

FOCUS



SOUTH AFRICA & THE WORLD

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Design & Layout

Alison Parkinson

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Postnet Suite 130

Private Bag X2600

Houghton, 2041

No 2 Sherborne Road

Parktown, 2193

Email: kimera@hsf.org.za

Website: www.hsf.org.za

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Contributors

Stephen Coan (Review)

Evan Cupido

Graham Dominy (Review)

Peter Draper

Suzanne Graham

Wilmot James

Raphael de Kadt

Willem N Meyer

Greg Mills

Charles Simkins

Jack Spence

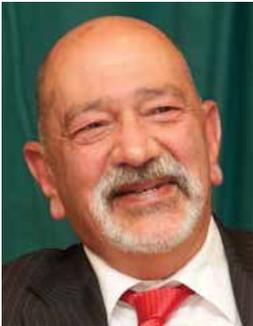
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SA and the World



Francis Antonie is the Director of the Helen Suzman Foundation. He is a graduate of Wits, Leicester and Exeter Universities. He was awarded the Helen Suzman Chevening Fellowship by the UK foreign Office in 1994. From 1996 to 2006 he was senior economist at Standard Bank; thereafter he was director of the Graduate School of Public and Development Management at Wits University. He is the founding managing director of Strauss & Co.

In a recent article on Trump's America and the new global order¹, Francis Fukuyama suggests that Donald Trump's stunning electoral defeat of Mrs Clinton represents not only a watershed moment for American politics but for the entire world order. For Fukuyama, the manner of Trump's victory lays bare the social basis of his support; and, as he points out, we have seen this story before. It is the story of Brexit. It is the story of Marine Le Pen's National Front, of Vladimir Putin's Russia, of Viktor Orbán's Hungary and Recep Erdoğan's Turkey.

His thesis, broadly, is that the forces of globalisation and of technological development – facilitated by the liberal world order created in the wake of World War II – have resulted in large swathes of the population, especially in the developed world, who have been 'left behind' or who believe that they have been left behind, by this supposed march of progress.

Fukuyama is right when he points out that the rules-based system of international trade and investment – the so-called liberal world order – has fuelled astonishing global growth, thereby bringing many hundreds of millions of people out of poverty, not just in China and India, the obvious examples, but in Latin America and sub-Saharan Africa as well.

How then, will South Africa respond to this emerging global configuration, which is driven in no small measure by the emergence of populist/nationalist movements? Will sheltering behind our BRICS partners be the solution? Should our focus not be on enhancing existing trade and diplomatic initiatives in Africa?

We explore some of these questions in this edition of *Focus*.

Greg Mills and **Wilmot James** trace the trajectory of South Africa's foreign policy from Nelson Mandela to Jacob Zuma. They refer to the "honeymoon phase" which spanned 1994 to 1999, where they identify the focus on integration, internationalisation and human rights. Thereafter, they set out a ten-point plan for recapturing the golden era of South Africa's foreign policy in order to fulfil South Africa's post-Apartheid promise.

Raphael de Kadt and **Evan Cupido** examine the state of political leadership and governance in South Africa and how this is affected by a changing international environment. They posit that despite the gains made toward securing South Africa's position within the global playing field, it is vital that we safeguard this progress by not becoming complacent. South Africa cannot afford to slow down economically or politically. Democracy and development go hand in hand with maintaining strong regional diplomatic ties that don't force us to compromise our long-term growth objectives.

Jack Spence provides an examination of our foreign policy since 1994 with particular focus on South Africa's membership of BRICS. He explores certain contradictions which have emerged in the government's attempts to define a new foreign policy identity for South Africa. The government's commitment to peace-keeping and peace-building initiatives across the continent, is offset by criticism of our negative voting record at the United Nations over controversies such as the Darfur issue. Spence recalls Mbeki's focus on mediation and conflict resolution – which he terms instruments of soft power – as being sensible in working towards achieving a “stable political order”. He reminds us that such intentions were stunted by the existing contradictions of “liberal incentives” and political constraints – no better exemplified than in the case of Zimbabwe. Spence ultimately points to South Africa's weak sense of identity between positioning ourselves as equal players in the international scene and our socio-economic reality as an unequal and developing country. It is this dilemma that South Africa must resolve in pursuing both our foreign and domestic policy objectives.

South Africa has demonstrated commitment to declared principles through its voting behaviour. Graham warns that in order for South Africa to maintain a constructive presence within the United Nations, it must rise above power politics and ultimately vote meritoriously.

Peter Draper takes us through the impact of the Brexit vote – both within the European Union in terms of future trade and investments, as well as the implications this has for trade relations with South Africa. He explores the various models employed in countries such as Norway, Switzerland and Turkey and what this may mean for various actors including South Africa. Draper's scenario-mapping rests, ultimately, in uncertainty – the full force of the geopolitical consequences of Brexit both within the UK and for South Africa remain to be seen.

Suzanne Graham looks at South Africa's voting record at the United Nations. Specifically, she examines our post-1994 relationship with the organisation, where supposed foreign policy objectives come into conflict with certain stances where South Africa should express commitment, given our history. She finds that despite the criticism our diplomatic delegations have attracted, South Africa has demonstrated commitment to declared principles through its voting behaviour. Graham warns that in order for South Africa to maintain a constructive presence within the United Nations, it must rise above power politics and ultimately vote meritoriously.

Willem Meyer takes us down a different path, by focusing on South Africa's political and economic relations with China. His is an extensive economic account of China's rise globally, and specifically its interest in forging relations with South Africa. Meyer's account explores the crisis China currently faces as it manages bad debts by financing through borrowing. This coupled with China's tumultuous political climate has created the situation where what the Chinese populace most fear is an inability to shift from ideology to market. Meyer terms this a “dangerous no-man's land between the market and state

control”. Meyer’s piece reads as a series of warnings for South Africa – there are many lessons to be learned from China’s trajectory, many of which will come down to politics instead of economics.

Charles Simkins provides us with four economic viewpoints relating to global recovery from the financial crisis. Simkins guides us from Bernanke’s “*global savings glut*”, to Rogoff’s “*debt supercycle view*”, to Krugman’s understanding of the world as being stuck in a “*liquidity trap*” and, finally, to Summers who proposes a “*secular stagnation view*”. The piece is an economic exploration of the challenges related to global growth, reduced risk, investment and loss. Simkins suggest that world growth will depend on matching capital to labour. Coupled with macroeconomic uncertainty, are numerous threats to global growth – but sustained globalisation can undercut this.

We conclude with two compelling book reviews, the first being “*God, Spies And Lies: Finding South Africa’s Future Through Its Past*” by John Matisonn reviewed by Graham Dominy and finally “*Last Outpost on the Zulu Frontiers – Fort Napier and the Imperial Garrison*” by Graham Dominy reviewed by Stephen Coan

Francis Antonie

Director of the Helen Suzman Foundation

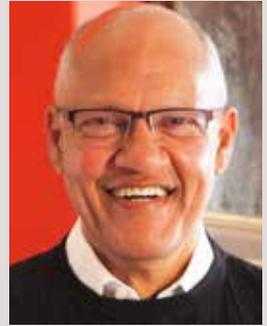
NOTE

- 1 Fukuyama, F, “US Against the World? Trump’s America and the new global order.”, Financial Times, published 11 November 2016

Greg Mills is director of the Johannesburg-based Brenthurst Foundation. Dr Mills is widely published on international affairs, development and security, a regular columnist for South African and international newspapers, and the author of the best-selling books 'Why Africa is Poor – and what Africans can do about it' and 'Africa's Third Liberation'. He is currently completing a book-length handbook for African leaders with the chair of the Foundation, former president Olusegun Obasanjo.



Dr Wilmot James, MP, is the official opposition's spokesperson on health and has a special interest in global health security and diplomacy. He holds a Ph.D. from the University of Wisconsin-Madison and has post-doctoral experience from Yale University and the California Institute of Technology. He has published 17 books including Nature's Gifts: Why we are the way we are (2009); Grape: Stories of the Vineyards in South Africa (2010); and an e-book titled Moments with Mandela (2012).



Resetting South Africa's Foreign Policy

*Nelson Mandela had a clear idea of what South Africa's foreign policy should focus on. 'Human rights,' he wrote before taking power in 1994, 'will be the light that guides our foreign affairs.'*¹



This spirit not only called for an engagement with the world post-apartheid, but also a different way of doing things. It would allow South Africa to ‘punch above its weight’, to use Douglas Hurd’s famous phrase, in its foreign affairs, in shaping a new world centred on democracy, peace and human development.

Today, however, South Africa’s foreign policy is far removed from these noble goals.

Overall Pretoria exhibits an over-fascination with multilateral organisation to the exclusion of bilateral relationships. Old bilateral radical loyalties have endured. The problem is that half the countries that militarily supported the revolutionary struggle no longer exist (including Yugoslavia, Czechoslovakia, East Germany and the Soviet Union) while some others have little to offer beyond posturing (Cuba, North Korea). The government seems to be unable to distinguish between the aim of the BRICS (Brazil, Russia, China, India and South Africa) grouping and the Southern African Development Community (SADC), and between SADC and its bilateral members. While its politicians are always travelling, air miles do not register achievement or competency.

‘Brexit? We don’t know about it. We saw it on television. We heard it will impact negatively on trade and foreign relations, but we haven’t seen any evidence of that.’

The evidence is everywhere. In May 2016, in an interview with Al Jazeera, International Relations and Co-operation (DIRCO) Minister Maite Nkoana-Mashabane started by explaining that when she was a child she had to carry a water can on her head, and that she now has a ‘hole in her head’. She made an impassioned defence of beleaguered President Jacob Zuma, saying she had ‘learnt so much from that man’.²

When asked if she had a favourite US presidential candidate and what impact she thought any of the candidates would have on relations with South Africa, she remarked that ‘[M]aybe my granddaughter, who happened to be named after me, will have a favoured candidate of another country. But as for my children, they are still concerned about their own country,’ she replied, adding: ‘For your information, SA is still as intertwined globally as it was.’ That is why people want to know what is happening on a daily basis and we answer all the questions.’ Not finished, in July 2016, she said in response to the British vote to leave the European Union: ‘Brexit? We don’t know about it. We saw it on television. We heard it will impact negatively on trade and foreign relations, but we haven’t seen any evidence of that.’³

Still, the rot has been a long-time setting in. In considering a brief history of South Africa’s post-apartheid foreign relations, this article seeks to answer the question: How might its foreign policy be reset to help South Africa regain lost ground, moral and otherwise, in the international community.

Foreign Policy Phases

The ‘honeymoon’ phase of Nelson Mandela’s presidency, between 1994 and 1999, was characterised by a rapid, threefold expansion of diplomatic missions. As the country moved quickly from isolation to integration, relationships were rebalanced from the apartheid era by the welcome early influence of the liberation movement’s internationalism and the emphasis on human rights, most vocally by figures like Kader Asmal and Albie Sachs.

As president, Mandela showed he meant what he said. When the Nigerian activist Ken Saro-Wiwa and nine other individuals were executed at the time

of the November 1995 Commonwealth heads of state meeting in New Zealand, Mandela was shocked that his previous interventions had made no difference.⁴ He famously condemned the execution and supported Nigeria's expulsion from the Commonwealth, pushing for an arms embargo. He made personal calls to the British and American governments. At his insistence, South Africa withdrew its High Commissioner from Abuja and convened a regional meeting of the SADC heads of state to put together a coherent plan of action, Mandela describing Abacha as 'a corrupt dictator in charge of an illegitimate and barbaric regime.' Finally, he demanded African unity behind international sanctions to isolate Nigeria.

That this unity was not forthcoming would not have come as a surprise to President Thabo Mbeki, once head of the ANC's department of international affairs, who drove the second phase, between 1999 and his recall from office in 2008. The sophisticated and urbane Mbeki, schooled in the realpolitik of exile, thought Mandela to be naïve. He became the inspiration behind New Partnership for African Development (NEPAD) and drove the transformation of the Organisation of African Unity (OAU) into the African Union (AU). These were considerable if overly ambitious achievements.

While Mbeki's approach emphasised a greater assertion of African ownership of its destiny, it contrasted with his epic foreign policy failure over Zimbabwe, where party-to-party ties trumped human rights and South Africa's national interest. When Zimbabwe's President Robert Mugabe let loose the war veterans, and worse, on the white farmers and the Movement for Democratic Change (MDC) after he lost the referendum for a new constitution, Mbeki's government did nothing. In the face of the violence led by the ruling Zimbabwe African National Union (ZANU) in the run up to the 2002 elections rendering it neither free nor fair, Mbeki closed his eyes to widespread human rights violations. He suppressed the damning report of SADC Parliamentary Forum Observer Mission led by former Ambassador Sam Motsuenyane and Judges Dikgang Moseneke and Sisi Khampepe for a decade, until the *Mail & Guardian* won a lengthy court battle to secure its release in November 2012.⁵ They had declared the elections unfree and unfair.

Membership of BRICS provided little, perhaps only opportunities for rent seeking and, in the case of the nuclear power option vigorously pursued with Russian President Vladimir Putin, a self-enriching potential deal of extraordinary proportions.

South Africa hit a new low in the years under President Jacob Zuma, who engineered the recall of Mbeki, during which time it has sought to cement its place in the ideological 'South' and away from close ties with traditional trade and investment partners, with little to show for it in terms of jobs and investments. Membership of BRICS provided little, perhaps only opportunities for rent seeking and, in the case of the nuclear power option vigorously pursued with Russian President Vladimir Putin, a self-enriching potential deal of extraordinary proportions.

Under Zuma's watch, despite the dedication of considerable resources, and despite his earlier positive peace-making role on Burundi, little progress has been made in Zimbabwe. His government continues to take the side of a despotic government against Zimbabwe's long-suffering people, who have started to protest anew. Despite greater willingness to deploy military resources, efforts have been undermined by chronic intelligence failures and a lack of sound reasoning behind them in the first instance, such as the fiasco of the Battle for Bangui in the Central Africa Republic

in March 2013, resulting in the deaths of 13 South African paratroopers. Most extraordinary of all, by protecting Sudanese President Omar al-Bashir, wanted by the International Criminal Court (ICC) for crimes against humanity, Zuma no longer pretended to honour international law and the treaties to which South Africa is signatory. Instead, his government announced South Africa's intention to withdraw from the ICC and moved to repeal the domestic legislation that internalised its obligations.

The reasons why our achievements have been so feeble and our failures so dramatic are complex, but it can be distilled in foreign affairs, as it can be for most other portfolios of government, to the fact that the ANC conflates the interests of the party with that of the nation. The ANC has defined itself as a liberation movement entitled to govern in perpetuity rather than a political party competing in a democracy. The ANC has failed to complete the transition it once led in the early 1990s which was abandoned after Nelson Mandela left office. It has chosen instead to follow power rather than moral purpose, blurring boundaries between family, political and party interests on the one hand and public obligations on the other.

According to the ANC, 'They have vowed in Washington that there will be Russia or China to challenge the US hegemony' since 'The US does not appreciate the resurgence of China and Russia as dominant factors in the arena of international power relations. It has instead declared a cold war against these two emerging world powers'.

It has hollowed out the state, cannibalising the civil service and repopulating it with cadres. South Africa's foreign policy serves little national purpose, pivoting more towards the interests of certain factions in the ANC and the clique, in and out of government, that surrounds President Zuma. It has used diplomatic postings as pay-back for politicians and others. Our democratic credentials and values, South Africa's most notable global 'brand', have been undermined by cavorting with autocrats from Zimbabwe to the Central African Republic to North Korea, to no clear national advantage. The ANC's National General Council 2015 foreign policy discussion document is in this regard a clear statement of the party's world view.⁶

As 'a revolutionary national liberation movement which is an integral part of the international revolutionary movement to liberate humanity from the bondage of imperialism and neocolonialism', the document declares the ANC's staunch support for China and Russia and its opposition to the 'imperialist' and 'aggressive' US. It defines a world through the prism of its radical roots, citing Lenin's observation that 'revolutionary scientific theory is the weapon to make us judge and define the methods of struggle correctly.'

From the ANC's vantage, 'The sudden collapse of socialism in the world altered completely the balance of forces in favour of imperialism. It ushered in a new world hegemonic era of global socio economic agenda of capitalism and free market imperatives'. This has to be undone. According to the ANC, 'They have vowed in Washington that there will be Russia or China to challenge the US hegemony' since 'The US does not appreciate the resurgence of China and Russia as dominant factors in the arena of international power relations. It has instead declared a cold war against these two emerging world powers'.

According to the document not only is the United States intent on destabilising the Chinese (on three fronts: environmental, human rights, and through building an 'anti-China alliance of Asian satellite states') and the Russians (again through



human rights issues and by encircling Russia, viz Ukraine), but this ‘sponsored destabilisation [is] unfolding in the streets of Latin America including in Venezuela which the US has strangely declared a threat to its “national security”, in the Middle East and in African countries with the sole intention of toppling a progressive democratically-elected governments. This has a bearing on the nature of conflict and the scourge of terrorism we see in the world today’.

If it were not so serious, it would at least be ironical (given Nelson Mandela’s commitment to human rights), if not ludicrous.

Such polemic is not unprecedented. Cavorting with radical causes abroad has, until recently, been a relatively cost free means of ensuring the ANC’s ideological purity and maintaining its revolutionary spirit, necessary even to pursue a cautious and even conservative economic policy back home. Now foreign policy has been streamlined into a more deliberate, consolidated anti-Western position. And instead, to its great shame, South Africa fails to protect civilian populations elsewhere, from Libya to Syria.

Now foreign policy has been streamlined into a more deliberate, consolidated anti-Western position. And instead, to its great shame, South Africa fails to protect civilian populations elsewhere, from Libya to Syria.

Finally, the government’s use of analogue and antiquated diplomatic methods, and the metrics of movement and summitry, pay disservice to those officials committed to representing the country along with the taxpayers who support them.

A Ten-Point Plan

Dean Acheson famously proclaimed that Britain had lost an empire but not yet found a role. South Africa lost apartheid as its leitmotif, for or against, but has not yet found a role. It remains anxious to play a role in the world, and especially on the African continent.

To realise this ambition, and fulfil South Africa’s post-apartheid promise, three strategic thrusts stand out:

- First, there is a need to ground foreign policy in the national interest as defined in our Constitution: to fight poverty, protect the nation against threats, and advance human rights values abroad.
- Second, South Africa must support its most powerful and persuasive brand in leading the support of democracy and human rights first, and foremost, on the African continent.
- Third, to borrow a phrase from Chatham House, the government should strive to create the conditions for excellence in thought leadership. As the late Lord Howe put it, ‘Thinking about and perusing opportunities and alternatives is of the essence in arriving at the right direction for advance.’⁷ A substantial refocus and enhancement of the resources of DIRCO is fundamental to the successful conduct of foreign policy in today’s world, as is better integration especially with the Departments of Labour, Defence, and Home Affairs. South Africa is blessed with an active civil society and dynamic business sector, its economy one-fifth of the whole of sub-Saharan Africa’s.⁸ It has to learn to use and integrate these formidable diplomatic tools better.

South Africa will maintain no more than 75 staffed foreign missions, and would aim to reduce its overseas diplomatic staff to no more than 500. Missions should be dynamic and the embodiment of cutting-edge diplomatic thinking, technology and practice.

Indeed, there is little point in having 140 missions abroad and 2,500 staff (including 800 at foreign missions) gobbling an annual budget of over R5 billion if there is uncertainty about which business is worth supporting and whether party or country or political ally comes first.

A ten-point plan to better serve the national interest abroad can be achieved if we do the following:

Focus our Missions: We recommend the creation of a four category list of diplomatic missions, (a) ‘Core Partners’ numbering 25 (made up of those in the SADC region, and elsewhere where South Africa enjoys priority political or trade and investment ties); (b) 50 ‘Tier Countries’ (where micro-missions or Non Resident Ambassadors – NRAs – can operate); and (c) the remaining ‘Friendship Nations’ (where NRAs operate). A fourth category will include multilateral memberships. South Africa will maintain no more than 75 staffed foreign missions, and would aim to reduce its overseas diplomatic staff to no more than 500. Missions should be dynamic and the embodiment of cutting-edge diplomatic thinking, technology and practice.

Create a Non-Resident Ambassadorial (NRA) Corps: Following Singapore, South Africa should create a new NRA corps of 100 visiting Ambassadors, drawn from retired diplomats and retired top civil servants, leading business people, community leaders and retired politicians. These NRAs would cover one or a maximum of two countries. These would be unpaid posts, though all costs would be met when NRAs travel to the country of appointment, usually twice a year. There would not generally be any resident embassy staff, except if it were a step towards posting a resident ambassador. This will be a cost-effective means of ensuring representation in countries that are not a first order priority for South Africa, without the need to establish costly overseas offices with overpaid and underworked diplomatic staff;

Invest in the promise of the African Union (AU): South Africa should invest in the AU’s stand-by brigades and the logistics that are required to see these from

being a paper promise to a practical reality. This requires working out what African countries need and seek the appropriate support from partners. The confusing double standard and dual practice that has some African nations working with key enablers such as the USA, France and Britain while others refuse to do so must be brought to an end.

Climb the Heights of Global Governance: South Africans must be committed to ensuring its top citizens are positioned within multilateral bodies. Equally there must be commitment to the restructuring of the United Nations, recognising however that reform requires consensus both between both the current Permanent 5 as well as aspirant, new permanent members.

This demands rejoining and reaffirming our commitment to the ICC, not leading Africa's resignation from this body, set up as it was to protect citizens from the impunity of leadership.

Support and Consolidate Democratic Processes: South Africa's most powerful brand is forging democratic practice in an authoritarian environment both as a principle and because democracies are statistically more reliable and prosperous partners. We should be the champions of such practice and human rights compliance by calling problems and violations where they exist, not ignore or keep silent about them, as it happens with the BRICS. This demands rejoining and reaffirming our commitment to the ICC, not leading Africa's resignation from this body, set up as it was to protect citizens from the impunity of leadership. Putting the interests of citizens at home and abroad at the centre of our concerns can also be achieved by strengthening election observer missions, not least by refusing to participate unless these missions we are able to be in the host country at least for one month prior to the election. Reports should be publicly released immediately after the missions are done, and members selected for the courage of their convictions. And two new institutions should be created:

- **A National Democratic Institute (NDI):** Funded by government, but where the political parties in Parliament nominate staff on a pro rata basis. This way an NDI can be representative of the society it is representing and the democratic interests it is promoting; and
- **A Fragile State and Peace Building Unit:** Given that 23 of the 28 fragile states worldwide are in Africa, this is continental imperative. The CAR episode illustrates this is a practical necessity. Staff should be recruited from within Africa and farther afield, both from a variety of government (military, diplomatic, developmental) and non-governmental sectors. This is one area where we could put the lessons learned often harshly elsewhere in Africa and farther afield and turn these into positive practice, and where South Africa could excel. In this, however, we must remind ourselves that our ability to deliver development aid and humanitarian assistance is only often necessary because of political failure, and reflects on our ability to prevent the political failure in the first instance.⁹

Join this up in Government: The 2013 CAR episode is a costly reminder of the chronic failure of intelligence. Rather than establishing government clusters as a bureaucratic formality, as the ANC has done, there is a need to instil the practice of liaison and accountability as a reflex action within and between government departments. Similarly, the cost of South Africa's visa policies, mired in a toxic cocktail of opacity and xenophobia, must be integrated with our national interests of economic prosperity reliant as it is on the inward flow of skills, technology

and capital. The South African National Defence Force (SANDF) increasingly resembles a welfare not warfare agency. By the admission of the government's own 2015 Defence Review,¹⁰ the SANDF 'is in a critical state of decline'. Better equipping it with the resources necessary for national defence and peacekeeping duties requires a focus on enablers (including transport ships and aircraft) and an appropriate division of finances towards operational rather than personnel costs.

There is a need to aggressively seek to forge bilateral trade agreements. South Africa should aim to increase the number of Free Trade Agreements (FTAs) from the three (EU, EFTA and SADC) currently enjoyed. After Brexit, the UK is an immediate priority.

Develop a Health Security and Diplomacy Strategy:

The Ebola crisis is a reminder that health is a critical aspect of security and, like trade, of growing importance in diplomacy, military and intelligence cooperation. Embassies today require trained health attaches who must know the health burdens of the regions in which they operate. Embassies must have a database of universities and colleges in Africa offer courses to staff up the growing investments in disease control and prevention. This demands the provision of education and training to diplomatic attaches in health diplomacy and security and the subject's

inclusion in the matrix of responsibilities of diplomatic representatives. This would ensure a global platform that draws on the expertise of our health science community, private sector and non-governmental organisations in preventing and controlling infectious diseases.

Energise and Focus the SA Development Partnership Agency on Africa: The Africa Renaissance Fund has been used to assist Cuba following its hurricanes and to fund AU and SADC observer missions. While security and peace has a development dividend, job creation programmes by way of establishing improved business conditions is central to African security, including in South Africa. This Fund will be devoted towards such a purpose. This should include strengthening a programme of sponsored visits to South Africa by business, media and opinion-formers, given credence to the role of such diplomacy in, as an American book once put it, winning friends and influencing people.

Consolidate the African Development Bank: The AfDB is the premier continental development institution. This reality should be a priority, not the establishment of potentially conflicting development banks within the BRICS. South Africa needs to make one thing work, and work properly.

Invest in Economic Growth and Trade: It is said that, in the modern world of diplomacy, ambassadors are the equivalent of restaurant waiters who occasionally are allowed to sit down. Meant by this today, is that heads of state do the heavy lifting in modern diplomacy and ambassadors are really super trade attaches.¹¹ In South Africa and elsewhere, punting domestic companies and their products and our country's considerable tourist virtues abroad is a priority national interest issue because it creates jobs, boost revenues and generates prosperity. There is a need to aggressively seek to forge bilateral trade agreements. South Africa should aim to increase the number of Free Trade Agreements (FTAs) from the three (EU, EFTA and SADC) currently enjoyed. After Brexit, the UK is an immediate priority. This must be part and parcel of a wider national trade strategy. In this there is a need to recognise the costly diversion of activity to the ubiquitous trade summits. Global summitry is not the bread and butter of national prosperity. Realising the promise of free trade regimes in Africa requires harnessing and collaborating with

business, and instilling the 'full package' of reforms necessary for to free up flows, including of capital, goods, labour, technology. South Africa should aim to become the 'Singapore of Africa' in terms of expediting trade flows and speed of customs' clearance, aiming to be the fastest at least among middle-income countries. It should seek a global trade round, but aim to negotiate – with our allies and rivals – and extract concessions, not simply posture. In line with the need to devote minimal resources to trade regimes, Pretoria needs to negotiate as many FTAs 'virtually'. The methodology should be to use technology to negotiate and meetings only to initial agreements.

Wars cannot be solely waged by the military. Trade cannot solely be pursued by businesspeople. To punch above our weight, to use that expression again, diplomats need to have boxing gloves and be fit for task.¹² This requires integrating the appropriate tools of foreign policy across government.

In all of this, there is an imperative to put people first. To ensure that the rest of the world sees a great country, the interests of South Africans – not just one political party – must be the overall objective of foreign policy, geared to seeking to provide prosperity, security and peace for all. And in so doing, the interests centre not only in material advancement, but also in the democratic principles and solidarity that were once applied in making post-apartheid South Africa a reality.

NOTE

- 1 Nelson Mandela, 'South Africa's Future Foreign Policy' *Foreign Affairs* 72, 5 (1993) pp.86-97, accessed at <http://www.anc.org.za/content/article-nelson-mandela-foreign-affairs-vol-72-no5>.
- 2 At <http://www.news24.com/SouthAfrica/News/nkoana-mashabanes-bizarre-interview-a-spectacular-mess-20160530>.
- 3 See <http://www.bdlive.co.za/world/europe/2016/07/04/brexit-we-dont-know-about-it-says-maite-nkoana-mashabane>.
- 4 Matthew Graham, *The Crisis of South African Foreign Policy* (London: I.B. Taurus, 2015) p.140.
- 5 John Matisonn, *God, Spies and Lies* (Cape Town, Missing Ink, 2016) p.375
- 6 At http://www.anc.org.za/docs/umrabelo/2015/ngc_disc_docsy.pdf.
- 7 At <https://hansard.parliament.uk/Lords/2010-07-01/debates/10070128000649/ForeignPolicy>.
- 8 See <http://data.worldbank.org/?locations=ZG-ZA>.
- 9 See the debate in the House of Lords involving Lord Patten of Barnes and Lord Wright of Richmond, at <http://www.publications.parliament.uk/pa/ld200506/ldhansrd/vo051208/text/51208-06.htm>.
- 10 See <http://www.dod.mil.za/documents/defencereview/Defence%20Review%202015.pdf>.
- 11 For a most readable account from the inside, see Tony Leon, *The Accidental Ambassador: From Parliament to Patagonia* (Johannesburg, Picador Africa, 2013).
- 12 At <http://www.publications.parliament.uk/pa/ld200506/ldhansrd/vo051208/text/51208-06.htm>.

Raphael de Kadt is Professor of Political Science at both St Augustine College of South Africa and accadis Hochschule in Germany. He is also an Honorary Research Fellow at both the University of the Witwatersrand and a Research Fellow at the Helen Suzman Foundation. Author, co-author or editor of over 80 publications, his principal interests lie in modernization studies, global politics and the political economy of growth and development. He is, as well, an avid and highly regarded photographer. <https://www.flickr.com/photos/55301650@N06/>



Evan Cupido is a Political Science lecturer in the Department of Undergraduate Studies at St Augustine College of South Africa. He holds a Master's degree in Political Science from Stellenbosch University. His research areas of interest include transformative justice and international labour trends.



South Africa's Democracy in a Global Context

22 years after the birth of democracy South Africa, indeed, sits at a 'crossroad'. The African National Congress (ANC) continues to enjoy – despite a swing away from it and the loss of majorities and even pluralities in key large metros the recent Local Government Elections – electoral domination in a political landscape defined by many as a 'dominant party' system¹. Yet developments in recent years have increasingly placed question marks around political leadership, good governance and the 'blurring' of state and party lines. Added to this is the pressure exerted by an ever changing domestic and international environment. How South Africa responds to these, and other, challenges are crucial if democracy is to remain 'the only game in town'. This article attempts to explore the strength of South Africa's democracy in a changing global context and its future trajectory is critically assayed.

A Prelude to 21st Century South Africa

The 27th of April 1994 marked the formal end of the apartheid dispensation and ushered in a non-racial and democratic South Africa following centuries of colonialism, exploitation and racial oppression as well – in the twentieth Century – as industrialization and urbanization. Despite the public euphoria and international awe which accompanied this transition, the move towards democracy did not occur in isolation. Globally the world was riding a 'wave of democratization' which in the 1980s and early 1990s saw, as Larry Diamond eloquently put it, 'freedom take its biggest jump'². On the cusp of the new millennium the number of authoritarian states the world over decreased significantly in comparison to the early years of the 1970s³. This was due to the gradual disappearance of alternative regime types as the adoption of democratic systems became more attractive, with Western-style democracies ascendant both economically and politically⁴. South Africa's transition to democracy can, at least in part, be accredited to the considerable links it had with the 'industrialised west' and the growing pressures which accompanied it⁵.

Furthermore, this period in history also reflected the 'triumph' of free market ideals in which both powerful and emerging states, tended to pursue their own economic interests in an increasingly 'globalized' system of trade⁶. The 'new' South Africa found itself in a specially challenging position, having to rectify decades of social injustices and their attendant legacies, while at the same time needing to establish its global footprint. Despite this daunting task the new democratic government, under the leadership of Nelson Mandela, quickly sought to reform all areas of social, political and economic life. In the years to follow unemployment was on a steady decline, inroads were being made into the debt-to-GDP ratio and the country re-affirmed its position as a regional 'powerhouse'. This early narrative of success defied many a sceptic and remains a remarkable achievement for a country which, at least arguably, stood at the precipice of a civil war.

Economic growth in Africa

The African continent as a whole has been on a rather steady, if somewhat geographically uneven and varied, upward growth path for some time. In the period between 2000 and 2012 the African economy, it has been claimed, grew 3.5 times⁷. Regional economic growth in Sub-Saharan Africa over the same period was even stronger with growth at over 4% by the year 2015⁸. This achievement is ever more remarkable considering how modestly the global economy has performed in recent years. The impressive growth in Africa has occurred against the backdrop of a troublesome world economy still feeling the effects of the global financial crisis of 2008 and having to adjust to lower commodity prices – notably oil and coal. Growth on the continent is expected to slow down this year⁹ yet it still remains higher than the global average forecast.

South Africa in particular is confronted by numerous challenges. These include an unfavourable economic climate, instability within the mining sector, highly volatile labour relations, inadequate human capital formation and, worryingly, increased downside political risk.

While Africa has seen impressive growth – in terms of real GDP and Foreign Direct Invest (FDI) – it is important to note that this growth is not evenly distributed across the continent, and comes off a largely low base. Income inequality in a number of Sub-Saharan countries remains troublingly high while three of the four largest economies in Africa (Nigeria, South Africa and Angola) all seem set to slowdown in the coming years¹⁰. South Africa in particular is confronted by numerous challenges. These include an unfavourable economic climate, instability within the mining sector, highly volatile labour relations, inadequate human capital formation and, worryingly, increased downside political risk. All of these challenges could adversely affect future investor perceptions.

Positioning South Africa

Despite deep structural socioeconomic divisions, South Africa remains a 'middle income' country¹¹. Years of macroeconomic prudence – most notably under the Mbeki administration – saw the economy grow at a steady, if not entirely spectacular, rate. In 1999 unemployment stood at 30% and fell to 22.8% by 2008¹² while a reasonably robust GDP growth rate was achieved during the same period, peaking at over 4% per annum in the years 2004-07¹³. The country's economic development remained encouraging for over a decade, despite its having to compete and engage with more advanced and developed economies. However, recent headwinds have brought a cloud of uncertainty over the South African

economy as the country struggles to maintain a reasonable measure of internal harmony while navigating a troublesome global market.

The ANC's now arguably waning electoral domination is somewhat akin to the opposite sides of the same coin. On the one hand its retention of power has brought a fair measure of political stability as well as reasonable policy continuity. On the other hand it has led to growing levels of rent-seeking¹⁴, corruption, nepotism and maladministration in the civil service all of which impact negatively on its global competitiveness and investor confidence. In addition South Africa has experienced persistent, and growing, levels of social unrest. Student activism

There is no single, overarching, reason for emigration. Rather one can highlight a number of socioeconomic and political factors. These include: better job prospects abroad, economic instability, corruption and persistently high levels of crime. In addition there is also concern about the, at times, arguably inapposite implementation of affirmative action.

– both of the radical and moderate kind – is on the rise¹⁵, race relations remain somewhat tense while labour relations continue to be problematic. One could argue that this trend points to a lack of internal harmony within the country which adversely affects economic growth. Paul Dorrian (2005) notes that internal harmony is key to creating an enabling environment in order to achieve growth. This enabling environment leads to higher levels of productivity as well as ensuring 'the retention of the country's most precious asset, its human capital'¹⁶.

The state of South Africa's human capital has for a long time, remained precarious. Most South Africans moving abroad fall in the age category 24 to 40 years of age¹⁷. The *Centre for Development and Enterprise*

notes that between 1989 and 2003 South Africa has lost more than 500 000 formally qualified citizens¹⁸. This is a source of concern as individuals in this age category form a significant part of the working age population and may be considered to be the back-bone of the economically active citizenry. There is no single, overarching, reason for emigration. Rather one can highlight a number of socioeconomic and political factors. These include: better job prospects abroad, economic instability, corruption and persistently high levels of crime. In addition there is also concern about the, at times, arguably inapposite implementation of affirmative action¹⁹. Together these factors adversely affect South Africa's growth prospects as the country loses a number of its most talented and educated individuals, many of whom possess scarce skills the country needs.

To curb this trend citizens, particularly the youth, need to feel included in the socio-economic system. To this end one cannot underestimate the apartheid legacy affect, particularly on basic and formal education. Decades of inferior education have yet to be eradicated as the country continues to grapple with a vastly uneven school and university system, the latter under severe financial pressure. This is one of South Africa's most urgent priorities and challenges as education remains a salient factor in upward mobility and life chances. Yet the education system continues to be plagued by teacher absenteeism, non-delivery of formal textbooks and pervasive strike action. To overcome these challenges one needs to see improved political leadership and good governance. This will lead to an environment more conducive to political stability, reduce corruption and ensure greater respect for rule of law. In the long term this will help underwrite higher levels of productivity and, most importantly, help retain the country's most important assets, its citizens.

Constitutional democracy: South Africa and beyond

Research in political science has highlighted how the survival of democracy and levels of development are inextricably linked. Adam Przeworski *et al* note that no democracy, once established, with a per capita income above around \$6,000 in 1990 US\$ terms ever collapsed²⁰. Historically it is also important to note that no democratic state has ever waged war against another democratic state. These regimes tend to remain resilient in times of war and political and economic crisis. The wealthier a country is the more likely it is that democracy will remain 'the only game in town'²¹.

When assessing South Africa's prospects for consolidating its democracy, its level of development remains an important factor. A recent survey conducted by *Afrobarometer* has highlighted concerns over the strength of South Africa's democracy. Ordinary citizens are growing increasingly dissatisfied with political leadership and government performance and this has negatively affected perceptions of democracy²². Perceptions of democracy amongst all race groups in South Africa remains below 70% with Black South Africans rating 'democracy as preferable to all other forms of government' the highest at 67%. More worrying is that when citizens were asked to rate their 'satisfaction with democracy', White, Coloured and Indian South Africans all scored under 40% while Black South Africans scored just over 50%²³. These findings are reinforced by *The Democracy Ranking Association* in which South Africa's global democracy ranking for 2015 fell by 2 basis points²⁴. In regard to this dissatisfaction one might draw attention to recent events which bring issues of governance, accountability and respect for rule of law to the fore.

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This was notably on display in the high profile instances of both Sudanese President Omar al-Bashir's visit to South Africa²⁵ as well as the forced resignation of former head of the Hawks Anwa Dramat²⁶. A few days after al-Bashir's arrival in South Africa the Pretoria High Court issued a court order to have him detained and handed over to the International Criminal Court. The South African authorities had to comply with the court order. However; before al-Bashir could be detained it was alleged that he had already left the republic. The entire scenario raised questions surrounding the rule of law, most notably the respect for judicial decisions. The South African government later issued a statement in which it questioned the credibility of the ICC²⁷. Added to this was the Supreme Court of Appeal (SCA) ruling which dismissed a government appeal in the case in which the SCA declared that the decision not to arrest al-Bashir 'was inconsistent with South African law'²⁸. The decision not to comply with the court decision has both international and domestic ramifications. Internationally, South Africa violated its obligation as being party to the Rome Statute, and thus subject to international law. Domestically, by not complying with the Constitution a dangerous precedent could be set regarding the enactment of judicial decisions.

In the case of Dramat, his resignation following allegations brought against him also raised important questions pertaining to accountability and openness. As a



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senior public servant in charge of an independent directorate, the actions taken by the Independent Police Investigative Directorate against Dramat remains unresolved in which its transparency, in handling the case, remains unclear. These issues and numerous others – not least the Constitutional Court’s findings and order in respect of the Public Prosecutor’s determinations in the Nkandla affair – have raised important questions surrounding good governance and the rule of law. More specifically it goes to the heart of the tension between the ‘normative’ and ‘prerogative’ state in South Africa²⁹. The path its leaders choose to take at the current ‘crossroad’ will have significant implications for the durability and character of its constitutional democracy. If one adds

this to the challenges experienced in the socioeconomic environment adverted to previously, it remains debatable whether South Africa will fully consolidate its democracy. To the extent that a robustly competitive multi-party system – which, given the nature of South Africa’s electoral system should tend towards coalition governments – is a crucial element of such a democracy, the outcome of the recent Local Government Elections in the larger Metros is a source of encouragement. However, in contrast to this – in light of Christian Houle’s pioneering work – is the fact that levels of inequality remain disturbingly high. And while high levels of inequality might have little bearing on the transition to democracy, they are inimical to its consolidation.

While South Africa’s democracy remains somewhat fragile, it is not at odds with global perceptions and trends. The quality and strength of democracy in the ‘West’ has at best remained the same, and in some cases retreated rather than improved.

The Democracy Ranking Association notes that amongst the top 5 ranked states in the world there was no real loss or gain while in some cases (most notably in Canada and the United States of America) one saw a slight decrease in the quality of democracy³⁰. Of particular importance for global democracy is the slim majority preference of Britain voters to exit the European Union (EU), a choice popularly referred to as *'Brexit'*³¹. The long standing EU arrangement can be traced as far back as the 1950s which sought to bring stability and unity to Europe, in an essentially 'functionalist' mode, following two devastating world wars. A decision to leave this trading bloc by a major economic polity points to a worrying and arguably increasing global trend towards protectionism and isolation rather than integration and solidarity. It might also have wider global repercussions in which South Africa could be particularly hard hit³². In addition to *'Brexit'* the strength of democracy globally faces a number of other challenges. Most notable are: the continued uncertainty in the global economy, the migration crisis in Europe and the related rise of populist movements (across continental Europe and North-America) and radical political forces hostile to the post-Second World War international institutional framework, most notably, The Islamic State of Iraq and Syria (ISIS). Thus the allure of democracy as a global phenomenon could well slowdown in the years to come. One should always be mindful of the fact that, just as the fortunes of the South African economy have – with some variances – tended to track the fortunes of the global economy, so its political culture has also been influenced by the shifting winds of global political sentiment. The country's transition to democracy enjoyed the tailwinds of the 'Velvet Revolutions' in Eastern Europe in 1989 and the 'linkage and leverage' effects of its longstanding and deep connections with the more advanced economies of the West. The rise of reactionary, anti-globalisation populist movements – such as Donald Trump's Republican Party's campaign core in the USA – might impact upon the political culture template in South Africa. Added to this has been the resuscitation of a seemingly expansionist, authoritarian Russian 'Nationalism under the leadership of Vladimir Putin, and the seeming stickiness of authoritarian rule in China – both members of BRICS, which South Africa has embraced as a network of 'development' partners. On the 'upside', South Africa – on geopolitical terms – is currently relatively immune to the refugee crisis that the Syrian civil war (a long term consequence of the ham-handed, principally Anglo-American, invasion of 2003) has unleashed upon Europe, and which has fed the rise of xenophobic populist forces in both Europe and the USA.

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Moving forward

Through this essay, it becomes clear that while South Africa has achieved a great deal in a fairly short space of time it cannot afford to continue to slow down economically or become politically more complacent. This is particularly true when dealing with the country's fundamental challenges – inequality, poverty, unemployment and human capital formation. In order to make the necessary inroads there needs to be a substantially better quality of political leadership, efficient and technocratic management of the public sector, good, transparent, governance and a respect for the rule of law. This all should better help guard against a drift towards ever greater kleptocracy, and in which nepotism, corruption and rent-seeking in state institutions are curbed. In addition one needs to see a re-embrace of constitutionalism in which respect for the rule of law, procedural justice and formal institutions are upheld by

both government officials and civil society. This will lead to the strengthening of political legitimacy in which 'faith in the democratic system' is restored. By doing this South Africa gives itself a chance to sport an effective state apparatus which is backed up by a highly motivated and skilled workforce capable of competing on a global scale. This will go a long way to ensure that South Africa's democracy both thrives and ultimately survives. Finally, South Africans need to be mindful of the fact that their country is locked into a network of relations with its southern African neighbours. Facilitating the development and underpinning of democracy and prosperity among its neighbours should help insulate the country from external factors such as regional wars and conflicts and their attendant pathologies such as the mass influx of refugees.

NOTE

- 1 A dominant party system occurs when a particular political organization successfully wins a number of consecutive elections in which its defeat at the 'ballot box' is unlikely to occur for the foreseeable future.
- 2 Diamond, L. 1996. 'Is The Third Wave Over?', *Journal of Democracy*, P27.
- 3 The third wave of democracy was ushered in by the 'Carnation Revolution' in Portugal in 1974.
- 4 See Steven Levitsky & Lucan Way, 'International Linkage and Democratization', *Journal of Democracy*, 16(3): P20-34.
- 5 Note that South Africa's connection with the 'West' has always been precarious. It remains debatable whether economic sanctions and pressures exerted on the apartheid government by the 'West' were enough to force political reform. Rather South Africa's transition to democracy did not occur in a 'vacuum' in which, apart from the 'West', other African, Asian and non-democratic states – in the form of Cuba and the Soviet Union – played an important role in bringing the respective parties to the negotiation table. Ultimately however, the real impetus for change came from stakeholders and citizens, both elites and masses, within the country.
- 6 Dorrian, P. 2005. *The Making of South Africa Inc.* Zebra Press.
- 7 This is in terms of real GDP which stood at 598.8 US\$ Bn. in 2000 and increased to 2026.8 US\$ Bn. in 2012. See EY, 2013 annual report entitled "SA's position in the context of the African growth story".
- 8 See IMF, 2015. *Regional Economic Outlook. "Sub-Saharan Africa: Navigating Headwinds"*.
- 9 The IMF in its *Regional Economic Outlook for October 2015* cut Africa's expected growth from 4.5% to 3.75% for 2016. This was due to continuing low commodity prices, industrial slowdown in China and persistent strain placed on the global economy by geopolitical factors.
- 10 *Ibid.*
- 11 This according to the World Bank Indicators of 2014.
- 12 See Strydom, M. "Did you know Thabo Mbeki presided over SA's highest economic growth rate in the past 35 years?"
- 13 See South African Reserve Bank Annual Economic Report 2007.
- 14 See Simkins, C and de Kadt, R. 2012. 'The Political Economy of Pervasive Rent-Seeking', Thesis Eleven.
- 15 These include the recent events surrounding both the "RhodesMustFall" movement and the nationwide "FeesMustFall" campaign which affected state institutions across the country in 2015.
- 16 See Dorrian, P. 2005. *The Making of South Africa Inc.* Zebra Press. P101.
- 17 See South African Institute for Race Relations. 2009. *Skills flights retards growth and investment.*
- 18 See CDE. 2010. "Skills, Growth and Borders: Managing migration in South Africa's national interest". Available at: <http://www.cde.org.za/skills-growth-and-borders-managing-migration-in-south-africa-s-national-interest/>
- 19 Affirmative action is the policy of favouring individuals who suffered from past discrimination. This policy is important as it aims to provide equity and redress within society. However its implementation at times has seen only those well connected benefiting while the majority of those previously disadvantaged are yet to sufficiently benefit.
- 20 See Przeworski, A et al. 2000. *Democracy and Development.* Cambridge University Press.
- 21 For criteria on consolidating democracy see Linz, J and Stepan, A. 1996. *Towards Consolidated Democracies.* *Journal of Democracy* .7(2): P14-33.
- 22 See *The Conversation*. 2016. "South Africans are demanding more of their leaders, and democracy" available at: <https://theconversation.com/south-africans-are-demanding-more-of-their-leaders-and-democracy-54755>
- 23 *Ibid.*
- 24 See Global Democracy Ranking. 2015. Available at: <http://democracyranking.org/wordpress/>
- 25 Al-Bashir visited South Africa in June of 2015 to attend an African Union summit in Johannesburg. Al-Bashir is wanted by the International Criminal Court for war crimes committed in Darfur. South Africa, as a signatory to the Rome Statute, had to detain Al-Bashir as part of their legal obligation of being signatory members.
- 26 Dramat resigned from the Hawks following allegations of his involvement in the unlawful rendition of Zimbabwean nationals to the Zimbabwean police service in 2015.
- 27 See eNCA. 2015. "ANC on Bashir: 'ICC is no longer useful'".
- 28 See Mail and Guardian. 2016. 'Supreme Court dismisses al-Bashir appeal' available at: <http://mg.co.za/article/2016-03-15-supreme-court-dismisses-al-bashir-appeal>
- 29 See Simkins, C. 'The normative and prerogative state' Available at: <http://hsf.org.za/resource-centre/hsf-briefs/the-normative-and-prerogative-state>
- 30 See Global Democracy Ranking 2015. Available at: <http://democracyranking.org/wordpress/>
- 31 At the time of writing the EU referendum by Britain was undecided as the polls indicate the vote will be a closely contested affair right up until the June 23rd deadline.
- 32 See Fin24. 2016. 'How Brexit will impact South Africa' available at: <http://www.fin24.com/Opinion/how-brexit-will-impact-south-africa-20160620>

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See on China Stein Ringen's recent 'The Perfect Dictatorship'. Ringen, S. 2016. *The Perfect Dictatorship: China in the 21st Century*, Jong Kong, Hong Kong University Press. Note that this is less optimistic about China's prospects for moving in a 'liberal democratic' direction than some other assessments.

On Russia, see among a very vast literature, William Zimmerman's 'Ruling Russia: Authoritarianism from the Revolution to Putin'. 2016, Zimmerman, W. *Ruling Russia: Authoritarianism from the Revolution to Putin*, Princeton, Princeton University Press.

South Africa's Foreign Policy: A Bric Without Straw?

In this paper I propose to briefly examine South Africa's foreign policy since 1994 and the advent of the Government of National Unity (GNU). The contradictions that inevitably attended the government's attempt to carve out a productive and responsible role in the post cold war order (such as it was) will be analysed and special attention paid to the country's membership of the BRICs group of significant actors on the international stage.

In a famous 1994 *Foreign Affairs* article, Nelson Mandela, the President in waiting asserted that "human rights would be the light that guides our foreign policy".¹ Yet there was also a clear recognition that increasing links with Western states was crucial to produce the investment and trade essential to promote growth, employment and provide resources for raising the living standards of the impoverished black majority.

Expectations were high – both at home and abroad – that these two objectives of foreign policy could be pursued in tandem: the government, has for example, engaged in a variety of peace-keeping and peace-building initiatives in, inter alia, Angola, Burundi, Mozambique and the Sudan. On the other hand, liberals such as Archbishop Desmond Tutu and Judge Richard Goldstone publicly expressed their disappointment with the government's negative voting record at the United Nations Security Council and its Human Rights Committee (HRC) over issues such as Burmese military government, the Darfur issue and in the Sudan. Then again, there was a refusal to support UN proposals for sanctions against Zimbabwe and Iran.

Yet another contradiction emerged between economic dependence on the rich northern states for trade and investment and the pressure to offer a lead in the search for 'African solutions to African problems' via South Africa's key role in the African Union (AU) the Southern African Development Community (SADC), and the Non-Aligned Movement (NAM). These twin objectives of foreign policy had to be reconciled somehow: appearing to be the West's African poodle was clearly unacceptable.

South Africa's record as a defender of human rights has, therefore, been mixed. Like many states, the leaders of which pin their colours to an ethical mast as a matter of ideological principle, the constraints at times outweigh and complicate the incentive to be consistent and avoid accusations of double standards. In South Africa's case ties of gratitude to friends in the anti-apartheid struggle – for example Libya, Cuba and Algeria – overrode concern for human rights derelictions and provoked fierce argument over, for example, the morality of arms sales to these regimes. Another issue which provoked fierce debate arose over which China to recognise – Taiwan or The People's Republic. In all these cases principle clashed with pragmatism and the latter won.



Jack Spence, OBE is a British academic and has been a Professor of Diplomacy at the Department of War Studies, King's College London since 1997. He has lectured at a variety of Universities in Britain, South Africa and the United States and was Professor of Politics and Pro-Vice Chancellor at the University of Leicester. He was employed as Director of Studies at the Royal Institute of International Affairs. In 2002, Spence was appointed to the Order of the British Empire for teaching services to the Ministry of Defence.

Foreign Policy Under Mbeki

On the other hand, both Mbeki administrations showed a sensible preference for soft power instruments of mediation, good offices and other forms of conflict resolution. These diplomatic techniques were employed to good effect in recurrent crises in, for example, The Democratic Republic of the Congo (DRC), the Great Lakes region and Côte d'Ivoire. In part, of course, this particular thrust of policy was dictated by a realistic acknowledgement that military intervention, peace enforcement as distinct from peace-keeping were commitments beyond the country's limited military and economic capability. No doubt failure in Nigeria and Lesotho taught a salutary lesson: Mbeki, too, might have recognised the danger of being bogged down in Africa's intractable conflicts where the parties are often warlords, militias and/or rapacious criminal gangs who derive benefit from the continuation of a conflict rather than the creation of a stable political order via third party intervention. And even creating a 'stable political order' in conflict-ridden Africa seems peculiarly difficult: truces often give way to renewed fighting followed by yet another cease fire and attempts at diplomatic resolution. Too often, the cycle repeats itself and would-

In the last analysis, however, South Africa's performance in the Zimbabwean crisis demonstrated that liberation solidarity with Mugabe would inevitably trump human rights.

be conflict resolvers find themselves on a treadmill with no lasting prospect of peace, let alone post-conflict reconstruction. Thus South Africa inhabits a rough continental neighbourhood; the existence of frail, collapsing and failed states – very often the object of ameliorative intervention – makes the use of orthodox diplomatic and military instruments profoundly difficult. The best that can, therefore, be achieved is short-term band aid, patchy solutions.

Yet nowhere – in South Africa's case – was the tension between liberal incentives and real or apparent constraints better illustrated than in the Zimbabwean example. This prolonged crisis – it could be argued – was the test case of South Africa's capacity to enhance its reputation for decisive action in defence of human rights. It was (and is) after all, the regional hegemon with the means – via a combination of sanctions and coercive diplomacy to force the pace of change in Zimbabwe. Certainly, many in the West assumed that the Mbeki government had the primary responsibility and the means for the task.

Reliance on 'quiet diplomacy' had little effect in the short to medium run and the Mbeki government's refusal to openly criticise those responsible for the crisis, not to mention the extraordinary behaviour of official South African delegations which – on electoral monitoring visits to Zimbabwe – found little if anything to criticise. Rightly or wrongly, South Africa's reputation was tarnished by its government's failure to adopt a more proactive role. A precarious Government of National Unity (GNU) was established early in 2009 and no doubt Mbeki and his colleagues would claim credit for their strategy of waiting on time and circumstance to provide change however uncertain its implications for the future might be. In the last analysis, however, South Africa's performance in the Zimbabwean crisis demonstrated that liberation solidarity with Mugabe would inevitably trump human rights.

In this context we should also note the refusal to support UN proposals for sanctions against Zimbabwe and Iran (the latter for violating nuclear safeguards). One perceptive explanation for this departure from Mandela's initial emphasis on a human rights based foreign policy is offered by *The Economist* arguing that "South Africa's ambivalent sense of identity, with one foot in the rich world, where its main



economic interests continue to lie, and the other in the poor one, with which many of its people identify".²

This quotation gets to the heart of the dilemma facing South Africa in the external realm. And to be fair to its post-1994 leadership one must acknowledge that much of the criticism emanating from Western commentators about the country's failure to observe consistently ethical standards assumes that the human rights criteria employed as a measuring rod are universally accepted.

By contrast, many governments in the North and the South claim, for example, that the doctrine of liberal intervention in defence of human rights is a peculiarly and exclusively Western one. For these critics, human rights are less about constitutional freedoms (speech, association, religion, etc) and much more about meeting human needs in terms of food, shelter health and land provision. In other words, South Africa's refusal to take public issue with President Mugabe of Zimbabwe on the latter's treatment of his people and the government's behaviour at the UN on human rights issues may be explained in terms of a clash of human rights cultures between the West and the Third World (including South Africa rather ambiguously).

There is clearly a qualitative difference between the founder members – Brazil, India, Russia and China – and the late newcomer.

South Africa: A BRIC too far?

South Africa's membership of the so-called BRICS grouping strikes an anomalous note in the current lexicon of international relations. There is clearly a qualitative difference between the founder members – Brazil, India, Russia and China – and the late newcomer. The former with the possible exception of Brazil enjoy great power status measured in terms of capacity to defend and assert key global national interests; all have significant military capability including – apart from Brazil – a nuclear component and all measure themselves against their arch rival, the United States.

True, Russia and China have UN permanent seats on the Security Council with the right to veto resolutions deemed damaging to their interests; all five are – in varying degree stable polities, though each faces formidable problems of domestic political economy; all five seek to maintain, and indeed enhance a hegemonic role in their several regions.

The BRICS do share one major interest, namely a belief that for too long the international agenda has been dominated by Western priorities and capacity for action on issues such as the protection of human rights; defined in Western terms; humanitarian intervention under the guise of the responsibility to protect doctrine; the role of the Bretton Woods financial institutions; the failure to reform the UN Security Council; and, perhaps most importantly, what should constitute the nature, scope and substance of good governance and its relevance for non-Western polities in terms of both structure and political process.

Second, both the fund and the bank remain extremely useful institutions for powerful governments and other transnational actors who have a strong interest in the continuation of their global roles....

This list of grievances (and it is by no means exhaustive) is the subject of major debate among both academic and political elites scattered across the globe. Indeed, there is BRICS consensus on the need to reform existing international institutions such as the UN, the World Bank and the International Monetary Fund. There is, however, an explicit acknowledgement that these demands for change are not uniformly shared to the same degree by all five BRICS; some resonate more clearly with particular governing elites more

than others. One wonders, for example, how far Russia and China would wish to see a dilution of Security Council membership possibly cutting across their interests in maintaining a highly privileged and influential position from say Indian or South African membership. It seems reasonable to acknowledge a BRICS aspiration to alter the global balance of power especially when it appears to tilt profoundly against their interests in key international financial and political structures. However, this reformist aspiration is unlikely to result in a revolutionary upheaval in the structure and process of international relations. In this context one perceptive observer has argued that "the legacy of the past plays a critical role in shaping the evolution of global economic governance. Large and powerful international organisations are 'sticky'; they are hard to reform but they may be even harder to abolish or replace.... Second, both the fund and the bank remain extremely useful institutions for powerful governments and other transnational actors who have a strong interest in the continuation of their global roles.... The Bretton Woods Institutions are likely to not only endure but to continue to play major roles in global economic governance for the foreseeable future"³ What is likely (and this can only be a guess on my part based on past international experience) is slow, piecemeal haphazard reform with governments always at the mercy of the contingent and unforeseen.

Nevertheless, one might view the role of the BRICS either as a powerful collective lobby for collective change or a group wholly concerned with simply holding their own in a world full of uncertainty and competing claims. At present their role is largely confined to meeting together on a regular basis to explore real possibilities of co-operation and the articulation of a common interest in confronting Western dominance in a host of key institutions. There is certainly no denying the collective demand for significant change.



A second major difficulty confronting South Africa's foreign policy makers is how to reconcile dependence on Western economies for trade and investment and essential for crucial improvement in black living standards with the aspiration to be a major standard bearer in the self-perceived anti-imperialist struggle between the rich north and the poor south especially as the issue concerns African prospects for economic advancement and political stability. Certainly, South Africa has a 'rectitude base' but it is relatively fragile as compared with more well developed niche players (eg the Scandinavian states, Canada, Ireland, Switzerland, and the Papacy) assuming more limited ambitions via the employment of soft power techniques such as mediation and good offices. Thus, what gives these states legitimacy and recognition despite their relative size and lack of hard power and military capability is their reputation for good governance and impressive economic performance.

Future Prospects

Thus South Africa might be described as a state in perpetual search of a role in which all these aspirations can be satisfied in coherent policy making. These include an ambiguous emphasis on human rights; productive economic relations with the West; a role as a major contributor to peace-keeping operations; global spokesman for African aspirations on the G20 stage; a leadership role at the UN earning a permanent seat on the Security Council in due course; a benign hegemonic role in the southern African region.

How then does membership of the BRICS grouping help to reconcile these broadly defined at times contradictory objectives of foreign policy? True, there have been some combined initiatives: these include periodic Summit meetings at which there

was, for example, success in the establishment of a New Development Bank and also a Separate Contingency Reserve arrangement to help states with balance of payments difficulties.

After persistent lobbying, South Africa was delighted at the invitation to become a BRIC member late in 2010. Its new partners no doubt took the view that an African representative was required and South Africa, despite a declining economic performance and growing internal dissent at the slow delivery of basic social goods (housing, electrification, clean water, efficient schools and medical facilities) seemed a better bet than say, Nigeria.

Yet to a disinterested observer the BRICS grouping may seem an artificial construct. It was, after all, the brain child of Jim O'Neill of Goldman Sachs who, interestingly enough took exception to South Africa's admission on the grounds that states such as Indonesia, Mexico, and Turkey "all had stronger claims".⁴ Indeed, as Johnson has emphasised in his highly critical account of South Africa's economic and political failings since 1994

South Africa thus entered BRICS in a state of complete naivety, apparently unaware that each of its members had its own reasons for joining ... reasons which had nothing to do with developing Africa, let alone promoting South Africa's ambitions to act as the midwife of such development, to be Africa's representative on the UN Security Council ... The Alliance is peculiarly ideological. South Africa does little trade with Russia, while the other three BRICS members are all major trade competitors.⁵

Indeed, Mandela's aspiration for his country to be a global human rights standard bearer looks forlorn given the very different perceptions that govern the policies of South Africa's partners with respect to human rights, etc.

At best South Africa is a 'middle power' as compared with the great power claims of its partners. Thus its very presence, influence and resource base seems disproportionate in comparison with the advantages enjoyed by BRICS colleagues. Indeed one can only conclude that South Africa regards membership as giving its government status and influence in global politics; that association with more powerful BRICS will have a 'spillover' effect with South Africa basking in the reflected glory of the group's achievements.

Indeed, Mandela's aspiration for his country to be a global human rights standard bearer looks forlorn given the very different perceptions that govern the policies of South Africa's partners with respect to human rights, etc.

And it could be argued that a decisive and continuing impact by the BRICS will not be easily achieved. The group lacks the cohesion, the multi-lateral and mutual commitment of an orthodox military alliance as a means of providing and maintaining security in the face of so-called 'new' global threats eg. terrorism; international crime; failing and collapsing statehood; climate change; nuclear proliferation; states of concern; the prevalence of civil war. Several of these threats require, inter-alia, a highly sophisticated capacity for intelligence sharing by like minded states. Is this likely, indeed possible with a loose grouping such as the BRICS? And what contribution in intelligence terms could South Africa make with respect to countering international terrorism?

Secondly, all five BRICS have major domestic preoccupations. All have to cope with population growth, massive job creation and a crucial need to raise living standards in line with popular expectations. These commitments must set limits

to what can be done by way of maximising and sustaining international pressure for major institutional reform both at home and abroad. Indeed, could the BRICS combine to promote a sanctions programme if required to push the case for change in international forums? This – to my mind – would be a Herculean task for governments which are hard pressed with many policy commitments. And in this context it will be difficult if not impossible to organise a BRICS wide trading regime governed by diplomatic negotiation via a bureaucratic structure capable of operating over five continents. We should also bear in mind the great variation in the political and social culture of the five BRICS. Some approximation here is surely essential as the example of the history and development of the European Union amply demonstrates.

Thirdly, the international system is undergoing profound change: much will depend on the way in which China and the USA relate to each other in the coming decades; India and Russia will seek to establish their influence both in their respective regions and further abroad. We may well see the emergence of a new balance of power with the four major BRICS constituting alternative poles in that balance, but requiring subtle diplomacy to maintain a reasonable semblance of international order.

What contribution, if any, will South Africa make to this complex structure is open to question. No-one doubts its capacity to play a regional hegemonic role. But does it have the capacity to play a role comparable to the global ambitions of its BRIC partners? Indeed, in the event of completing claims to support from rival BRIC states at odds with each other on key global issues, South Africa might find itself with difficult choices. Certainly, its electorate and radical groups within it may well come to feel that an excessive concern with grandiose foreign policy ambitions is no substitute for failure to make significant progress on economic and social issues at home.

Oh for a latter day Bismarck or Henry Kissinger!

The recent electoral losses in three major urban areas and the ANC's total vote falling below 60% would seem to confirm the priority of domestic concerns over foreign policy achievements and future expectations with the 'big beasts' of the BRIC constellation. It seems reasonable to conclude that on wider global issues South Africa will remain a supplicant for dollops of aid and general economic assistance, a camp follower rather than a 'mover and shaker' unlike its weightier BRIC partners.

NOTE

- 1 Mandela, N., 'South Africa's Future Foreign Policy', *Foreign Affairs*, Vol. 72, No.5, 1994, p.86
- 2 The 'see no evil foreign policy', *The Economist*, 15/21 November 2008, p.65,66
- 3 André Broone, 'Bretton Woods For Ever? The Endurance of the IMF and the World Bank', *Dialogue*, King's College London, Issue 13, 2015, pp 2-4.
- 4 See a highly critical discussion of these issues in R W Johnson's book, *How Long Will South Africa Survive? The Looming Crisis*, Johannesburg, Jonathan Ball, 2015, pp.193-220
- 5 *Ibid.*, p.197

Brexit: Implications for South Africa – United Kingdom Relations



Peter Draper is Managing Director of Tutwa Consulting, which specialises in policy and regulatory analysis, international business expansion advisory, and corporate public affairs advisory, in Southern African and emerging markets. He is a Senior Research Fellow in the Economic Diplomacy programme at the South African Institute of International Affairs (SAIIA); and Lecturer at Wits Business School.

Introduction

What are South Africans to make of the United Kingdom's (UK) June 23rd referendum result? While the vote result was heard around the world, in the aftermath many things are unclear, notably the future of bilateral relations.

In order to make sense of it, this brief first sets out to discern what Brexit could mean for the UK's future trade and investment relations with the European Union (EU), given that these arrangements are at the heart of the issue. In the process a punt is taken on the most likely outcome. Since both the UK's famous bookies and, perhaps infamous, pollsters, got it wrong on the referendum result, this should obviously be taken with more than a pinch of salt. In fact, as whiskey is high on the list of South African (SA) imports from the UK, those inclined towards a tippie should reach for the single malt.

Then, potential implications for SA– UK trade and investment relations are briefly set out. The brief concludes with some thoughts on the wider implications for the bilateral relationship.

What is Brexit?

Opinions on what exactly Brexit means are sharply divided. Given the enormous complexity of the UK's relations with the EU, reducing it to a simple 'in or out' question was always going to be highly problematic. Nonetheless, it was in part a rejection of economic globalisation by more marginal members of UK society (such as Labour voters); a rejection of immigration, and/or more controls over immigration, by large parts of UK society across the political spectrum; and a strong desire to return sovereignty in many spheres, notably trade policy, back to the UK from Brussels.

These core drivers are accordingly reflected in the UK government's key objectives for negotiations with the EU, my sense of those being:

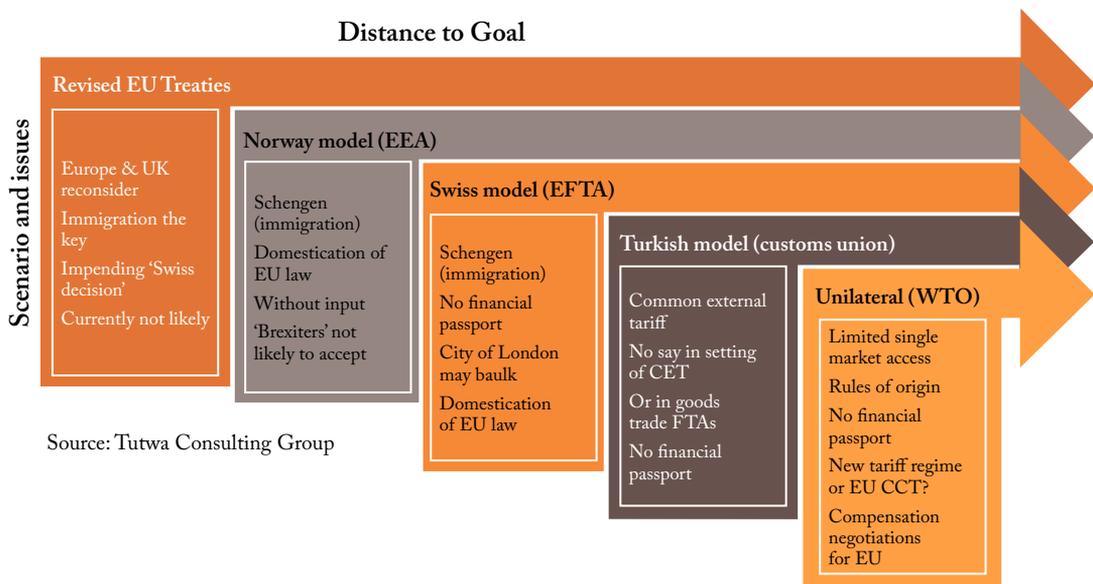
1. Control over immigration (box 1);
2. Returning legislative autonomy to London (box 2);
3. Restoring control over trade policy and negotiations (box 3); and
4. Retention of full access to the single market (box 4).

Unfortunately for the UK government, these objectives contradict prevailing EU norms. As is well known, the four freedoms are at the centre of the EU's *acquis*:

free movement of goods, capital, services, and people. Equally well-known is the fact that freedom of movement for people has become very controversial in the EU, and so the current consensus amongst the remaining EU-27 heads of state seems to be that should the UK wish to reintroduce controls over immigration from EU members, then it must sacrifice the other three freedoms – in other words full access to the single market. Therefore objective 1 is incompatible with objective 4. Furthermore, objectives 2 and 3 are not compatible with objective 4 either, since those countries wishing to enjoy full access to the single market are also expected to implement the *acquis* and participate in the common European tariff². These dilemmas explain why the City of London, substantially dependent on financial ‘passporting’ rights into EU member states, is very concerned. Needless to say many companies in other sectors, agriculture, manufacturing and services, both UK and foreigners invested in the UK, have similar concerns.

With this in mind, Figure 1 sets out the UK’s options for negotiations with the EU.

Figure 1: Brexit objectives and scenarios (Goal defined as full Brexit)



First, it is important to appreciate that Brexit, notwithstanding UK Prime Minister May’s statement that ‘Brexit means Brexit’, is not a foregone conclusion. The bookies are reportedly taking 60/40 odds in favour of it occurring; at 40 percent the odds of it not occurring seem substantial. Space constraints do not permit a detailed consideration of the political dynamics behind this calculation, but suffice it to say that the UK Parliament, the fortunes of the UK economy, how the EU handles the ‘Swiss problem’ over immigration, the unpredictability of European reactions, and global pressures, inter alia, will all play a role. It is worth remembering that Danish voters rejected the Maastricht Treaty, so too did Irish voters reject the treaties of Nice and Lisbon. In both cases the countries secured concessions from their EU partners along the way, and so the prospect of the UK choosing to remain in a ‘reformed’ EU cannot be ruled out, even if it currently appears rather unlikely. After all, ‘Brexit means Brexit’, right?

Can Norway offer a solution? Being a full member of the European Economic Area, it has full access to the single market. Box 4 ticked. However, it participates in the Schengen Agreement and so allows for immigration of EU nationals, and implements EU laws without having any say in their formulation (crosses in boxes 1 and 2). This is likely to be unacceptable to the Brexiters currently leading the official charge out of the EU. Norway does, however, have control over its import tariff regime and trade negotiations through the European Free Trade Area³ (EFTA) (box 4 ticked).

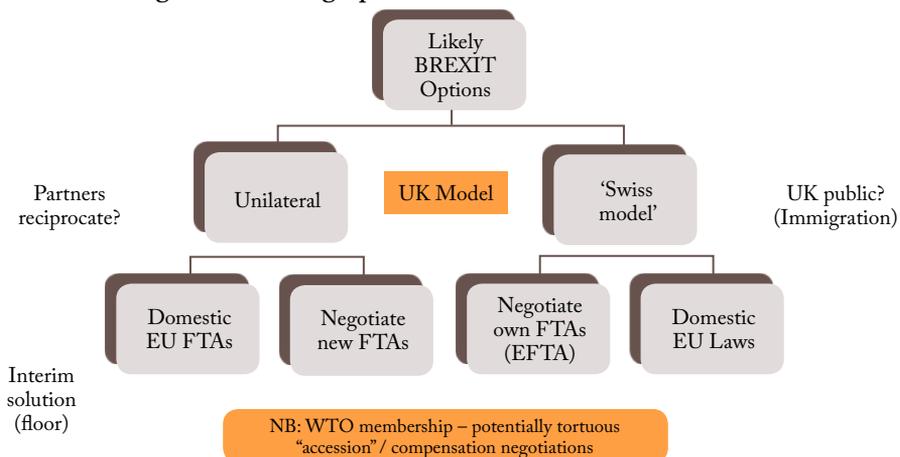
What about the Swiss model? As mentioned, there is currently an impasse between Switzerland and the EU that must be resolved by February 2017. This concerns the thorny matter of the Swiss referendum result, conducted three years ago, favouring controls over immigration from EU states. The Brexit result seems to have shifted the politics of this issue firmly against Switzerland, with talk of the country being made an example of, in order to stiffen the EU-27s resolve in its forthcoming negotiations with the UK government (cross in box 1). Furthermore, Switzerland domesticates most EU laws (cross in box 2) and does not have access to financial service passporting rights (cross in box 4). Like its EFTA partner Norway, however, it does have control over trade policy and negotiations (tick for box 3).

The Turkish model does not offer much hope. On the one hand, Turkey has full control over its immigration and economic policies (boxes 1 and 2 ticked), but does not have free access to EU capital and services markets (cross in box 4). Access to the EU's goods markets is secured at the price of participation in the CET, with no say in the setting of tariffs or external trade negotiations (cross in box 3).

Finally, and in light of the foregoing analysis, the 'unilateral' or 'hard Brexit' option seems to be the most likely point of gravitation, unless the politics of Brexit move against this outcome and in favour of rapprochement with the EU. In this model boxes 1 through 3 would be ticked, but at the cost of full access to the single market, including for financial services (box 4). It would also require introduction of complex rules of origin to condition the UK's access to EU goods markets, and vice-versa (box 3 partially ticked). There would also be a likely messy accession negotiation to navigate in the WTO⁴, which could take years to complete.

Overall, as Figure 2 shows, the most likely outcome is somewhere between the unilateral and Swiss models. This is my punt.

Figure 2: Locating a potential 'UK model'



Accordingly, should this model prevail then, in order to avoid trade disruptions owing to potential abrogation of its trade treaties with current EU free trade agreements (FTAs) partners, the UK should simply domesticate existing EU FTAs so as to create an interim solution and establish a floor for future trade negotiations. The issue is whether its trading partners would reciprocate, or simply choose to bank this unilateral UK move with the result being a disruption in trade relations (dynamics around this are briefly explored below in relation to SA). Nonetheless, the UK would of course be free to negotiate new FTAs, with potentially interesting and favourable outcomes as we have canvassed elsewhere.⁵

Implications for South Africa – United Kingdom Trade and Investment Relations

Figure 3 sets out the issues and options pertaining to the future of SA-UK trade relations, in the event of a ‘UK model’ for Brexit.

The first, crucial, point is that in the arena of trade in physical goods, SA is a member of its own CET via the Southern African Customs Union (SACU). Therefore, any future goods trade arrangements with the UK would need to be concluded with the other SACU member states⁶ on board. However, SACU has its own issues and complexities, notably the future of its revenue-sharing arrangements⁷ and whether SA is really prepared to devolve decision-making over the CET to a supra-national institution (currently it is not). These issues are complex, and have led this author to refer to the politically incorrect possibility of a ‘Sexit’ (South African exit from SACU).

Nonetheless, assuming that SACU gets its act together, and it is currently negotiating various FTAs collectively⁸ so this seems likely, then there are three options, the latter two of which are not mutually exclusive.

The first, of course, is to do nothing, and accept the UK’s decisions concerning its own trade arrangements, which may well be to unilaterally adopt zero or very low import tariffs. Since approximately 85 percent of SA’s exports to the UK currently attract no duties, SA need only concern itself with the 15 percent that do.⁹ Furthermore, the UK only accounts for around 4 percent of SA’s global goods exports, and is our sixth largest trading partner¹⁰, so the potential costs of this option to domestic exporters are conceivably manageable. However, should the UK go our recommended route of adopting all EU FTAs, in our case the Economic Partnership Agreement (EPA), then it will expect SA to reciprocate. Failure to do so could result in UK retaliation and, therefore, loss of export opportunities on both sides. Obviously this would also substantially damage bilateral relations. The desirability of this option is another matter, since there could be substantial export opportunities in the 15 percent of currently taxed exports to the UK, and particularly in agriculture that, on the UK side, could be unshackled from the EU’s highly distortive Common Agriculture Policy. There is also a wide range of possibilities in services trade, both imports and exports, which would be foregone should the SA government go the ‘do nothing’ route.

Since approximately 85 percent of SA’s exports to the UK currently attract no duties, SA need only concern itself with the 15 percent that do. Furthermore, the UK only accounts for around 4 percent of SA’s global goods exports, and is our sixth largest trading partner, so the potential costs of this option to domestic exporters are conceivably manageable.

Alternatively, SA and the UK could agree to domesticate the EPA, by legally scrubbing the existing text and turning it into a bilateral instrument with no reference to the EU. This would be the simplest option, but it would not be simple, as the BLNS, Mozambique, and Angola – all co-signatories– would need to participate and presumably sign off too. The ensuing treaty would also need to be ratified by all Parliaments before it came into effect. In the interim all parties could agree to continue implementing the EPA, so that trade is not disrupted.

Increasing the capacity of the economy to generate new jobs by encouraging labour-intensive sectors to expand is thus crucial, and would have significant economic and social benefits.

This could serve as a building block for future bilateral negotiations, which, in our view, should encompass services, as these are the most dynamic sectors in both economies. Alternatively, the parties could negotiate a new FTA entirely, particularly if the EPA domestication option proves to be too complex. Such an undertaking would be time consuming, however. Furthermore, SA is likely to engage reluctantly in services negotiations since the Department of Trade

and Industry is leery of negotiations in this area in general. Furthermore, the entrenched political economy of protection in SA makes this likely to be a fraught route. Interestingly, the same political economy may make SA gravitate towards the ‘do nothing’ option.

Figure 3: South Africa – United Kingdom Post Brexit Trade Options

SACU Concurrence	<ul style="list-style-type: none"> Prerequisite for all scenarios Different interests; complicated negotiations SACU has deep problems of its own
Do Nothing	<ul style="list-style-type: none"> South Africa’s default position; strong political economy of protection UK could withdraw market access Lost opportunities (agriculture) Bilateral relations suffer
Domesticate EPA	<ul style="list-style-type: none"> Simplest option if UK reciprocates Legally complex (eg includes Mozambique and Angola) May require separate, bilateral, ratified FTAs.
Negotiate New FTA	<ul style="list-style-type: none"> With EPA as the base? But UK will want to include services/regulations – problematic for SA May take a long time, UK will have more pressing priorities Could open up new opportunities – and threats

One thing is certain, though, that discussions about the future relationship cannot be seriously entered into until the UK has decided what its post-Brexit future with the EU will be, and has moved to implement those preferences through triggering Article 50 of the Lisbon Treaty. Projecting into the future, then, what are the wider implications of Brexit for SA-UK relations?

Wider implications

Once again it is important to begin with an assessment of the geopolitical consequences of Brexit for the UK itself. Three key and connected issues immediately arise. First, will Brexit be amicable and constructive, or will a messy divorce ensue? Second, will Scotland remain part of the UK? And third, how will Washington react and, therefore, what is the future of the ‘special relationship’?

If Brexit is amicable, then question two probably answers itself, ie Scotland is likely to remain in the UK. This means that ‘Great Britain’ will remain relatively great in terms of economic size and influence, and with a substantial role in a post-Brexit EU, albeit probably not as a full member. Therefore, the answer to question three is that the US will likely look to maintain the special relationship, but probably at a somewhat lower level, and will look to elevate its influence in the post-Brexit EU by forging closer ties with, inter alia, France, Germany, and the East European states (with a keen eye on Russia). Should candidate Trump win the US Presidential elections, however, the future US foreign and trade policy stances are anything but clear, but that subject is for another forum.

Should the divorce prove messy, however, then Scottish exit from the UK becomes substantially more likely, and the prospect of ‘Little Britain’ on the global stage would rise substantially. Washington is likely to react unfavourably to this development through downgrading the special relationship in favour of stronger ties with the EU.

The primary losers are therefore young workers and women, the less skilled, and workers in small firms.

In the first scenario, the prospects for ‘continuity with change’ are reasonably high, and it is unlikely that the UK would look to dramatically overhaul its foreign policy. Undoubtedly strategic recalibrations would be in order, but not in an existential sense since the ‘triangular transatlantic architecture’ envisaged for UK foreign policy by then Prime Minister Harold MacMillan, via membership of the EU, would still be retained, albeit in modified form.¹¹

In the second scenario, existential strategic recalibrations would be urgently required, if ‘Little Britain’ were not to slip into relative international irrelevance. This would not necessarily be a precipitous decline, since the UK would still remain a major economy and military power, but if some pundits’ gloomy predictions about the future of the City of London¹² – which accounts for around a third of UK GDP – were realised under this scenario then a relatively quick decline could materialise. Of course pundits have been wrong before. Moreover, having lost its voice in the EU, the UK would be substantially less attractive as a foreign policy conduit for states seeking to influence the EU.

Clearly the first scenario does not hold immediate, and major, implications for SA-UK relations. The second, however, does. Interestingly, all the adjustment, at least initially, would come from the UK side. In essence the UK would be looking to shore up strategic ties around the world, using instruments such as the Commonwealth, aid payments, and FTAs, but is likely to find itself adrift in a sea of scepticism.

Calculations on the SA side clearly matter too. It would be fair to say that the African National Congress (ANC)-led tripartite alliance has become increasingly ambivalent about relations with the west in general, and so some may see Brexit

as an opportunity to forge stronger ties with groupings such as the BRICS.¹³ Countervailing voices are likely to come from within the modernising wing of the ANC in particular, as well as key components of the bureaucracy and big business. This jostling will occur in increasingly contested domestic political economy circumstances in which the Jacob Zuma led ANC is in electoral decline, with some, perhaps optimistic, commentators predicting that should the current President remain in power then the 2019 elections could usher in an opposition coalition in the Union Buildings and Parliament. Quite what the balance of forces will be here when the Brexit chips are down is anybody's guess.

Do I hear the call of a bookie?

NOTE

- 1 The *acquis communautaire* is 'The body of common rights and obligations that is binding on all the EU member states.' European Commission website, available at ec.europa.eu/enlargement/policy/glossary/terms/acquis_en.htm, accessed September, 30th, 2016.
- 2 A common external tariff refers to the fact that all countries that are parties to the arrangement forego sovereignty over their import duty/tax regimes, and agree to set the CET collectively, and to apply it in full. This means that free trade will apply within the CET area, and parties exporting to the CET area will pay the same import duties no matter which member state they export to.
- 3 Members are Iceland, Liechtenstein, Norway, and Switzerland.
- 4 While the UK is a member of the WTO in its own right (being a founder member of the WTO's precursor, the GATT), since it would have left the EU's CET it would have to negotiate new tariff concessions for all non-EU WTO members since the latter would have lost market access and would be entitled to 'compensation'. In addition, the EU would have to enter into compensation with all other WTO members, bar the UK, since access to its common market would also have diminished pursuant to Brexit.
- 5 Peter Draper and Andreas Freytag (2016) "UK still has a strong hand so EU must handle Brexit deftly", *Business Day*, August 26, available at <http://www.bdlive.co.za/opinion/2016/08/26/uk-still-has-a-strong-hand-so-eu-must-handle-brexiteftly>
- 6 Botswana, Lesotho, Namibia, and Swaziland (BLNS).
- 7 SA provides a large annual fiscal transfer to the BLNS. Since 1910 the *quid pro quo* was that SA set the CET on the basis of its own industrial policies, and in return compensated the BLNS for foregoing any say in it. Now the SA Treasury wants to reduce the size of the transfer, in return for which the BLNS want greater say in the setting of the CET. The member states are at an impasse over these trade-offs.
- 8 The Tripartite FTA; preparations for the Continental FTA; the SACU-India FTA; and it has recently concluded negotiations with the EU.
- 9 See the presentation by Matthew Stern, Managing Director of DNA Economics, at the recent SACCI-Tutwa Consulting Group seminar on Brexit, September 29th, 2016.
- 10 *Ibid.*
- 11 See the perceptive article by Philip Stephens (2016) 'Britain sets off in search of a role – again', *Financial Times*, September 29th.
- 12 The one I have found most persuasive to date is Nicolas Veron (2016) "The city will decline – and we will be the poorer for it", *Prospect Magazine*, August 18th, available at <http://www.prospectmagazine.co.uk/features/capital-flight-london-economy-brexite-business>
- 13 Brazil, Russia, India, and China.
- 14 See Peter Bruce (2016) 'Maimane, enters stage right ... er, psst, Mmusi?', *Business Day*, September 30th, available at <http://www.bdlive.co.za/opinion/columnists/2016/09/30/thick-end-of-the-wedge-maimane-enters-stage-right--er-psst-mmusi>

Yea or Nay? Democratic South Africa's Voting behaviour in an Intergovernmental Organisation¹



Suzanne Graham is a senior lecturer in International Relations at the University of Johannesburg's Department of Politics and International Relations and holds a PhD in Political Studies (UJ). Her research interests include South African foreign policy, international organisations, international conflict and terrorism.

The World Welcomes a Democratic South Africa

South Africa's relationship with the United Nations (UN) is as old as the organisation itself as South Africa was one of 51 founding members in 1945. Over the years the South African government's relationship with the UN can be described chronologically as: rocky – during the apartheid years, celebratory – in the early democratic years, and confusing – since 2007 and the onset of the first of two of South Africa's Security Council (SC) terms. Over these 71 years, South Africa has reformed itself and democratised, unlike the structure² of the UN.

UN sceptics, within the local and global community, consider the intergovernmental organisation (IGO) to be outdated and irrelevant. Nevertheless, it is clear that since 23 June 1994, when the new South Africa was welcomed back to full participation in the UN by the General Assembly (GA), the Republic has demonstrated a keen and continuing interest in this 'multilateral system of global governance' representing 'the best hope for the challenges that face humanity.'³ Indeed, in 1994 South Africa's first Deputy President, Thabo Mbeki, expressed South Africa's UN position as the following, 'South Africa can be counted on to adhere to the pursuit of important goals of international peace and security and is committed to being a good citizen of the world.'⁴ This explains why, in 2007, when South Africa began its first ever stint as a non-permanent member of the SC, interested observers around the world quickly expressed disillusionment over the country's vote against the condemnation of human rights abuses in Myanmar and Zimbabwe among others. South Africa's first opportunity to "perform" on the Council had essentially cast doubt over the consistency of South Africa's foreign policy choices in that multilateral forum.

The negative attention South Africa received over some of its 2007 UNSC votes inspired two questions: was the perception that the Republic had demonstrated ambiguity over the purpose behind its foreign policy an accurate perception to have? And secondly, if these votes were seen as uncharacteristic of South African foreign policy, by implication this would suggest that South Africa had always voted 'respectably' at the UN (since 1994). In essence, the question was whether/ to what extent South Africa's voting behaviour at the UN between 1994 and 2014 was consistent with its declared foreign policy?

Analysing votes and judging consistency at the UN

In order to examine South Africa's voting data during its first 20 years as a democracy, some streamlining or narrowing down would have to be done, especially considering that a near 6,300 resolutions were adopted in the UN General Assembly alone in that timeframe. In other words, by investigating as many official government documents and speeches as possible, four specific areas of foreign policy interest became evident: 1.) the promotion of human rights and democracy; 2.) disarmament and related non-proliferation issues; 3.) the advancement of African interests and the consolidation of the African Agenda within the context of North-South relations; and 4.) reform of the UN and the promotion of equitable global governance. A model of voting behaviour was designed and used along with a methodology for examining consistency in terms of South Africa's declared foreign policy and its actual voting practices at the UN. According to a 2009 statement by South African Minister of International Relations and Cooperation, Maite Nkoana-Mashabane⁵, the principles underpinning the Republic's foreign policy had remained consistent in the years under review. Consistency⁶ was defined as recurring patterns demonstrating a link between foreign policy declarations and foreign policy actions.

Key Findings

The first theme examined the context behind South Africa's reputation going from a country wholly committed to human rights and democracy promotion around the world in 1994, to having a tarnished human rights status in 2007. The votes

were split into two areas of focus: country-specific human rights situations and thematic human rights issues. The UNGA's Third committee, the United Nations Commission on Human Rights/ Human Rights Council (HRC) and the UNSC were used to source the votes. South Africa's voting behaviour on human rights at the UN between 1994 and 2014 was mixed. South Africa had consistently voted in favour of thematic human rights resolutions, including those protecting civil, political, economic, social and cultural rights, and also the right to development

and the promotion of democracy. However, it had in the 20-year period failed, at times, to use its public UN vote to take a stance against human rights abuses in Cuba, China, Belarus, Indonesia, Iran, Libya, Uzbekistan, Myanmar, Sudan and Zimbabwe. It should be stated that this failure did not apply to South Africa's consistent votes against Israel's human rights violations. Three main considerations became apparent. The primary consideration was South Africa's failure to indicate to the domestic public and the international community its strategic move away from prioritising human rights, espoused in 1994, to the overriding importance of other competing interests. Such interests included massaging old friendships – with Cuba, for example. This lack of disclosure of its foreign policy priorities resulted, in 2007, in public confusion and in some cases open hostility towards South Africa's uncaring, inconsistent attitude over human rights abuses. This also sparked a public diplomacy onslaught with the Department of International Relations and Cooperation's (DIRCO) declared commitment to informing its domestic constituents of the reasons for its foreign policy actions multilaterally. Secondly, respect for state sovereignty and solidarity proved to be the drawcard

However, it had in the 20-year period failed, at times, to use its public UN vote to take a stance against human rights abuses in Cuba, China, Belarus, Indonesia, Iran, Libya, Uzbekistan, Myanmar, Sudan and Zimbabwe.

explanation for South Africa in its hesitation to name and shame any potential Global South partner's involvement in human rights abuses, even within the UN body essentially established for this purpose – the HRC. A third consideration was the Republic's desire to forge its own identity within the UNGA and later the UNSC. South Africa's attempts, under President Mandela, to single out Nigeria's human rights violations were met with resistance in Africa. This along with other reasons prompted the evolution of a South Africa unwilling to be perceived as an extension of the West, especially prominent in South Africa's UNSC role in 2007 and 2012.

The second theme explored one of the Department of Foreign Affairs/DIRCO's most comprehensive commitments: the fields of disarmament and non-proliferation. During the 20 years under review South Africa's strong moral authority in respect of non-proliferation and its rhetoric against anti-personnel landmines and small arms proliferation met with a few hurdles (notably its involvement in arms sales to war-torn countries) affecting the Republic's distinguished reputation in the field. The UNGA's First Committee, the International Atomic Energy Agency's (IAEA) annual report to the UNGA plenary, and the UNSC were considered. For the most part the Republic's foreign policy declarations on this theme were consistently adhered to in its voting behaviour. Three issues surfaced as prominent. Firstly, since 1994 the DFA had encouraged its delegates to become actively involved in UN-based nuclear diplomacy forums, among others. This helped to cement South Africa's reputation as a moral authority and technical nuclear expert and created a platform for South Africa at the UN's First Committee. Secondly, South Africa took its reputation very seriously as was evident in its consistent and careful studying of the wording of each disarmament resolution in its path. Moreover, the Republic was firm to insist on the undisputed authority of the IAEA as the sole verification instrument internationally in an attempt to neutralise somewhat the nuclear power politics played out in the UNSC. The third issue was South Africa's steady conviction that all states be allowed to use nuclear technology for civilian purposes. This conviction lost some focus, however, when the Republic became drawn in on the muddied waters of interpretation over Iran's real intentions in its pursuit of nuclear technology since 2003. Anti-personnel landmines and small arms proliferation became avenues of particular concern to South African delegations over the 20 years.

Moreover, the Republic was firm to insist on the undisputed authority of the IAEA as the sole verification instrument internationally in an attempt to neutralise somewhat the nuclear power politics played out in the UNSC.

Theme three explored South Africa's voting behaviour at the UN in relation to its efforts to advance African interests within the context of North-South relations. The Republic had emerged in 1994 as the 'new kid on the block' in Africa in terms of being welcomed as a democratic member of the continent for the first time. South Africa had to find its place both within Africa and the UN. By 1999 South Africa's President spearheaded a new initiative to improve Africa's situation in the world. Five years later it became a priority for the DFA to create a prominent position for South Africa within the hierarchy of the Global South. This was reaffirmed when Jacob Zuma became President in 2009 (and again in 2014). However, South Africa's foreign policy decisions have not always been popular with the rest of Africa or with other members of the Global South. South Africa's votes in the UNGA's Second Committee, Fourth Committee, plenary, and also

the UNSC were examined. Again three main areas stood out. Firstly, from 1999 onwards, during Mbeki's first term, South Africa began nurturing its African identity at the UN with great zeal. This identity was visible in the Republic's efforts to promote Africa's interests during its presidencies of the UNSC in March 2007 and April 2008 and again in 2011-2012. Secondly South Africa repeatedly relayed to the world community, through its delegation's speeches and sponsoring of resolutions on the subject, that the twin challenges facing the African continent were underdevelopment and poverty. Articulating Africa's concerns became part of a greater South African effort to embolden the Global South's cause for a more equitable international system. South Africa consistently voted in favour of resolutions aimed at the upliftment of Africa.

Essentially the Republic has demonstrated, in all resolutions pertaining to human rights in the UNGA, an 8 per cent inconsistency with its declared human rights foreign policy.

The final theme delved into South Africa's UN reform agenda. A recurring DFA declaration, since 1994, called for the restructuring of the UNSC to reflect the realities of a post-Cold War era. The UNGA's Fifth and Sixth Committees and its plenary sessions were consulted. UNSC reform, although reasonable, is only one section of an otherwise vast initiative to improve, restructure and upgrade the UN organisation's overall workings. South Africa has since 1994 demonstrated a full commitment to:

UNSC reform; the improvement of the UN's finances and the distribution of benefits from the UN's budget; transparency in the Secretariat, and improved UN inspection and oversight mechanisms. South Africa's determination to reform the UN by consistently voting in favour of change is apparent. Issues over consensus, ping-pong politics⁷, and South Africa's desire to become a permanent member of the UNSC were recurring points.

Four additional significant issues featured in South Africa's reform lobby over the years. Essentially the UN was the only organisation reflecting a truly global membership and this together with a post-Cold War environment inspired a new responsibility for the organisation to reflect a new era of global representation in the UNSC. Secondly, South Africa consistently expressed its dismay over the US's lack of payment of its dues to the UN. Powerful states in the UN had under the scale of assessments method of payment a greater share of the bill to foot, and without this payment, or with a delay in full payment, many UN operations, especially those in Africa, were undermined. Thirdly, attempting to chip away at the seemingly immovable structure of the UNSC did not deter South Africa from simultaneously making its voice heard in smaller avenues of reform, including mandate review, the development account, revitalisation of the UNGA, and renewal and strengthening of the Secretariat. Although important, these three areas would pale in comparison to South Africa's efforts to achieve its ultimate goal of becoming Africa's permanent representative on a reformed UNSC.

Consistency Ratings

Essentially the Republic has demonstrated, in all resolutions pertaining to human rights in the UNGA, an 8 per cent inconsistency with its declared human rights foreign policy. The 8 per cent seems particularly insignificant when placed against the 33 per cent partly consistent and 58 per cent consistent ratings South Africa received under thematic human right issues. However, the 8 per cent is important



when considering that it reflects South Africa’s negative votes for resolutions that favour human rights promotion in specific countries where human rights are severely lacking or non-existent. What is most apparent is South Africa’s fully consistent rating related to its votes on resolutions attempting to reform the UN since 1994. Each vote taken has reflected an earnest desire to restructure the organisation and is in direct harmony with South Africa’s stated goals on the subject. What prevents South Africa from receiving a 100 per cent consistency finding for issues pertaining to the promotion of Africa’s interests and those of the Global South, is its lack of explanation behind continuously failing to favour resolutions that would recognise the role sustainable agricultural technologies could play in alleviating poverty as well as its vote on Resolution 1973 in 2011 concerning the situation in Libya⁸. This partly consistent rating is given for this vote only in relation to the error South Africa later admitted regretting having made in voting for this Resolution.

It is interesting to note that South Africa was mostly consistent on issues of UN reform, followed by the promotion of Africa’s interests, then disarmament issues and lastly human rights.

South Africa’s votes on disarmament issues were also mostly consistent with its declared foreign policy on this theme. The Republic’s combined 18 per cent partly consistent – inconsistency rating is based on South Africa’s inconsistent voting patterns over: NPT-related issues and the risk of nuclear proliferation in the Middle East; resolutions concerning anti-personnel landmines; resolutions on conventional disarmament at a regional level; compliance with non-proliferation, arms limitation and disarmament agreements, and the role of science and technology in international security.

It is interesting to note that South Africa was mostly consistent on issues of UN reform, followed by the promotion of Africa’s interests, then disarmament issues and lastly human rights. It may be incidental but it could be said that South

Africa's foreign policy evolved from one unsure how to deal with human rights issues at the UN, to one rooted firmly in nurturing solidarity with its Southern partners in Africa and the rest of the world. This reflects a young democracy finding its way in the multilateral organisation and attempting to balance external expectations of the Republic with its foreign policy priorities.

Taking the consistency assessments into consideration as well as the main issues surfacing within each chapter, the first key insight of the study is that to a great extent South Africa did have a rationale behind its voting behaviour at the UN between 1994 and 2014. In most respects there was congruity between South Africa's declared foreign policy and its UN voting behaviour. It has stumbled at times and side lined certain principles, human rights promotion in specific countries most especially. There is a suggestion that South Africa's refusal to name and shame in situations of human rights abuses in countries (preferring instead to abstain or vote against and rarely sponsoring resolutions on these situations at the HRC), is a testament to its own history. That is, South Africa came through

the transition period to democracy via an internally negotiated political settlement. It is plausible to suggest that South Africa would not try to impose on another's sovereignty when it had enjoyed the fruits of its own negotiations relatively untouched by the outside world, and therefore would want others to be afforded the same opportunity. However, even if this is partly true it does not explain South Africa's willingness to name and shame Israel for human rights abuses. So what this implies is that South Africa has a consistent policy of non-interference with human rights abusers, but there can be exceptions.

However, even if this is partly true it does not explain South Africa's willingness to name and shame Israel for human rights abuses. So what this implies is that South Africa has a consistent policy of non-interference with human rights abusers, but there can be exceptions.

Despite this inconsistency, overall such a young democratic country demonstrated a fair commitment to its declared principles in its voting behaviour. Expressed differently, democratic South Africa has been consistent four fifths of the time in voting in line with its declared foreign policy priorities. This is a remarkable feat. One fifth inconsistency is relatively minor. However, the nature of the content of this inconsistency (for the most part failing to act against human rights abuse) is not, and so it cannot be discarded. Another finding was the Republic's penchant for using consensus decision-making strategies at the UN (especially in areas relating to UN reform). Apart from pushing for consensus South Africa has also used the ping-pong strategy of procedural manipulation over both human rights and nuclear issues.

What is slightly disappointing is the Republic's inability to rise above power politics and consider each vote on its merits. This is especially so considering that South Africa's First Committee delegate stated that all resolutions were judged on merit and not on their origins. However, while this may have been the case in many disarmament resolutions, this was perhaps less evident in South Africa's response to: US-sponsored resolutions, or Permanent-5 (P-5)-sponsored resolutions, or United Kingdom-sponsored resolutions on Zimbabwe in which South Africa often questioned the motives of the resolutions' sponsors and not always the content of the resolutions. Also apparent was South Africa's sponsorship or introduction of resolutions on behalf of the Non-Aligned Movement (NAM), the Group of 77 and China, or the African Group. South

Africa was keen over the years to demonstrate its position within these groups, as an important, hardworking and passionate member and most importantly as a dependable representative of each group's interests. A particular example of Ambassador Dumisani Kumalo's defence of the G-77 over its position on a reform initiative stands out. The Republic also used its UNSC terms to promote Africa. However, South Africa has, at times, demonstrated an independent will, outside of its loyalties to 'Southern' institutions. South Africa disagreed with Ghana over Myanmar's vote in the UNSC in 2007. It also fell out of favour within the G-77 for taking the lead (along with China, India and Brazil) in negotiations with the United States at Copenhagen in 2009, and for filling the only African spot on the Group of 20 (G-20).

Conclusion

During its first 20 years as a democracy, South Africa has played its part at the UN as one of the most committed delegations present for its votes. Without suggesting that history is destiny, past votes can in certain cases offer a base from which to make cautious judgements of future votes on similar issues at the UN. In South Africa's case, where a change of political party in power is unlikely in the near future, although the results of the 2016 local government elections point to a decline in the ANC's popularity, the pattern of UN voting behaviour built up over 20 years could point to more predictable UN voting behaviour in the near future. What is undoubtedly evident from the findings is that South Africa wants to be a 'big player' in Africa and the Global South. More ambitiously, South Africa wants to be chosen to speak for Africa in the UN. How it attains that position is subject to debate and destiny.

NOTE

- 1 Sections of this article are drawn from the conclusion chapter of the author's forthcoming book: Graham, S. *Democratic South Africa's Foreign Policy: Voting Behaviour in the United Nations*. Palgrave Macmillan. ISBN 978-1-137-59380-1
- 2 To be fair, the UN Security Council was reformed once in 1965 when its membership was enlarged from 11 to 15 members.
- 3 South Africa – The Good News. (2006). 'South Africa secures seat on UN Security Council', 17 October, Retrieved August 26, 2016, from <http://www.sagoodnews.co.za/categories/63-south-africa-in-the-world/465-south-africa-secures-seat-on-un-security-council.html>
- 4 UN Chronicle. (1994). South Africa rejoins the world community: Nelson Mandela elected President, 31(3), 2–4.
- 5 Nkoana-Mashabane, M. (2009). Speech delivered by M. Nkoana-Mashabane, Minister of International Relations and Cooperation, during the Ministerial Outreach Programme at University of Limpopo, 16 October 2009, Retrieved April 20, 2011, from <http://www.dfa.gov.za/docs/speeches/2009/mash1016.html>
- 6 In order to assess whether or not the 'consistency' noted in the Minister's statement above, was true, if the voting actions taken were in contrast to foreign policy statements on related issues, then this was assessed as inconsistent. Similarly, if South Africa's votes were in line with its foreign policy, the voting behaviour was deemed as 'consistent'. If the voting action taken was out of line with a previously declared policy on the issue, but the Republic was able to provide 'explanation' for its decision, it was assessed as partly consistent. Explanation was assessed according to context and whether or not South African foreign policymakers had openly declared a 'change of heart' concerning policy prior to the vote.
- 7 According to Kaufmann (1996), p 150, Ping-Pong tactics refer to the back and forth nature of organisational decision-making where organisation A throws the point in question over to organisation B, sometimes for trivial reasons, and organisation B responds in kind. See, Kaufmann, J. (1996). *Conference diplomacy*. London: Macmillan Press Ltd.
- 8 South Africa voted in favour of Resolution 1973, authorising a no-fly zone over Libyan airspace (its BRIC partners all abstained, though fellow Africans Gabon and Nigeria also voted in favour), which allowed for the UN to use 'all necessary means' to protect Libyan civilians from Libyan leader Muammar Gaddafi's regime.

Strained Relations between Economics and Politics: China and South Africa



Willem Nicolaas Meyer obtained a doctorandus (Drs) degree, majoring in International Economic Relations and Economic Development Programming from the Erasmus University, Rotterdam. He began his academic career in 1964 as a lecturer and later senior-lecturer of Economics and Economic History at the University of Port Elizabeth. He also obtained his doctors degree in Economics at UPE. Prof. Meyer retired in 2005 and studied at the University of Oslo, Norway, doing research on the subject Towards an African Monetary Union.

Introduction

*In his book *The Next 100 Years* George Friedman (2010) makes a forecast for the 21st century. The book is interesting because he "... tries to transmit a sense of the future by identifying the major tendencies and to define the major events that might take place." Geopolitics motivated him to look at the 21st century thereby being in a position to judge our own time by distinguishing between what will matter in the long run and what matters now. There are many things that matter and many things that don't. Presidents come and go (not necessarily so in Africa), but the long-run processes that truly change our lives are still there, and these are not always the things that people are expecting or discussing.*

Friedman's approach to answer that problem is by examining the geopolitical faultlines of the 21st century, and without pushing the analogy with geological faultlines too far, he tries to identify such lines that could help to recognize areas where friction might built up into conflict. He distinguishes between five such faultlines, viz. (1) the Pacific Basin, (2) Eurasia, (3) Europe, (4) the Islamic world, and (5) Mexican-American relations. Surprisingly, he does not seem to regard Africa as a possible faultline.

Political economy

Modern political economy studies how rational self-interested people combine within or outside existing institutional settings to affect social outcomes (Frey 1980), unless this freedom is denied. In this paper I dwell on China in particular (as discussed under faultline 1, pp 88-100) and only by implication on South Africa. The reason is that China is a good example of a country whose economy and polity are closely linked. This feature has given the South African government reason to seek closer ties with that part of the world. As is well-known China has been affected by communist ideology for a long time, which in many important ways has contributed to the present state of its political economy. More often than not economic development and the quest to become prosperous depend on political factors, and economic factors have a strong influence on political decisions. China wants to become wealthy but under a single powerful government. This power it derives from the dominance of a single political party which hardly tolerates any criticism on or divergence from its political course including the economic one. In the Chinese case it is the Communist Party that pulls the strings, and the South African government tries to emulate this system through an all-powerful national party, the ANC.

However, governments risk being thrown out of office if they fail to achieve a favourable state of the economy. Ever since South Africa became a fully democratic

society in 1994 government economic activity has increased both absolutely and relative to the private sector and this interaction has become much more intensive. There is almost no section of the economy that is not directly or indirectly influenced by the state. In some areas the distinction between the state and the economy has become untenable, particularly in areas dominated by public enterprises (Eskom is a case in point) and with goods and services of which the supply is met and actually undertaken by the state. The state is then given a role in the allocation of such goods. These are mostly public goods and services belonging to the infrastructure such as education, healthcare, defense, police, public transport, environmental protection, roads and harbours, water and electricity supply, to mention a few. Although it is true that government makes people better off by providing goods and services that will be absent in a market economy, it does not mean that the state should place itself at every profitable opportunity between private citizens who might have conducted their transactions themselves perfectly well. The result will be that governments do, or try to do, what either does not need to be done or should not be done by government, while they neglect that which only governments can do and which, therefore, they should be doing (Meyer 1991).

This separation between payment and use of production and service provision leads to a grave problem, namely that each individual and each group in society has an incentive to secure an advantage at the cost of the whole community, meaning that the system is open wide to corruption.

Private versus public goods

In a market economy only those goods are produced for which a price can be asked from the consumers of a particular product, and those who do not pay may not consume. With public goods this condition does not hold; nobody can be excluded from consumption, even if he does not want to pay or is not able to pay a price. For this reason everybody tries to avoid paying a price, i.e. tries to act as a 'free rider' in order to benefit from the payment by others. It follows that the means required for public goods is usually not by specific contributions, but through a system of direct and indirect taxes. This separation between payment and use of production and service provision leads to a grave problem, namely that each individual and each group in society has an incentive to secure an advantage at the cost of the whole community, meaning that the system is open wide to corruption. Under those circumstances it will be difficult to balance the public budget since a small number of political decision makers jointly consider the income and expenditure side of the public accounts. For South Africa these accounts have been showing ever increasing deficits that have to be financed through loans from domestic and foreign lenders amounting to billions of rand, as shown in Table 1.

Table 1: South African Debt 2010 – 2015

YEAR	TOTAL (R MILLION)	% GDP
2010	805 100	31.6
2011	996 171	35.2
2012	1 187 763	38.6
2013	1 365 646	41.0
2014	1 584 669	43.9
2015	1 798 812	46.8

Source: SA Reserve Bank, Quarterly Bulletin, March 2016

The importance of the state in economic affairs is also due to the demands for an equitable (or fair) distribution of income. Consequential to the requirement for rapid economic growth (because of strong population growth) in order to prevent and reduce poverty, the aspect of income distribution took second place. Today most people agree that the state has a duty to meet the humanitarian demand to guarantee a reasonable income to those members of society whose incomes are below the minimum level. In general, the state – i.e. all public authorities – are relied upon to make decisions that affect the welfare of others.

It is evident that in a modern society economics and politics depend closely and intimately on each other (Frieden 1991). However, this fact is not sufficiently accounted for in current economics.

If this is allowed to continue South Africa's credit worthiness is becoming questionable and its ability to attract foreign investment and loans will be downgraded by the credit-rating agencies like Moody or Standard and Poor and this may push the South African economy further into recession.

Economics

Economics is mainly the science of the price system which is supposed to drive the economy to an optimal allocation of scarce resources in a competitive market economy. This theory teaches that private interests of individual suppliers, viz. the maximization of private advantage, at the same time leads to the maximization of social welfare. The price mechanism has the property that it harmonizes private and social advantage. However, the classical dictum of 'private vices, public virtues' has seldom been substantiated.

Proposals claiming to further social welfare in a direct way – by government regulation – appear to be more effective than the indirect way by the price system. However, there is little evidence for believing that the politicians and public bureaucrats involved in government intervention and regulation are interested in promoting abstract social wellbeing. One must rather assume that they are more interested in their own welfare.

The ever rising government debts imply ever rising interest payments on those debts which may soon prove to be unsustainable. If this is allowed to continue South Africa's credit worthiness is becoming questionable and its ability to attract foreign investment and loans will be downgraded by the credit-rating agencies like Moody or Standard and Poor and this may push the South African economy further into recession.

Economic theory hardly concerns itself with the very complex political area and the economy is treated as a system isolated from the political process. Politics belongs to the 'institutional givens' which is assumed to lie outside the scope of economics proper, i.e. the efficient allocation of scarce resources. But when the economic order – that is the framework and setting in which the economy operates – is studied, an authoritarian political order is assumed as a starting point, that is, a 'benevolent dictator or elite' maximizes social welfare. The state is taken to be a godlike institution with complete knowledge and information about all the wishes and wants of the people with no preferences of its own and yet always capable of achieving its will. The democratic process in which individuals can reveal their wishes by participating in party politics is not considered. The pursuit of one's own private interests, the fundamental principle of market behavior, has come to be neglected in the political area.



There was a time that economists paid almost all their attention to the properties of the system of market competition and under what circumstances prices are able to guide private interests in the direction that the results are also advantageous for society as a whole. However, the price system alone is neither able to bring about a just income distribution nor an automatic stabilizer of business cycles, and ensure full employment and economic growth. It was Keynes (1936) who argued that aggregate demand determines the level of economic activity in the economy, and so caused a revolution in economic thinking. That is, a country's production and employment depend on the amount of spending by consumers, investors and government. Too little spending will lead to unemployment and more spending will stimulate firms to produce more and employ more labour. Too much spending will cause inflation.

Because of the problems of both the market and the command economies of old, all real-world economies are a mixture of the two systems, i.e. most present-day economies rely both on the price mechanism and involve some degree of government intervention.

Keynesian economics paved the way for governments to play a much more active role in the economy. Keynes did not abolish markets (as Marx wanted), but showed how a government can stimulate, balance or slow down production, depending on prevailing conditions of the business cycle. In recent times it has become evident that the much greater power of governments to interfere with the economy is often used, and abused, to the advantage of the public sector (the state) and to the detriment of the private (business) sector.

Because of the problems of both the market and the command economies of old, all real-world economies are a mixture of the two systems, i.e. most present-day economies rely both on the price mechanism and involve some degree of government intervention. The problem is that 'some degree' is an extensible concept varying between one and one hundred percent.

China's polity

Why does Friedman think that China constitutes a geopolitical faultline where political tensions could spill over into conflict, and questions its ability to manage the building up of internal forces in China? His concern is about the effects this may have on the international system in the 21st century. Will China remain in the global trading system and, if so, will it disintegrate again?

China has always wanted to realize its dream of being a powerful and wealthy nation. To that end, when Mao Tse-tung was the political leader of the People's Republic of China (1949-1971) he led the Cultural Revolution in order to establish a more Chinese form of communism. Under Mao China was united and dominated by a strong government, but isolated and poor. His successor, Deng Xiaoping (1976-1992) was more a pragmatist than an ideologue and realised that China had to

A country, like a human being, does not develop by only growing. The result was that China has had one of the lowest rates of return on capital in the industrialised world.

open its borders to engage in international trade in order not to be torn apart by internal conflict. The Economist (2011) acknowledged him as the Great Stabilizer whose politics led to massive economic growth for a few decades "enough to satisfy enough people for now". That growth was realised by exporting inexpensive products and this trade created wealth, mainly for the big cities like Shanghai, but the interior remained impoverished. Tensions between the coast

and the interior increased, but the government stayed firmly in control of all the regions. The open question now is whether the internal tensions building up in China can continue to be managed.

China's economy

Underlying this is another, and maybe even more, threatening problem. China appears to be a capitalistic country with private property, banks and all the other paraphernalia of capitalism, but is not truly capitalist in the sense that the markets do not determine capital allocation. Who you know counts for much more than whether you have a good business plan. Between Asian systems of family, social ties and the communist system of political relationships, loans have been granted for many reasons, none of them having much to do with the merits of business. As a result a large number of the loans have gone sour, or in banking terms 'non-performing'.

In China these bad debts are managed through very high economic growth rates driven by low cost exports, and the cash coming in from them keeps businesses with huge debts afloat. However, the lower China sets its prices the less profit there is in them and the profitless exports drive a very large part of the economic engine without actually getting anywhere. This very rapid growth has less to do with good management and more to do with China's banking system. China's primary means of financing has not been by raising equity in the stock market (by issuing stocks and shares that carry no fixed interest), but by borrowing money from banks. Growth alone did not really strengthen the economy. What is needed is development, i.e. growth plus economic progress. A country, like a human being, does not develop by only growing. The result was that China has had one of the lowest rates of return on capital in the industrialised world.

China had an impressive economic growth rate because of the way it structured the economy. But when the high growth rate is not sustainable the economy begins to falter and might collapse. Its national debt is estimated at between 30 and 40% of



GDP, which Friedman qualifies as ‘staggeringly high’. There are structural limits to growth.

China’s political crisis

Friedman claims that the problem for China is political. It is held together by money, not ideology. When the money stops rolling in as the result of an economic downturn (e.g. the international credit crisis of 2008/9 followed by the worldwide recession), not only the banking system will contract, but the entire fabric of Chinese society will shudder. The Economist (January 16, 2016) reports that global markets have fallen by 7.1% since January 2016, and the strains on the currency suggest that something is very wrong with China’s politics. Many Chinese people fear that the Communist Party (led by president Xi Jinping) does not have the wisdom to manage the move from Mao to market. The rest of the world looks at the debts and growing labour unrest in China and shudders. China appears to be caught in a dangerous no-man’s land between the market and state control. A looser monetary policy would boost demand, but it would weaken the currency (the yuan) and that would prompt savers to move their currency offshore.

China appears to be caught in a dangerous no-man’s land between the market and state control. A looser monetary policy would boost demand, but it would weaken the currency (the yuan) and that would prompt savers to move their currency offshore.

Loyalty in China is either bought or coerced, but without money only coercion remains. Business slowdowns can lead to general instability due to business failure and unemployment. In a country where poverty is endemic and unemployment widespread the added pressure of an economic downturn will result in political instability. The poorer people in the interior of the country will either try to move to the coastal cities or pressurise the government to tax the coast and transfer the money to them. The government then both weakens and loses control or attempts to suppress those pressures so that it falls back into a Maoist enclosure of the country.

Friedman claims that China's regime rests on two pillars. One is the fast bureaucracy that operates the country; the second is the military security complex that enforces the will of the state and the Communist Party. A third pillar, the ideological principles of communism, has disappeared. Egalitarianism, selflessness and service to the people are now archaic values, preached but not believed by the people.

Communist Party officials have been the personal beneficiaries of the new economic order. If the regime should try to bring the coastal regions under control it is hard to believe that it will be very aggressive, because it is part of the same system that favoured and enriched those regions.

Conclusion

In conclusion, Friedman foresees three possible future paths, which *mutatis mutandis* may apply to South Africa too.

- China continues to grow at very high rates indefinitely. No country has ever done that and China is not likely to be an exception. The high growth of the last thirty years has created huge imbalances and inefficiencies that will have to be corrected. At some point China will have to go through the kind of wrenching readjustment that the rest of Asia already has undergone.
- Another possibility is recentralization, where the conflicting interests that will emerge following an economic downturn are controlled by a strong central government that imposes order and restricts the regions' room to maneuver. However, the fact that the apparatus of government consists of people whose own interests oppose centralization would make it difficult to pull off. The government cannot necessarily rely on its own people to enforce the rules. Nationalism is the only tool they have to hold things together.
- The third possibility is that under the stress of an economic downturn China fragments along traditional regional lines, while the central government weakens and becomes less powerful. Traditionally this is a more plausible scenario in China – and one that will benefit wealthier classes as well as foreign investors. It brings China in a situation with regional competition and perhaps even conflict and a central government struggling to maintain control.

It all boils down to this: internal stresses on the economy and society will give China far greater internal problems than it can handle. The economy will have to undergo a readjustment at some point. This, in turn, will generate serious tensions too, as it would in any other country. The third possibility, according to Friedman, fits most closely with reality and the country's history.

So, whether or not the future will be economically prosperous for China – and possibly South Africa – depends more on variables that are determined by politics rather than by economics.

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The Prospects for Global Growth: Diagnoses and Prognostications

The extent of economic and political uncertainty has risen, and the likelihood of outcomes more negative than the one in the baseline has increased.

IMF, World Economic Outlook Update, July 2016

The IMF revised its global output projection between October 2015 and April 2016, and again between April and July. Why has global recovery from the financial crisis eight years ago been so slow and so subject to downside risk? And what are the prospects for the next five or ten years.

Four views offer competing diagnoses and prognostications, each associated with a prominent American economist. Before the financial crisis, Ben Bernanke put forward the view that there has been a *global savings glut*, in which desired savings exceeds desired investment. This situation has a contractionary effect on output, as aggregate expenditure contracts. A sign of the glut is hoarding. At the national level, this takes the form of building up reserves for precautionary reasons. At the corporate level, it takes the form of increased cash reserves on balance sheets.

The other views have emerged since the financial crisis. Kenneth Rogoff has put forward a *debt supercycle* view¹. He argues that the years immediately before the financial crisis created a bubble which, once burst, lead to a harsh reverse, including debt deleverage. This phenomenon is not new: it is an instance of what has happened before. The United States has more or less completed adjustment, while Europe is still in the middle of it. The global economy will recover and enter a new rising phase.

Referring back to Keynes, Paul Krugman regards the world as stuck in a *liquidity trap*. In the 1930s, Keynes observed that monetary policy was becoming increasingly ineffective as interest rates approached zero and prices were falling. Krugman takes the view that the same is true now.

Lawrence Summers proposes a *secular stagnation* view². Desired savings and desired investment are equalised at an interest rate known as the natural rate. This rate varies over time and Summers's thesis is that it has been in a falling trend since the mid-1990s. Why is this so? An increase in inequality increases savings, longer life and uncertainty about retirement benefits spur increased savings and that (in line with Bernanke) accumulation of assets by central banks and sovereign wealth funds increases savings. On the other hand, reduced investment is a consequence of slower growth in the labour force, reduction in the cost of capital goods and the introduction of macroprudential policies. Macroprudential policies, designed to reduce the risk in financial systems as a whole, have been the subject of attention



Charles Simkins is a distinguished Economist. He was Vice President and Professor of Economics at St Augustine College and formerly held the Helen Suzman Chair of Political Economy at Wits University. He is a former Rhodes Scholar and is a recipient of the Helen Suzman Chevening Fellowship, a UK Foreign Office award. He is currently the Senior Researcher at the Helen Suzman Foundation'.

in recent years, since overextension was a major contributor to the financial crisis. They have put constraints on borrowing, despite low interest rates. Moreover, some forms of investment in modern technologies require relatively little financial capital.

There are overlaps in these views. Thus Summers:

So my judgment is that whether we call it a savings glut, a debt supercycle, secular stagnation, or a quacking duck, we need to recognise the reality that the defining challenge is going to be absorbing all the savings in a satisfactory way in the global economy in the next decade³.

Charles Goodhart and Philip Erfurth have pointed out that the growth in the population of working age is slowing in advanced industrial countries, apart from the United States, and in China. While this will have a negative effect on growth globally, it will also lead to lower savings, as the old consume more, and make up a higher share of the overall population.

Though graphically put, this conclusion brushes over some key issues. On the debt supercycle view, progress will depend on the speed that Europe, constrained by national divisions and increasing political pressure on the European Union, will be able to complete its deleveraging adjustment. And adjustment will be hostage to a financial crisis coming out of China. The Bank for International Settlements currently has China on red alert on two out of four early warning indicators for a domestic banking crisis and on yellow alert for a third^{1,2}. The debt supercycle view focuses on managing these two major problems, as a condition for progress, which would ease, and finally move, the liquidity trap. In short, the debt supercycle view implies that there may not be a problem of absorbing savings over the next decade.

There is another line of attack on the expectation of low interest rates over the next decade. Charles Goodhart and Philip Erfurth have pointed out that the growth in the population of working age is slowing in advanced industrial countries, apart from the United States, and in China. While this will have a negative effect on growth globally, it will also lead to lower savings, as the old consume more, and make up a higher share of the overall population. This implies that a twenty year decline in real interest rates will be reversed. Goodhart and Erfurt suggest that real interest rates should rise from 2.5% to 3% by 2025, their historical equilibrium value.

In the mix is productivity growth. Total factor productivity growth refers to the growth in output not accounted for by expansion in the factors of production – labour and capital employed. In the long run, it is the source of growth once labour reserves have been fully mobilised and the capital-output ratio has reached its equilibrium level. Barry Eichengreen and his collaborators observe that productivity growth is slowing round the world and that growth in total factor productivity has dropped from 1 per cent in 1996-2006, 0.5% in 2007-12 and around zero since then. The current productivity slump is by no means unprecedented but, if maintained, would be a further source of secular stagnation. Eichengreen finds that high educational attainment and stronger political systems are negatively correlated with TFP slumps. On the other hand, countries with high investment shares of GDP are more susceptible to TFP slumps.

Two mechanisms are at play here. First, there is the growth of productivity in frontier firms – firms at the leading edge of innovation – and secondly, there is the diffusion of productivity gains to other firms. A Brookings Institution study finds that both

have slowed, with diffusion slowing to a greater extent than innovation in frontier firms. As with the slowing of TFP generally, this trend was present in the years before the financial crisis, but low growth following the crisis has made it worse, since technological change is often embodied in new investment. Productivity growth will recover as growth in general recovers, but is likely to fall short of pre-crisis levels unless structural impediments are tackled.

And again: Donald Trump has been vociferous in his insistence that jobs return to America. But a large number of routine jobs are disappearing everywhere. Robots are able to conduct many manufacturing tasks which people once did, and computers are able now to write company reports setting out the results of their work. Reshaped and more extensive education and training are potential solutions to the problem, but there are limits. One cannot change the educational level of an entire workforce at once, there are personal difficulties (How do I decide on the optimal level of education? How do I finance it, given that credit markets are imperfect? How do I deal with the risks of educational investment?), and educational system financing difficulties, especially in the post-school sector. The result will be either dropping wages of the lower skilled, or higher unemployment among them, or both.

If monetary policy is becoming increasingly ineffective, what about fiscal policy? Summers has been the most forceful advocate of government borrowing in the United States with the aim of strengthening the country's infrastructure. On the liquidity trap view, this would also be desirable, as Keynes argued in the 1930s. It would be a response to a savings glut, if it still exists. And it would help even on the debt supercycle view during the period in which the deleveraging still has to be completed.

Germany is a case in point, resisting policies which will stimulate the rest of the world while saddling future generations of Germans with increase public debt. And the United States is notorious for not being able to deal with fiscal policy coherently.

The IMF has urged expansionary fiscal policy in countries which are able to undertake it. But there are two difficulties. First, not every country can. And not every country which can, wants to. Germany is a case in point, resisting policies which will stimulate the rest of the world while saddling future generations of Germans with increase public debt. And the United States is notorious for not being able to deal with fiscal policy coherently.

So where does this leave us?

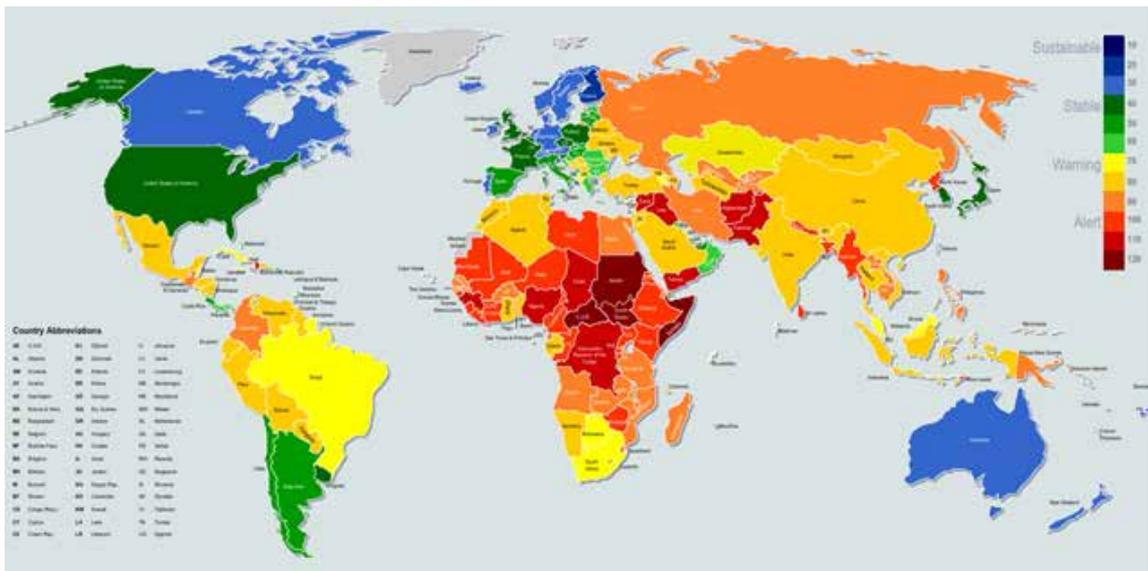
1. 'We are proceeding in the trenches. But where the trenches will eventually lead remains unclear.' Thus wrote Olivier Blanchard, a distinguished macroeconomist, in the concluding chapter of a set of essays written by a number of other distinguished macroeconomists. The meta-conclusion is that we are crossing the river by feeling for stones, to use Deng Xiaoping's famous and more pleasing metaphor. We have to rely on experiment when theory fails us. With hindsight, the American New Deal looks coherent to us, but it was the outcome of experiments, some of which worked, and some of which didn't.
2. Despite the confusion, the level of globalisation achieved by the middle of the last decade has been largely maintained. Past performance is not necessarily a guide to future performance, as they say in the fine print of unit trust contracts, but at least the financial crisis has not closed down globalisation as the First World War did.

3. The world cannot rely indefinitely on East and South East Asia as a major growth locomotive. In a landmark analysis, William Easterly and collaborators demonstrated that regression of economic growth to the mean was a standard feature of the post-war experience across countries. Herman Kahn's *The emerging Japanese Superstate*, published in 1971, is a dead duck now. Pritchett and Summers have returned to the theme more recently warning that forecasters and planners looking at the region would do well to contemplate a much wider range of outcomes than are typically considered.
4. Looking ahead twenty years from 2015, projected growth of the working age population is as follows:

	Growth in 20-59 age group 2015-2035
High income countries	-3,2%
Upper middle income countries	1,0%
Lower middle income countries	35,1%
Low income countries	82,8%

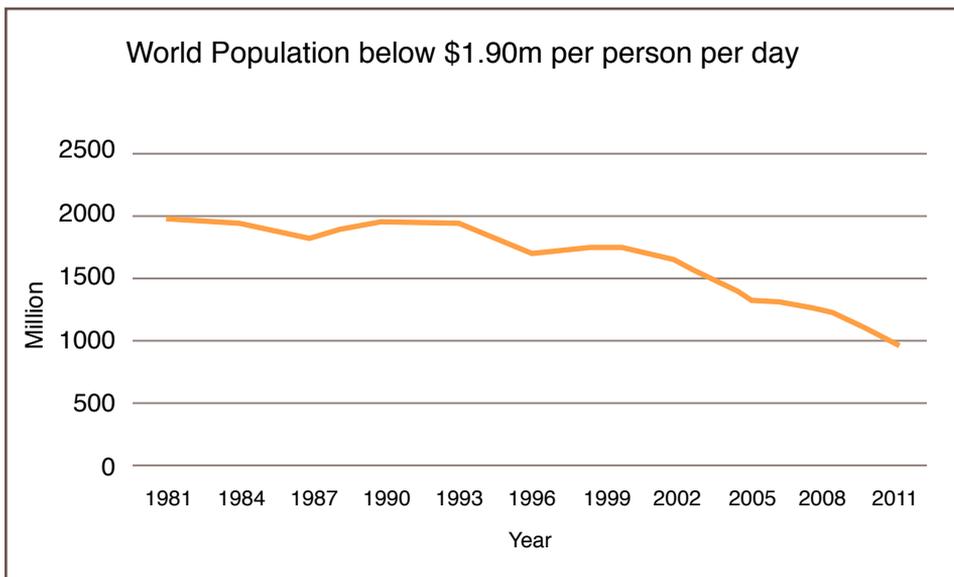
Source: United Nations Population Projections, 2015 revision

The population of working age is expected to decline in high income countries and to barely grow in upper middle income countries. On the other hand, it is expected to grow fast in lower middle income countries and to explode in low income countries. World growth will depend on matching capital to labour across countries. One way of doing this is moving capital to lower middle and low income countries, but the institutional constraints on doing so are formidable. As the map below shows, state failure and low income status are highly correlated. The other way is moving labour, but large scale international migration has problems of its own. Finding ways around this problem is the task of the next phase of globalisation.

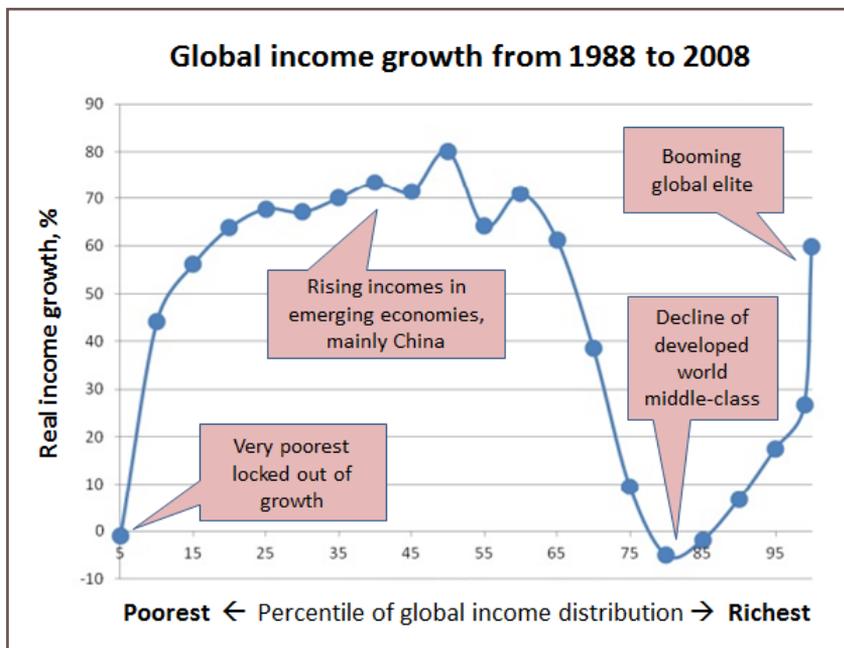


Source: Fund for Peace, Fragile States Index, 2015

5. The implications of the rise of the knowledge based economy have yet to be fully worked out. Knowledge-based capital comprises computerized information, innovative property and new forms of management competencies and brand building. The definition of property rights appropriate for a knowledge based economy have become increasingly important, but proprietary knowledge is likely to coexist with open source knowledge, as any sophisticated user knows. A T Kearney suggest that the knowledge economy may reduce trade in global goods, as industrial robotics and additive manufacturing become more widespread, eroding the case for outsourcing production. But international services trade is likely to expand.
6. Apart from persistent macroeconomic uncertainty, geopolitical conflict and heightened nationalism and protectionism are threats to global growth. The figure below shows that the number of people living below the World Bank poverty line (of \$1.90 per person per day in purchasing power parity terms in 2011) halved between 1990 and 2011. This is the great achievement of the second wave of globalisation and it has extended beyond the financial crisis.



But the gains from globalisation have not been evenly spread. Branko Milanovic has produced a graph of the distribution of real income growth by percentile of the global income distribution.



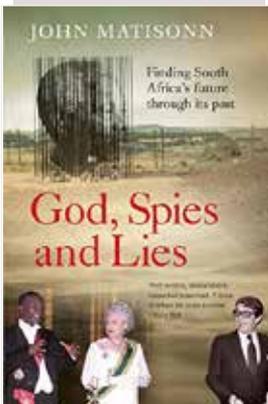
The rancour of the losers in the second wave of globalisation may well derail growth, either through national conflict or populism within countries. The gung-ho 1980s ‘greed is good’ approach to growth will no longer do.

NOTE

- 1 Kenneth Rogoff, Debt supercycle, not secular stagnation, in (eds) Olivier Blanchard et al, Progress and confusion: the state of macroeconomic policy, MIT Press, 2016
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- 3 Lawrence Summers, Rethinking secular stagnation after seventeen months, in Blanchard et al
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- 5 The potential seriousness of disorderly adjustment can be seen from the fact that IMF projections in April 2016 imply that China alone is currently expected to provide 34% of the increase in world output between 2016 and 2021, compared with 32% of all the advanced industrial countries combined.
- 6 It may seem imprecise to refer to interest rates without mention of particular economies. But long term real interest rates around the world have been increasingly correlated with the US long term rates over the last decade. Moreover the term premium (the difference between short term and long term interest rates) has been declining. On this, see Peter Hordahl, Jhuvesh Sobrun and Philip Turner, Low long-term interest rates as a global phenomenon, Bank for International Settlements Working Paper 574, August 2016.
- 7 Charles Goodhart and Philipp Erfurth, Demography and economics: look past the past, Centre for Economic Policy Research Portal, 4 November 2014
- 8 Barry Eichengreen, Donghyun Park and Kwanho Shin, The global productivity slump: common and country-specific factors, National Bureau of Economic Research Working Paper 21556, September 2015
- 9 Karim Foda, The productivity outlook: pessimists versus optimists, Brookings Institution, 26 August 2016
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- 11 William Easterly, Michael Kremer, Lant Pritchett and Lawrence Summers, Good policy or Good Luck: Country Growth Performance and Temporary Shocks, Journal of Monetary Economics, 1993
- 12 Lant Pritchett and Lawrence Summers, Asiaphoria meets regression to the mean, National Bureau of Economic Research Working Paper 20573, October
- 13 A T Kearney, Globalisation appears to be on a hiatus, but divergent forces at work make the future very uncertain. What will the next global economic order look like? Council Perspective, January 2016
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BOOK REVIEW

Graham Dominy is a former Archivist of South Africa who retired in March 2014 after winning a protracted labour dispute with Minister and Department of Arts and Culture. He has worked in and managed a variety of, archival, cultural and heritage institutions since the 1970s. He has studied extensively in South Africa and internationally: obtaining his graduate and professional qualifications in South Africa (University of Natal and Pretoria), his MA in Ireland (University College Cork) and his PhD in the United Kingdom (at the Institute of Commonwealth Studies, University of London).



**GOD, SPIES AND LIES:
FINDING SOUTH AFRICA'S
FUTURE THROUGH ITS
PAST** by John Matisonn
PUBLISHER: Vlaeberg,
Missing Ink, 2015
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God, Spies And Lies: Finding South Africa's Future Through Its Past by John Matisonn

Professor Ged Martin (former Director of Canadian Studies; University of Edinburgh), writing in Past Futures: The Impossible Necessity of History (Toronto, 2004), defines history as a dialogue between present and past "in which we attempt to reassess their actions and beliefs in the light of our priorities and values." This chimes in with John Matisonn's declared intentions in this book; his story is heavy with references to the past and the meanings of history, although he stresses that it is a book about ideas.

The opening two paragraphs of *God, Spies and Lies* (quoted on the back cover of the book for good measure) hit Martin's bullseye with unerring accuracy. Matisonn begins his narrative stating that Jacob Zuma was his house guest, back in the "near perfect summer of 1990/1991." He then fast-forwards to the present day when the said house guest has morally bankrupted the ANC, and accuses Zuma of being no better than the corrupt "bunga-bunga-partying" former Italian Prime Minister, Silvio Berlusconi. Matisonn takes us on the roller-coaster ride that has been South Africa's history from the 1950s to the 20-teens, but all the way through the exhilaration, runs a thread of regret, a thread of bitterness.

As a memoir, I find *God, Spies and Lies* a page turner, but it is more than just a memoir, it is an account of the media under apartheid as well as in the no-longer new, but still sort of, democratic South Africa. Matisonn's personal narrative is interwoven as a seasoned journalist's account of the development and disappointments in the shaping of newspapers, radio stations and, in particular, of the public broadcaster, the SABC.

John Matisonn, Johannesburg born and bred, received his journalistic baptism of fire as a reporter on the *Rand Daily Mail* before moving on to the *Sunday Express*. He received a short jail sentence for refusing to reveal his sources for a story relating to the infamous Information (or Muldergate Scandal), the apartheid government's secret funding of *The Citizen* newspaper. He left the country to work as a correspondent in Washington, returning prepared to serve his short prison sentence – only to find that at the last moment, State President P.W. Botha had pardoned him! Perhaps a sign of gratitude from *Die Groot Krokodil* for the exposés that sank the ambitions of Connie Mulder and smoothed PW's path to power! Or perhaps a tactic to avoid bad publicity in America. In the transition years Matisonn worked to ensure the development of a competent and impartial public broadcaster and his travails in this regard make for compelling reading.

I admired the cover before plunging into the text. While Matisonn deserves great credit for this book, so does the designer of the cover, credited as "mrdesign." The cover is a collage with the dominant image being that of the "Mandela Capture" memorial

near Howick in the KwaZulu-Natal Midlands: a shimmering, ethereal and elusive steel sculpture of fifty steel columns providing an image of Mandela's head, now visible, now disappearing, depending on your perspective; a real metaphor for the current state of the nation's politics! The sub-title "Finding South Africa's future through its past" is juxtaposed against this. The rest of the cover, while striking, does not work quite as well. There is an image of President Thabo Mbeki and Queen Elizabeth II, all toggled up in tiara, medals and decorations, walking into a state occasion: Mbeki wearing a British order and Elizabeth wearing a South African order – as is so often said in big South African public gatherings: "All protocol observed!" I puzzled over the meaning of this: certainly it reveals the international acceptance of a once-pariah state, but is Queen Elizabeth depicted because she is the head of the Church of England and thus, tangentially, vaguely, the reference to God in the title is given visual form? I can imagine heresy tribunals from Canterbury and Rome to Tehran and Myanmar sharpening axes and piling up the firewood! Isolated in the bottom right of the cover is a picture of a laughing Tertius Myburgh, former *Sunday Times* editor and strongly alleged by John Matisonn to have been an apartheid spy; a view which was excoriated by Stephen Mulholland in Politicsweb (*"In Defence of Tertius Myburgh"*, 1 December 2015).

The lies referred to in the book are whoppers and Matisonn traces them from the Information Scandal (and even earlier) to the parliamentary appearances of Jacob Zuma denying any knowledge of governmental failings over Marikana, or even the funding of his own home.

It was a relief to discover that the "God" part of the title arises from the view of Matisonn's old journalistic friend and mentor, Charles Bloomberg, that apartheid had a theology as well as a philosophy, and if you wanted to defeat it, you had to understand it. Bloomberg was one of the early investigators into the secretive and powerful Afrikaner Broederbond. The Broederbond started out innocuously enough as an open organisation, but soon turned into the secretive body that sought to control Afrikaner thought, ideas and institutions such as the Dutch Reformed Churches, the Afrikaans schools and universities and in government and business. Broeders and extreme Afrikaner Nationalists such as Hendrik

Verwoerd and SABC head Piet Meyer (for many years the head of the Broederbond), were convinced they were doing God's work and there was a convenient congruence between what the Broederbond thought and what the churches preached as God's word. Bloomberg's exposés began the process of weakening the Broederbond and destroying the tight unity of Afrikaner nationalism.

The "spies" stalk the pages from the notorious Craig Williamson, to Tertius Myburgh to many turned hacks reporting on what happened in newsrooms as well as on the news, in both the old and the new South Africa. According to Matisonn SABC journalists were warned as recently as 2014 that the intelligence services were watching them. The lies referred to in the book are whoppers and Matisonn traces them from the Information Scandal (and even earlier) to the parliamentary appearances of Jacob Zuma denying any knowledge of governmental failings over Marikana, or even the funding of his own home.

Espionage informs the chapter on Thabo Mbeki and foreign policy. The story of how Mbeki tried but failed to persuade Tony Blair and George Bush that Saddam Hussein's Iraq did not have weapons of mass destruction has been told before. Matisonn nevertheless adds an interesting quirk; as a result of his experiences of Anglo-American duplicity over Iraq, Mbeki felt he could not trust them over Zimbabwe.

In its way the cover of the book reflects the contents: it's fascinating, but it does not hang neatly together. One of Matisonn's declared purposes is to answer the question "Was there a moment when the democratic government of Mandela's ANC started to go wrong?" (p 17). In answering this he tries to "...cut across all segments and political strands, to link people's anti-apartheid stories with their lives in the democratic era." (p. 18). These are noble aims, but over-ambitious and perhaps part of the reason for the unfortunate clumsiness in the book. It veers from intimate to macro-analytical; from a personal account of his life in a nation oppressed, to the sweeping tour of political events; from the democratic rebirth of his native land to its current economic, political, moral and leaderless morass. He tells gripping stories of editorial feuds and newsroom battles and how these reflected broader national dramas, but the mirror is slightly distorted and the narrative a little jumpy.

Post-1994 is as important as pre-1994 and here Matisonn's vantage point was more exalted as he played a major role in setting up the oversight institutions in the telecommunications and broadcasting sectors, only to see them hollowed out and turned into empty husks; a process started earlier during the Mbeki era and vigorously pursued by Jacob Zuma. Matisonn's descriptions of the power politics and internal rivalries that crippled the institutions, so proudly set up in the post-1994 years, make for depressing reading.

Despite the clunkiness and zig-zagging, this is a riveting book and is a very important contribution to our knowledge of the clash of ideas during the apartheid era, the transition years and the smothering of creative and critical thought by the tentacles of corruption and nepotism during the present administration.

John Matisonn identifies three consequences of political interference in the governance of the nation and of the parastatals:

Firstly, the degradation of institutions; secondly, "inappropriately incentivising investors", and thirdly, an ideological sleight of hand: Mbeki called the creation of a black middle class a "National Democratic Revolution" and Zuma has called his crony relationship with China and Russia "an ideological blow to imperialism."

I conclude on a more personal note: I am fascinated by Matisonn's chosen example of "inappropriately incentivising investors." He alleges that the government ignored the expert advice of Naspers/Multichoice on the building of an information economy, but adds that:

"...they could do a deal to buy the national archive when money changed hands. It is not in the public interest for a private company to have a hold over a national asset that goes back nearly a hundred years. The fine print in the deal is anti-competitive. It will hurt the public in the long run. But government was looking to the short-term so Naspers/Multichoice proposed the deal they could get away with." (p 414).

Matisonn's assertion is vague and despite my carefully reading and re-reading the text, it is not clear from the context whether he is talking about the National Archives and Records Service of South Africa, or the archives of the SABC (which are referred

"...they could do a deal to buy the national archive when money changed hands. It is not in the public interest for a private company to have a hold over a national asset that goes back nearly a hundred years. The fine print in the deal is anti-competitive. It will hurt the public in the long run. But government was looking to the short-term so Naspers/Multichoice proposed the deal they could get away with." (p 414).

to a few pages earlier). There was never any suggestion of such a deal during my ten effective years as National Archivist and I would have resolutely opposed the privatisation of either the nation's documentary, or its audio-visual, heritage had this been put to me.

However, this provides a possible explanation for my illegal suspension in 2010. It could be a plausible reason as to why the then Minister of Arts and Culture and her department relentlessly persisted in a futile campaign against me based on specious disciplinary charges and dragged the case out for several years. Perhaps some deal was in the making during this time.

The only way that the national archives could be legally disposed of by the state would be by repealing or drastically amending the National Archives and Records Service Act and this has not been done. A constitutional amendment may also be needed as national and provincial responsibility for archives is set out in Schedule 5 of the Constitution. Legal queries also arise as to whether or not the public broadcaster's archives can be sold into private hands. I would argue that the SABC's archives have a similar status to that of the National Film Video and Sound Archives which are legislatively protected as part of the national patrimony.

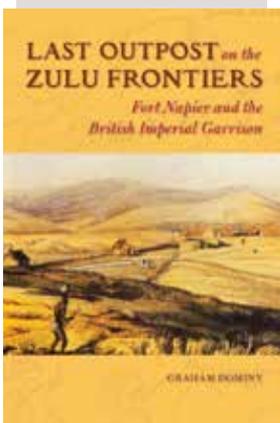
These are intriguing questions, not only for me personally, but for the better understanding of the processes leading to the abuse of the principles of good governance and public accountability. I fervently hope that South Africa will not blight its future by selling off its past.

BOOK REVIEW

Stephen Coan is an award-winning writer-director in film and theatre and former feature writer on Pietermaritzburg's daily newspaper *The Witness*, known for his articles dealing with local history, film and literature. For the University of KwaZulu-Natal Press he edited and introduced H. Rider Haggard's previously unpublished *Diary of An African Journey* and, with Alfred Tella, *Mameena and other plays* – The dramatic works of H. Rider Haggard. He currently lives and works in Johannesburg.

Last Outpost on the Zulu Frontiers – Fort Napier and the Imperial Garrison by Graham Dominy

*If you want to disentangle one of the DNA strands of gender bias in South Africa's political and social structures, together with the homo-social nature of many of its sporting and educational institutions, you couldn't find a better place to start than Graham Dominy's ground-breaking study of the British army's "occupation" of Pietermaritzburg, *The Last Outpost on the Zulu Frontiers – Fort Napier and the Imperial Garrison*.*



LAST OUTPOST ON THE ZULU FRONTIERS – FORT NAPIER AND THE IMPERIAL GARRISON
by Graham Dominy
Publisher: University of Illinois Press
ISBN: Ebook
978-0-252-09824-6

The Victorian red-brick buildings of Fort Napier rest upon the heights to the west of Pietermaritzburg, the provincial capital of KwaZulu-Natal. Below flows the Mzunduzi River, on the other bank of its sluggish waters stand the Victorian red-brick buildings of Maritzburg College, a leading boy's public school founded in 1863. The college crest sported on blazer breast pockets depicts a carbine crossed over an assegai above a Latin scroll bearing the words *Pro Aris et Focis* (For Hearth and Home). Though still a matter of debate the school colours of red, black, and white are thought to represent settlers and Zulus and the blood they shed.

Fort Napier casts a long shadow over Pietermaritzburg and beyond, and the impact of its garrison on nineteenth century society lies at the heart of Dominy's masterful one-of-a-kind book.

The British military arrived on 31 August 1843 planting the Union Jack on the aforementioned heights, pitching camp on what would become Fort Napier named after Cape Colony governor of the day, Sir George Napier. Their arrival signalled the end of the short-lived Trekker republic of Natalia and constituted the first step towards Natal becoming a colony of the British Empire.

The British army occupied Fort Napier for 71 years, finally leaving in 1914 at the outbreak of World War One. During this stretch of time the garrison exercised a powerful influence on the political, economic, social, and cultural life of the colony; even regulating the working hours of Pietermaritzburg with a time-gun fired from Fort Napier. Durban had to make do with church bells.

Though no shot was ever fired in anger from the walls of Fort Napier imperial troops marched off through its gates to take part in the Anglo-Zulu War (1879), the First

Anglo-Boer War (1880-1881) and in 1896 the campaigns against the Mashona and Ndebele in what became Rhodesia and subsequently Zimbabwe. Their longest military involvement was during the Second Anglo-Boer War (1899-1902); their final foray, to Johannesburg in 1913 to assist in suppressing the Rand miners' strike.

The garrison, though never large in terms of numbers, was a potent symbol of British imperial might projected, in the main, at the Zulus the Boers. A brick-built warning that if stirred from sleep the British lion was ready to respond with a deadly paw-flick.

It is uncertain whether the incident in 1887 involving the Royal Inniskilling Fusiliers in which two soldiers died at the hands of fellow soldiers was a drunken brawl or a genuine mutiny.

Active campaigning (and the odd punitive expedition) accounted for only four of the 71 years of military occupation at Fort Napier and it is the peacetime day-to-day interaction between garrison and city that is Dominy's prime interest: an intimate relationship which saw the presence of the garrison underpin and entrench the imperial idea in all sectors of the local population while permeating all their activities.

The presence of the garrison, particularly the officer class, bestowed a level of respectability on Pietermaritzburg but, as Dominy points out, a largely inactive soldiery "with its problems of boredom, indiscipline, lust and drunkenness, added to social tensions through involvement in crime, random violence, and the encouragement of prostitution."

Prostitution made simple economic sense: prostitutes, unlike wives and children, did not require the provision of food, education, transport and lodgings and consequently did not represent a drain on the military budget. "Victorian morality demanded that prostitution be condemned, while military efficiency demanded that it be allowed and controlled." Omit "Victorian" and the double standard still applies.

Notions of morality aside it was alcohol that presented the biggest problem faced by the Victorian army. "Drunkenness was almost all-pervasive at Fort Napier throughout its existence as a garrison centre" writes Dominy. Pietermaritzburg was full of public houses and taverns while military canteens within Fort Napier also served alcohol.

It is uncertain whether the incident in 1887 involving the Royal Inniskilling Fusiliers in which two soldiers died at the hands of fellow soldiers was a drunken brawl or a genuine mutiny. Fuelled by a heady mix of Irish politics and religious sectarianism, plus incompetent officers, alcohol likely provided the match. No mention of the "mutiny" appears in the regiment's official history. So all credit to Dominy for unpacking as much detail as possible regarding the matter.

If, as Dominy says, "Victorian British society was attempting to replicate itself on African soil" the garrison undoubtedly provided a handy reference point, embedded as it was in the city's social life along with dance balls, amateur theatricals, sporting events, and the ubiquitous brass band. Dominy rightly sees the military's involvement as crucial "in the development of the political and cultural consciousness of settler society, which lasted long beyond the formal collapse of the colony into the Union of South Africa in 1910".

But the British society replicated in Natal did not boast an upper-class of titled landed gentry. The colonial elite were mainly occupied in trade. This was Victorian

England-lite, populated by a Victorian “middling” class. Matters became more respectable with the diamond discoveries at Kimberley in the late 1860s: prospecting and transport riding promised wealth thus becoming “acceptable activities for gentlemen”.

That first planting of a British flag above Pietermaritzburg in 1843 had changed everything. Though the flag represented formal annexation to the Crown the exact status and form of government remained uncertain until the 1890s. However the Union Jack and the presence of the military had effectively settled the matter. “While bureaucrats and ministers dithered, soldiers built. The fort grew along with the city, and a colony became a fait accompli.”

The army also provided the fledgling colony with its main source of technical and administrative skills. The M13’s 45th Cutting on the Comrades Marathon route near Durban bears witness to its construction by the 45th Regiment, incidentally at 16 years the longest serving regiment at Fort Napier, and from which many soldiers, service over, remained in the colony.

According to Dominy so vital was the garrison to the colony’s continued existence had it been withdrawn during its first twenty years Natal would have collapsed, “not simply because of lack of security but because it wouldn’t have had the personnel to function as a rudimentary government.”

White Natalians felt adrift in a largely Afrikaner-dominated South Africa while Pietermaritzburg suffered a loss in political status and economic influence.

The army also ensured economic stability, serving as “the cornerstone of the local colonial economy, as it provided an assured market for produce, transport, and services at a time when the settlers were carving out their economic niches within the hunting and trading economies of the Boers and Africans.”

These economic benefits saw the city fathers resistant to the idea of the garrison ever leaving. In 1897 local officials calculated that the garrison consisted of over 5000 men, women, and children and that “to lose so large a population would be a social and economic disaster for the city”.

The granting of responsible government to Natal in 1893 set the clock ticking for the continued presence of the imperial garrison. Colonial autonomy was directly dependent on the colonists being able to defend themselves against internal threats, i.e. the Zulus. This they did with appallingly ruthless efficiency in the 1906 Bambatha Rebellion, drawing strong criticism from the British government including under-Secretary for the Colonies, Winston Churchill.

With the coming of Union in 1910 Natal lost its status as a separate colony within the British Empire. White Natalians felt adrift in a largely Afrikaner-dominated South Africa while Pietermaritzburg suffered a loss in political status and economic influence. For a while the garrison remained and the band played on as the imperial past segued into a new dispensation.

The end came suddenly in 1914. The last regiment, of nearly 50 that had been stationed at Fort Napier, was the South Staffordshire. The girls of nearby Wykeham School waved them goodbye as they left in August. Before the end of the year, Dominy records, “almost all the officers and the majority of the men who had marched out of Fort Napier had been killed in action.”

Following the departure of the troops the fort was used as an internment camp for German nationals living in South Africa during World War One. After the war returning ex-soldiers and their families found temporary accommodation there but in 1925 they had to leave as the buildings of the fort were to house a psychiatric hospital, which it remains today.

Down in the centre of Pietermaritzburg the old time-gun stands silent at the foot of the Anglo-Zulu War memorial. It is a loud silence emblematic of the oppression and dispossession that the Fort Napier garrison effectively wrought on the indigenous population; emblematic also of the military and imperial ethos that same army bequeathed to South Africa. Dominy deserves a salute for giving voice to that silence.

And that Maritzburg College crest? Over a hundred years after the garrison's departure hasn't the time come to stand those weapons down?



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