WORKING PAPER 33

African Regional Powers: The Foreign Policy of South Africa

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Introduction

South Africa is portrayed as an important regional power in Africa, and increasingly it is also seen as a significant global player in the debates about reforming the global governance architecture and creating a fairer international order. As the world and global power changes, new and old powers are investing more in cultivating new and deeper relationships. For any country outside Africa – with an interest in the continent – South Africa is the obvious first port of call and a partner of strategic importance.

Thus in 2006 the EC announced that it would like to negotiate a strategic partnership with South Africa – the only one it has proposed with an African country. Furthermore, because of South Africa’s capacity and resources, both the EU and its member states have begun working with South Africa in a trilateral partnership in the rest of the continent. This is still embryonic but signals the scope of cooperation that both partners envisage. South Africa’s importance is further enhanced through its membership of forums such as IBSA and WTO informal coalitions. These forums have emerged as vehicles for developing common negotiating approaches in the global economic and political governance fields and reflect the changing nature of geopolitics. Its non-permanent membership of the UN Security Council this year and its bold (and often unpopular) tackling of issues have emphasised that SA cannot be ignored from global debates.

Underpinning these relationships is its peaceful transition to a democratic, all-inclusive state, largely impelled by domestic actors. South Africa entered the post-Cold War international landscape with high expectations from the international community about the role it would play, but also great enthusiasm itself in the role it could play, with its negotiated transition operating as a model that other countries could apply in seeking to end their conflicts.

However, South Africa did not return to the world with a clean slate. It inherited the baggage of the apartheid state – the National-Party government’s policy of regional destabilisation, which had affected all its neighbours negatively. South Africa also had to reaffirm its Africanness.

Nevertheless, in the first few years of the transition, in the afterglow of a peaceful transformation and human-rights oriented constitution, it seemed to strike a bolder (and perhaps naïve) pose on a number of foreign policy issues, such as in condemning the Sani Abacha regime in Nigeria at a Commonwealth heads of Government meeting in 1995, insisting that the SADC Organ on Politics, Defence and Security should not be allowed to operate outside the SADC Summit sphere almost as a private instrument of Zimbabwean president Robert Mugabe, and hoping that its quick intervention in Zaire in 1997 to broker a settlement between Mobutu and Kabila would by using the language of conciliation reap rewards.

On Nigeria Mandela struck a lonely pose when he was criticised by other African leaders as breaking with African solidarity; the matter of the SADC Organ was resolved much later and reflected more closely South Africa’s position on this issue. Zaire, then the DRC, required substantial South African resources and
commitment and an approach, while not abandoning the principles of conflict resolution which South Africa espoused, was nevertheless more pragmatic in the methods that would have to be applied to cajole the parties to a settlement.

I will argue that experiences such as the above had a significant impact on the way in which the new South Africa viewed its role and its relationship with the rest of the continent in particular. It has been a challenge for South Africa to balance what are sometime competing and contradictory approaches in its foreign policy. Southern Africa and the rest of the continent lie at the heart of its foreign policy. Its global prominence as a regional power lies in its position within Africa and the responsibilities it assumes and is allowed to assume there. South Africa cannot afford to be isolated from its region. (This does not imply that it cannot continue to play a role of countries like Norway and Canada in global multilateral institutions, but to do so would be to forsake much of its foreign policy priorities and commitments since 1994.)

**Hegemon or partner? What’s in a name?**

In an interview with Moeletsi Mbeki, SAIIA’s deputy chairman, in 1997, the first foreign minister of a democratic South Africa, Alfred Nzo, said: ‘Our cabinet has never sat down to discuss that we are a regional power. I would resist such a label for my country. We are not aspiring to that position. We are ready to use what we have to mutual benefit’.

Some people may argue that ‘the lady doth protest too much’. However, the statement by Foreign Minister Nzo also reflects South Africa’s concern even now about being seen to assume the mantle of leadership too hastily and brashly where scarcely a decade and a half ago it was still a pariah. This is especially so where South Africa’s re-emergence has seen the stars of other regional leaders (specifically that of Mugabe), who may also have played a leading role in the Frontline States, eclipse. Of course, in an anarchical society, it is difficult for leadership to be conferred. States often show their leadership and others may acquiesce or resist, depending on the form and nature of that leadership.

South Africa has been described as many things: as a middle power, a regional power or a regional hegemon, a pivotal state,¹ and an emerging power. In more recent discourses, Germany has coined the term ‘anchor’ states. Depending on which elements one emphasises, South Africa may be all of these – at one time or another.

In defining a middle power, Cooper *et al* favour a definition that characterises such a state by its ‘tendency to pursue multilateral solutions to international problems, to embrace compromise positions in international disputes, and to embrace notions of “good international citizenship”’.² On the other hand,

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¹ Chase, Hill and Kennedy in their book *The Pivotal States*, refer to key countries whose future may not only determine the success or failure of their region but also significantly affect international stability, and also have a substantial impact on global negotiations on cross-cutting issues such as the environment, human rights etc.
emerging powers have wider aspirations and expectations, including aspirations to be great powers.\textsuperscript{3} Schoeman sees South Africa as playing the role of an emerging middle power, a term combining emerging and middle,\textsuperscript{4} because it has sought the multilateral route and avoided behaving like a hegemon, although it clearly has exercised a role both at the international and the regional level. Barber argues that South Africa fits the criteria of a middle power in terms of Cooper’s definition.

Many academics in South Africa\textsuperscript{5} believe that the country should be playing a hegemonic role in the region and on the continent. However, talk of South Africa being a hegemon, or indeed that it should be, is regarded in policy circles as politically incorrect. In seeking political correctness for fear of being regarded as a bully, policy makers have eschewed the proper definition of hegemony in the literature. Hegemony does not have to mean domination. ‘[...] a hegemonic power has to forge consent around its own values (for example, free trade) and strategies as common ones, [...] A hegemonic role thus also constrains the hegemon, as it cannot afford (to be seen to) behave too selfishly, but must show concern for the common good, or at least appear to be doing so.’\textsuperscript{6} Indeed, Habib and Selinyane argue that ‘its tendency to be persuaded by pragmatic factors to act as only one among the many’ demonstrates a ‘reluctance to lead’. They categorically state that South Africa should operate as a hegemon in the region: ‘Instability in Southern Africa, which hinders development and democracy, will be addressed only when a regional hegemon is prepared to underwrite these objectives.’\textsuperscript{7}

While this paper supports such an assessment, it also argues that South Africa’s unwillingness to take on the mantle consistently (and especially in its immediate region) needs to be understood in the context of global developments since the turn of the century. The unilateralist behaviour assumed by the world’s superpower, and terminology such as ‘regime change’ have only served to deepen South Africa’s sensitivity to asserting itself in its region. Sadly, this is largely due to a one-dimensional interpretation of assertiveness and indeed diplomacy.

It is also linked to a sense of African solidarity (among elites) – thus avoid breaking ranks with its comrades in the region. Economically both the private sector and parastatals have been far bolder in carving out a niche, in some instances with the blessing of the government.

**SA’s key foreign policy priorities**


\textsuperscript{5} Habib, Schoeman, Daniel – check references…


At the core of understanding South Africa’s foreign policy over the last 14 years is the tension between vision and principle, pragmatism about what is possible, but also sentiment. I'll briefly elaborate on each of these:

There have been many visionaries in Africa since independence. The 21st century version of the African renaissance was very much a Thabo Mbeki construct, with its origins in 1997. The New Partnership for Africa’s Development, which followed it, was also largely President Mbeki’s vision, and by the time he had become president in 1999 the African Renaissance idea was part of the foreign policy vocabulary.

A prominent political analyst noted in the late 1990s that South Africa was afflicted by a triumphalist syndrome – a characteristic of newly liberated countries in Africa. (In the 1970s it afflicted Samora Machel; in the 1980s Robert Mugabe.)

However, there are a number of differences between the visions of the past and now:

- Firstly, the post-Cold War environment and globalisation are more conducive (provided there is bold leaderships among Africans) to socio-economic development and advancement in Africa.
- Secondly, South Africa, with the biggest and most sophisticated economy on the continent has the potential to drive many of these ideas.
- Thirdly, South Africa’s re-emergence has occurred at the same time as political reforms in other key African countries, such as Nigeria, Ghana, Mozambique. These countries and others have recognised that African states have to take responsibility for their development.

Many ascribe to ‘principle’ the degree to which South Africa upholds the promotion of human rights and democracy in its foreign engagements. Based on that interpretation, South Africa can be regarded as becoming increasingly driven by realpolitik considerations. Indeed, as the new South Africa became more experienced in the cut-and-thrust of the international stage, its approach to a number of issues changed to reflect a growing appreciation of the importance of power and the impact that this dynamic has on the practice of a country’s foreign policy. However, in another sense, much of South Africa’s foreign policy is still driven by principle. This is the principle that the world is characterised by systemic inequality, i.e. global apartheid, where the weak are at the mercy of the strong who have constructed the current international system to favour them. While still deputy president in 1997, Thabo Mbeki highlighted this imperative:

We in the developing world who have borne the brunt of human injustice over decades and centuries issuing from other nations’ desire to accumulate and aggrandise, should play a central role in defining what should constitute the new world order. (emphasis added)

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Thus South Africa believes that attempting to counter the global system’s skewed nature must be a crucial element of its foreign policy. The country’s very active multilateralism is partially explained in these terms.

South Africa’s vision is thus of a more equitable international system globally, and an African renaissance. Thabo Mbeki noted in 1997:

An African renaissance must bring an end to these dictatorships, and to the civil wars that have given Africa the distinction of having the largest number of refugees in the world [...] We have to address the abuse of the notion of national sovereignty, where terrible things would be going on within the borders of a particular country while the rest of the country stands paralysed because taking action would be seen as interference.

In retrospect this is much easier said than done. South Africa’s pragmatism has seen it play down some of the principles (or at least tackle them in different ways) and its vision when their attainment has seemed remote. In other instances, it has adopted positions that are clearly in its own interests rather than that of its region or the continent. Its membership of informal coalitions within the WTO reflect that (G20 agriculture, Non-Agricultural Market Access-11) as its trade interests are often different from those of LDCs and other African economies.

The sentimental elements of its foreign policy are manifested in its attachment and loyalty to old friends of the national-liberation struggle (such as Cuba), or the concept of the African diaspora (an issue which is very close to its heart, and which saw Mbeki take an active interest in the crisis in Haiti), and the resurgence of indigenous movements in regions such as Latin America.

This paper will now look more specifically at some of South Africa’s key foreign policy priorities. The Strategic Plan 2007-10 of the Department of Foreign Affairs sets out the priorities as follows:

- Consolidate the African Agenda
- Strengthen South-South co-operation
- Strengthen North-South cooperation
- Participate in global system of governance
- Enhance bilateral political and socio-economic relations

As both the EU-SA and EU-Africa strategic partnerships are aimed at taking the relationship between the two regions beyond development aid, it is clear that in the EU-SA perspective there are a number of areas of common interest and potential partnership. This applies equally to Africa as it does to multilateral institutions.

**Consolidating the African agenda**

An absolutely critical factor of the new South Africa’s policy was to confirm and emphasise its African identity – that it was part of the continent, not simply an appendage of Europe or the West. Barber notes about the new South Africa in the mid-1990s that the continent treated it with a degree of suspicion because
the implication was that ‘[...] despite its claims to a common identity, the new South Africa accepted Western values and interests, to the detriment of its African heritage. Having a foot in different camps was an asset as an international bridge-builder, but in Africa it could be interpreted as having split loyalties’.9

To portray this challenge in starker terms, Nigeria does not need to prove its African identity or credentials. South Africa does. Nigeria can be hegemonic in its region. South Africa is coy. Nigeria boldly assumes the right to speak for Africa. South Africa tries to be discreet, but speaks for Africa too. Add to this that South Africa has the largest and most sophisticated economy on the continent; that its gross domestic product (GDP) of US$239 billion is 40 times larger than the average sub-Saharan economy;10 and that South Africa’s GDP represents 25% of the total African economy and constitutes one-third of sub-Saharan Africa’s economy – and the tensions and sensitivities about its role and responsibility become very obvious.

For South Africa the African agenda includes strengthening Africa’s institutions regionally (SACU and SADC) and continentally (the AU); supporting the implementation of Africa’s socio-economic development programme, the New Partnership for Africa’s Development (Nepad); and contributing towards post-conflict reconstruction and development in Africa and towards peace, security and stability more generally.

Lest one regards South Africa’s policy as driven by altruism, encouraging the creation of a more well-governed continent, one which attracts investment and develops economically is very much in the country’s interests:11

This is not merely a matter of African patriotism or some ephemeral love for the continent, but is impelled by profound South African self-interest. How so? South Africa shall never be an island in a sea of poverty. Furthermore, a growing aggregate demand in Africa is critical for South Africa’s own industrial development.

Underpinning this agenda are two elements: firstly, the need to bring peace and security; and secondly, the need for development. These are intertwined, and they have healthy doses of self-interest but also altruism. South Africa has been active in both areas... and with its fair share of criticism.

Peace and security

In the area of peace and security it has worked assiduously together with other African states to create more effective institutions.

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9 Barber J, p. 173.
South Africa and Nigeria were key drivers of this. One of the turning points in the shift away from an entirely regime-centred security approach was the adoption at the OAU Algiers summit in 1999 of a resolution that the organisation would not tolerate any unconstitutional changes in government. (The military coup in Cote d’Ivoire in December that year led to its suspension from the OAU.) At the summit, which was Mbeki’s first as South African president, he called on his fellow leaders to adhere to norms and standards of governance based on ‘ethics, equity, inclusion, human security, sustainability and development’. The subsequent resolution was largely driven by South Africa.¹²

The Constitutive Act of the African Union, which came into effect at the first AU summit in Durban in 2002, is the most ambitious continental document that Africa has created since decolonisation. The Act condemns and rejects unconstitutional changes of government and commits members to respect democratic principles, human rights, the rule of law and good governance. Although Article 4(g) provides for non-interference in the internal affairs of a member state, Article 4(h) provides for the ‘right of the Union to intervene in a member state pursuant to a decision of the Assembly in respect of grave circumstances[,] namely war crimes, genocide and crimes against humanity’.¹³

The establishment of the AU reflects a changing approach – at least on paper – to what constitutes security. State security, covered in sovereignty, is slowly being eroded, although the practice continues to be far from perfect. While these actions signal progress on the thinking about the responsibilities of states and the centrality of people in security, the objective should be to focus on consolidating common values and objectives among those in Africa that share them, using them as a vanguard to project influence in this respect internationally.

South Africa, together with Nigeria, Algeria, Mozambique and Senegal, was instrumental in pushing for the inclusion in the Constitutive Act of the right to intervene in the affairs of members states in grave circumstances. Mbeki stated that the CA gives the AU ‘legislative powers to act against member states acting against the ethos of good governance and the rule of law.’¹⁴ However, the challenge of definitions is what actions by governments would constitute such a breach and thus warrant and legitimise intervention under an AU mandate – although ‘intervention’ is not only defined militarily.

The primary peace and security organ at the continental level is the African Union’s Peace and Security Council, which was formally launched in 2004. The purpose of the PSC is to ‘promote peace, security and stability in Africa’. South Africa was elected as an inaugural member, to serve for an initial three-year term.¹⁵ It should also be added that South Africa is one of the key contributors

¹⁵ The Peace and Security Council is composed of five members (from each of the five sub-regions) serving three-year terms, and 10 members serving two-year terms.
financially to many of the PSC’s initiatives, including the AU’s first peacekeeping operation, the African Mission to Burundi (AMIB).\(^{16}\) As a country with substantially greater resource capabilities than much of the rest of the continent, South Africa has been meticulous in paying its dues to the AU, and contributes 8.25% of the AU’s annual budget.

The African Standby Force envisions the deployment of five brigade-sized forces in security hubs across the continent, is particularly ambitious and, in the short-term, unachievable. South Africa was a key proponent of such a force, believing that if there was no such force at the AU’s disposal the PSC could not be properly operationalised. Furthermore, South Africa has constantly highlighted the need to strengthen the RECs and their links with the AU.\(^{17}\)

At the most recent SADC summit in August 2007, the member states announced the launch of the SADC brigade. As early as in 2003, South Africa’s Minister of Defence, Mosiuoa Lekota, stated in parliament that as the largest economy in the Southern African region, South Africa would have to carry a great deal of responsibility for the SADC standby force.

To date, South Africa has not operated like Nigeria in ECOWAS, where the deployment by Nigeria of its resources has ensured a credible and effective operation. South Africa, by contrast, is extremely sensitive to the ‘power imbalances between it and other members of SADC’\(^{18}\) and avoids being seen to play an overtly hegemonic role. However, it is not overstating the point that without South African leadership in this domain a standby force would not reach its full potential.

South Africa’s own successful negotiated transition, constitution-building and government of national unity inform its commitment to conflict resolution on the continent. In seeking to encourage negotiation and compromise by all parties to a conflict, it reflects its belief in dialogue, but has also contrasted with the positions of other African states, who may believe in the power of the sword. For example, its engagement with Angola in the mid-1990s was based on encouraging the MPLA government to negotiate with UNITA. The MPLA’s approach was different. Its defeat of UNITA vindicated its belief that this war could be won. Paradoxically, South Africa’s focus of dialogue works better when the parties to the conflict believe they can gain more from talks than from continuing to fight. This is one of the reasons for South Africa’s failure in Côte d’Ivoire. While it does not nullify the approach, it does mean that South Africa needs to be able to exert pressure (and have the leverage to do so) when it matters most.

Since 1994, South Africa has taken the lead in four significant conflict resolution attempts on the continent in Burundi, the Democratic Republic of the Congo, Côte d’Ivoire and Sudan – and also in the Comoros. South Africa’s tireless

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\(^{17}\) Landsberg, op.cit.

efforts in Burundi and the DRC have resulted in successful elections that have produced – so far – fragile but nonetheless functioning governments. In both instances, South Africa took the lead in bringing the combatants to the negotiating table. Senior office bearers were deployed. In Burundi, President Mandela took over from former Tanzanian President Nyerere, and was in turn succeeded by South Africa’s deputy president at the time, Jacob Zuma. In DRC, first President Mandela and then President Mbeki became personally involved, but also brought in senior government ministers. One of Nkosazana Dlamini-Zuma’s first tasks as the new foreign minister in the Mbeki administration in 1999, was to go to the DRC.

In the run-up to the elections in the DRC, South Africa not only deployed troops as part of MONUC, but also deployed its own Independent Electoral Commission to help with the running of the elections. In Burundi in October 2001, South Africa took the bold step, egged on by Mandela, who had played a pivotal role in negotiating a transitional constitution (which came into force in November), to send SA troops to protect the returning politicians, as there was no ceasefire. This force was later merged into the AU’s African Mission in Burundi (AMIB).19

South Africa’s failure in Côte d’Ivoire was also partly because its attempts at mediation there were not fully cognisant of the regional dynamics and rivalries, especially given that it was a francophone state, where both the region and France continued to be key players. The one party to the conflict, the Forces Nouvelle, also did not view South Africa as an honest broker, believing that it was taking the incumbent’s position. Lamin argues that South Africa’s intentions were also regarded by West Africans as being driven by commercial interests. A peace agreement would have provided substantial opportunities for SA companies – given the withdrawal of France – to invest in Côte d'Ivoire. Lamin highlights three lessons to have emerged from South Africa’s experience there: firstly, that Mbeki should have appointed a personal envoy, which would have allowed for a more hands-on approach; secondly, that SA should have better coordinated its activities with other actors on the ground such as international institutions; and lastly, that SA should have consulted sub-regional players.20 These lessons are applicable elsewhere too. They raise a point often discussed that South Africa has stretched itself too thin and lacks the requisite back-up support, and that it does not always recognise the efforts of other countries who may have been engaged earlier in a conflict.21

In Southern Sudan where the Comprehensive Peace Agreement is holding, South Africa chairs the AU’s committee on post-conflict reconstruction and development and has been very active in training about 700 new civil servants in Southern Sudan’s government in public administration, via the University of South Africa.

21 Personal interview with former senior Kenyan diplomat, Nairobi, July 2006.
The most significant limiting factor in South African conflict responses is its own ambivalence. While the country has provided bold vision and vigorously supported the building of Africa’s new diplomatic and security architecture, there remains an element of hesitation born out of South Africa’s apartheid legacy. This may help explain why South Africa has been more proactive and persistent in building multilateral structures at the AU level and taking a lead in mediating conflicts further north while showing reluctance to exercise leverage within its own sub-region – with the most notable example being that of Zimbabwe, and in some ways the most complicated.22

The deployment of troops has increasingly grown as an element of South Africa’s foreign policy armoury, but it is seen as part of a broader conflict resolution approach – based on South Africa’s conviction that sustainable peace cannot be brought about through military means alone.

Under Mandela troop commitment for peace missions was not contemplated as the defence force was undergoing transformation from an apartheid force to one that integrated the various military formations of the liberation movement as well as the armies of the homelands. The white paper on peace missions in 1999 signalled a break with this as South Africa became more confident in the continent and felt that underlying fears in the region, born of the apartheid regime’s destabilisation campaigns, had been sufficiently laid to rest. The white paper is currently under review.

South Africa currently has about 3,000 troops deployed in peace missions in Africa either under an AU or a UN mandate. South Africa is the largest troop-contributor in SADC, the 4th largest in Africa and the 7th in the world.23 It has 1,192 soldiers and military observers in the DRC; 754 soldiers in the AU Missions in Burundi; 577 soldiers in Darfur; as well as military personnel in Uganda, Eritrea, Ethiopia and Nepal. In addition, the cabinet approved deployment of 85 personnel to the Central African Republic during 2007.24

South Africa has also sought to engage with the global security architecture, most notably the UN Security Council in order to optimise the synergies possible (given Africa’s resource constraints) in the area of conflict resolution on the continent. During its presidency of the Security Council in March 2007 South Africa tabled a proposal to examine more closely the links between UN and regional organisations. The issues raised included the scope of the Security Council for incorporating outcomes of bodies such as the AU Peace and Security Council in its decisions, and UN support to regional organisations such as the AU in the maintenance of international peace and security.

Development25

22 SAIIA, South Africa in Africa, forthcoming.
23 De Coning, op.cit., p.103.
25 The section on investment is drawn largely from the research undertaken by Neuma Grobbelaar since 2003 at SAIIA on South African Business in Africa.
South Africa’s well-developed economy and private sector inevitably play two roles: first, they make South Africa’s engagement with the rest of Africa in the commercial terrain extremely appealing and feasible; second, they can act as a useful motor for development and post-conflict reconstruction (although the government believes that the private sector could do more in this regard). It is the former which is viewed with suspicion.

There were various push-and-pull factors supporting the continental expansion of South African companies post-1994, such as exchange liberalisation favouring investments in Africa, the signing of numerous bilateral investment treaties (BITs) and double taxation treaties (DTTs); companies encountering greater competition in the South African market following the liberalisation of its market (in conjunction with privatisation and liberalisation in Africa), and lastly, technological advantages and familiarity with African conditions.

Clearly investment did not occur as part of an overall grand strategy dictated from Pretoria/Tshwane, but rather in response to opportunities identified by individual companies. This did not mean, however, that South African corporate penetration has not been perceived by other African states as part of South Africa Inc.’s strategy to dominate the continent. The assertive, business-like approach of South African corporates contrasts significantly with that of the SA government’s. The latter has tended to be more circumspect and discreet at the political level, and more sensitive to the underlying suspicions about the country’s ‘hegemonic’ ambitions.

In spite of impressions to the contrary, South African investment in Africa is but a tiny portion – less than 5% - of total South African foreign investment, amounting to R36.668 billion in 2004. The impression of dominance or a hegemonic influence is rather a consequence of the small economies of the majority of African states where such investments have been made.

Whereas South African continental investment is primarily private sector-led, the external business arms of several parastatals have tendered for and become involved in projects in a number of African countries. Eskom Enterprises, Transnet and South African Airways are examples.

Although there is truth to some of the anecdotes about the behaviour of South African companies, a much more nuanced picture emerges upon closer

27 The South African Reserve Bank eased capital controls on South African companies wishing to invest in the rest of Africa in November 2002 from $79 million to $216 million in recognition of business’ role in developing the continent. In 2003, it was raised to R2 billion per project for investment in Africa and R1 billion for investment outside of Africa. See www.reservebank.co.za. In 2006, the Minister of Finance announced the relaxation of the equity threshold for SA companies and parastatals from a majority interest (50% plus one share) to 25%.
28 However, like other multinationals, South African firms have four key drivers for cross-border expansion, including market-driven or market-seeking FDI, resource-seeking or factor-driven FDI, efficiency-seeking FDI and lastly strategic asset and capability-seeking FDI. Investment 2002: Challenges and Opportunities, BusinessMap Foundation, January 2003, p.12.
29 This aspect is not well-understood in the region where there are historically weak distinctions between the private and public domains because of the small size of the formal sector and the socialist past of many African states.
investigation of these claims. It is important to differentiate between the bigger South African multinationals and much smaller South African companies. South African MNCs adhere to strict corporate governance regulations and reporting because they are public companies. In fact, South African multinationals were identified as the leaders in corporate social responsibility in a 2005 study, conducted by the Organisation for Economic Co-operation and Development (OECD), looking at 127 listed companies from emerging markets. Indeed the results show that the South African companies showed a higher awareness and implementation of corporate responsibility activities than those from many OECD countries. However, small enterprises may often be able to ‘fly below the radar’ in Africa, a fact compounded by the lack of a strong regulatory environment and the requisite enforcement.

For South Africa, remaining sensitive to the concerns of some African states is important. However, the government recognises that South African investment can, and should, play a significant role in the continent’s development. South African firms are clearly contributing in a positive manner by increasing revenue generation for governments; improving economic growth and exports; transferring technology; ensuring the reindustrialisation of some economies through the acquisition and revitalisation of moribund state-owned enterprises; formalising the market, thereby ensuring greater price stability, discipline in pricing and improved consumer choice; creating employment; transferring business skills; introducing good corporate practice; and boosting investment confidence from other foreign investors who have tagged on to South African foreign direct investment.

Apart from investment it is also in trade where South Africa also overwhelms its neighbourhood. Africa represents only 8.8% of South Africa’s total trade. Nevertheless Africa is a key trading partner and the only region with which South Africa maintains a significant trade surplus. South Africa’s total trade with the continent has grown by roughly 659% since 1994. Exports to Africa have increased from $1.3bn in 1994 to $7.6bn in 2006. Unfortunately, the picture is rather one-sided. Africa has not been able to match South Africa’s aggressive trade expansion to its markets, although there has been an equivalent increase of imports from Africa during the same period — from a low base of $400m to $4.2bn. This substantial trade surplus over the last 15 years has played an important role in partly offsetting the effects on South Africa’s domestic economy of the enduring trade deficit with its largest trading partner, the European Union.

It is mainly Africa’s oil-producing states, Nigeria, Tunisia, Egypt, Gabon and Libya that have trade surpluses with South Africa. In the case of Mozambique,
for example, South Africa’s share of total trade is 95%. The Mozambican example is not unusual, and while it is important to note that a trade deficit with a particular country is not necessarily too great a concern, problems arise if one country has a deficit with every one of its major trading partners, as is often the case in Africa.33

Although a developing country, South Africa’s trade relations with other African states display typical north-south characteristics. This reflection of South Africa as assuming a ‘northern’ stance in its trading relationship with the region is clearly evident in the export of South African value-added goods to the continent, which have grown rapidly since the early 1990s. These consist primarily of manufactures but also include some agricultural goods and services.

The trade relationship and the investment profile of SA companies in Africa as described above fuels the criticism of the country as a regional behemoth and neo-imperialist. The tensions are also palpable in the multilateral arena. It is a fact that South Africa stands to gain more from a successful conclusion of the Doha Development Round than does sub-Saharan Africa. Given the structure of South Africa’s trade with the continent, it is in South Africa’s interests to persuade countries from sub-Saharan Africa to commit to multilateral trade liberalisation. This is probably easier said than done – both as a result of domestic developments in South Africa and also from a political perspective in SSA, given the suspicions that surround South Africa in these countries, especially in light of the trade imbalance, and the short-term costs that would have to be incurred, including the erosion of preferential access to (especially EU) developed country markets.34

Understanding the opposing interests between South Africa and the rest of Africa is perhaps best illustrated by looking at two key forums of which South Africa is a member – the G20 agriculture and the NAMA 11. In the case of the G20, African states, with the exception of South Africa, are in a Faustian bargain with the EU because Africa benefits from preferential access to the EU market under Cotonou (and in fact has better access than Brazil). For the Africa group its key concern is to fight against any preference erosion – hence the less agricultural tariffs and subsidies that favour them are liberalised, the better for the group. While South Africa is sensitive to this perspective, it nevertheless has a competitive agricultural sector, and believes that subsidies must be reduced and disciplined – although it has adopted a middle-of-the-road approach compared to the two extremes characterised by Brazil and India.

Regarding the NAMA negotiations, as most African countries are LDCs, they are not expected to liberalise substantially. They will only be expected to bind their tariff regimes. South Africa is in a different position from other African states (with the possible exception of Kenya). Given that much of South Africa’s value-added exports go to Africa, it would be in its interests that African countries

33 This has led to calls from the region that South Africa should do more to liberalise its market towards products from Africa. Madakufamba M, ‘Mkapa urges South Africa to engage in fair trade with SADC neighbours’, Regional Economic Development and Integration, 13 March 2003. See http://www.sardc.net/Editorial/Newsfeature/04210304.htm
34 SAIIA. SA in Africa, forthcoming
fully bind their tariff regimes (i.e. agree to legally enforceable ceiling levels for their entire tariff books). Any reduction of these tariffs would also be in South Africa’s interests. However, in recognition of the major liberalisation strides many Sub-Saharan African countries have made under IMF and/or World Bank tutelage, the dti is not pressing for greater market access from its African counterparts.

In terms of regional integration, South Africa’s unwillingness to date to liberalise further does have negative implications for the rest of the continent, and in fact reduces South Africa’s leverage in continental negotiations, and undermines economic integration in Southern Africa. The economics of regional integration among south-south partners depend on intra-industry trade. However, this trade is lacking in Africa because their exports are largely commodity-focused and thus dependent on external markets. Only South Africa has the necessary complementarities with other sub-Saharan countries (ie north-south configurations and inter-industry trade) and the capacity to build further regional integration.

Thus South Africa should be doing the following:35

- opening its domestic market to imports from the African continent;
- putting in place a generous preferential access scheme along the lines of the EU’s Everything But Arms initiative; and
- accompanying this initiative with a liberal rules of origin regime, that is simple to administer, together with substantial investment in South Africa’s customs services to ensure implementation and compliance and to minimise transhipment. This should also be linked to regional capacity building initiatives in partnership with multilateral institutions.36

A few days ago, the minister of finance, Trevor Manuel, urged dti to return to the aggressive trade liberalisation approach the country had adopted in the mid-1990s, given the expected failure of Doha, in order to boost growth and competitiveness. Such an approach would likely achieve both and create opportunities for other African states to enter SA – in the current domestic climate in SA though, the chances of this are remote.

However, some actions of the government belie the commitment to continental development. Recently, the telecommunications ministry’s unwillingness to support the East African Submarine System, a telecommunications cable around Africa’s east coast, has also highlighted the schizophrenia of SA’s Africa policy. The Ministry is drafting policy guidelines to forbid any cable system that is not majority-SA-owned from landing in the country – already 27% of the cable is owned by SA companies, and the initiative which has substantial private sector backing is seen as a uniquely African project – in fact one of the NEPAD infrastructure projects.

Becoming a development partner

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36 South Africa has offered asymmetrical access to its market through the SADC FTA, but this has been offset by strict rules of origin in particular sectors in South Africa.
There is a new element in the relationship of the government to the rest of the continent – that of development cooperation. Although South Africa already provides assistance to Africa, it lacks a coherent policy on such assistance and to date assistance has been rather ad hoc.

Aid is an important tool of foreign policy and in pursuing South Africa’s national interests! In off-the-record discussions with officials they will make no bones about this. However, the sensitivity of regarding this as a tool of neo-imperialism means that the emphasis is on the altruistic elements of cooperation. Conditionality has been eschewed, although it reared its head at the June ANC policy conference, to disappear as quickly... Therein lie the potential liabilities of becoming an aid donor. South Africa itself has assiduously made the point that conditionalities in Northern aid must be avoided. It is also of the belief that donors should not be driving the developmental agenda in Africa, which for varying reasons is often the case. However, as the government and the ruling party begin to engage in the discussion on an aid policy for South Africa, it may be difficult to avoid some of the pitfalls noted above, and including:

- Being seen as a ‘Northern’ donor by other African states
- Reinforcing a ‘big brother’ image especially if perceived to be linked to promoting South African business interests... or used as a stick to ‘encourage’ a particular behaviour.

Thus it is a sensitive area that the South African government has to pursue carefully. It does have a competitive advantage as a partner for other African states in both conflict resolution and developmental undertakings. However, it has to play a careful balancing act between pushing its African agenda more assertively on the continent, and retaining solidarity with its ‘brother’ states. This becomes important in multilateral forums where South Africa may require support from other African states, but also in continental institutions. The government is currently discussing the establishment of a South African International Development Agency (SAIDA).

South Africa is likewise aware that many African countries are still uncertain whether to trust it as a development partner, given the history of South Africa as a hegemon in Southern Africa, and the growing involvement of its private sector and parastatals in African economies. Indeed, many African states regard Nepad as a South Africa initiative aimed at maximising profits for South African companies in Africa.

The June 2007 ANC Policy Conference highlighted these issues by cautioning that the South African business community must operate respectfully and ethically when conducting business in Africa. It called for the drawing up of a Business Code of Conduct for South Africans doing business in Africa. The Conference also stated that South Africa’s desire to play a more positive role in Africa must not result in the country becoming arrogant, a bully or antagonistic to the continent. This extends to the proposed formation of SAIDA. The Policy Conference cautioned that its implementation should not generate negative perceptions about South Africa as a colonial power; rather it should encourage
other countries in the continent to follow suit.\textsuperscript{37} In a study conducted recently by SAIIA on South Africa’s development cooperation, it was found that development cooperation considerations are delinked from economic interests – an element which is missing in the case of other emerging ‘donors’ such as China and India.

Conditionality is not only political and value-based or commercial, but also has critical technical elements. Conditionality from this perspective is necessary because it forms part of any performance-related assessment of the success of a programme. There are elements within the South African government who would like to see such conditionality.

These developments pose some critical questions. Can we expect South African conditionality in its development cooperation programmes as these become more streamlined? To what extent do they play into the existing aid framework (Paris Declaration, for example)?

\textbf{Reforming and participating in global governance}

It is in South Africa’s prioritisation of global governance reform that it displays more than just regional power ambitions. For all its coyness, SA does have leadership aspirations. Its rhetoric is often imbued with almost messianic conviction that it is the only standing up to the superpower and the P-5. Even Foreign Minister Nzo reflected that SA should take on a leadership role. In 1999 he called for a debate on whether the government should seek a permanent seat in a reformed Security Council as a representative of Africa. The director general of foreign affairs at the time, Jackie Selebi, said: ‘Since South Africa’s main foreign policy concern is to be part of shaping the global agenda, we would want to become a permanent member of the Security Council’.\textsuperscript{38}

Its South-South agenda, but also its North-South outreach, should not be divorced from its aspiration to reform global institutions.

The country is committed to multilateralism, and the US’s undermining of the global institutions by applying a different set of rules to itself irks, and often explains South Africa’s reaction and initiatives in the Security Council and in the IAEA. Indeed, it regards the UN as the pre-eminent global institution, but President Mbeki noted in September 2007 at the UN General Assembly:

\begin{quote}
Although the concepts of freedom, justice and equality are universal and fully embraced by the United Nations, this global organisation has not itself transformed and designed the necessary institutions of governance consistent with the noble ideals that drive modern democratic societies. Because the nations of the world are defined by the dominant and the dominated, the dominant have also become the decision makers in the important global forums, including at this seat of global governance.
\end{quote}

\textsuperscript{37} ANC Policy Conference Resolutions: 2007
\textsuperscript{38} Cited in Barber, p. 155.
Accordingly, the skewed distribution of power in the world, political, economic, military, technological and social, replicates itself in multilateral institutions, much to the disadvantage of the majority of the poor people of the world.

Advocacy of a rules-based multilateral system by SA reflects similar values to those of the EU, although it may not always take the same positions. After all, Europe is very much part of the ‘old boys’ club’ and SA is trying to change that.

In fighting global economic apartheid, South Africa has recognised the imperative to engage positively with the North and especially the G-8 on the need to reform institutions on global governance (such as the UN system, the WTO and the Bretton Woods institutions) that have been skewed in favour of the rich. South Africa’s approach has not been to seek their abolition, but rather to ‘make the rules of global governance more fair and transparent’.39 Identifying common goals and potential alliances between the North and the South has been an important part of that strategy. Reforming the Bretton Woods institutions will be on the agenda of the G20 Finance meeting which SA chairs this year in November.

Economic apartheid also relates to the protectionist commercial practices of Northern countries, which have disadvantaged poor developing economies. Underpinning South Africa’s approach is the desire to eliminate a two-tier international system, where certain states are expected to play by the rules (others have made), while others may ignore them.

In all of these issues, South Africa’s South-South objectives aim at creating forums for exchange of views among Southern leaders. It also aims at boosting trade and investment with these countries to begin to change the traditional patterns of commercial ties. Its key partners in this are India and Brazil through the IBSA Forum. However, it has also developed strong links with China. The debate about the potential role of China has been covered often, and it is not the function of this paper to do so again. Clearly though, there is the potential for a conflict of interest between South Africa’s foreign policy objectives and China’s interests in Africa, and possibly India’s.

As the global power dynamics begin to shift over the next two decades to factor in the new emergent economies of China, India and Brazil, coalitions with these states of the South around areas of common interest are necessary in shaping inputs into the new global agenda of governance. These coalitions, for the most part informal, are key agents for pressurising for reforms of the global governance system in a way that can make it more legitimate in the eyes of developing states. Both these coalitions and the development of networks with Northern partners are ultimately driven at least partially by self-interest. This does not preclude them, however, from becoming stages in improved international systems and regimes.

Key challenges in the future

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39 Gumede, p. 200.
Both Southern Africa and the rest of the continent require leading states with the capacity and the willingness to take on the burden of ensuring stability and sustainable prosperity. South Africa has an ambitious African agenda. Responsible leadership can be a lonely endeavour. Within the continent, South Africa has no real allies of substantial weight, who also share common values. The other major powers on the continent face serious stability challenges and lack the kind of infrastructure that is so vital for development. Ghana and Mozambique are important partners and share similar perspectives, but they do not carry the weight of Nigeria and Angola. Thus some of the key challenges that South Africa faces emanate from how it manages its relationship with other African states, and how it manages its relationship with the North and other emerging powers.

Grudging acceptance within Africa of SA leadership means that SA sometimes feels that it has to overcompensate to show its African-ness and that it is not a puppet of the West. Thus been seen to chart an independent policy is also critical, as far as its interactions with the West are concerned.

How SA engages with other countries such as Nigeria, Angola, Kenya will impact on the success of its African agenda. It is important for South Africa to explore further the scope for cooperation with other important players on the continent. What are the points of convergence and divergence between it and Nigeria or Angola?

Tension between some of irreconcilable elements of SA foreign policy, such as seeking deeper cooperation with emerging powers (such as India and Brazil), sometimes at the expense of Africa and the way in which Africa perceives this engagement – will have to be managed very carefully. Linked to the developing world, adopting a strong G77 stance to burnish its ‘Southern’ credentials has been a characteristic from time to time, but this may conflict with the need to work out a modus operandi with the North to advance reform of the global governance agenda.

The last question, which is on everybody’s minds in SA at the moment, is the issues of the ANC succession and how that may affect our foreign policy. Which elements are entrenched and which are simply being pursued by the president without wide institutional involvement and support?

**Strategic partnerships with regional powers**

Many European academics often emphasise that in the new world order Europe’s power will be comparatively diminished. A rules-based international system, where multilateral institutions are strong should be an indispensable feature of the landscape. This means that the EU needs to work together with new global and regional powers in developing common agendas. Thus strategic partnerships must be understood at the geopolitical level.

At the recent EU-SA troika meeting in October 2007, Minister Amado made the following points about the relationship at the press briefing:
I believe we need to upgrade this relationship in the future. *South Africa has an important role and is playing an important role in a new and quite dynamic international system, multipolar with more demanding multilateral approach* and having the European Union Strategic High Level Partnership today with the United States, Russia, China, Brazil, India, I believe that in Africa we need to have a special interlocutor around South Africa certainly considering the values, principles, the way we identify our co-operation. (emphasis added)

Some months earlier at SAIIA Stefano Manservisi, in explaining the need for a strategic partnership, noted that the EC believed that the TDCA was not sufficient for the kind of strategic engagement that was important for the relationship. The EU regarded South Africa as one of the new powers: ‘The EU welcomes this and the fact that Southern nations are taking responsibility’ for these issues. He also said that ‘South Africa is a formidable asset for Africa’.

The EU and SA have common shared interest. They favour a rules-based multilateral world, respect for rule of law, for a peaceful world and a model of development that benefits all.40

However, South Africa has been wary of not fuelling suspicions of other African colleagues on the underlying reasons for this special relationship. Thus from the start of the discussions, SA has emphasised transparency with its regional colleagues and sought to emphasise that the partnership should reflect the priorities in the EU-Africa Startegy document. For example, the Deputy Minister of Foreign Affairs briefed SADC ambassadors on the contents of the document. On a SADC level there is a sense among many of the states of the fact that SA has been transparent about the process, and this has been appreciated.

The new programme elevates the relationship. Firstly, for the first time, it is a seven year programme with the full span of the European Community’s financial perspective for the years 2007-2013. Louis Michel noted in October that this demonstrated the European Community’s commitment to South Africa ‘at a time when several donors are questioning the need to continue co-operation with middle income countries such as yours’. Secondly, it is a joint programme, which also includes 11 EU member states in the drafting of country strategy.41 The total amount set aside for the period is €980 million. Furthermore, this programme is complemented by an additional €900 million in loans that will be provided, over the same period, by the European Investment Bank.

The troika discussions held in October ranged from Kosovo to energy security and renewables, science and technology cooperation,42 and the reform of the

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40 Stefano Manservisi, Director General of Development, EC, address to the South African Institute of International Affairs, Johannesburg, 27 March 2007.
41 The EC and the 27 member states, contribute nearly 27% of its ODA to South Africa.
42 South Africa contributes to the EU Science and Technology Framework via the CSIR, including rolling out the Science and Technology Europe Africa Programme (ST-EAP) across Africa to promote involvement of African research organisations in European research consortia - the CSIR is the lead
Bretton Woods institutions. There are many issues on which the two sides see eye to eye. But, there is also a sense that a strategic partnership is such that that the two sides should also be able to talk about the sensitive issues.

**Trilateral aid partnerships with Europe**

As South Africa expands its role in development cooperation trilateral partnerships are elements of this cooperation with the EU. These essentially comprise partnerships between South Africa and another donor, with a third country being the recipient of either funding or technical assistance by South Africa and the third party donor.

Trilateral co-operation has grown, with partnerships by 2007 including those with the Netherlands, Switzerland, Sweden, Norway and Belgium. With South Africa’s development partners slowly reducing their commitments to South Africa as the country makes progress with reducing poverty and balancing its budget, there is a growing shift to exploring trilateral partnerships.

Partnerships with other established development partners allow South Africa to defuse some of these concerns about its role as a development partner. This relationship can be useful for both South Africa and other development partners because many of these non-African development partners have an interest in working with an African partner on the continent, and South Africa benefits from the expertise these partners have gained in providing development assistance to Africa over many years.

**Conclusion**

Thabo Mbeki saw South African foreign policy as built on two legs, one each in the developing and developed world. If a new international order is going to be fairer it will need partnerships and countries-leaders that can act as bridges between the North and the South. Coalitions of common interests among developing and developed states will be important aspects of such partnerships.

Already we are seeing leaders like President ‘Lula’ da Silva of Brazil expounding about a new trade geography that focuses on South-South trade. IBSA is based on the same premise. Across the North-South divide, the G-4 of Germany, Brazil, India and Japan on UN Security Council reform was equally an attempt at mobilising informally around common issues.

Such informal networks and the more ambitious multilateral visions, also require a dose of pragmatism: Leaders of the South such as South Africa, India, China and Brazil, have their own particular interests. These are not always fully

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implementing agency on the South African side, and one of only two African consortium partners, the other being the African Academy of Sciences.

congruent with those of the other states they purport to (or are assumed to) represent; neither are they mutually exclusive.

Increasingly, developing states will have to consider how they will build bridges with the North to work together to eliminate some of the world’s greatest threats.

In examining South Africa’s regional power status the following can be said:

- SA is keen to shoulder the responsibilities that go with being a power in its region.
- It is also committed to partnering with key emerging powers such as India, Brazil and China in boosting interdependence among these partners.
- It also does not want to upset the apple cart in Africa. It wants to be admired and welcomed as part of the group.
- It is proud of the fact that it has science and technology capacity, a developed private sector, and a global rather than a parochial agenda.

But it can’t be all things to all people. Responsible actors recognise that. Nor does it have the resources to manage all of these effectively. Partnership and collaboration is good, but so is flexing of the muscle when necessary, especially in the area in which South Africa is recognised as occupying the moral high ground – democracy and human rights.

South Africa’s foreign policy has many self-interested elements. The economic aspects have often been highlighted by senior officials. Deputy Minister Pahad noted in 1995 that ‘whether we like it or not, foreign policy is driven by economics’. In 1998 the foreign policy review emphasised ‘wealth creation and security as promoting South Africa’s national interests. And that advancing human rights would be pursued through multilateral or regional organisations. Selebi was even more blunt: ‘We will only be able to articulate respect for human rights if we separate human rights from questions of trade’.

Nevertheless, national interest may often be furthered through the greater good. However, South Africa – as the new kid on the block, who is also cognisant of the criticism it does get about its size – is still trying to master this balancing act.

However, in the context of it being seen to be a responsible stakeholder, SA will have to tread a cautious path between an overtly ‘ideologically Southern’ agenda (i.e., G77, NAM) and an engaged, constructive regional power, which hopes to be afforded a seat at the main table.

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45 See Geldenhuys D, in In Full Flight.
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