r â\200\231 . VV ’ 1,1
â\200\235pr ,,,
F OREIGN POLICY
NUMBER 87 SUMMER 1992
ENGAGING
SOUTH AFRICA
AFTER APARTHEID
by Millard W Arnold
When offered the equally unpalatable choices of reverting to the apartheid past or accepting a democratic but uncertain future, white South Africans resigned themselves to the inevitable and voted on March 17, 1992, to negotiate a new government with the countryâ\200\231s black majority. The vote itself came in the form of la whites-only referendum called by President F . W. de Klerk, when a series of electoral defeats seemed to suggest that whites were drifting away from his carefully managed efforts at reform. A record turnout gave de Klerk a strong mandate to proceed with constitutional negotiations through the Convenuon for a Democratic South Africa (Codesa), placed the country on a ï¬\201rm course toward majority rule, and dramatically altered the political fortunes of many South African politicians.

Although many whites saw either side of the referendum as leading to an undesirable outcome, nearly 70 per cent of the voters backed de Klerk and the reform process. De Kletkâ\200\231s victory effectively shattered the white Conservative party and all but ended the political career of its leader, Andries Treunicht. Even before the referendum, there were differences between those Conservatives who believed that the party should join Codesa and those who adamantly refused to negotiate with blacks. The referâ\200\224 endumâ\200\231s outcome left the Conservative party splintered and skeptical of its future. De Klerkâ\200\231s win also exposed the limited appeal of the far-right Afrikaner Resistance Movement (AWB)

MILLARD W. ARNOLD, an attorney, admired the government of Mozambique on the initial draft of it: current commution. A ï¬\201rmer deputy amlmznt secretary of mnfbr human right: and bumm’tarian affair: (I980-81), be is author of Steve Biko: No Fears Expressed (I987).

and its leader, Eugene Terreâ\200\231Blanche.A1though no one is prepared to discount the movementâ\200\231s still considerable disruptive potential, for the moment the AWB has been reduced to a vocif- erous but declining political force. Finally, the referendum left de Klerk in control of white political power, strengthening his hand in the negotiating process and giving him the leverage to deal with rightâ\200\224wing terrorism.

Although African National Congress (ANC) leader Nelson Mandela called the referendum a â\200\234serious mistake,â\200\235 and the Panâ\200\224Africanist Con- gress (PAC) denounced it as an â\200\234obscenity and an insult to the dispossessed masses of our country,â\200\235 the unexpectedly large vote in favor of change vindicated those who had chosen to participate in Codesa. By making it clear that a successful transition to a new political environ- ment was indeed possible, the referendum forced those outside of the negotiating process to scramble on board or to find another vehicle for their message. Within days of the referen- dum, the PAC hinted that it could be persuaded to join Codesa while the Azanian Peopleâ\200\231s Organization spoke of launching its own Coâ\200\224 desa. Most notably affected was Chief Man- gosuthu Buthelezi, head of the Inkatha Free- dom party. Buthelezi had balked at the Codesa arrangements and had been embarrassed before the referendum when one of his principal depuâ\200\224 ties signed a nonaggtession pact with the AWB and the Conservative party. Although Buthelezi subsequently repudiated the pact and Inkatha remained in Codesa, the events nonetheless gave credence to the accusation that rightâ\200\224wing whites were colluding with Zulus to incite violence in the townships.

The decisive outcome of the referendum quickly permitted the Codesa negotiators to reach broad agreement on a two-smge transi- tional plan. As of this writing, the planâ\200\231s ï¬\201rst phase envisions the establishment of an interim government, which was expected to be an- nounced in May 1992. The second smge calls for the creation of a parliamentary body to draft an acceptable constitution. While negotiaâ\200\224 tors agreed that an interim government could be in place within a matter of months, they disagreed over how it would be formed and

Arnold
over the details of creating the parliamentary body. The ANC pressed for a constituent assembly elected on a one-person, oneâ\200\224vote basis. De Klerkâ\200\231s National party argued that an enduring constitutional arrangement would have to take into account the sensitivities of whites to domination by a black majority. The government proposed a two-chambered transitional parliament, with one chamber to be elected proportionately and the other chamber to be elected on a numerically disproportionate basis, providing special representation for minorities. Each chamber would have veto power over the other. The ANC countered this proposal by noting that such an arrangement would only rigidly institutionalize the idea of majorities and minorities and set the two houses on a collision course. .

The resolution of this issue is at the heart of the negotiations. Despite the sharp differences between the parties, though, many South Africans think that these are merely details that need to be worked out before a more represenâ\200\224tative, democratic, and equitable political structure will be put into place. Nonetheless, potentially serious obstacles loom. It is possible that one or more parties will walk out of the talks, or that remnants of the Conservative party will join Codesa and align with Inkatha to block the transitional process. Although less likely, other events could threaten the Codesa process as well, such as a coup led or backed by the military, a debilitating ethnic conï¬\202ict pitting white against white or black against black, or the sudden departure of any of the major players from the scene.

In spite of these potential obstacles, the surprising reality is that South Africa is poised to establish a multiracial, democratic government. The rapid pace of change and its implications require a critical reassessment of US. policy. Is an active American policy still required and, if so, what is its justiï¬\201cation? Given the intensely introspective nature of the developments in South Africa, is there a legitimate and effective role for the United States to play? Are there actions Washington might take that would facilitate the negotiating process? More speciï¬\201cally, when should the remaining US. sanctions

be lifted? If South Africa is about to achieve a real measure of racial justice, are there other compelling longâ\200\224term objectives in South Africa or the region that warrant a more complex policy approach? If there are no traditional geopolitical considerations to anchor South Africa policy, should the United States shift its attention to more pressing issues that have a larger impact on American interests?

In a period of dwindling American resources and Eurocentric preoccupation, considerable involvement with a country that does not advance Americaâ\200\231s overall objectives would hardly seem justiï¬\201ed. But such a position toward South Africa would be a serious misreading of that countryâ\200\231s importance to America. In the long term, South Africa is signiï¬\201cant to the United States primarily as the centerpiece of a more comprehensive regional strategyâ\200\224a strategy designed to foster political liberalization in Africa, strengthen southern Africaâ\200\231s productive capacity, and reduce the need for US. humanitarian aid to the continent as a whole. As the linchpin in a regional strategy, South Africa ï¬\201ts into the wider scope of issues critical to US. interests, namely the fostering of democracy, the expansion of markets, and the resolution of conï¬\202icts. To advance those interests, the United States must design a policy to assist South Africa in its transition to democracy, address the level of violence in the country, promote growth, and expand South Africaâ\200\231s regional opportunities.

Americaâ\200\231s Moral Coalition

Historically, South Africa was an anomaly in US. policy. Americaâ\200\231s approach to South Africa was not governed by the same restrictive geopolitical formula that dominated U.S. strategy in other areas of the world. Rather, South Africa raised moral issues that cut to the very heart of American notions of equality, liberty, and justice. An America that had only recently come to grips with its own embarrassing civil rights record could hardly justify supporting a government that denied the vast majority of its people the very same rights African-Americans had so painfully struggled to achieve. Opposition to apartheid ran deep in the African-Amer-

Arnold
ican community, where fundamental questions were raised about the sincerity and purpose of U.S. policy.
Driven by the concerns of African-Americans and others committed to racial equality, a powerful, nonpartisan coalition of liberals and conservatives lobbied for sanctions against South Africa as a means of achieving a fairer, multiracial society there. While this objective was central to U.S. policy, others saw South Africa as a Cold War ally and were opposed to weakening the country through such punitive measures. As political conditions worsened progressively in South Africa, broad support was ï¬\201nally mustered for the passage of the 1986 Compreâ\200\224hensive Andâ\200\224Apartheid Act (CAAA), which mandated a range of economic sanctions.
It is now clear that the sanctions worked. The passage of the CAAA followed three successive years of upheaval in the black townships and the unanticipated refusal of international commercial banks to roll over approximately $14 billion in immediately payable debt. Sanctions, violence, and the lack of funds from international capital markets precipitated an economic crisis in South Africa. More than $5 billion ï¬\202owed out of the country, inï¬\202ation exceeded 15 per cent, and the annual growth rate plummeted to slightly more than 1 per cent. In an effort to salvage the economy, de Klerk, who had replaced P. W. Botha as president in August 1989, did the only things he could have done: He released Mandela and other political prisoners, legalized political organizations such as the ANC, lifted the state of emergency, permitted the return of exiles, repealed much of the apartheid legislation, and indicated his willingness to begin negotiations for a â\200\234new South Africa.â\200\235
Although fundamental change had long been advocated, and indeed the purpose of sanctions was to expedite such change, the relatively sudden and apparently sincere transformation in South Africa came as some surprise. The sanctions lobby argued against lifting the CAAA until there was majority rule in South Africa or, at a minimum, an acceptable interim government.
Long disdainful of sanctions, President George Bush lifted the CAAA restrictions in July 1991,
143.

after ï¬\201nding that the legal prerequisites for their removal had been met Financial assisâ\200\224tance to black South Africans was increased from $40 million to $80 million. But the removal of sanctions left the United States with no coherent policy to guide its actions in South Africa, forcing it to rely on an ad hoc approach to issues as they developed.

Shortly after de Klerkâ\200\231s referendum victory, Assistant Secretary of State for African Affairs Herman Cohen told the Africa Subcommittee of the House Foreign Affairs Committee that we share your concern that the international community support South Africa in this crucial period. We believe that action cannot wait. The economic underpinnings that will be essential to the succcm of democracy must be built now and we and other international partim, public and private, must be involved.

Though muted, Cohenâ\200\231s appeal was clearly intended to nudge Congress to rethink the remaining sanctions against South Africa and to consider introducing independent initiatives that might accelerate the democratic transition. It was the right message for the right audience. In opening the hearing, Representative Mervyn Dymally (D-Califomia) stressed that the subcommittee intended â\200\234to play an integral role in formulating U.S. policy in South Africa.â\200\235

During 1991, Congress toyed with the idea of a major ï¬\201nancial aid package for a democratic South Africa. However, given the decisions of both Dymally and Representative Howard Wolpe (D-Michigan) not to seek reelection, the previous retirement of William Gray (D-Pennsylvania), and the lack of any policy prescripâ\200\224tions from the traditional U.S. lobby for change in South Africa, new initiatives from the Congress seem unlikely.

As South Africa moves closer to a multiracial democracy, it is also unlikely that the moral coalition in America will exert signiï¬\201cant inï¬\202uence on U.S. policy. While it will continue to concern itself with ameliorating the social and economic legacies of apartheid, its effectiveness as a pro-active force on South Africa policy is increasingly limited. Nor is the Bush administration likely to advance new proposals, particularly during an election year in which the president is vulnerable to charges that he is

Arnold
preoccupied with foreign affairs. In contrast to the last presidential campaign, South Africa will probably not become an issue; the leading contenders thus far have not articulated a comprehensive policy toward South Africa.
After 20 years of cajoling South Africa by both Democratic and Republican administrations, the United States seems poised to abandon that country or to assume that its process of change is complete. Nothing could be further from the truth. South Africaâ\200\231s transition to an acceptable political environment will be complicated by violence and tepid economic growth. Having invested substantial political and psychological capital into fostering change in South Africa, the United States has a vested interest in seeing change succeed.
South Aï¬\201ica in Tramition
It has been two and a half years since the ANC and other political parties were legalized and Mandelaâ\200\231s 27 years of imprisonment ended. It is likely to be another two years before there are genuine elections to esmblish something approximating a true, multiracial democracy in South Africa. This long period of transition has subtly changed the political dynamics of the country. The issue is no longer the eradication of apartheid or the alleviation of tensions between blacks and whites. Now the issue is which political party will best be able to address the complex problems presently confronting the country.
The transitional parliament envisioned in the Codesa discussions seems, as of this writing, to present complicated problems of its own to negotiators. It appears that the transitional parliament will be established on the basis of some acceptable electoral framework. Exactly how the electoral mechanism will be arrived at is one of the unresolved issues. Constituencies must be established, districts deï¬\201ned, and voters registered. The ANC has advocated elections on the basis of proportional representation, but there is always the remote possibility that the current tricameral parliament, augmented by a separate black election, could serve as the basis for the interim government. A more likely possibility is that a variant of Codesa itself

could fuli¬\201ll this function. However the interim government is formed, its duration will also be an issue. Even if the negotiating parties agree upon a timetable for its termination, its mandate may have to be extended if the transition process is not complete. The ANC would like to see an interim government in power for no more than a few months, while de Klerk and the National party are more comfortable with a twoâ\200\224 to three-year arrangement. If the difference were split, an interim government is certain to be in place for 12 to 18 months.

From de Klerkâ\200\231s perspective, that relatively long lead time before a new constitution is adopted and elections held would placate white fears about majority rule. Given the National partyâ\200\231s extensive experience in the intricacies of governing, the additional time would also work in its favor by affording it the opportunity to address social issuesâ\200\224including health, education, and housingâ\200\224and to be viewed as fuli¬\201lling the demands of blacks. A longer interim phase would thus increase the voter appeal of the National party, and de Klerk in particular, among black South Africans. 80 effective has de Klerk been at defusing race as an issue that a respected South Afn’can business magazine, the Financial Mail, reported that polls conducted in 1991 revealed that â\200\234nearly half the urban black population can be classed as â\200\230potendalâ\200\231 [National party] voters. Six percent said they would â\200\230deï¬\201nitelyâ\200\231 vote Nat in an election, 22% said â\200\230perhapsâ\200\231 and 18% â\200\230feel quite goodâ\200\231 about the ruling party even if they would not vote for it.â\200\235 Indeed, de Klerkâ\200\231s most signiï¬\201cant accomplishment has been to create the illusion that the race question in South Africa, an issue that had long traumatized the country and the world, is now merely a question of national politics. In the near term, he has been able to carve out a signiï¬\201cant role for whites in a future government. Over time, it is inevitable that blacks will come to dominate political life in South Africa. But the notions of â\200\234liberation nowâ\200\235 and black majority rule, which drove the struggle of black South Africans, will not be readily or immediately realized.

Regardless of the outcome of the Codesa negotiations, political violence will remain a

Amold
troubling feature of South Africa. Although de Klerk has had some success in easing the tensions between blacks and whites, race will always be an issue in South Africa. The seemingly uncontrollable violence currently sweeping the country adds to those racial tensions. Nearly 11,000 peopleâ\200\224almost all of them blackâ\200\224are estimated to have been killed in politically motivated violence since de Klerk launched his reform movement three years ago. The violence has strained relations among South Africaâ\200\231s leaders, all but destroying the last remnants of civility between de Klerk and Mandela. De Klerk is content to explain the violence as factional ï¬\201ghting between ANC and Inkatha supporters. Indeed, the violence has spawned a wave of retaliatory killings by those groups, but persuasive evidence points to some government involvement or complicity in the majority of cases. The Weekly Mail of South Africa found that the South African Defense Forceâ\200\231s Department of Military Intelligence, working through an extensive network of from organizations, has been involved in â\200\234promoting and provoking many of the divisions in black politics that lie behind the current violence,â\200\235 in order to â\200\234oppose the [ANC] and other left-wing bodies [and] to promote organisations more acceptable to the state.â\200\235

Despite de Klerkâ\200\231s persistent denials, foment-ing violence is a strategy of some in the National party who seek to weaken Mandelaâ\200\231s appeal among blacks. The approach is reminiscent of the divideâ\200\224and-rule strategy of the past: Create conditions that alienate one group from another, splitting the potential black vote while enhancing the prospects of the National party in a nationwide election. While much is made of Buthleziâ\200\231s leadership and stature abroad, polls in South Africa consis-tently show that he is supported by 5 per cent of the black electorate or less. Encouraged by the governmentâ\200\231s unwillingness to suppress his activities and disgruntled at his reduced role in Codesa, he has threatened that there will be no peace in the country if his demands are not addressed. For Buthelezi, violence is a means of achieving aims he cannot attain politically. A delegation of the International Commission of I47.

Jurists noted as much when, after the March referendum, it concluded that free and fair elections could not be held in South Africa under existing conditions. Its report on township ï¬\201ghting stated: â\200\234It is our view that Chief Minister Buthelezi carries a heavy responsibility for the escalation of violence.â\200\235 Despite the growing evidence of Butheleziâ\200\231s murderous intent and the governmentâ\200\231s comâ\200\224plicity, the violence nonetheless reinforces the myth that if blacks were to come to power the country would degenerate into a bloodbath of competing ethnic interests. Such an argument has the dual effect of keeping white voters within the National party while driving coloreds and Indians away from the ANC. With no other viable alternative to the ANC, coloreds and Indians will inevitably be drawn into the ranks of the National party as de Klerk fragments the black electorate.

Buthelezi is not the only concern. The referendum has all but closed off any political options for the white far right to assert itself. Although the vote showed how limited its support truly is, in all likelihood the far right will continue its terrorist actividesâ\200\224primarily aimed at the black community, but with some attacks against whites as well. With its continued support among the police and military, the white right wing will remain a powerful force for some time. Finally, it is not just political violence that will plague the country. The removal of Group Areas and the greater mobility of blacks, combined with the enormous economic disparities between blacks and whites, will lead to an increase in nonpolitical crimes against whites.

When historians look back on this global democratic movement, it is likely that South Africa will be their model of a successful transition. At the moment, the process is far from complete, but in no other part of the world is democracy being achieved so openly. Through Codesa, the country is becoming familiar with the demands of constitutional government. The level of sophistication with which South Africans in all communities understand the nuances of democracy is exceptional. Although blacks have yet to vote, they have watched the

Arnold
whites-only version of elections and are comfortable with democracy. Among South Africans of all races, the democratic transition itself is of an unusually participatory nature. As a result, the form of government that emerges in South Afn’ca will generate a feeling of proprietary interest by the body politic as a whole. Ultimately, there is a greater chance of sustaining democracy in South Africa precisely because of the enormous difï¬\201culty associated with bringing it into existence.

Still, there are pitfalls along the way. Some forces in South Afiica seek to obstruct the democratic process for reasons of self-interest. As political developments unfold, the country is beginning to sense that the peculiar dynamics now shaping the system will also shape it for some time to come. In the run-up to the momentous elections that will decide the countryâ\200\231s future, and for elections to come, the stumbling, often violent character of the process may well become smndard. In future political campaigns, as now, public support will be based on a complex web of social, economic, and racial factors shifting in importance from party to party and issue to issue. As a value system, democracy is extremely fragile. It will require international monitoring and support for decades, until it becomes institutionally ingrained in South Afn’caâ\200\224and capable of withstanding the shocks that are certain to come. All South Africans are aware that democracy is more than an election. But given the countryâ\200\231s simmering tensions, South Africans must be fully committed to embracing democratic values and principles. Without such a commitment in a country confronted with extraordinary political and economic problems, the potential for chaos is substantial.

As Codesa attempts to address political inequality, the issue of economic inequality remains an equally severe threat to stability. The expectations of black South Africans far exceed the governmentâ\200\231s ability to meet them. By conservative estimates, bringing black health, education, housing, pension, and living standards up to the level enjoyed by whites would cost $28.6 billionâ\200\224a ï¬\201gure that exceeds South Africaâ\200\231s entire 1990â\200\22491 national budget.

I 49.

F OREIGN POLICY
Over the next 20 years, South Africaâ\200\231s population of 40.6 million will nearly double. Within that same time period, it will cost more than $8 billion a year to provide each black South African with a modest $20,000 home. Achieving parity between white and black education would cost nearly 21 per cent of South Africaâ\200\231s gross domestic product (GDP). Most economic analysts agree with the International Monemry Fund (IMF), which recently concluded that â\200\234poverty in South Africa is so severe that redistribution policies alone will not be adequate to counter it, but rather must be supported by policies designed to place the economy on a higher growth path.â\200\235 The ANC, which historically has favored a redistributive approach, argues that the economic realities of black South Africaâ\200\224massive unemployment, inadequate housing, poor education, and an insufï¬\201cient capital baseâ\200\224cannot be addressed by a growth policy alone. The ANC has talked of combining elements of a free market and state intervention in the economy. But what has not been made clear is how the ANC would translate this broad approach into speciï¬\201c policy initiatives. Mandela has emphasized that the ANC is open to suggestions, noting that â\200\234our ideal is a mixed economy in which government interference would be no greater than that in Italy, France, or Germany.â\200\235 There is little question that rapid economic growth would alleviate many of the difï¬\201culties confronting South Africa. But with extreme economic disparities between whites and blacks, a mixed economy may well lead to greater social cohesion and better serve the countryâ\200\231s interests. Such an approach would require immediate adherence to an IMFâ\200\224sanctioned structural adjustment program to infuse working capital and stimulate private-sector conï¬\201dence. In addition, budgetary and ï¬\201scal initiatives could be introduced with a targeted privatization program that would begin to address redistribution issues. Politically, such a program could be built into the interim government arrangements, thus insulating any one political party from inevitable hardship. Immediate attention to the economic questions is critical; a failure to deal with them will
[50.

.4an
only exacerbate highly combustible political tensions. For a substantial segment of the black community, the struggle against apartheid was also a struggle for outright political power and land resdtudonâ\200\224objectives that many blacks believed could not be achieved through negotiation. If South Africaâ\200\231s pending political arrangements are unable to provide immediate, tangible beneï¬\201t to blacks, future leaders will be swept away by the same forces that drove de Klerk to the bargaining table.

South Africa raised moral issues that cut to the heart of American notions of equality, liberty, and justice.

Such a scenario should be of concern to Amen’cans because the fundamental objective underlying the policies of successive U.S. administrations has been to facilitate a transiâ\200\224tion to a more equitable society in South Africa. The outbreak of a conï¬\202ict in South Africa over economic inequality would signal that, despite its initial success, the overall U.S. policy had ultimately failed. The impact would be profoundâ\200\224not only on longâ\200\224term interests in Africa, but on U.S. domestic politics as well.

U.S. policy in South Africa was propelled by policymakersâ\200\231 understanding that a failure to respond to racial injustice in South Africa could exacerbate racial tensions in the United States. That fear lingers, particularly given the high level of frustration and despair in large segments of the Africanâ\200\224American community. While change in South Africa has reduced the inï¬\202uence of the African-American lobby, it remains a latent force that could return if U.S. policy seems indifferent to South Africaâ\200\231s growing economic polarization.

Although stability in South Africa is in itself an important objective, it could also engender a more critical strategic beneï¬\201t: regional economic integration. While clearly a long-term objective, integration could lead to enduring stability in the region as a whole by releasing its considerable potential for sustainable economic growth. If South Africa proves successful as an African democracy and as a catalyst for the development of market economies in southern

Africa, the region may develop the means to address the continentâ\200\231s lack of political tolerance and economic productivity. The economies of southern Africaâ\200\224Botswana, Namibia, South Afn’ca, Swaziland, Zimbabwe, and eventually Angolaâ\200\224rank among the continentâ\200\231s most productive on a per capita basis. Home to a fourth of sub-Saharan Africaâ\200\231s population, the region boasts vast mineral resources, as well as oil, coal, and surplus hydroelectricity. It has a sophisticated ï¬\201nancial and physical infrastructure, and, until the current devastating drought, had been selfâ\200\224sustaining in food production. Although in the context of world markets South and southern Africa are marginal players, the British, French, Germans, and Japanese have deemed the region important enough to quietly begin positioning themselves to play a more substantial role there. Likewise, Brazil, Italy, and Portugal are actively pursuing economic opportunities in southern Africa. Those counuies recognize that an unfettered South African economy, the process of economic rehabilitation in Angola and Mozambique, and the assistance of the World Bank and bilateral donors will propel the regionâ\200\231s economy for the remainder of the decade. US. businesses, on the other hand, are seemingly content to wait until the region begins to realize its potential before they consider investing. Such excessive caution will mean lost opportunities.

Despite a sense of optimism, the region is not without its problems. Although its population is estimated to exceed 100 million, individual markets are relatively small, and they consequently do not presently attract signiï¬\201cant domestic or foreign investment. Trade and investment are further hampered by uncompetitive economic structures, low employment levels, unstable export earnings, and an unequal income distribution. Moreover, South Africa dominates the region, producing three-quarters of its GDP and four-ï¬\201fths of value added to manufacturing. Although much has been made of the imbalance in regional trade between South Afn’ca and its neighbors, that trade provides South Africa with a crucial source of foreign exchange and an important outlet for its agricultural and manufactured

Amold
goods. The economic development of a post-
apartheid southern Aï¬\201’ica is not predicated on
regional balance, but rather on collaborative
regional growth. While serious tariff barriers
and other obstacles to greater regional trade
exist, a truly integrated economic union of
southern African states is not difï¬\201cult to envi-
sion. The principal obstacle to greater produc-
tivity in the region has been the combination of
apartheid and conï¬\202ict. With South Africa mov-
ing in the direction of stability and with elec-
tions planned in Angola, only Mozambiqueâ\200\231s
civil conï¬\202ict remains a hindrance to regional
economic growth; and the initial steps in that
conï¬\202ictâ\200\231s resolution are likely to take place by
the end of 1993.
With 30 million Americans of African de-
scent, the United States has a genuine stake in
the development of political and economic
stability on the African continent. Given South
Africaâ\200\231s economic potential, regional predomi-
nance, and global stature, its successful transi-
tion to democracy is critical for US. interests.
Although American resources and inï¬\202uence are
limited, if targeted they can help shape a more
favorable political and economic environment.
The importance of American moral suasion
should not be underestimated. Thus, the Bush
administration should devote more attention to
South Africaâ\200\231s political transition.
The United States needs to sketch out a
coherent vision of the future for South Africa
and the region, to help guide both future US.
policy and those in South Africa preoccupied
with the more immediate search for an ac-
ceptable solution to the countryâ\200\231s problems.
More broadly, as South Africa makes the
transition to a democratic society, the United
States must strike a careful balance between
taking steps to support democracy and not
interfering in South Africaâ\200\231s domestic affairs.
The United States should therefore cease
assisting political parties in South Africa and
devote its attention to promoting a democratic
civil society by working with business and
community associations. As politics becomes
more diffuse in South Africa, these secondary
political institutions will become more
important in shaping future policies. US. aid in
153.

the areas of organizational management, voter education, and membership development would be helpful. The National Endowment for Democracy and the US. Information Agency can provide training seminars, workshops, and conferences on civil and political rights and the electoral process.

Should South Africa opt for a mixed economy, priority should be given to training in public managerial skills, rethinking organizational structures, streamlining administrative processes, and revamping the civil service. In conjunction with leading American nongovernmental institutions, the US. Agency for International Development could help devise an appropriate training program for the country.

Given the danger that political violence will continue as South Africa progresses toward a new political order, possibly delaying or distorting that evolution, particular attention should be paid now to training and educating _ South Africaâ\200\231s police in the role and function of the police in a democratic society. In addition to traditional exchange programs, the United States can help establish and train citizen review boards. Moreover, assistance should be channeled into the peace accord mechanisms that were established by the key players in September 1991. Given the potential for continued involvement of security forces in political violence, the United States should maintain its prohibition against exports of weapons and lethal materials to security forces until South Africa has a democratically elected government and has integrated its police forces.

Rapid economic growth soon is also critical if South Africa is to achieve stability and fulï¬\201ll its potential. To stimulate such growth, the United Smtes should repeal the Gram Amendment, which restricts the United States in voting in favor of IMF assistance to South Africa. The legislation should be conditioned on the establishment of an interim government in South Africa.

As soon as an interim government is in place, states and localities in the United States should lift their sanctions. The administration and Congress must therefore begin now to educate state and local authorities about the changes

Arnold
underway in South Africa and the importance of US. investment to solidify the gains black South Africans have made.
The debate over economic policy is a critical one, but the US. role in that debate should be limited. While a market-oriented growth strategy might be desirable, the United States should refrain from heavyâ\200\224handed policy prescriptions and unrealistic linkages between assistance and political or economic preconditions.
What the United States can do is address the looming issue of black economic empowerment. While a component of current US. policy focuses on black enterprise development, a more forward-looking policy could encourage a future South African government to adopt legislation to assist black and disadvantaged South Africans through tax relief, subsidies, and government procurement.
The development of black enterprise in South Africa has been constrained by a number of political, economic, social, and regulatory impediments. As a result, black business is seriously deï¬\201cient in capital, managerial skills, and marketing expertise. It is unlikely that foreign investment will ï¬\202ow to black enterprises in the absence of substantial incentives. To encourage American investment in black business in South Africa, Congress should establish tax relief or other incentives for companies to invest in black-owned enterprises there. In particular, Congress could consider directing speciï¬\201c incentives toward African-American businesspeople, many of whom have a degree of expertise in minority enterprise development in the United States.
Black enterprise in South Africa could also be aided through a variety of ï¬\201nancial institutions and instruments. As the World Bank and IMF introduce assistance programs for South Africa, the United States could seek to earmark a portion of the funds for black economic empowerment. Washington could consider authorizing preferential ï¬\201nancing for investments in, and franchise and trade arrangements with black businesses through the Exportâ\200\224Import Bank or the Overseas Private Investment Corporation.

The United States could also press for the establishment of a Bank for Reconstruction and Development to provide seed capital and technical assistance for the development of black enterprise in South Africa. Similar programs were launched to assist Hungary and Poland in their transitions to market-oriented democracies. Creating such a private enterprise fund for South Africa could help narrow the difference between blacks and whites without undermining individual initiative and comâ\200\224petition.

Although American policy will be only one of several factors affecting southern African developmentâ\200\224along with global economic trends and the loan and aid decisions of international ï¬\201nancial institutions and the major industrialized powersâ\200\224the United Smtes should attempt to promote regional economic integration. Establishing bilateral trade links with the region and insisting on the elimination of discriminatory tariffs should foster exportâ\200\224oriented growth and thus further development. The United States should also seek to have its assistance programs coordinated on a multilateral basis, thus avoiding duplication and providing coherence to the overall development process in South Africa. Future funding should also be designed to advance broader regional interests, where the United States can get a bigger bang for its buck. A pledging conference like that which assisted Zimbabwe after independence would be useful, and a regional aid plan backed by international development agencies and donor countries would be welcome.

The positive developments in South Africa call for the United Smtes to adopt a policy taking full account of the role that country will ultimately play in Africa and the world. Only by actively helping South Africa make its transition to democracy can Americans expect to see the years of and-apartheid effort pay off, in terms of moral and political aims as well as commercial opportunities. US. policy will have to be nuanced yet dynamic, guided by a vision of a democratic South Africa working in concert with its neighbors to achieve political liberalization and economic growth.