

INSIDE

US elections	Pages 2, 3
Foreign pressures	Pages 4, 5
PW's visit	Page 6
Soviet Union	Page 7
Algeria	Page 8

The past month

12 September – President PW Botha visits Mozambique, his first official visit to a Frontline state.

The Chemical Workers' Industrial Union declares a labour dispute with 39 multinational companies in SA over agreements applicable in the case of disinvestment.

13 September – President Botha meets Malawian leader Kamuzu Banda. Three UDF detainees take refuge in the US Consulate in Johannesburg after escaping from a Johannesburg hospital.

14 September – At Lesotho's request, a SA task force storms the hijacked bus of Lesotho pilgrims, killing three hijackers and a hostage, shortly after the Pope arrives in Maseru.

15 September – The "consulate detainees" are formally informed by United States officials of Pretoria's undertaking not to re-arrest them if they leave the consulate; the detainees respond by formulating conditions that would have to be met before leaving the building.

21 September – 19 people are injured in a peak-hour bomb explosion at Johannesburg's Van der Bijl Square bus terminus.

The gold price falls below \$400 an ounce, but rises above this level shortly thereafter.

A foreign emergency detainee takes refuge in the US consulate in Johannesburg.

22 September – UN Secretary-General Javier Perez de Cuellar and UN special envoy for Namibia Martti Ahtisaari arrive in South Africa to discuss implementation of Resolution 435 in Namibia.

Police ban the People's Congress at UCT and detain 11 activists.

24 September – Carter Ebrahim, former Minister of Education and Culture in the House of Representatives, walks out of the Labour Party with eight former LP members.

26 September – The Labour Party introduces new tactics to impede the passing of the Group Areas legislation.

With a portion of the House of Delegates the Labour Party walks out of the joint sitting of parliament over the Free Settlement Areas bill. President Botha announces a 15% civil service salary increase with effect from 1 January.

27 September – The CPI (consumer price index) reaches its lowest level in almost four years with a drop to 12,3% for the year to August.

1 October – The State President visits Zaire's President Mobutu Sese Seko.

2 October – UN experts arrive in Namibia to assess the practical details for independence for the territory.

The fourth "Kine" detainee in the US Consulate leaves.

6 October – Wynand Harmse succeeds Riaan Eksteen as SABC director general.

7 October – SA, Angolan and Cuban negotiators reconvene in New York to work out final details of a compromise on a Cuban troop withdrawal from Angola.

9 October – An Anglican pastoral letter signed by Cape bishops urges blacks and whites to boycott municipal elections.

10 October – A 70-member delegation of Indians returns from a visit to the ANC's national executive in Lusaka.

The Afrikaner Volkswag's motorised "Great Trek" starts in 13 centres around the country.

11 October – President PW Botha and Foreign Minister Pik Botha meet international bankers and industrialists during a visit to Switzerland after attending the funeral of Bavarian Premier Frans Josef Strauss.

VOLUME 14

NUMBER 11

SOUTH AFRICA FOUNDATION

REVIEW

NOVEMBER 1988

In this issue we focus on South Africa's international relations – the dramatic development of the country's outreach programme in Africa, the Angola/Namibia peace talks, a personal view of the Soviet Union today, and an assessment of the likely impact of the US presidential elections on British and European policies towards South Africa. In conclusion there are articles on the impact of foreign pressure on reform in South Africa, and on recent developments in Algeria.

Angola, Namibia and peace in southern Africa

Stephen Ellis of Africa Confidential is also a research associate of the School of Oriental and African Studies, University of London, and has written books on African history.

What happens in Namibia and Angola over the next few weeks – and what decisions are reached in half a dozen world capitals that hold the two countries' fate in the palms of their hands – will be of crucial importance for the future of southern Africa, from Cape Town to Kinshasa. Behind all the complexities of Cuban troop dispositions, internal Angolan feuds and great power geopolitics, the essential issue is this: how much longer can Pretoria buy itself a political breathing space by making war abroad?

Once it decides to normalise relations with its neighbours, the government of South Africa must then change its own constitution. It must address the delicate subject of relations between itself and the black majority of its citizens. This is the single most important cause of war and disruption in southern Africa.

The US-sponsored peace talks on Angola that have been rumbling on since May have got much further than most people thought possible at the outset, helped on not least by the fact that there is a broad measure of agreement in Washington and Moscow. Both want to see the end of civil war in Angola. Neither wants a revolution in South Africa. This has brought the rulers of South Africa, sitting on the State Security Council, to the point where they must make a momentous decision on the future of Namibia. They have to choose whether they will withdraw from Namibia, on the terms being offered to them in the US-sponsored peace talks whose last session in

Brazzaville reached tentative agreement, or whether they will stay. Word has it that Pretoria's decision is to leave Namibia, despite opposition from middle-ranking army officers outraged at handing over the infrastructure and first-class military bases they have built in Namibia to a probable Marxist government, and puzzled as to why they should pull out when they are winning the bush war against Swapo.

The answer, inevitably, is money. Even in the last 12 months, the war in Angola has become ruinously expensive for all concerned as both sides deploy weapons of ever-increasing sophistication. Gone are the days when the South African Defence Force only had to jump into a few armoured cars to invade. Now it's a war of computer technology and high-performance aircraft. South African generals realised, after the SADF's reverse at Cuito Cuanavale in the early months of 1988 that continued involvement in Angola was no longer cheap in terms of money or men.

South Africa's support for the Unita rebel movement in Angola, and the SADF's forays into the country in support of Unita over the years have had two objectives: first, to help Unita establish a buffer zone north of the Namibian border to make infiltration of Namibia by Swapo guerrillas more difficult, and second, to destabilise the only one of the Frontline states that is not vulnerable to South African economic muscle. Mozambique, Zim-

continued on page 2

The South Africa Foundation Review is published by the South Africa Foundation, P.O. Box 7006, Johannesburg 2000, South Africa. Editor: Dr G Lewis; Assistant Editor: C Cooper; Subeditor: G Rennie.

The South Africa Foundation is an independent organisation, financed entirely by private enterprise, which strives for a better understanding of South Africa, in the international context, through research, distribution of information and direct contact at top level throughout the world.

Being an information and communication organisation it has two basic functions – to provide facts about South Africa to a world audience and, by analysing and explaining the nature, sources and purposes of various international pressures on South Africa, to engender a responsible and sophisticated reaction to such pressures among South Africans themselves.

Angola, Namibia and peace in southern Africa

continued from page 1

babwe, Lesotho and the rest can all be pressured by economic sanctions and the judicious use of the transport weapon. Angola's economy alone is not oriented towards South Africa, but rather towards the Atlantic, Brazil and points further north.

For 13 years South African intervention in Angola was cheap and easy. Pretoria's main concern was to hide it as much as possible from public view in South Africa and abroad. After all, the SADF was intervening in a sovereign state with which South Africa does not even share a border. It is quite difficult to justify this as self-defence.

The buildup of a sophisticated Angolan airforce, and the deployment of the latest Soviet radar, have over the last three years, changed the situation to the disadvantage of the SADF. Last year, to complete their radar and air-defence system, Angolan government troops with Soviet military advice launched an attack against the Unita stronghold of Mavinga. Unita called for South African support. Together they inflicted a heavy defeat on the Luanda government forces at the battle of Lomba river last October. An overconfident SADF then pushed its Unita allies into counter-attacking by pursuing the retreating government forces to their base at Cuito Cuanavale. South Africa threw in 3 000 men and artillery cover.

The above move proved to be a massive strategic error: it obliged Unita to fight a conventional campaign for which it was unequipped, and it pushed South African troops too far forward without air superiority. The result was that the SADF got stuck and US diplomats

saw their opportunity. At last Pretoria was prone to diplomatic pressure. US-sponsored peace talks opened in London last May with South Africa in a poor bargaining position, its generals having to rely on Minister Pik Botha to negotiate an exit for their troops. There were already signs that the South African public was unhappy with the few dozen white casualties of the campaign. To have fought their way back from Cuito Cuanavale would have cost dozens more white lives.

In these circumstances the Cuban army, long despised by South African soldiers, deployed up to 15 000 men in forward positions along the Namibian border at an amazingly high speed, taking everyone by surprise. So from now on, if South Africa wants to intervene in Angola, it must be prepared to sustain heavy casualties – at least for as long as Cuba is supporting its Luanda ally and the Soviet Union is providing the weapons and radar. If the SADF wants to defend Namibia, it must do so in Ovamboland without the benefit of a Unita buffer zone and the intelligence provided by Unita scouts. The whole political equation has changed.

The latest round (at the time of writing) of the US-sponsored peace talks closed at Brazzaville on 30 September – ten years and one day after the United Nations passed Resolution 435 on the independence of Namibia. Angola, South Africa, the USA and Cuba have reached tentative agreement that South Africa should pull out of Namibia by next June, on condition that Cuba simultaneously withdraws its forces to the north of Angola, with a total Cuban withdrawal within two years. Negotiations are balanced on a knife-edge, but if the various governments ratify this deal, and if there is not a military clash along the Angolan border to upset the applecart, the deal could stick. The stage is set for South Africa to abandon Unita, which is no

longer of help in the defence of Namibia.

To justify withdrawal from Namibia to the white South African public, the government will have to lay emphasis on its success in forcing a Cuban withdrawal and will have to pretend that Swapo will not win a free election. In fact, everyone knows Swapo will win – but that a Swapo government in Windhoek will pose no more of a security threat to South Africa than does Botswana, for example. The National Party government fears pulling out of Namibia not for security reasons, but for political ones. Dr Treurnicht and the right wing will have a field day – unless, perhaps, President Botha can place the withdrawal in the context of a global normalisation of relations between South Africa and its neighbours. Following his trips to Mozambique, Malawi and Zaïre, he may be able to present the matter as an act of creative statesmanship rather than being the result of a military setback. There are rumours that PW Botha is in any case furious with the military men for misrepresenting the true state of affairs in Angola by slanting the information presented to him in briefings.

A pull out from Namibia would oblige South African generals to rethink the total strategy that involved destabilising the country's neighbours in order to create a security shield and to buy time. The government may now have to revert to the late Prime Minister Vorster's strategy of normalising relations with its neighbours in a relationship that will be dominated by South African economic and financial muscle and that will make it harder for the West to impose sanctions that bite. But that means tackling the real problem head-on: apartheid. Once the SADF begins to pull out of Namibia, the government will not be able to postpone for much longer doing a serious deal with the internal black opposition – and that includes the ANC.

After the US elections: what to expect from Europe and the Commonwealth

David Willers, London director, South Africa Foundation

This is an edited text of a presentation to a London Business International Conference in October.

It is generally conceded in Europe that the outcome of the US presidential election will be crucial to attitudes in the Commonwealth and the EEC.

A win by Michael Dukakis will change the climate of opinion in both camps. His position on the sanctions issue is well known. Mr Dukakis believes apartheid is the 20th century equivalent of slavery and he has pledged himself to promote democracy and human rights in South Africa. His overall package on South Africa would include toughened economic sanctions and a search for multilateral agreements with American allies to adopt a more comprehensive trade embargo.

A Dukakis administration would, moreover, label South Africa a "terrorist state" (which could spell the end of diplomatic relations) and one may expect that the African or Nordic groups in the UN will seek an early test of the new president's anti-apartheid policy at Security Council level possibly by introducing a sanctions resolution modelled on the Dellums bill. This would pose an obvious dilemma for the UK – Mrs Thatcher would find it embarrassing to be two steps away from her principal Atlantic ally.

For all this there are a few factors that could yet influence Dukakis. The first is the probability of inheriting a delicate phase in the current Angola/Namibia negotiations. Major new sanctions – particularly UN sanctions – precipitously ushered in, could destroy a positive and promising diplomatic process, as President Botha has made clear. The second factor is likely to be a belated recognition of

the realities of imposing UN sanctions on the region. There is no telling how South Africa might respond in the event of further major sanctions, but it is a good bet that apart from the likely effect on the Namibia talks President Botha will take steps to repatriate foreign workers, notwithstanding the latest bout of regional dialogue. He will have little option, if he wishes to retain the rump of his electoral power base, and reduce the economic consequences for South Africa. One must bear in mind too that additional trade embargoes will dramatically affect Customs Union revenue with three neighbouring states. This will raise the cost of sanctions for SADCC countries and the Europeans will be entitled to ask who is going to foot the bill.

Against this background one may hazard a prediction that tougher sanctions against South Africa will be vetoed at the level of the

continued on page 3

After the US elections: what to expect from Europe and the Commonwealth

continued from page 2

UN Security Council by Mrs Thatcher, alone if necessary, with American abstention but tacit support, even though the Dellums bill may at some stage become law in America. Under Reagan, America joined Britain in vetoing a UN Security Council mandatory sanctions resolution on 8 March after the South African government's crackdown on anti-apartheid groups – the considerations that obtained then could well obtain after November, regardless of whether Bush or Dukakis wins.

What final shape will the Dellums bill take? One of the proposed six sanctions (the energy clause) has been deleted in the Senate. If Dukakis is serious about getting the co-operation of his European allies other clauses will have to follow, notably the mandatory disinvestment clause, the provision that would bar US subsidiaries in other countries from exporting to South Africa, and other provisions. What outrages the Europeans most is that in accordance with the Dellums legislation, the US president would penalise "foreign persons" who take "significant commercial advantage" of the American sanctions by retaliating against their imports to the US and restricting them from contracting with the US government. Despite the outrage, however, it is not inconceivable to imagine some form of self-regulation being advanced by a majority of the Twelve, including Germany.

Mr Bush's recent policy pronouncements on South Africa suggest the position will be very different if he wins. Bush is opposed to sanctions, even though he endorsed the 1986 Anti-apartheid Act as evidence of the US desire to see apartheid ended. Now that sanctions have not worked, he says he will not support further sanctions and America must continue to use diplomacy and negotiations for constructive change. He sees South Africa as of considerable significance for the West – a region where America must balance its strategic interest between a stable pro-western South Africa and the equally pressing moral imperative of changing the apartheid system. In this he does not differ from Mrs Thatcher at all.

Like any new incumbent, however, Mr Bush will want to forge a new southern African policy distinct from that of his predecessor. Besides, as a president elected on a much narrower platform than Mr Reagan, he will be under unrelenting pressure on the issue from the Democrats, who will continue, because of their control of the House and Senate, to write the book on South Africa. In the House vote on the Dellums bill the Republicans presented a comprehensive case against sanctions but were met with a series of rebuttals by the proponents of the legislation. The issue no longer appears to be one decided solely on the merits of the arguments, and Mr Bush's new policy will have to take this into account.

Mr Bush will also face an early test of his policy in the Security Council but he is likely to

join the UK in vetoing sanctions. His most immediate problem will be that some of the South African "triggers" could be pulled which would vastly complicate his position. The list is a familiar one – the Sharpeville Six, the punitive provisions of the revamped Group Areas Acts, the non-release of Nelson Mandela, the possibility of further bannings or raids into neighbouring states, and so on. Pretoria has an infinite array of spanners to throw into the works if it sees this as being in its interests; diplomatic niceties or the effect on world opinion are not always regarded when it comes to survival.

So the first key factor that will affect the European and specifically the British position are developments in the United States. The Commonwealth, the second factor, will also be fired by a Dukakis victory and deflated by a Bush one. The Commonwealth forum is in many ways an easier place for Britain than the European Community. It is a forum where hypocrisy rules; where countries espousing sanctions against South Africa still trade with South Africa. All this makes Mrs Thatcher's position marginally easier than in the EEC where the objective is consensus. By contrast although Britain remains the sole dissenting voice on sanctions, the Commonwealth armada sails on.

There is clearly a limit, however, to the extent that the UK will wish to sail alone in the Commonwealth.

Despite much speculation in the press, Mrs Thatcher is unlikely to visit South Africa unless she can achieve something really concrete. This "something concrete", informed sources say, could include a suspension of the state of emergency, the release of detainees, and the beginnings of a genuine consultative process. Releasing Nelson Mandela would not in itself be sufficient justification for a visit but would have to be accompanied by other measures.

Mrs Thatcher's resolution is equally manifest in her determination to ensure that commercial considerations must be the overriding factor in Britain's relations with South Africa, and that the markets must be the arbiter or those relations. Ambassador Renwick has spelled out this position very forcefully, arguing that South Africa is the architect of its own isolation, and that the first thing Pretoria must do if it wants to get out of the hole it's in, is to stop digging. What he is in effect saying is that if South Africa mismanages her economy because of the costs imposed on it through failure to reform apartheid, then South Africa will become an unattractive place to do business with on purely commercial grounds. One can carry the proposition further; if the economy generates insufficient funds to enable South Africa to meet her debt repayments (as the director-general of the Department of Finance has already flagged as a danger) then there is no guarantee that some banks and governments will not, objectively speaking, review credit export guarantee and short-term trade finance arrangements on the basis of a re-evaluation of political risk. In this case one need hardly stress the paradox that it is those same banks and governments who, by imposing financial sanctions in the first place, are responsible for boxing South Africa into this unenviable corner.

When one looks at the third factor affecting the sanctions picture, namely Europe, then it becomes clear that a number of elements converge and the situation can be summed up thus: *the UK's position on South African sanctions has become a litmus test for the realisation of the UK government's vision for Europe after 1992 – namely that trade should be conducted without reference to non-commercial matters.* The small print of all this can be found in the Local Authorities Act of March 1988. Small print it may be, but it is the central plank of Mrs Thatcher's pan-European policy. This policy is likely to receive an early test when the EEC countries seek consensus on the exact status of their trade with South Africa so that the community can adopt a uniform approach after 1992 when barriers fall away. An example on a different level would be the pending Dutch legislation to make the EEC Code of Conduct mandatory and not voluntary.

Mrs Thatcher, with key German support, will be opposed to trade embargoes *per se*, and since her position has been elevated to the level of philosophical dogma she is likely to carry the day with other EEC members as well. In a curious way, therefore, South Africa and Europe have become inseparable power paradigms for her, both to be approached on the basis of a consistent set of principles. The onus will then fall on South Africa not to become a "trade pariah" of its own making by withdrawing from the world trading community through imposition of further import tariffs, direct controls, and the like in violation of the spirit of free trade.

As for West Germany, the hammer blows of 24 February and the threat to prohibit the foreign funding of civil rights organisations were seen by Chancellor Kohl as closing all avenues of positive dialogue. The air was thick with suggestions that the EEC would downgrade South African diplomatic strengths, recall ambassadors, freeze SAA landing rights, introduce stiff visa requirements and ban South African coal imports. In fact none of these things have come to pass. The present situation is that Germany's position seems unaltered. Mr Genscher has apparently reverted to his track of last year. Bonn is against sanctions, and since Germany is a member of the group on Namibia, it has a vested interest in keeping things on an even keel during the current round of talks.

By way of conclusion, therefore, there seems little to suggest that the EEC will adopt a trade embargo of any significance before 1992 and logic is against it thereafter. What cannot be completely excluded, however, is some self-regulation of trade limits in response to the Dellums bill if it becomes law, although it is difficult, if not impossible, to see the UK agreeing to this under Mrs Thatcher. Instead consensus would seem to point to an approach predicated on continued support for frontline states, and a continuation of the positive and negative measures package with toughened expressions of diplomatic disapproval of South African behaviour where necessary, such as the recall of ambassadors, etc. This *could* conceivably be extended to suspending air links but even this would be an extreme step. In the last resort, there will be a hiatus on the sanctions issue in the EEC until the US position becomes clearer.

Hackles rising: foreign pressures and change in South Africa



Dr Robert Schrire,
professor of political studies at the
University of Cape Town

For the West, especially the United States, events are bringing about an increasing fit between rhetoric and action. Until recently, South Africa remained, in practice, an integral component of the global political economy despite the rhetorical opposition to its racial policies expressed by governments and at international forums such as the United Nations. Western corporations operated freely in South Africa investing in new plant and machinery, providing an infusion of new technology, and, in general, playing an important role in creating large international trade flows. Despite the nominal existence of a few limited internationally supported sanctions, South Africa was largely able to enjoy to the full the benefits of incorporation into the western economic system.

In time whites came to accept the duality of their international position: on the one hand, their country was the object of vigorous rhetorical condemnation; on the other normal economic and commercial relationships of mutual benefit flourished and indeed expanded. There was every expectation that this would continue indefinitely.

The eighties brought about dramatic changes. With stunning speed the foundations of South Africa's international economic position came under threat, beginning with the decision in August 1985 of the Chase Manhattan Bank to recall its loans. This precipitated a credit crisis which contributed to the

significant decline in the value of the rand. New foreign investment ground largely to a halt as South Africa's creditors sought the recall of their loans. The decline in the value of the currency reduced significantly, and almost overnight, the value of foreigners' investments in the South African economy and this created favourable conditions for the success of a political campaign aimed at disinvestment and economic sanctions. Few predicted the success of US sanctions legislation, or the speed or the scope with which foreign corporations packed their bags, sold their local subsidiaries and left the economic scene. For the first time anti-South African rhetoric came to be matched with tough economic weapons aimed against the *status quo*.

An unusual feature of the sanctions campaign is that it has not been designed to produce changes in foreign policy but to change domestic structures and policies. In evaluating the effectiveness of sanctions it is necessary to ask how South African groups have reacted to outside pressures. And certainly the key group remains the whites who retain effective veto power. How has government and its white constituency and interest constellation reacted to pressure?

The ruling National Party is acutely aware of the realities of electoral politics and recognises that its hold on power is based upon the majority support of the white electorate. Like most governments elsewhere in the world, it has never accepted the legitimacy of external forces seeking to change the policies and structures of the state.

Given the reality that foreign policies are inherently blunt instruments, it is not surprising that the record of attempts to influence the domestic affairs of other states is dismal to say the least.

This structural limitation in foreign policy influence is strongly reinforced by South African perceptions of the nature of these pressures, especially those emanating from the United States. The South African government believes that the American political elites:

- Have a simplistic understanding of the realities of ethnic diversity and fail to understand the unique nature of the country's problems;
- Are cynically using the so-called issue of apartheid to score points in domestic politics;
- Operate in a political context which precludes rational policy making and thereby prevents the US government from following long-term and coherent policies;
- Are therefore unable to devise and implement a policy related to the realities of South African politics and economics which would enable the US to play a constructive role in contributing to further reforms.

South African cynicism about American motivations and perceptions is reinforced by

the limits of American power. One of the realities of contemporary global affairs is the relative decline in the power of both superpowers to influence other states. Historically, the most effective policy tool has been the use, or threat, of force. In a bipolar world dominated by nuclear deterrents, the costs of using force have increased dramatically. With the threat of force no longer credible in American foreign policy, economic weapons such as sanctions, boycotts and disinvestment are flimsy substitutes at best.

It would be inaccurate to conclude that external and especially US pressures have been without effect. During the height of constructive engagement between 1981 and 1983, the South African government attempted, where possible, to accommodate American interests. However, on the key issue of black political rights, government has been intransigent because it believes that its vital interests are simply not compatible with the kind of changes that the rest of the world is demanding.

More recently the growing sanctions campaign has led to a South African government response characterised by increasing truculence, and attitudes have hardened. Government has come to despair of its ability to create a more favourable international environment and US leverage, never very significant, has declined.

White attitudes mirror very closely the orientation of government although in domestic affairs attitudes are more fluid than at any time since the forties. The National Party, for so long the party of ethnic Afrikanerdom, is in the process of transition and has lost the support of almost half its Afrikaner constituency. With the decline and eventual demise of the United Party and its successor, the New Republic Party, non-Afrikaners have lost their traditional political home and are a fluid and unpredictable force. Afrikanerdom has split, with perhaps 40 percent now supporters of the conservative parties of the far right.

The impact of external pressures on the white electorate is difficult to assess. It seems probable that moderates and liberals, represented in party terms by the Progressive Federal Party and the independent movements, have been the biggest losers. Growing international pressures and the threat and reality of sanctions have contributed to racial and intragroup polarisation and made whites both angry and apprehensive. Moderates have found it difficult to communicate their policies in this context and have been effectively branded as anti-South African and pro-sanctions. And, of course, passion and reason are at best uneasy political bedfellows.

Paradoxically perhaps, it is the National Party that may have been the greatest electoral beneficiary of the sanctions pressures. With its policies in disarray, its leadership

tired and uninspiring, and its apartheid paradigm declared by its own spokesmen to be obsolete, the party has sought to use foreign policy issues as a means of winning white support. Although PW Botha has been less successful in this than his predecessor, John Vorster, in 1977, the NP has been able to convince a large part of the electorate that did not formerly support it to rally round the flag.

The Conservative Party, formed in 1982 as a result of a split within the NP over constitutional affairs, has since made slow but steady progress. It has been able to win sufficient support from Afrikaners who have lost faith in the ruling group's ability to protect narrowly-defined white rights to become the official parliamentary opposition. Whites who perceive themselves to be relatively deprived, such as economically hard-hit farmers, low-level civil servants, blue collar workers and the lower-middle class in general have been particularly susceptible to the appeals of the right.

If therefore, foreign pressures have not been a decisive factor behind CP support, they have certainly helped create an environment in which reaction can flourish.

One of the significant developments in recent South African politics has been the emergence of organised business as an activist force for change. The 1976 unrest and the subsequent immobility of government led to a growing recognition among business leaders that politics and public policy were simply too important to be left exclusively in the hands of politicians. In PW Botha, who succeeded Vorster in 1978, business confronted a leader who appeared to be more sympathetic to their interests and concerns than any of his immediate predecessors.

Between 1978 and 1986 business became an increasingly vocal force for change. Impatient with the slow pace of government-initiated reforms, important bodies such as the Urban Foundation and the FCI became increasingly critical of government and even began to develop their own proposals for political and economic reform. Outspoken corporate leaders such as Barclays (now First National) Bank managing director, Chris Ball, the Perm's Bob Tucker and Tony Bloom of the Premier group made brave individual forays into the political debate.

This period was the highpoint of business activism. More recently, the corporate sector has adopted a much lower public profile. In part this reflects the realities of political power and government's response, led by President Botha himself, to limit business criticism. But it also reflects the consequences that have flowed from the dynamics of sanctions and disinvestment.

There is an inherent duality in the attitudes of the business leadership. On the one hand most of these executives are South African citizens who represent a cross-section of white political opinion. While many are impatient with the pace and nature of change, many are not. As whites they have also been affected by the pressures described above and are becoming increasingly angry and cynical about external demands for change.

The other aspect of this duality is the response of the business community as members of the corporate sector. In terms of the

growing perception of a challenge to the security of the state itself, members of the business community are, both formally and informally, increasingly co-operating with the state to ensure the very survival of the socio-economic order. Both share a common interest in ensuring law and order, in finding ways of neutralising sanctions, and of limiting the damage caused by disinvestment. The business sector, then, is playing an important role in protecting South Africa's economic links with the outside world and in meeting the basic survival needs of a garrison state.

SHOOT IT IN THE WHITE AND THE BLACK DIES WITH IT.



The animal we're talking about is the free market system in South Africa. We are not politicians, only color-baited businessmen with deep concern about the future of our country.

As you know, in sophisticated technology, South Africa is right up there with the best in the West. But what many forget is that we're also right out there with the rest of the Third World. Where millions of people, ill-served by ineffectual institutions, seek provision for their old age in more and more children.

Unless our annual growth rate increases to between 5 and 6%, the ravages of overpopulation, poverty, illiteracy and disease will be commonplace. We have no disapproval of voluntary sanctions. Because it's your right to choose with whom you do business.

However, coercive boycotts are not in the spirit of free enterprise. And even worse, they significantly inhibit our only defense against widespread poverty — a healthy, growing economy.


It's up to us as businessmen to provide jobs — not our government. Because a handout is not the answer for a landless people. A hand-out is.

The developing Third World sector of South Africa doesn't need sermons. Nor boycotts. Nor sanctions. It needs support.

FREE ENTERPRISE FREES PEOPLE. SANCTIONS DON'T.

Sponsored by the South African Business Community in the interest of promoting and supporting free enterprise.

ANOTHER BLACK AND WHITE ANIMAL COULD SOON BE EXTINCT.



In Africa, another black and white animal is struggling for survival against incredible odds. Only this one is not a Great Panda. It's the free market system in South Africa. And its threatened victims are white and black people.

Thanks to coercive boycotts, free enterprise out here is on the endangered species list. And as color-baited businessmen, we're deeply concerned about the consequences of its disappearance. Because it will seriously affect our people's lives.

Yet we can't disapprove of voluntary sanctions. Because it's your right to choose with whom you do business.

In South Africa, your Administration's coercive sanctions are already being reflected in increased unemployment, lowered living standards and a hardening of attitudes.

But these are only the short-term negatives. In the long term, we face an even greater threat — poverty, hunger and their countless brothers, population explosion and rampant disease.

Free enterprise is our only defense against these ravages. That's why the Third World sector of South Africa doesn't need sermons. Nor boycotts. Nor sanctions. It needs support.

FREE ENTERPRISE FREES PEOPLE. SANCTIONS DON'T.

Sponsored by the South African Business Community in the interest of promoting and supporting free enterprise.

Campaigning abroad: Advertisements sponsored by South African business groups proclaim: "Free enterprise frees people. Sanctions don't."

The sanctions/disinvestment campaign thus has not contributed to an expansion in the progressive role that capital could play in unfolding developments. By creating a mood of anger and insecurity, it has made it more difficult and costly for business leaders to play a critical role in building reform coalitions. It

has forced at least a partial accommodation between the public and the private sector as both co-operate to ensure their common survival. Disinvestment has frequently led to the emergence of local management structures that have taken over the assets of former multinational corporations and, no longer bound by codes of conduct, have adopted strategies of more narrow self-interest.

In general, then, pressure has not increased the wedge between government and business; quite the reverse has happened. While it would be premature at this stage to predict how business will react to the challenges of the future, at present most business leaders are adopting a lower political profile and are increasingly backing government's repressive policies in maintaining law and order through emergency measures and in limiting the political space in which labour unions may operate.

If the proponents of sanctions expected that foreign pressures would force whites to introduce significant reforms then they will have been disappointed by recent events. The ruling party has become even more intransigent while the white electorate has become increasingly resistant to change. Nor have foreign pressures led to the fragmentation of whites: to the extent that whites are becoming increasingly divided, it has been the result of internal factors. Indeed, the divisions have not been between the reformers and the conservatives but increasingly between the reactionaries in the NP and the ultrareactionaries of the CP and the Afrikaner Weerstandsbeweging (AWB).

The reality of government policy and white politics in general is its relative independence and autonomy from external forces. Foreign pressures are inherently blunt instruments for bringing about changes in domestic affairs and they have succeeded only in uniting whites against foreign pressures.

Although external pressures have become counterproductive, they have not been the major factor behind the failure of the Botha reforms. In general, government's programme has been poorly managed and inadequately conceptualised. The fundamental reasons for failure are rooted in the domestic society and policy.

At its core, then, the impact of sanctions is not the key issue in the political dynamic. The major actors remain based in a largely internal configuration of socio-economic forces. To the extent that external forces have had an impact on white politics, it has been to strengthen the reactionary elements and to harden white attitudes. Indeed a general reassessment of white attitudes is perhaps further away today than ever.

The tragedy of contemporary South Africa is that those who exercise power have not yet made a genuine commitment to seek real reform and renewal. This has made the task of anti-sanctions reformers particularly difficult.

Foreign pressures are only important at the margin. If constructive engagement has therefore failed to bring about major reform, the alternative of destructive disengagement threatens to make reform less likely. This is the dilemma and the challenge.

Extracted from *Leadership* 1988/89 Sanctions issue.

PW's Europe visit seen as big triumph

An assessment of the significance of the recent visit of State President Botha to Switzerland and to West Germany, where he attended the funeral of Bavarian Prime Minister Dr Franz Josef Strauss.



**West German Chancellor,
Dr Helmut Kohl**

The visit to Europe in the second week of October by State President PW Botha is seen by South African diplomats as a major triumph in the country's new and aggressive foreign policy. It is being regarded as highly significant that PW Botha has taken such an active and personal leadership role in this diplomacy, indicating the high priority the state president is now giving to breaking the country's international isolation.

Recently PW Botha met three African leaders on their own home grounds, and the visits have been used with great effect on the president's current tour of Europe. Initially, President Botha was to visit only Switzerland, purely to address the Swiss/South African Association and to take a few days' break in the company of old Swiss friends on the shores of Lake Geneva. The regular conference of South African mission heads in western Europe, originally scheduled to be held in Germany, was then shifted to Zurich so that PW Botha could address it. At the same time, because of the great interest shown when it became known he would be in Europe, many private appointments with European bankers and businessmen were scheduled for the president.

Then an old and valued friend of PW Botha, Bavarian Prime Minister Dr Franz Josef Strauss, died and his funeral was coincidentally set for the day before PW Botha was to

arrive in Switzerland. The state president advanced his departure by one day in order to attend. Ironically, even in death Dr Strauss turned out to be a good friend to President Botha. The funeral service afforded the state president the opportunity to have a significant private meeting with West German Chancellor, Dr Helmut Kohl.

PW Botha took the opportunity to brief the chancellor on his recent visit to Mozambique and on progress in the peace talks between South Africa and Angola/Cuba. He also asked Dr Kohl to give consideration to financing urgently needed projects in Mozambique, particularly those that were being shared by Pretoria and Maputo. Also at the funeral PW Botha fortuitously rubbed shoulders with the heads of state of Togo and Niger and with the prime minister of Turkey, Mr Turgut Ozal.

The meetings with these leaders set certain wheels in motion and significant developments are expected from them. The request to Dr Kohl for financial assistance for southern Africa was, however, what President Botha's visit to Europe was all about.

President Botha went to Switzerland to lobby European businessmen and bankers to put pressure on political leaders to abandon their campaign of sanctions against South Africa. Europe should rather be investing in the region, perhaps along the lines of a Marshall Plan-type scheme, so as to stabilise southern Africa, President Botha has been arguing. The president and the foreign minister have been telling everyone with whom they came into contact that South Africa wants stability in the region and that South Africa is the key to bringing massive relief to southern Africa. South African diplomats say the message has been well received.

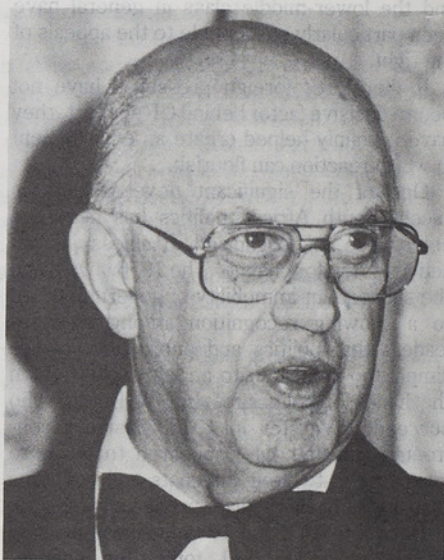
European political leaders, bankers and businessmen apparently believe there is much merit in investing in joint projects involving South Africa and its neighbours. The projects South Africa has been mentioning include the Lesotho Highlands Water and Hydro-Electric Scheme (which will cost hundreds of millions of US dollars), the upgrading of Maputo harbour and road and rail links between South Africa and Mozambique, and the restoration of the flow of power from Cahora Bassa in Mozambique to South Africa. Other joint projects President Botha announced are labour training centres in Mozambique and Malawi and health clinics on the border of South Africa and Mozambique.

All of these would have a dramatic impact on the economies of the neighbouring countries involved. South Africa would also have much to gain, including regional stability, a vast inflow of foreign funds (it would be mainly South African experts and materials, that would be used in joint projects) and a massive boost in its international image as a regional peacemaker rather than a destabilising force.

President Botha mentioned one other advantage. He told the conference of ambassadors in Zurich a great number of refugees were fleeing from poverty and hunger in

Mozambique to South Africa. They crossed through the Kruger National Park at night to come to South Africa. A massive development scheme between the two countries would stop this flood of humanity, he said.

PW Botha instructed the ambassadors to impress upon the European governments that sanctions would have the opposite effect to South Africa's regional development policy. Sanctions would merely transfer suffering and hardship from South Africa to its neighbours. More than two million people in the region were dependent on the income migrant workers earned in South Africa.



**State President
PW Botha**

South African diplomats in Geneva this week said there were encouraging signs that in this regard South Africa's case was being heard. They said European businessmen particularly were starting to realise that the prophets of gloom about South Africa had been wrong. There had been no revolution and the South African government continued not only to survive but to govern its way out of its many crises. The boycott lobby had lost much credibility, one senior source said.

The Europeans have apparently also been impressed by President Botha's meetings with African leaders and his commitment to regional development. What was now needed, one senior diplomat confided, were one or two dramatic developments in South Africa to give the country's diplomatic initiative massive momentum. The source did not say what sort of initiative he had in mind, but an informed guess would be the release from prison of jailed ANC leader Nelson Mandela. There are increasing signs that President Botha will release Mandela after the municipal elections. The Mandela issue has been raised in talks in Geneva and the South Africans have been urged to consider his release. If this happens, it may just be the big push needed to get South Africa over the sanctions hurdle, diplomats believe. — David Braun, *The Star*, 14 October 1988

The Soviet Union: a personal view

It is common practice to quote Churchill's maxim that Russia is a mystery in a puzzle wrapped in an enigma, but as a deliberately parochial South African I found the following more apposite quote from the man who told the world the Iron Curtain had descended across the continent:

"The British Empire (read South Africa) and the United States (read the Soviet Union) will have to be somewhat mixed up together in some of their affairs for the mutual and general advantage. For my own part, looking out upon the future, I do not view the process with any misgivings. I could not stop it if I wished; no one can stop it. Like the Mississippi, it just keeps rolling along. Let it roll. Let it roll on full flood, inexorable, irresistible, benignant, to broader lands and better days."

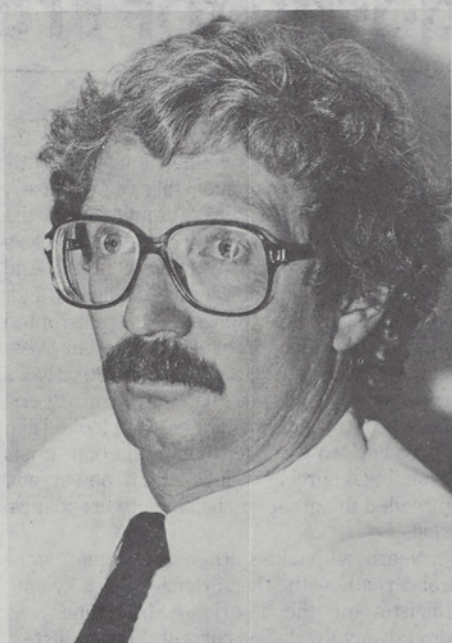
The above should alarm sufficient readers to make them take notice: this personal view is written by neither a communist nor a capitalist, neither a supporter nor an opponent of our government or theirs. It is not an academic treatise but a perception, and possibly a simple one at that, gained in a five-week visit to a superpower of immense geography and vast complexity.

In the Gorbachev era, realities change fast. Since I started to write this piece former President Gromyko has been axed – an arch "liberal" in the old days, he is now considered too conservative. And in South Africa a month ago I went to a dinner party for a Soviet journalist who has spent the past week in Pretoria and Johannesburg, hosted largely by the Department of Foreign Affairs.

This last fact is confidential as I write it: long before you read this it will be common knowledge. Things move so swiftly with Gorbachev's perestroika (restructuring) that yesterday's overview is overtaken by today's events.

The major reality for South Africa is that the Soviet Union is part of our future, whether that future be along an African National Congress path, a free enterprise path, whether we have a mixed economy or a socialist one, whether the country is run by Botha, Buthe, lezi, Mbeki or Treurnicht. Not only because we share the world's gold reserves (and a couple of other metals and minerals as well) but because we are a regional power on the African continent, because Moscow wants to talk directly to Pretoria, because South African products would look good on empty Russian shelves, because unless the Angolan/Cuban/Namibian problem is successfully solved, Mr Gorbachev will continue to resent this African irritant as an obstacle to the smooth relationship he desperately seeks with America.

Gorbachev's reforms in the USSR are like a second revolution. Old thinking is swept out and new ideas are welcomed. One new idea is that there has been needless stagnation in the South Africa policy: Vladilen M Vasev, head of the Third African Department (Africa is divided geographically into three) has been told to sort it out. He is proceeding as fast as is considered diplomatically wise, his major



Peter Sullivan,
deputy editor of the Pretoria News

constraint being United Nations resolutions and lobbies against trade and contact. In Pretoria, the power triumvirate of President Botha, Foreign Minister Pik Botha and General Magnus Malan are equally keen to establish relations with the Russians – provided of course, this does not cost them too many votes to the Conservative Party.

An exchange of academics and journalists has taken place. There has been one diplomatic face-to-face meeting so far: more will follow. If the Angola/Namibia/Cuba problem is sorted out, other rewards lurk in the wings. Cautious courting is being done from both sides and some engagement appears to be imminent.

It is also necessary to stress what President Gorbachev does not want to do. He has no intention of introducing capitalism to his country. He still considers it exploitative for one person to employ another. People must either be employed by the state or be part of a co-operative. Both unemployment and employing people are akin to social crimes, often incurring punishment. Nor does he want to cosy up to "the racist regime" of Pretoria: he wants a reasonable working relationship with the dominant regional power. He will continue to encourage liberation movements to do their work politically instead of with violence, but will never exclude violence as a legitimate means of revolution. How could he, with the bloody history of the "glorious October Revolution" of 1917?

So much for politics. What was the country really like? There is an equality among Russians and the people of the 14 other republics of the Soviet Union that is admirable. I believe if one took a theoretical vote with a clear choice between capitalism and commu-

nism, some 80 percent of the population would opt for communism. They cannot understand how westerners can live with the threat of unemployment, with the inequality of exploitation (as they see it), with high crime rates and a drug problem, with the nagging fear of having to provide for old age, for sickness, for children. Far better, they believe, to let the state care for it all.

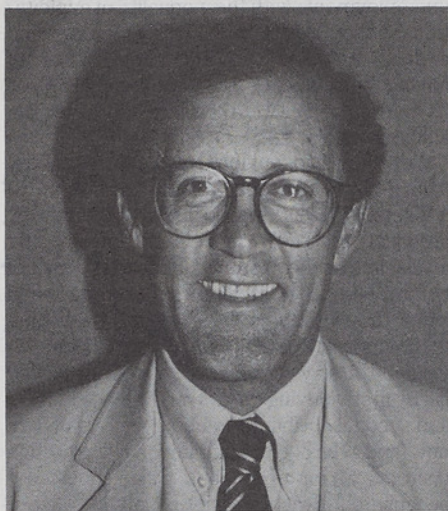
Yet they are envious of western goods, from t-shirts to tailored suits, computers to TV sets. Not that they do not have them: they are just so badly made and infrequently available that they listened in obvious disbelief to our tales that in South Africa one could simply buy quality goods, anywhere, anytime, without a delay or a queue. One intelligent 18-year-old first-year university student risked jail by firstly buying dollars on the black market and secondly bribing somebody to take dollars out and thirdly smuggling back through customs a pair of Reebok track shoes: not because she was an athlete, only because it was the latest western symbol to wear on campus. The average Soviet salary is 200 roubles a month; her shoes were going to cost her about six hundred roubles, the official cost of which in dollars would be more than 1000. That is consumer greed; that is what communism is supposed to eliminate, yet that is the prevalent attitude among young people.

There are many good things about the Soviet Union. Public transport is remarkably inexpensive at five cents a ride on trams, the famous Metro, trolley buses and petrol buses; transport in taxis and private cars is inexpensive; Aeroflot is cheap if you can get a booking and are paying in roubles bought unofficially at about seven times the official rate. In the USSR the cost of an equivalent flight by a wide-bodied jet of our Johannesburg to Durban run would be about R12. That is if, and it is a big if, you can get a booking.

There are parks with wonderful fountains everywhere, used by all the people. There is a lack of serious crime although most people are dishonest in that they steal (a little) from their employer, the state. They honour their authors, poets and architects more than we do. Their housing is dreadful but at least it is available for all citizens. We saw no starving people, no abject poverty. There are certainly fewer people in detention without trial and that in a country of nearly 300 million inhabitants compared to our 30 million.

Bad things include the pervasive dishonesty, the special covert treatment for the elite; the architecture is awful, with no advances since the fifties (and the same is true of women's fashions); there are seldom goods in the shops. Censorship makes even our emergency foolishness look tolerant (and that is censorship of government newspapers, for all 8 400 newspapers and 5 200 magazines are owned by the state). Unpleasant too, is the lack of technology, dirty toilets and those time-wasting queues. Intolerable is the lack of freedom of movement and of speech, the lack of real religious freedom and the death penalty for economic "crimes".

Algeria again – a postcolonial headache for France



**Desmond Colborne, Paris director,
South Africa Foundation**

"Give lessons to countries that are far away, and keep quiet when they are close." This cynical rule of international politics was quoted by a prominent French opposition leader, Jean-François Deniau, in a debate in the French parliament. He alleged that it was this approach that caused the French government to be so hesitant about speaking up, following the dramatic October riots in Algeria, in which, it is reported, hundreds of people, mainly youngsters, were killed by government forces.

France's embarrassment about Algeria was contrasted with its forthrightness in condemning events in Chile, South Africa and other countries. "Are French intellectuals always going to continue practising selective indignation?" asked Franz-Olivier Giesbert, until recently editor of the main mouthpiece of socialist intellectuals, the weekly *Le Nouvel Observateur*.

When a French minister, Jacques Pelletier, did make comments the Algerian government considered critical, it summoned the French ambassador, and protested against France's "intolerable interference" in Algerian affairs. Commentators in Algiers spoke about "hysteria" in France, and a "disinformation campaign", and suggested that the French, Algeria's former rulers, thought that the Algerians remained incapable of governing themselves.

While many Algerian residents in France joined in the criticism of what had happened in their country, most members of the French government tried to smooth over the strains in the relationship between the two countries. Its spokesmen referred to a "unique relationship", and described Algeria as a particularly close friend, "*pays ami par excellence*", which required special sympathy and understanding

in its time of troubles.

Nonetheless, the events in Algeria reopened old, deep wounds only recently healed. There was much talk of "malaise", "bad conscience", the "complex of the coloniser" and so on. After all, Algeria was a French colony for more than a century. And although the Algerian war ended 26 years ago, it was a massive upheaval that disrupted millions of French as well as Algerian lives. 200 000 people died, and a million fled or were repatriated to France. The revolt in Algeria became a civil war that at one point looked like spreading to France. The Algerian crisis brought General De Gaulle back to power, and provided the greatest challenge to his political skills.

Nearly all public-spirited Frenchmen were concerned with the drama. As a young minister of the interior, Mitterrand was directly involved. The current prime minister, Michel Rocard, like many others, came into political life as an opponent of the Algerian war, as he recently reminded parliament. On television, Rocard pleaded for discretion. "Speaking out to put our conscience in order" could worsen the situation, he claimed. Silence, he suggested, could be more eloquent.

"The end of an epoch" was the way one well-known intellectual, Alain Touraine, described the recent events in Algeria. According to him, just as the Great War marked the real end of the nineteenth century, so did the Algerian drama mark the end of the twentieth century. "The dead of Algiers represent the end of our illusions, already largely faded, and the end of the identification between the industrialised world and the struggles of the third world." Algeria had represented hope. It was regarded as a model for the third world, of successful decolonisation and economic achievement. Not only French intellectuals but "freedom fighters" as diverse as the Black Panthers and the ANC looked to, and in some cases, lived in Algiers. Its capacity to play a role was reinforced by oil revenues. But then oil income dropped, alternative resources were neglected, and the bureaucracy and the birth rate grew much faster than the economy. Algeria, like so many other third world countries, found itself sitting on a demographic time bomb. Today three quarters of its 23 million people are under 30. And urban unemployment is estimated at 40 percent. Members of the newly-rich governing class live in large houses and drive fancy cars. A tantalising image of wealth is also presented by television, and by France on the other side of the Mediterranean. After 26 years of rule in the name of socialist egalitarianism, young people did not understand why the rich were so rich and the poor so poor – and so many. "They kill us because they are frightened of us, and they are frightened of us

because we have nothing to lose," said one young Algerian. To this explosive mix was added an assertive element of Islamic fundamentalist puritanism, which made many commentators think of Iran.

Faced with Algeria's explosive identity crisis, President Chadli has maintained order, at great cost, but has also promised reforms. How his reform policy will fare will be closely watched in France, for which its former colony is once again a source of worry. There are close economic ties between the two countries, and hundreds of thousands of Algerian immigrants in France, some of them temporary, many others apparently permanent. France is considered to have been successful at decolonisation, having retained close ties with most of its former colonies, particularly in Africa. The exceptions were Guinea, Vietnam, and above all Algeria, the latter because of the million "colons", Frenchmen who saw Algeria as part of France, and as their home – worth fighting for, long and hard. So it took a lot of suffering, and all the skills of De Gaulle, Machiavellian and otherwise, to extricate France from Algeria. Some of the costs are still being paid, as recent events seem to suggest.

Complex as Algeria might have been, there are, of course greater complexities elsewhere. "I have great pity for the Russians," De Gaulle once said, "because they have Algeria within their own borders." De Gaulle also took a great interest in South African affairs, but whether he said anything similar about it is not recorded. Similarities between South Africa and Algeria do, however, come in for some study. Many South Africans have, for instance, read Alistair Horne's book on the Algerian war, *A Savage War of Peace*. And today, in both countries, there is interaction between a third world demographic pattern, and first world economic capacity and tradition. South Africa is fortunate in having much more varied economic resources than Algeria, but there are, of course, many items on the debit side of a comparison between the two countries. Amongst them is South Africa's greater moral and political isolation. Remember the saying quoted at the outset of this article: "Give lessons to countries that are far away and keep quiet when they are close." South Africa is subjected to particular pressures because it is both far away and close. It is geographically remote and emotionally close, to the countries where human rights are taken most seriously, that is, Europe and North America. The far-away South African whites are emotionally close because they are cultural cousins who are seen as having "let the side down", and who have to be preached at and pressured into line. The Algerians, by comparison, have a much easier time with French and international opinion.