democracies survive but elected rulers have lapsed back into manipulating political rules in order to consolidate their personal hold on power.²²⁴

²²³ Bratton, M and Van der Walle, N, *Democratic Experiments in Africa*, Cambridge University Press, Cambridge, 1997, Chpt 7

²²⁴ Ibid

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter presents the summary of the study findings. The chapter also presents conclusions and recommendations drawn from the findings of the study.

5.1 Summary of the Study Findings

The general objective of the study was to examine the prospects and challenges of South Africa great power status. To fulfill the general objective the study examined (i) South Africa military capabilities, and if they qualify as great power; (ii) South Africa's industrial/economic development and if they qualify as great power; and (iii) South Africa's political stability, issues of ideology, foreign policy and democratization. This section presents the findings of the study.

5.1.1 South Africa Military Capabilities, and Qualification as Great Power

South Africa military capabilities can be illustrated in terms of human resource, financing as well as involvement in Peace Support Operation's (PSOs). South Africa's Department of Defense (DOD) and the policy-makers agree that in addition to providing security within the country, the South Africa National Defense Force (SANDF) has to provide extensive support to South Africa's diplomatic efforts in Africa. Participation in and contribution to international Peace Support Operation's has improved South Africa's international image. South Africa is perceived as possessing, in relative terms, a significant military capability and it is able to play a central part in the resolution of future conflicts in southern Africa.

The SANDF has had missions in Burundi (in which South Africa acted as the lead nation in a mission tasked to monitor the peace agreement that had been brokered by South Africa itself), the UN mission in DR Congo. The international community looks to South Africa because it seemed to be the only state in sub-Saharan Africa (SSA) with the necessary military capacity and will to act as the lead nation in these types of operation.

The SANDF has a reputation within military circles of having high military standards equivalent to those of most first-world countries. South Africa has been very active in the

formation of the so-called African Standby Force (ASF), which, according to the plan, by 2015 should be able to provide the African Union (AU) with a rapid reaction capability consisting of five regionally based brigades. The responsibility for PSOs in SSA and the creation of the ASF structures have to a large extent been placed upon the regionally

PSOs is an integral part of South Africa's foreign policy and the nation has increasingly been asked to participate in robust peace-keeping and even peacemaking, that is, operations under either UN Chapter VI with robust elements added or Chapter VII mandates. A military capacity is increasingly considered a necessary condition for South Africa to achieve its foreign policy objectives. The ANC leadership has deliberately tried to use its nonaligned position internationally to create a role as a peace broker in international disputes such as the dispute between the EU and UK on the one hand and Libya on the other following the Lockerbie bombing, which led to a financial settlement in 2003, brokerage of a deal between the warring parties in East Timor in 1999 and the Israeli-Palestinian conflict.

Despite the high status of SANDF in Africa and the world over, there are constraints within the army. SANDF limited budgetary allocations which slow down advancement of military equipment and human capital. The SANDF has also been a 'victim' of the general international tendency of governments to sub-contract new tasks and responsibilities to the armed forces without allocating them the additional funding. The human resource composition constitutes a problem for the SANDF because its staff members, due to personal circumstances such as age, family status, economic dependents and health status, are less flexible and mobile. The HIV/AIDS pandemic has hit South African society and its armed forces particularly hard SANDF is being strategically weakened by the pandemic

5.1.2 South Africa's Industrial/Economic Development and Qualification as Great Power

South Africa has a reform-oriented macro-economic policy known as the Growth, Employment and Redistribution (GEAR) strategy which demonstrate its commitment to open markets, privatization, and a favorable investment climate, moving away from the former government's strategy of import substitution and industrial development that protected local

industries with high tariff barriers. The policy engendered macroeconomic stability, fiscal discipline, and trade liberalization.

Sound macroeconomic policies, including reduced tariffs and export subsidies, the loosening of exchange controls, improved enforcement of intellectual property laws, and legislation designed to improve competition have been cited by observers as responsible for the country's economic growth. South Africa is one of the easiest countries in which to do business. Investors are, however, reportedly worried by labor relations, high crime rates, and corruption.

The government has sought to promote "black empowerment" by assuring that a significant portion of the shares in privatized companies would be acquired by black South Africans rather than by wealthy whites or foreign investors. President Zuma has actively sought for South Africa to play an increasing role in world economic fora. The country is a member of the G20, and was invited in late 2010 by China to join the BRIC (Brazil, Russia, India, and China), a formation of major emerging market economies. In June and July 2010, South Africa hosted the 2010 FIFA World Cup; games which the government hoped would draw global attention to the country and boost tourism and economic growth.

There are four factors that make South Africa industrial/economic development qualify as a great power. First, multinational companies (MNCs) could use South Africa as a hub for regional headquarters, taking advantage of the country's relatively superior services infrastructure to co-ordinate and direct their regional activities. Although this means that the MNCs manage their regional affairs from South Africa, South Africa's superior services infrastructure also implies that it may be used as a hub for logistics and distribution activities, which constitutes the second dimension. Being a hub for logistics can best be shown by regional trade patterns. Third, the MNCs could use South Africa as a sourcing hub for goods destined for regional markets. For example, the American retailer, Walmart, could source perishable goods from South African farmers for its regional markets. And fourth, Johannesburg may serve as a financial hub for regional markets, channeling overseas savings into the region for various activities and via various modalities.

Despite the international recognition and praise that South Africa received in 1994 for organizing its first free and fair, multi-racial presidential elections, the country continues to exhibit increasing signs of state fragility on a number of different fronts that could be traced back to the economic, social and political legacies of Apartheid. The remarkable economic growth experienced by the country in recent years are facilitated by a sound, neo-liberal open-market economic policy, abundant reserves of mineral resources, and a first-world infrastructure.

The balance between macro stability and social demands has been a constant policy dilemma for post-apartheid policy makers in South Africa. The macro stability objectives have generally been achieved, but progress on social demand has been slow and below the expectations of South Africans. South Africa's economy is very intensive in physical capital. At the same time, the country has historically maintained one of the highest unemployment rates, particularly among the uneducated labor force. There is a shortage of skilled labor and an excess supply of unskilled labor. This unique feature of South Africa's economy is a legacy of apartheid era policies which had favored capital intensive sectors and capital intensity of production at the expense of labor-intensive sectors. As a result, South Africa tends to produce and export goods that are skill and capital intensive, a pattern that generally characterizes industrial economies, and does not utilize its abundant labor. At the same time, the apartheid era policies made quality education inaccessible to the majority of the population, mostly blacks, many of whom were drawn into the struggle against apartheid. The mismatch between labor demand (for skilled labor) and excess supply (of unskilled labor) contributes to persistence of the unemployment rate and, therefore, to the lack of significant progress in social development.

5.1.3 South Africa's Political Stability, Democratization and Foreign Policy

South Africa has been undergoing profound changes with significant implications for the region's democratic governance and stability. A political transformation of unprecedented proportions and significance occurred with the political settlement of the armed conflict in South Africa and the establishment of majority rule in that country. Peace and reconciliation in South Africa, which was ushered through majority rule in that country, and has enhanced

peace and security in the entire region, have also been given impetus by subsequent democratic elections of 1994, 1999 and 2009.

South African elections are well administered and contested fairly. They benefit from a diversity of well-established parties, several of which have substantial popular followings. Their integrity and legitimacy is protected by a constitutional order to which the ruling party accords appropriate deference. They result in institutions that are impressively inclusive in their membership but that remain very remote from ordinary citizens. A more personalized system of representation might well enhance the public accountability of legislatures and government more generally.

Nevertheless, the political stability South Africa can be described as fragile. South Africa's transition from apartheid to democracy in 1994 was expected to usher in a new era of peace, stability, and accelerated development. However, despite widespread optimism, political violence has persisted. Although a fraction of that experienced under apartheid, levels of political violence are worsening and indicative of the country's potential fragility. Political violence in South Africa is primarily driven by poverty, inequality, and patronage. Limited economic growth, institutional incapacity, and restricted educational opportunities have resulted in a post-apartheid democratic state that has been slow to create jobs or supply housing, water, sanitation, and other services that many South Africans expect.

Although overall levels have decreased since 1994, poverty remains both endemic and acute across the country. Simultaneously, and even more problematically for stability, inequality has risen steadily, leaving society deeply divided between a wealthy minority and a poor majority. Within this context, frustration with the slow and uneven pace of service delivery often ignites into violent protest.

Political violence is also triggered by competition for financial and political resources available through the state. This competition is further fueled by perceptions of the post-apartheid state as a source of personal enrichment and power. At the elite level, access to the state allows for personal and professional gain through corruption, political favors, and business opportunities secured through ties with strategically placed individuals. Elite

competition for such access drives violence within and between competing political parties, usually at the local level using intimidation and assassination to ensure electoral success. Much political violence thus exists in a grey area where the distinction between politics and crime is blurred.

While popular frustration mounts due to unfulfilled expectations regarding the speed of socioeconomic transformation, South Africans still overwhelmingly support the democratic process and view the government as legitimate, providing the state a strong foundation from which it can contain political violence. South Africa's capable though diminished security apparatus, similarly, provides the state the capacity to enforce its authority when needed. Consequently, political violence poses a low to moderate threat to the country in the short term and constitutes a mostly disruptive force rather than one with the potential to seriously jeopardize the state.

In the medium and long term, however, catastrophic political violence may be triggered by a generalized sense that many of the promises of the anti-apartheid struggle remain at least a generation away. This realization, coupled with growing socioeconomic and political gaps between elites and the average citizen, poses the greatest threat to stability and security in South Africa

5.2 Conclusions

Over nineteen years after the South African majority gained its independence from white minority rule under apartheid, a system of racial segregation, the Republic of South Africa is firmly established as a regional power. With Africa's largest Gross Domestic Product (GDP), a diverse economy, and a government that has played an active role in promoting regional peace and stability, South Africa is poised to have a substantial impact on the economic and political future of Africa. The country is also playing an increasingly prominent role in the G20 and other international fora.

The military capabilities in South Africa brand her as a regional power in Africa. The relative size and capacity of South Africa's military makes it a giant, compared especially with its African partners. South Africa's military play a major role at the regional and continental, and even international levels. Although the vast majority of South Africans continue to support the democratic system, the country has a fragile political stability. While not unusual among countries consolidating relatively new democratic institutions and practices, the decline in South Africa is undeniably linked to the government's persistent failure to address the underlying causes of political violence. Even though South Africa may not resemble the stereotypical developing country, it still faces great challenges to democratic consolidation due to dominance of the African National Congress (ANC).

There is a high probability that if meaningful inroads addressing poverty, inequality, and the delivery of basic services are not made and opportunistic tendencies among political elites are not stifled, state legitimacy will weaken further. People will lose faith in the system and a steady increase in political violence is probable. However, there are still opportunities to address the core problems behind contemporary political violence. South Africans can endure hardships and support potentially disruptive reforms as long as citizens are included in a meaningful way and the process is seen as fair and legitimate. South Africa's longer-term stability is also linked to the success of the South African government and its partners in fighting poverty and reducing the toll of the AIDS pandemic.

The study concludes that foreign policy, being an extension of national policy and interests, is an important component in South Africa's strategy for development and social purposes. Creating a better South Africa and contributing to a better and safer Africa in a better world encapsulates and conceptualizes a South African foreign policy that enables the country to be a good international citizen. As the country engages with its region, continent and the international community, it seeks to build an environment in which it can realize its national socio-economic agenda as well as its political and security interests.

Reflecting national interest, South Africa's foreign policy recognizes that states are interdependent and promotes cooperation over competition and collaboration over confrontation. In this context is committed to development partnerships around the world. It

draws on the spirit of internationalism, pan-Africanism, South-South solidarity; the rejection of colonialism and other forms of oppression; the quest for the unity and economic, political and social renewal of Africa; the promotion of poverty alleviation around the world; and opposition to the structural inequality and abuse of power in the global system. South Africa further pursues democracy within the international system of governance.

5.3 Recommendations

The study recommends increased capacity building in terms of highly skilled human capital to propel South Africa to greater heights of economic prosperity. South African should facilitate more training in sciences, social and economic fields. Highly human capital will allow the labor market to absorb a significant portion of the excess supply of labor. With lower unemployment, a large fraction of the population will be able to afford its social needs. However, labor markets would need to be more flexible, and continued attention should be given to the scourge of AIDS/HIV, which could decimate labor and have offsetting effects on the formation of human capital stock.

More fundamental course corrections are needed to steady South Africa's political stability and extinguish the slow-burning fuses that threaten long-term stability: Expand Socioeconomic Opportunities through sustained investments in building effective health, education, housing, sanitation service institutions and private sector job creation; Reduce Patronage Opportunities by eliminating a political culture with the opportunities for wealth and influence that accrue to politicians; End Tolerance for Political Violence by instituting measures that deter political opportunists from using violence to achieve political ends; Reform Electoral Party List System to allow citizens elect their political representatives directly; Elevate Non-Violent Political Norms and Invest in Public Order Policing Capacity through improvements in the security sector to enhance deterrence, prevention, and trust and confidence in security institutions and the state.

The study recommends that South Africa should promote democratic consolidation by eradicating one party dominance. This will encourage institution of highly inclusive and participatory political bodies and procedures. Greater political stability can be realized if

more political parties participate in democratic elections and if strong opposition exists to check on the excesses of the incumbent government.

The study recommends that South African government should enhance economic and political stability by prioritizing policies aimed at eradicating economic inequality in the society and HIV/AIDs scourge. South Africa can strengthen its position as emerging world economic power by ensuring that standards of living are raised for all citizens regardless of racial background. The country has to formulate strategies that eradicate differences that were created during apartheid.

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