

Understanding South African Regional Trade Policy - Systemic Forces and Domestic Interests as Mutually Reinforcing Variables

By

Ivan Lukas

Submitted to
Central European University
Department of International Relations and European Studies

In partial fulfillment of the requirements for the degree of Master of Arts

Supervisor: Professor Julius Horvath

Word Count: 16 072

Budapest, Hungary
2008

Abstract

The paper addresses the question of why the Republic of South Africa has, since 1996, opted for and perpetuated until now, a neo-liberal foreign trade policy and promoted a neo-liberal form of regional integration in southern Africa, given the previously stated commitments to a more developmental, redistributive approach. A further puzzle arises if one realizes that this policy has, at first sight, no clear-cut positive implications for the utility of the dominant domestic political actors, both in terms of voters' utility increase and good regional inter-state relations. Methodologically, the paper presents a disciplined configurative case study approach, whereby two theories are employed in order to analyse the case under consideration and partly draws on personal interviews conducted in Pretoria and Johannesburg in April/May 2008. In order to solve the above outlined puzzles, first, the analysis of the rather contradictory nature of South African regional trade foreign policy is introduced. Second, a theoretical framework is developed, which incorporates both the interests of dominant domestic actors such as big businesses, corresponding with a utilitarian-liberal foreign policy approach, and neo-liberal norms emanating from the global North, aligned with dependency theories, to which South Africa is receptive due to her dependent position. These two independent variables are subsequently highlighted as the primary source of South African regional trade policy.

Acknowledgment

I want to express my gratitude to my supervisor Julius Horvath who encouraged me to embark upon my rewarding research field trip to South Africa, partly financed by the Department, and who helped me also with its organization. I also want to thank my academic writing consultant, Robin Bellers, who has carefully edited my thesis and whose suggestions substantially contributed to the final version. Finally, the gratitude goes also to Michael Merlingen, whose Foreign Policy Analysis course was a highly motivating experience and inspired me to develop the theoretical framework employed in this paper.

Table of Content

Abstract.....	i
Acknowledgment.....	ii
Table of Content	iii
INTRODUCTION	1
CHAPTER 1: SOUTH AFRICAN REGIONAL TRADE POLICY - DEPENDENT VARIABLE.....	8
1.1 Southern Africa.....	9
1.2 Southern African Development Community	9
1.3 The importance of southern Africa in South African foreign policy.....	11
1.4 South Africa's regional economic foreign policy towards SADC - from redistribution to open regionalism.....	12
1.4.1 Neo-liberalism, mercantilism, protectionism - the elusive nature of South African regional trade policy	12
1.4.2 Promotion of neo-liberal regional integration.....	13
1.4.3 Mercantilism and protectionism in South African regional trade policy.....	15
1.4.4 ... and the reactions from the countries in the region.....	16
CHAPTER 2: PRESSURES OF THE DOMINANT DOMESTIC GROUPS AND FOREIGN POLICY UNDER DEPENDENCE - TWO THEORETICAL PERSPECTIVES	20
2.1 Utilitarian-liberal foreign policy theory (ULFPT).....	21
2.1.1 Theoretical framework.....	21
2.1.2 Utilitarian-liberal foreign policy approach and the case of South Africa.....	23
2.1.2.1 <i>South Africa's political economy</i>	23
2.1.2.2 <i>Political and political-administrative actors</i>	24
2.1.2.3 <i>Private actors</i>	28
2.2 Foreign policy under dependence	37
2.2.1 Theoretical framework.....	38
2.2.2 South Africa's foreign policy under dependence	39
SYNTHESIS	44
BIBLIOGRAPHY	47

INTRODUCTION

The question I address in my MA thesis is why the Republic of South Africa has, since 1996, opted for and perpetuated until now, the neo-liberal foreign trade policy and promoted a neo-liberal form of regional integration in southern Africa, given the previously stated commitments to a more developmental, redistributive approach. A further puzzle arises if one realizes that this policy has, at first sight, no clear-cut positive implications for the utility of the dominant domestic political actors both in terms of voters' utility increase and in terms of regional inter-state relations, since South African neo-liberal policies inspire resentments on the part of countries in the region, which accuse the Republic of neo-apartheid, mercantilist practices. The case of South Africa is interesting since it represents a country which is, on the one hand, positioned within the so-called global South and as such in a dependent, especially in economic terms, position with respect to the global north. On the other hand, however, it is an undisputed hegemon within its own regional backyard, southern Africa, where it wields extensive economic influence. For this reason, the South African government plays a three level game - domestic, regional and global, showing all signs of an emerging, as opposed to traditional, middle power, positioned in the semi-periphery of the global system.

My main argument is that, in order to solve the above outlined puzzles, we need to first understand a rather contradictory and amorphous nature of South African regional trade foreign policy, which has been escaping attempts at clear cut conceptualization. Second, we need to develop a framework which incorporates both the interests of dominant domestic actors, especially big businesses and neo-liberal norms emanating from the global North, to which South Africa is receptive due to her dependent position. These two independent variables, domestic interests and external pressures at the same time correspond with two different theoretical frameworks, which, as I will demonstrate, are in fact complimentary and

both are indispensable for our understanding of South African regional foreign economic policy. The utilitarian-liberal approach, which draws attention to domestic interests, corrects the systemic level of analysis used by dependency theories, by putting more emphasis on the fact that the state/governmental structures, which assume the role of intervening variable, are only one of the actors within the State as such who struggle for their interests and shows the uncertain nature of their preferences. Systemic level of analysis is, on the other hand, indispensable for the utilitarian-liberal approach since it is from this level of analysis that we can correctly assess the interests and preferences of the domestic political actors. Both approaches combined then reveal that the key political actors, namely the ruling African National Congress (ANC) party, the Presidency, and the Department of Trade and Industry (DTI), are under double, external and internal, influence, which in the end pushes them to adopt a foreign policy which does not clearly benefit their interests, both in terms of the prospect for the re-election and good regional inter-state relations.

Methodologically, the paper presents a disciplined configurative case study approach, whereby two theories are employed in order to analyse the case under consideration. The research covers the period since the transition in 1994, when the African National Congress officially came to power, until the end of 2007 and draws on personal interviews conducted in Pretoria and Johannesburg in April/May 2008. The interviewees were selected from various governmental and non-governmental, especially business, organizations, which have their stakes in South African foreign trade policy and, at the same time, are able to assert their foreign policy preferences. Experts on the topic from academic institutions were also invaluable source of information and insights.¹

¹ For the list of people interviewed, see the annex.

In the literature one finds two, seemingly opposing explanations of South Africa's regional economic foreign policy. One claims that the neo-liberal thrust of South Africa's foreign policy is the result of the norms originating in the global north to which South Africa is receptive due to her dependent position within the global framework. This explanation fits well with systemic dependency theories. The authors, Hoogvelt² and Mittelman³, related to this strand of thinking, argue, at a more general level of analysis, that the current form of integration in the developing world, characterized by so-called open or neo-liberal regionalism, which disregards the developmental needs of the countries concerned, is the result of the neo-liberal discourse stemming from the global north. With respect to foreign policy of the particular countries in the South, this, according to dependency theorists, is responsive to these systemic influences or direct pressures rather than to the foreign policy preferences of the countries concerned.⁴ Their argument is that foreign policies of the countries in the South are shaped by the norms, interests and preferences of the developed countries from the global north. This idea has been only in passing applied to the case of South Africa's regional foreign policy. Prys, for instance, uses regional embeddedness concept to refer to South African regional trade policy, which according to her follows "northern" neo-liberal prescriptions rather than interests of the region. "Unmistakably" according to her, "South Africa is faced with competing priorities and the ... conflict between global and regional ambitions is in fact present."⁵ Awhireng-Obeng and McGowan also agree that South African foreign policy process has resulted in "an approach that is arguably less attuned to the

²Ankie Hoogvelt, *Globalization and the Postcolonial World* (Baltimore, Maryland: The Johns Hopkins University Press, 2001).

³James H. Mittelman, *The globalization Syndrome: transformation and resistance* (Princeton: Princeton University Press, 2000).

⁴ See e.g. Jeanne A. Hey, "Foreign Policy Options under Dependence: A Theoretical evaluation with evidence from Ecuador," *Journal of Latin American Studies* 25 (1993).

⁵ Myriam Prys, Regions, power and hegemony: South Africa's role in Southern Africa Paper presented at the Sixth Pan-European International Relations Conference Turin, 12-15 September 2007, page 21.

domestic environment than previously."⁶ Furthermore, they add that South Africa's foreign policy objectives are "better suited to more influential and larger players on the world stage"⁷ without, however, further disaggregating forces which impact upon the formulation of the Republic's foreign policy. Du Plessis sees external influences and pressures as a primary source of South African Foreign policy, domestic sources being only secondary a variable.⁸ This approach undoubtedly highlights important sources of the South African foreign policy. However, it is unable to provide us with the comprehensive understanding of our subject matter.

The second explanation posits that South Africa's regional economic foreign policy is the result of her domestic economic problems and interests of dominant domestic actors, mainly big, capital intensive, export oriented businesses. This position corresponds rather well with the utilitarian-liberal foreign policy approach, which holds that foreign policy is the outcome of the influence of the powerful domestic actors who push for such a foreign policy which would maximize their utility.⁹ This framework, as much as the previously mentioned dependency approaches, has never been consistently applied to the regional foreign policy of the Republic of South Africa and there are only sporadic and patchy references in this respect. For instance Shoeman 2003¹⁰ mentions, without further specifications, that South African foreign regional policy is closely tied to its domestic problems. Writing in 1999, van Nieuwkerk observed that "the influence of non-state actors [such as] business and labour...remains unclear"¹¹, whilst Christopher Landberg expresses the idea that "South African policy over the past years reinforces the theory that domestic and Foreign policy are

⁶ F. Awhireng-Obeng and P. McGowan, "Partner or hegemon? South Africa in Africa", *Journal of Contemporary African Studies*, 16 (1), 1998, page 1.

⁷ Ibid, page 2.

⁸ Interview with professor du Plessis.

⁹ Corrina Freund and Volker Rittberger, 2001: "Utilitarian-liberal foreign policy theory", in Volker Rittberger, ed., *German Foreign Policy Since Unification* (Manchester: MUP).

¹⁰ Maxi Schoeman, *From SADCC to SADC and Beyond: the politics of economic integration*. <http://www.eh.net/XIIICongress/Papers/Schoeman.pdf>. 2003. downloaded: 18.12.2005. page 25.

¹¹ Anthoni Van Nieuwkerk, "Implications for South African Foreign Policy beyond Lesotho crisis," *ACCORD*, occasional paper, No 3, 1999, page 2.

closely entwined."¹² Paul Williams points out that "the cleavages of domestic politics ... colour the foreign policy agenda and to a considerable extent dictate the constraints upon, and opportunities open to the government."¹³ Jackie Selebi, former Director General of the Department of Foreign Affairs holds that South African "foreign policy is nothing other than the pursuit of domestic policies and priorities internationally."¹⁴ Hentz'¹⁵ analysis is more detailed. According to him, 1995 monetary liberalization in South Africa had boosted the influence of South African parastatals, which led to diversion from the developmental approach towards southern Africa and a shift towards neo-liberal, ad hoc approach. He further elaborates on which actors within South Africa prefer developmental or neo-liberal form of regional integration, stating that big businesses strongly oppose any kind of deeper, let alone developmental projects, while this kind of integration seems to be beneficial for Trade Unions and to a certain extent also for labour intensive, light manufacturing industries. Hentz deserves credit for paying attention to South Africa's domestic landscape. However, his analysis is short of theoretical and methodological underpinnings, relies only on only limited empirical evidence and consequently fails to provide full account of the domestic influences on the formulation of South Africa's regional foreign policy.

What writings from both of these theoretical approaches have in common is not only that they have so far only very poorly applied their respective frameworks to the case study of South Africa but also their mutual neglect. Authors affiliated with dependency theories draw attention only to systemic factors, disregarding the interests of the domestic actors, whilst the authors who approach the problem from the state unit of analysis usually do not take a full account of the systemic level.

¹² Christopher Landberg, "Mbeki's external initiative on Africa and the global South," *Africa insight*, www.ai.or.za, African Institute of South Africa, Pretoria, SA, Oct 2000, 75.

¹³ Paul Williams, "South African foreign policy: getting critical?" *Politikon*, (2000), 27(1), 76.

¹⁴ Quoted in: *ibid*.

¹⁵ James Hentz J. *South Africa and the logic of regional cooperation*. Bloomington and Indianapolis: Indiana University Press, 2005.

To the best of my knowledge, only two attempts at synthesising these two approaches have been made so far. First one is Paul-Henri Bischoff's *External and domestic sources of foreign policy: South African foreign policy ambiguity: South African foreign policy and the projection of pluralist middle power* and second one Paul Williams' *South African foreign policy: getting critical?* The former one concludes that South Africa has the "ambiguous foreign policy", which allegedly stems from the South Africa's "tendency towards unilateralism (sic!) at the international level", regional efforts to "neutralize South Africa as a pluralist force" and "the absence of national or domestic consensus on foreign policy."¹⁶ The latter correctly notes that the "African National Congress' primary political dilemma involves balancing their commitments to domestic transformation with pressures of an increasingly globalised economy..." Consequently, the government has adopted an "eclectic synthesis of neo-realist and neo-liberal principles [in pursuance of] two primary objectives: wealth creation and security."¹⁷ Although these two pieces seem to be closest to the core of the problem, they are not void of shortcomings. First of all, they pay only very scant attention to the issue area of *trade* foreign policy. Second of all, the way they synthesise the two approaches remains rather at the level of hypothesising, without proper empirical support. Finally, the operationalization of the concepts used in these papers is only schematic and insufficiently diversified. As a result, they are unable to provide us with the answers to the questions raised in my thesis.

In order to demonstrate my argument I first introduce my dependent variable, South African regional economic foreign policy, since it is a rather complex issue area. Here I will show that the alleged liberal thrust of South African foreign policy has its limits when it comes to the protection of South African manufacturing industries and agriculture. As a

¹⁶ Paul-Henri Bischoff, "External and domestic sources of foreign policy: South African foreign policy ambiguity: South African foreign policy and the projection of pluralist middle power," *Politikon*, November 2003, 30 (2), pages 183-201, page 183.

¹⁷ Paul Williams, "South African foreign policy: getting critical?" *Politikon*, (2000), 27(1), 73.

result, South Africa exhibits contradictory features, promoting liberalization throughout the region, whilst keeping mostly non-tariff barriers at home. This, in turn, along with dramatic expansion of South African investment inspires resentment on the part of the countries in the region that fear South African domination and "neo-apartheid" practices. This chapter is also important in that, by revealing the contradictory nature of South African policy, it will later on enable us to understand why the ruling African National Congress pursues regional trade policy which at first sight contravenes the interests of its main constituencies represented by the Congress of South African Trade Unions (COSATU). Once the ambiguous nature of South African trade policy is illuminated, I will introduce two theoretical perspectives from which I will derive propositions with respect to the question why the government has embarked upon its promotion. I will argue, that whilst the protectionist element is the result of the pressure of Trade Unions, the regional neo-liberal drive is the outcome of both the concerns of the government for the preferences of powerful South African capital intensive businesses on the one hand and norms, but also pressures from the European Union in particular and global markets on the other. Finally, I will synthesize these two approaches by highlighting state foreign policy structures, in line with Moravcsik's¹⁸ argument, as the intervening variable where both independent variables, systemic and domestic, intersect to produce the dependent variable, South Africa's, at first sight paradoxical, neo-liberal - mercantilist regional trade policy.

¹⁸ Andrew Moravcsik, "Taking Preferences Seriously: A positive liberal theory of international politics," *International Organization* 15(4) (1997).

CHAPTER 1: SOUTH AFRICAN REGIONAL TRADE POLICY - DEPENDENT VARIABLE

The dependent variable is South African¹⁹ stated policies and actual activities with respect to the Southern African Development Community (SADC) of which South Africa is a member. Before I indicate their actual content, let me briefly touch upon the political-economic characteristics of the region, history of the SADC and the position of the South Africa within it. This is important since it also enables us to identify South Africa within the global stage as so called emerging middle power²⁰ which in its turn is a necessary analytical device if we want to understand three levels of the game the South African government plays with respect to her foreign trade policies.

¹⁹ South Africa (SA) means the Republic of South Africa (RSA), whilst southern Africa refers to the entire region which consists of Zimbabwe, Angola, Mauritius, DR Congo, Botswana, Mozambique, Zambia, Namibia, Swaziland, Lesotho, Seychelles, Malawi

²⁰ This concept, elaborated by Eduard Jordaan, draws attention to the distinction between traditional and emerging middle powers. Whilst traditional middle powers are "wealthy, stable, egalitarian, social democratic and not regionally influential", emerging middle powers, by contrast, are semi-peripheral, materially unequalitarian and recently democratized states that demonstrate much regional influence (Eduard Jordaan, "The concept of a middle power in international relations: distinguishing between emerging and traditional middle powers," *Politikon*, November 2003, 30(2), 165). Among traditional middle powers belong countries such as Australia, Canada, Norway and Sweden whilst e.g. Argentina, Malaysia and South Africa fall within the latter group. Importantly, middle powers are recognizable by their foreign policy behaviour and an attempt to identify them must focus on the following characteristics: consideration of state capacity, which must be low, position in the world order (semi-peripheral), the normative composition of the middle-power state-societal complex (high inequalities), domestic class interests (elites are well integrated into the world economy, with the existence of huge pockets of 'internal South'), and the role and influence of foreign policy makers (ibid, 166). Middle powers do not challenge or threaten the global status quo, they are rather seen as stabilizers and legitimisers of the world order (ibid, 167) and benefit relatively from the institutionalization of the current neo-liberal hegemony (ibid, 169). Importantly, these states are often regionally dominant and as such, benefit from the rules of the hegemonic order *vis-à-vis* weaker states in the region, even though they are in turn in a weaker position *vis-à-vis* states in the core (ibid, 170). Dictated by their semi-peripheral status in the global economy, emerging middle powers favour greater reform to global economic rules and structures. However, they prefer reform rather than fundamental change, "given that semi-peripheral economies still hold a competitive advantage over peripheral states, especially those in their immediate geographical vicinity (ibid, 176). On a regional level, emerging middle powers seek to exploit their dominance on the one hand, but on the other hand they attempt to "smooth over the destabilizing effects of their regional dominance (ibid, 177)." South Africa fulfills, as I will show in my paper, all these characteristics.

1.1 Southern Africa

The single most specific feature of the region, which characterizes it and pre-defines its problems is the presence of the gigantic South Africa surrounded by her economically dwarf-like twelve neighbors. The Republic of South Africa (RSA) accounts for 80% of the combined Gross National Product in the region and the population of the RSA makes up 30% of the southern African population. It is probably not surprising that this ratio to a large degree pre-determines the nature of economic relations, the structure of intra-regional trade, with overlaps into political and security area. The mutual trade of member countries (the RSA excluded) is at a low level. The reasons for this are low complementarities of goods and services amongst the countries, non-compatible export and import needs, low diversification of economies and reliance on the export of primary products, i.e. agricultural produce or mineral resources. At the same, the trade patterns are characterized by the exports of manufacturing and capital intensive products from the Republic of South Africa to the rest of the region and the imports of mostly raw materials from the region to the Republic. South Africa is at the same time the largest investor in the region and has a trade surplus with all countries in the region. Her FDI in SADC countries was R14.8 billion in 2001, followed by Great Britain with R3.98 billion.²¹

1.2 Southern African Development Community

The Southern African Development community is the continuation of a previous regional cooperation arrangement known as South African Development and Coordination Conference-SADCC, established in 1979. This had as its aim mainly the coordination in the fields of politics, security and economics, with a view to greater independence from and the fight against apartheid South Africa. Overall, the community was a very loose

²¹ For statistics in this section see e.g.: Chris Alden and Mills Soko, "SA's economic relations with Africa: hegemony and its discontents," *Journal of Modern African Studies*, vol. 43, n. 3 (2005).

intergovernmental organization and its impact on the development in the region was limited.²²

The end of the cold war and the gradual demise of the apartheid regime represented the background against which the transformation from SADCC to the new SADC took place. The eventual fall of the apartheid regime in the RSA in 1994 brought about the radical re-formulation of the original rationale behind the community. It meant, on the one hand, the inclusion of the former arch-enemy into the community, who was the primary reason for its existence. On the other hand, there was a need to come to terms with the integration of the relatively gigantic economy of South Africa.²³

At the time of the establishment of the SADC, South Africa faced dilemma: it could join either Common market of Eastern and Southern Africa, COMESA or SADC. In the end, it opted for SADC, since COMESA was too a big market, which would be much more difficult to coordinate and, importantly, dominate.²⁴

The SADC, in its founding treaty, signed in Windhoek in 1992, envisaged the gradual formalization/institutionalization of the community, deepening of economic cooperation, the promotion of cross-border investments and stressed the need to mobilize the community's own resources, potential and capacities of the region as a response to new international trends. The developmental approach focused on re-distribution and equity is also expressed in the document but also in the name of the community itself.²⁵ The 1996 SADC Trade agreement called for the introduction of a Free Trade Area and a Regional indicative strategic development plan (RISD) adopted in 2003, envisages the creation of a Free Trade Area by

²²See e.g.: Petr Jelinek, *Kontinentální a regionální integrace v postkoloniální Africe*: Diplomová práce (Praha: Filosofická fakulta Univerzity Karlovy, Ústav světových dějin, 2002).

²³ See e.g. Ivan Lukas, "Regionalna integracia v sub-saharskej Afrike," *Mezinarodni vztahy*, vol. 46, no.1 (2006).

²⁴Interview with Peter Draper.

²⁵Maxi Schoeman, *From SADCC to SADC and Beyond: the politics of economic integration*, <http://www.eh.net/XIIICongress/Papers/Schoeman.pdf>, 2003, 7. downloaded: December 18, 2005.

2008, establishment of a Customs Union by 2010, creation of a regional common market by 2015 and the forming a Monetary Union by 2016.²⁶

1.3 The importance of southern Africa in South African foreign policy

One of the principles formulated between 1993 and 1994 was the "belief that South African economic development depends on growing regional...economic cooperation."²⁷ According to Ahwireng-Obeng, there are many positive reasons for engaging with Southern Africa. Apart from trade related issues, for all South Africans, the region is important as a present or potential source of hydroelectricity, water, some labour and as an affordable eco-tourism destination. Moreover, the region will become an increasingly important food supplier for South Africa in the next century.²⁸ Also in terms of trade expansion, for instance, on which I will elaborate in more detail later, the South African budget for the financial year 1997/98, for instance, included a new provision that will make foreign exchange more available to South African firms investing in other SADC countries than to those investing elsewhere.²⁹ In basically all reports, statements and declarations from the Presidency, Department of Foreign Affairs and the Department of Trade and Industry, since the transition period until now, southern African region is given prominence in South Africa's foreign policy.³⁰

²⁶ <http://www.sarpn.org.za/documents/d0000294/index.php> A word of caution is due here. The creation of Free Trade Area, FTA in southern African region is a rather confusing issue, causing many miss-understandings. The creation of SADC FTA has been scheduled to progress in three phases. The FTA was concluded at the end of 1999, implemented in 2000, which is when the FTA entered its second phase. As part of this second phase, in 2008, the goods that were in longer phase down category are now being brought into the framework which means "re-launching" of the FTA. The final implementation is scheduled for 2012. Furthermore, we also need to bear in mind that, despite these developments, trade integration is still relatively new agenda and SADC project is much more than just the creation of trade integration mechanisms. There are altogether 26 SADC protocols of which only one is trade-related. The whole process is much more politically driven, with focus on political and security agenda (interview with Peter Draper and Maxi Schoeman).

²⁷ Anthoni Van Nieuwkerk, "Implications for South African Foreign Policy beyond Lesotho crisis," *ACCORD*, occasional paper, No 3, 1999, page 1.

²⁸ F. Awhireng-Obeng and P. McGowan, "Partner or hegemon? South Africa in Africa", *Journal of Contemporary African Studies*, 16 (1), 1998, page 12.

²⁹ *Ibid*, 24.

³⁰ Interview with Her Excellency Dr. D. Moerane-Khoza

1.4 South Africa's regional economic foreign policy towards SADC - from redistribution to open regionalism

In terms of the methodological approach, it is necessary to distinguish between official declarations of the Republic and the actual activities in the region. In order to examine the official position, one has to examine the official statements of the Presidency, Ministry of Foreign Affairs and possibly Department of Trade and industry available on their websites, but there is also secondary literature which I can use in this respect. When it comes to actual activities regarding the neo-liberal approach, one has to have a look especially at to what extent the Republic has lowered tariff and non-tariff barriers *vis-a-vis* the region and how much resources it has dedicated to the establishment of the Free Trade Area and Customs union in the region. With respect to activities related to developmental integration, one needs to examine how much resources the Republic has dedicated to the establishment of compensatory funds, strengthening of the secretariat of the SADC, introduction of redistributive regional plans, infrastructure building and fighting the supply side constraints on the part of the countries in the region, which is one of the major reasons for the underdevelopment and asymmetrical trade relations in the region.

1.4.1 Neo-liberalism, mercantilism³¹, protectionism - the elusive nature of South African regional trade policy

A word of caution is due right at the beginning with respect to the attempts to conceptually capture the nature of South African trade foreign policy. This, according to Spies, "straddles certain categories", "is evolving" and "does not fit into any specific paradigm". It is not

³¹ Mercantilism may be broadly defined as the pursuit of current account surplus, favouring exports over imports or, in other words, preoccupation with market access concessions over unilateral trade liberalization. See e.g.: Mzukisi Qobo, "The political economy of regional integration," in *Reconfiguring the Compass - South Africa's African Trade Diplomacy*, ed. Peter Draper (South Africa: South African Institute of International Relations, 2005), 60.

always easy to identify monolithic policy, "even governmental policy papers contradict each other."³² According to Mike Spicer, chief executive officer of Businesses leadership, South African Foreign policy is "confused" and has "no clear goals on sustained bases."³³ According to Herbert Mkhize, executive director of National Economic Development and Labour Council, South African Foreign policy is characterized by "very complex dynamics", varying from neo-liberal to developmental approach.³⁴ Moreover, there is a detectable tension between the developmental approach towards the region inspired by the sense of gratitude towards the countries in the region due to their support of the South African liberation struggle during apartheid and more selfish approach of the Republic. Hussein Solomon, for instance, summarizes the tension within the governmental circles when he posits that "while we should be concerned with the welfare of human beings everywhere, the South African state may owe a greater moral debt to its own citizens."³⁵ Be it as it is, from all the literature reviewed and interviews conducted I propose the following interpretation of South Africa's regional trade policy.

1.4.2 Promotion of neo-liberal regional integration

ANC policies immediately after coming to power in 1994 were characterized by more welfarist, internal as well as external policies, as expressed especially in the governmental political and economic manifesto under the name of Reconstruction and Development Programme (RDP).

After a long campaign of regional destabilization in the last days of the apartheid regime, South Africa expressed her intentions "to become part of a movement to create a new form of economic interaction in the region based on principles of mutual benefit and

³² Interview with Dr. Spies.

³³ Interview with Mike Spicer.

³⁴ Interview with Herbert Mkhize.

³⁵ Hussein Solomon, "Draft protocol on the movement of persons in SADC," *Africa insight*, www.ai.or.za, African Institute of South Africa, Pretoria, SA, 22.

interdependence".³⁶ The RDP White Paper further stressed the resolve to "negotiate with neighbouring countries to forge an equitable and mutually beneficial programme for increasing co-operation, co-ordination and integration".³⁷ This was to be accompanied by a more welfarist approach characterized by the developmental assistance to South Africa's underdeveloped neighbours. The dramatic change came about only in 1996 when a clear neo-liberal agenda was adopted within the Growth, Employment and Redistribution (GEAR) programme which sought commitment to financial orthodoxy, exchange control liberalization, rapid tariff reductions and more expansionist trade policy, especially promotion of non-gold exports, amongst other objectives.³⁸ Gelb posits that South Africa's economic and trade policies in this period were characterized by the promotion of increased trade and investment flows from South Africa to SADC, with a view to enhancing domestic growth and employment creation.³⁹ Draper also agrees that the Trade protocol was "certainly actively promoted" by South Africa since 1994.⁴⁰ Amongst all the countries in the region, it was especially South Africa which pushed for the adoption of SADC Trade Protocol⁴¹, which was adopted in 1996 and has as one of its main objectives the establishment of the Free Trade Area by 2008. It was also South Africa, namely the presidency under the leadership of Thabo Mbeki, which served as a catalyst for the 2000 SADC Trade Protocol.⁴² South Africa has also opted to negotiate Free Trade Area agreements with her major trading partner, the European

³⁶ ANC official documents 1994, quoted in: Garth le Pere, *South Africa's Foreign policy in a Globalising world - an overview: 1994-2002*, Institute of Global Dialogue, 11.

<http://www.thepresidency.gov.za/docs/pcsa/irps/pere1.pdf>

³⁷ RDP White Paper, 1994, quoted in: Garth le Pere, *South Africa's Foreign policy in a Globalising world - an overview: 1994-2002*, Institute of Global Dialogue, 11.

³⁸ See e.g.: James J. Hentz, *South Africa and the logic of regional cooperation* (Bloomington and Indianapolis: Indiana University Press, 2005).

³⁹ Quoted in: Mmatlou Kalaba et al., *Deepening Integration in SADC - South Africa - SADC's economic engine* (Botswana: Friedrich Ebert Foundation, 2006), 97.

⁴⁰ Interview with P. Draper.

⁴¹ www.sadccan.co.za/protocol.html

⁴² Garth le Pere, *South Africa's Foreign policy in a Globalising world - an overview: 1994-2002*, Institute of Global Dialogue, 15.

Union (EU). So, in the end, it was neo-liberal, so called open regionalism⁴³, based on competition and comparative advantage that has gained the upper hand over a more welfarist approach towards the region. Also in WTO negotiations, on all the key issues, South Africa has advocated and supported neoliberal principles. No other country has so "comprehensively conformed to the orthodoxy."⁴⁴ "In sum," laments Donna Lee, "South Africa's commitment to neoliberal principles is sweeping and consistent."⁴⁵

1.4.3 Mercantilism and protectionism in South African regional trade policy

On the surface, South Africa's foreign trade policies indeed seem to correspond with the wishes of her powerful partner from the North, the European Union. However, the reality on the ground seems to be in stark opposition to the proclaimed neo-liberal thrust of the republic's foreign policy. Although South Africa has liberalized nearly 90 % of her trade *vis-à-vis* the countries in the region, this is diluted firstly by the fact that there is not much these countries can export and secondly, by the very strict rules of origin⁴⁶ and other non-tariff

⁴³ *Market focused, neo-liberal or also called neo-classical regional integration* is characterized by progressive removal of the barriers to economic activity among states in the region. This usually starts by reducing barriers to intraregional trade such as tariffs but later can also lead to dismantling barriers to the movement of people and capital. Typical stages include the creation of Free trade areas, customs and monetary unions. The difference between the developmental and market approach is that in the former we find more limited role for the state and the considerations for redistribution and equity are not accounted for (See e.g.: James J. Hentz, *South Africa and the logic of regional cooperation* (Bloomington and Indianapolis: Indiana University Press, 2005).

⁴⁴ Donna Lee, "South Africa in the WTO," in *The new multilateralism in South African diplomacy*, ed. Donna Lee, Ian Taylor and Paul D. Williams (Palgrave Macmillan, 2006), 63.

⁴⁵ *Ibid.* 63.

⁴⁶ Rules of origin are the criteria needed to determine the national source of a product. Their importance is derived from the fact that duties and restrictions in several cases depend upon the source of imports. The practice of governments varies widely with regard in this respect. Some governments apply the criterion of change of tariff classification, others the ad valorem percentage criterion and yet others the criterion of manufacturing or processing operation. Rules of origin are usually used: "to implement measures and instruments of commercial policy such as anti-dumping duties and safeguard measures; to determine whether imported products shall receive most-favoured-nation (MFN) treatment or preferential treatment; for the purpose of trade statistics; for the application of labelling and marking requirements; and for government procurement." Importantly, the Rules of Origin Agreement requires WTO members to ensure that their "rules of origin are transparent; that they do not have restricting, distorting or disruptive effects on international trade; that they are administered in a consistent, uniform, impartial and reasonable manner; and that they are based on a positive standard" (http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm9_e.htm#origin).

barriers. As Peter Draper succinctly points out, "what South Africa gives with one hand - in offering asymmetric liberalization - it takes with the other by insisting on complex rules of origin."⁴⁷ Also according to Qobo⁴⁸, on the surface, South Africa's strategy in regional relations might seem developmental, with respect to economic relations the Republic appears to have adopted a protectionist stance...The government tends to promote the interests of domestic capital while simultaneously seeking to protect its import-competing sectors from regional competition.⁴⁹

1.4.4 ... and the reactions from the countries in the region

*"If we continue doing this we'll end up owning nothing in Kenya. They are looking for control and that's where the conflict is coming in. They bulldoze their way around. It seems like they still have the old attitudes of the old apartheid South Africa."*⁵⁰

It is very important to bear in mind for whose benefit the creation of the Free trade area⁵¹ and economic regionalization generally would mostly be. As I indicated in the previous section, the major problem is that most of the countries in the region, due to their structural deficiencies, simply do not have much to export, apart from primary resources. The only country, which will benefit mostly is, therefore, South Africa, which indeed is pursuing rather

These requirements are, however, more often than not violated in practice and the rules of origin are instrumentally used to serve as a substitute for reduced tariff barriers.

⁴⁷ Interview with Peter Draper.

⁴⁸ Mzukisi Qobo, "The political economy of regional integration," in *Reconfiguring the Compass - South Africa's African Trade Diplomacy*, ed. Peter Draper (South Africa: South African Institute of International Relations, 2005), 60.

⁴⁹ This is especially evident in the textiles and clothing, automotive and milling industry sector (ibid, 60) but also in high levels of control on a variety of products, including agricultural products, used goods, fresh and frozen fish, dairy products, oats and maize (M. Tekere and D. Ndlela, *Study of the compatibility of Trade Policies in the Context of Current Regional integration processes: The case of SADC* (Gaborone: SADC, March 2003), 31, quoted in Qobo 2005); see also: Rob Davis, 'Building a new relationship in Southern Africa: The challenge facing South Africa's Government of National Unity', in Hettne B, Inotai A, and O Sunkel (eds.), *Globalism and the New regionalism*. Macmillan: London, 1999, p. 266.

⁵⁰ Matu Wamae, Kenyan legislator and business man remarked for the New York Times in 2002, quoted in: Chris Alden and Mills Soko, "South Africa's economic relations with Africa: hegemony and its discontents," *Journal of Modern African Studies*, Vol 43 No 3, 2005, 368.

⁵¹ SACU, which is in this respect very similar to the Eastern African Community, is a case in point. The history of both grouping shows who, in case of industrially unequally developed members of the customs union, benefits and who loses. In both cases it is the manufacturing industry of the dominant countries (South Africa and Kenya respectively) who benefits most, whilst the rest of the grouping suffers from the trade diversion.

aggressive export promotion policies of her value added products. This, together with non-tariff barriers erected by the republic along with the dramatic increase of South African investments in the region, substantially contributes to the suspicions and fears of South African "neo-apartheid" domination of the region.

Mzukisi Qobo very well encapsulates the concerns of the countries in the region in this respect, which according to him

...hoped that a proposed SADC free trade agreement would be cast on a benign template similar to the one governing their relationship with European Union; since South Africa is much the largest regional economy, they expected it to be generous towards them. They certainly did not anticipate that South Africa would apply various forms of protective barriers to shut out regional exports from its domestic market.⁵²

This in its turn "no doubt" creates tensions in inter-governmental relations at the regional level and if this kind of policy is pursued in an unrestrained manner...it could narrow South Africa's options for exerting regional political influence.⁵³ As a matter of fact, according to Qobo, South Africa's approach during negotiations on the SADC Trade Protocol "played strongly to domestic groups", and aggravated regional political sensitivities.⁵⁴ South Africa negotiated on the basis of its domestic interests and adopted a defensive posture in seeking to protect some of its domestic industries.⁵⁵ Indeed, while during the cold war it was primarily the apartheid regime which was securitized, currently it is mostly South Africa's economic preponderance and her mercantilist foreign policies. According to von Ropp for instance, who was a consultant for the German government during the Lome negotiations, the Republic of South Africa has, since the end of apartheid regime, followed "aggressive export policies",

⁵² Mzukisi Qobo, "The political economy of regional integration," in *Reconfiguring the Compass - South Africa's African Trade Diplomacy*, ed. Peter Draper (South Africa: South African Institute of International Relations, 2005), 58.

⁵³ Ibid 60.

⁵⁴ Ibid, 62.

⁵⁵ Ibid, 63.

without opening up her own markets towards producers in southern Africa.⁵⁶ In 1997 the Namibian minister of trade and industry accused South Africa of "intentionally hampering" the industrial development in the neighbouring countries, "sabotaging" the industrial production plants, "sticking" to protectionist industrial policy and dumping manufacturing products on the Namibian market.⁵⁷ In 2002, the media in Tanzania warned against the "Safricanization" of Tanzanian economy.⁵⁸ Kenyan Daily Nation warned that South African government continues to regard the rest of Africa as a "target for exploitation" ..., that it is a "backyard of the same oppressive interests that only recently buttressed apartheid" and that South Africa has declared an "aggressive economic war" on Africa.⁵⁹ Iheduru concurs that "what the apartheid regime could not achieve politically is now increasingly being accomplished through the structural power of South African capital." "This time, the 'onslaught' is led by profit-seeking South African businesses in rapidly creating 'constellation of Southern African economies' led by private capital."⁶⁰ Williams agrees that "particularly where issues of political economy are concerned, the practices of post-apartheid foreign policy still display important elements of continuity with apartheid era."⁶¹ According to Ahwireng-Obeng, "many SADC ... countries have accepted ... Structural Adjustment Programmes that mandate economic liberalization and the creation of investor friendly economic environments [of which] South African businesses are clearly taking advantage."⁶² Later on, he points out that "a major problem with ... aggressive penetration of African

⁵⁶ Klaus Baron von der Ropp, "The challenge of change: Comparative lessons from the experience of the EU and SADC," *African Security Review* Vol 9 No 2, 2000, page 3.

⁵⁷ Korwa Gombe Adar and Rok Ajulu, eds., *Globalization and Emerging trends in African states' foreign policy-making process* (South Africa: Rhodes University, 2002), 137

⁵⁸ M. Nyiarabu, "Appraising regional integration in southern Africa," *African Security Review*, Vol 13 No 1, 2004, 10.

⁵⁹ M. Nyiarabu, "Appraising regional integration in southern Africa," *African Security Review*, Vol 13 No 1, 2004, 10.

⁶⁰ O.C. Iheduru, "Post-Apartheid South Africa and its neighbors: A maritime transport perspective", *Journal of Modern African Studies*, 34 (1), 1996, 4, 22.

⁶¹ Paul Williams, "South African foreign policy: getting critical?" *Politikon*, (2000), 27(1), 76.

⁶² F. Awhireng-Obeng and P. McGowan, "Partner or hegemon? South Africa in Africa", *Journal of Contemporary African Studies*, 16 (1), 1998, page 30.

markets is that so far it has been a one-way street with South African businesses increasing market share at the expense of local producers and manufacturers.⁶³ Importantly for our purposes, "current patterns indicate increasing polarization within the region that would only be made worse by the implementation of a free trade regime with SADC."⁶⁴ South Africa's growing economic influence on the continent, according to Peter Draper, "undermines political engagement between [her] and her neighbours."⁶⁵ Similarly, Adebajo asks whether the "expansion of mostly white-led businessmen and civil society activists across the continent represents a modern-day equivalent of a bygone [apartheid] era." ⁶⁶

These comments and remarks seem to be indicative of rather high level of economic securitization of South Africa on the part of her regional neighbors, which, in the light of apartheid destabilization regional policies of the Republic, expect her to "be more generous and less self-serving in her economic relations."⁶⁷ Despite being undisputed regional hegemon, South Africa can not simply ignore these voices since good regional relations should certainly be a priority of South African regional foreign policy. That the republic is haunted by this image of a big brother, which it at the same time desperately tries to avoid, has been amply documented. The South Africa makes lot of effort not to be perceived as an "aggressive hegemon" while at the same time maintain its leadership role.⁶⁸ Dr. Spies

⁶³ Ibid, 30.

⁶⁴ Ibid, 32.

⁶⁵ Peter Draper ed., *Reconfiguring the Compass - South Africa's African Trade Diplomacy* (South Africa: South African Institute of International Relations, 2005), 17; for this argument see also Chris Landsberg and David Monyae, "South Africa's Foreign Policy: Carving a Global Niche," *South African Journal of International Affairs*, Vol. 13, Issue 2, Winter/Spring 2006.

The main problem with South African investment in the region, according to Peter Draper, is that since there is virtually no competition, the market dominance becomes easy with which also comes dependence on South African companies which has ramifications beyond purely economic matters (interview with Peter Draper). For probably the best overview of the pros and cons of South African investments in the region see: Neuma Grobbelaar, "Can South African business drive regional integration on the continent?" *South African Journal of International Affairs*, Volume 11, Issue 2, winter/Spring 2004.

⁶⁶ Adekeye Adebajo, "South Africa in Africa: Messiah or Mercantilist?" *South African Journal of International Affairs*, Vol. 14, Issue 1, Summer/Autumn 2007, 31.

⁶⁷ Mzukisi Qobo, "The political economy of regional integration," in *Reconfiguring the Compass - South Africa's African Trade Diplomacy*, ed. Peter Draper (South Africa: South African Institute of International Relations, 2005).

⁶⁸ Interview with Mzukisi Qobo.

concur that "South African government fiercely tries to steer away from" an image of regional hegemon.⁶⁹

That at the end of the day the ruling movement *has* opted for the promotion of neo-liberal regional integration accompanied by mercantilist and protection policies, despite the negative consequences that this policy has on the Republic's regional relations, begs the question *why* it has done so. It is the purpose of my thesis to try to answer this question by drawing attention to external and internal pressures to which the ruling elite in South Africa seems to be considerably responsive.

CHAPTER 2: PRESSURES OF THE DOMINANT DOMESTIC GROUPS AND FOREIGN POLICY UNDER DEPENDENCE - TWO THEORETICAL PERSPECTIVES

The purpose of this section is to introduce two different theoretical approaches which try to account for the dependent variable under examination. The first approach corresponds with the utilitarian-liberal approach to Foreign policy analysis, and is indispensable for understanding of both protectionist and liberal element in South African trade policy. The second fits rather well with systemic dependency theories and is important in that it reveals the second source of South African neo-liberal approach towards the region. In each subsection, I will first introduce the major tenets of the employed theory and subsequently apply it to my case study.

⁶⁹ Interview with Dr. Spies; Also according to Herbert Mkhize, the government is trying very hard to induce the South African companies to operate in the region under the social clause, which again is the reaction to the sporadic outburst from the countries in the region as a result of allegedly exploitative character of South African investments (interview with Herbert Mkhize).

2.1 Utilitarian-liberal foreign policy theory (ULFPT)

The purpose of this chapter is to, first, introduce the major tenets of the Utilitarian-liberal foreign policy theory and subsequently apply the theory to the case study of South Africa.

2.1.1 Theoretical framework

According to Freund - Rittberger, in contrast to neo-realism and dependency theories, liberalism does not regard states as unitary actors with a 'national interest' that can be derived from the international condition of anarchy and the distribution of power among states. Instead, "liberalism explains states' foreign policy behaviour on the basis of domestic factors."⁷⁰ The foreign policy outcome, according to these theories, reflects the utility maximizing interests of the dominant domestic political, administrative and private actors. The emphasis in their variant of utilitarian-liberal foreign policy theories is put on the agency. In other words, as Moravcsik puts it, "demands of individuals and societal groups are treated as analytically prior to politics."⁷¹ Importantly, agency-based analytical approaches take the domestic interests as the independent variable shaping foreign policy behaviour, whilst state structures act as intervening variables since they "constitute opportunities for, and barriers to, individual group action."⁷² Furthermore, they allow certain domestic actors to assert their political preferences more successfully than others. As a result, this approach endows us with a heuristic model of *interest intermediation*. This model is developed by employing a *policy network concept*, which stresses interdependent relationship between Political administrative system actors, defined as "multiple-centred policy-making and implementation system"⁷³ and private actors. The dependent variable then is a political outcome which such a network produces.

⁷⁰ Corrina Freund and Volker Rittberger, 2001: "Utilitarian-liberal foreign policy theory", in Volker Rittberger, ed., *German Foreign Policy Since Unification* (Manchester: MUP), 68.

⁷¹ Andrew Moravcsik, "Taking Preferences Seriously: A positive liberal theory of international politics," *International Organization* 15(4) (1997), 517.

⁷² Ibid, 518.

⁷³ Voigt 1995, quoted in: Corrina Freund and Volker Rittberger, 2001: "Utilitarian-liberal foreign policy theory", in Volker Rittberger, ed., *German Foreign Policy Since Unification* (Manchester: MUP), 73.

Network conceptualization, according to Freund - Rittberger proceeds in three steps. First, foreign policy preferences of domestic actors are derived from their basic interests. Second, we need to identify *dominant* domestic actors i.e. those who are "capable of asserting their preferences most successfully in the foreign policy making process." Finally, on the basis of network structure and the preferences of the dominant actors, we should be able to ascertain those domestic interests which are most likely to shape foreign policy behaviour in a given issue area of foreign policy.⁷⁴

Political actors, according to these authors, have three basic interests: first interest is the prospects for re-election i.e. need to increase voter's utility from which they derive three preferences: political actors support Foreign Policy which improves the performance of the economy (inflation, unemployment etc.), meet partisan objectives and contribute to intra-governmental cohesion. The second interest is to prevent the transfer of their policy-making power to international institutions and the third is to increase financial means by increasing organizational budget. *Administrative actors'* interests, *such as* the Central Bank or the army are first to strengthen their policy-making power *vis-a-vis* international institutions and second to increase their significance as executive organs for political actors. Main objective of *Political-administrative actors'*, such as federal ministries, is to retain policy making power. *Private actors'* main interest, in the case of companies, is to increase their financial resources. Hence they will be interested in Foreign policy to the extent to which it can influence their export opportunities and to the extent to which they have to face import competition. Economic pressure groups, such as industry or farmers' associations or Trade Unions, have as a basic interest to increase the material gains of their members, or at least to improve their income-generating opportunities.⁷⁵ Finally, in my mind, it is inevitable to distinguish between *real* and *perceived* interests. It is obvious that as complex and often

⁷⁴ Ibid, 68-69.

⁷⁵ Ibid, 82, 84-89.

confusing issue as regional integration and its implications for this or that actor is many times beyond their cognitive capacity. Opinions about the merits of regional integration differ among policymakers, academics and various private actors. The real merits and impact of regional integration are however not the topic of my paper. If we want to understand what this or that actor fights for we need to understand what he or she perceives to be in her or his best interests and not what *really* are her or his interests. This approach already suggests the methodology in the form of structured or semi-structured interviews with the relevant actors. Here I can partially draw on a previous research conducted by Kalaba - Fundira - Alves⁷⁶ which revealed the salience of the real versus perceived interests with respect to the positions adopted by small and medium enterprises.

2.1.2 Utilitarian-liberal foreign policy approach and the case of South Africa

In this section I will apply conceptualization of the policy network concept elaborated in the previous chapter in order to ascertain interests, preferences and assertiveness of South African dominant domestic actors. Before I do so, however, it is indispensable to provide a brief overview of South Africa's political economy.

2.1.2.1 South Africa's political economy

South Africa is ranked as an emerging-market country and by the late 1980s her economy was both industrialized and relatively diversified. In 2002 the service sector accounted for 63 % of GDP, whilst the primary sector for only 13 % and secondary 24%. Nonetheless, South Africa's substantial mineral endowment has ensured that the resource industries remain a key component of the economy, either through upstream linkages into mining, or downstream

⁷⁶Mmatlou Kalaba et al., *Deepening Integration in SADC - South Africa - SADC's economic engine* (Botswana: Friedrich Ebert Foundation, 2006).

into capital equipment and intermediate products.⁷⁷ The major problem South Africa faces, and which is legacy of the apartheid regime⁷⁸, is a high rate of unemployment, which was at 30% in 2002, persistent poverty and high inequalities⁷⁹, all this despite relatively positive macro-economic performance.⁸⁰ As Kalaba points out, "intensified competition on a national and global scale has resulted in wave after wave of job losses that have afflicted the economy since 1994, and so South Africa has one of the worst unemployment levels in the world."⁸¹ As a result, unemployment has been declared a national emergency. One of the reasons for high unemployment is the use of capital intensive techniques of production in some sectors of the economy, which otherwise could generate employment opportunities.⁸²

2.1.2.2 Political and political-administrative actors

The real foreign policy making power rests squarely with the presidency, although in the areas of trade and investment, the Departments of Trade and Industry (DTI), which "pursues South Africa's narrow market access agenda and investment opportunities"⁸³ and the Department of Finance, are leading the way. The relations with South African Customs

⁷⁷ Ibid, 67.

⁷⁸ Since the 19th century, mining and agriculture were the backbone of the South African economy. As long as this was the case, apartheid regime, due to its racist labour laws, which prevented black population from entering skills requiring professions, produced what was required - the abundant supply of cheap, unskilled labour. In the 1960s, however, a radical shift began to take place. Economic growth started to depend on two different sectors: manufacturing and services, which requires the opposite of what mining and agriculture provided, that is a large pool of skilled workers. As a result, current South Africa is still endowed with a huge supply of unskilled black labour force, which however can not be utilized, given the structure of South African economy. Unfortunately, until now, the government has not been able to reverse this ratio in favour of skilled labour force and the prospects that it will do so in a foreseeable future are bleak (Ivan Lukas, "Cooperation of Western Powers with the Republic of South Africa from 1948 to the end of the 1970s, " *Archiv orientální: Quarterly Journal of African and Asian Studies*, Volume 72 (2004), p. 91-106).

⁷⁹ GINI coefficient for South Africa is 0.7, see: Financial times, 27/6, 2007, quoted in: ARB, Vol 44, no 6, June 16th- July 15th 2007, 17439B.

⁸⁰ Ibid, 20

⁸¹ Ibid, 153

⁸² Ibid, 33

⁸³ Peter Draper ed., *Reconfiguring the Compass - South Africa's African Trade Diplomacy* (South Africa: South African Institute of International Relations, 2005, 17.

Union, SACU⁸⁴, for instance, have been exclusively in the hands of DTI and the Treasury, although, more recently, with respect to the ongoing Economic Partnership Agreements (EPA) negotiations with European Union, the Department of Foreign Affairs (DFA) has also entered the game.⁸⁵ Recently, a so called Task team has been established in the SADC desk at DFA, which comprises representatives of DFA, DTI and the Treasury. Within this institution, the attempts at harmonization of positions with respect to SADC take place. However, even within this platform, the voices of the latter two departments dominate.⁸⁶ On the whole however, the Department of Foreign Affairs, when it comes to foreign economic policy, sometimes appears to lack the required insight and influence to make a lasting contribution.⁸⁷ All three ministries, as well as the presidency, are staffed with ANC members⁸⁸, which leads to the concurrence of major party and governmental interests and preferences.⁸⁹

The main interest of the government is, apart from good neighbourly relations upon which I elaborated earlier, to stay in power and be re-elected. For this reason, it has to increase voters' utility, which in terms of preferences means to support a foreign policy which would improve the performance of the economy especially in terms of inflation and

⁸⁴ SACU is essentially about revenue redistribution and as such mostly within the domain of the Treasury, however in last couple of month the Department of Foreign Affairs, due to Economic Partnership Agreements (EPA) negotiations, has become interested mainly due to political reasons, since EPA negotiations seem to have a substantial potential to contribute to the dissolution of this oldest customs union in the world.

⁸⁵ Interview with Peter Draper and Mzukisi Qobo.

⁸⁶ Interview with Mandy Solomon.

⁸⁷ DFA promotes FTA mostly through its missions abroad, adopting more strategic approach, while DTI is in charge of more technical issues. DFA is also the national SADC contact point.

⁸⁸ Garth le Pere, *South Africa's Foreign policy in a Globalising world - an overview: 1994-2002*, Institute of Global Dialogue, 7-11.

⁸⁹ However, what actually *is* the governmental ideological inclination is a rather controversial issue. As a matter of fact, the ANC is not anything like typical European style modern political party. ANC is a former liberation, guerrilla movement and comprises enormously wide range of interests and ideological affiliations ranging from hard die "eastern European style Stalinists to free marketers (interview with Mike Spicer)". These divergences have leaked to the surface especially in the last election period and are currently obvious in the struggle between leftist and populist Jacob Zuma, ANC president and his supporters and Thabo Mbeki, the current South African president, with strong neo-liberal orientation. In my view, the further and stronger splits within the ANC are to come and it is very likely that in a not so distant future, the ANC will break up into new political parties.

unemployment. Herein, however, the troubled nature of ANC foreign economic regional policy preferences is revealed.

The neo-liberal foreign policies of the ruling ANC have undoubtedly led to the overall improvement of macro-economic policies, which certainly should be the aim of each government. However, as I pointed out earlier, South Africa is country with a dramatically high level of inequalities and we need to have a look at who, within the country, actually benefited from these policies. Peter Dwyer states that "... South Africa is a near textbook example of how neo-liberal globalisation impacts on a semi-industrialized country. Big businesses have been the main beneficiary of [neo-liberal foreign policies] as productivity and returns on investments have grown..."⁹⁰ Importantly, however, big businesses are capital intensive and therefore have very low labour absorbing capacities. Light manufacturing sectors, such as textile and clothing or food-processing on the other hand, which have the potential to contribute to job creation, which, as I pointed out, is the problem number one of South Africa's political economy, continue to struggle against the imports either from SADC countries or other external actors.⁹¹ Finally, and crucially, it is the poor working class, the ANC core constituency, for which the neo-liberal economic and trade policies have been, according to Tony Ehrenreich of COSATU, a "dismal failure".⁹² Moreover, official appeals to focus on wealth generation "have been widely interpreted as meaning that foreign policy-makers should listen more intently to the voices of (both foreign and local) big business than other groups."⁹³ According to Williams, South African foreign policy is plagued by an "important contradiction": while the government claims to be promoting the wealth and security of all citizens, the primary strategy for generating wealth, namely its Growth,

⁹⁰ Mmatlou Kalaba et al., *Deepening Integration in SADC - South Africa - SADC's economic engine* (Botswana: Friedrich Ebert Foundation, 2006), 152.

⁹¹ Ibid, 86.

⁹² Tony Ehrenreich of COSATU Cape Times, 31 August 2005, quoted in: Mmatlou Kalaba et al., *Deepening Integration in SADC - South Africa - SADC's economic engine* (Botswana: Friedrich Ebert Foundation, 2006), 155.

⁹³ Paul Williams, "South African foreign policy: getting critical?" *Politikon*, (2000), 27(1), 79.

Employment and Redistribution strategy, GEAR, is actually contributing to the insecurity of South Africa's poor.⁹⁴ Importantly, he observes that "continually privileging the voice of internationally mobile capital will *severely test the patience of even the most loyal elements of the ANC's traditional constituency* (italics added).⁹⁵ According to P. Mlambo-Ngcuka, South African deputy president, mining industry still "hasn't done enough" to distribute its wealth to black South Africans...investment policies needed to strike a balance between profits for investors and benefits for the country as a whole.⁹⁶ So far, GEAR's adjustments have failed to live up to its promises in relation to economic growth, job creation, or manufactured exports, whilst inequalities across South Africa are growing, not reversing. Greg Mills holds that recent efforts to place South Africa's unemployed on the foreign policy agenda is to be applauded. The problem, however, is that the methods [advocated] to achieve this laudable objective are actually aggravating inequality, unemployment and job insecurity among South Africa's poorest citizens.⁹⁷

What then should be the foreign economic policy preferences of the political actors within the Republic so that they lead to the increase of the "voters' utility"? From the above elaborated, in my opinion, it is far from clear that the preferred policy option of the ruling ANC should be the further liberalization of her tariff regime and neo-liberal form of regional integration.

It is at this point that we need to recall the contradictory nature of South African regional trade policy upon which I elaborated in the first chapter. Only when we realize its internally protectionist nature can we understand why the Republic can still pursue liberal regionalization despite the fact that this, on the surface, is interpreted as impacting negatively

⁹⁴ Ibid, 81.

⁹⁵ Ibid, 87.

⁹⁶ ARB, Vol 44, no 6, June 16th- July 15th 2007, 17456 B.

⁹⁷ Paul Williams, "South African foreign policy: getting critical?" *Politikon*, (2000), 27(1), 79, 80; For critical appraisal of GEAR see also Zondie Masiza and Thami Ngqungwana, "Enhancing policy implementation: Lessons from the Growth, Employment, and Redistribution strategy," *Centre for policy studies*, Research report no 91, 2001.

on the substantial part of ANC core constituencies. What remains to be shown is that the government is indeed sensitive to the concerns of the Trade Unions; that these regard the liberalization as harmful with respect to their basic interests; and that the adoption of a protectionist stance is a result of the influence of Trade Unions i.e. that they have the leverage to push through their agenda.

2.1.2.3 Private actors

The purpose of this section is, first to elaborate on the power, interests and preferences of South African Trade Unions, in order to show the sources of South African protectionist policies. The second part of this section opens up room for the analysis of the first of the two sources of neo-liberal element in South African regional trade policy, namely the power, interests and preferences of South African big businesses.

COSATU - push for protectionism

The Confederation of South African Trade Unions, COSATU, is an umbrella organization of South African trade unions which was, immediately after the transition period, "generally very weak", however, it has been raising its profile steadily since then. As of now, they have rather strong position within South African politics and the ANC can not ignore their concerns. This trend will probably get only stronger, given the support the COSATU gave for Jacob Zuma in his bid for the ANC presidency. Trade Unions have, according to utilitarian-liberal approach, as a basic interest the increase of the material gains of their members, or at least to improve their income-generating opportunities.⁹⁸ With respect to trade policies and regional integration, they have always strongly militated against liberalization of the South African economy, the promotion of the neo-liberal, market led integration within southern

⁹⁸ Voigt 1995, quoted in: Corrina Freund and Volker Rittberger, 2001: "Utilitarian-liberal foreign policy theory", in Volker Rittberger, ed., *German Foreign Policy Since Unification* (Manchester: MUP), 82, 84-89.

Africa⁹⁹ and the free movement of labour within the region.¹⁰⁰ Their policies have for a long time been characterized by what Peter Draper calls "knee-jerk protectionist reflex", although in recent years they have also developed rather solid base of expertise on trade related issues.¹⁰¹ Currently, for instance, COSATU is also part of the delegation at WTO and seem to be "very sharply aware of the nuances of negotiations."¹⁰² That the Unions are fully aware of the economic situation in the country and do not hesitate to actively assert their concerns is witnessed for instance by the longest public service strike in the history of South Africa, organized by National Education, health and Allied Worker's Union started on June 16, 2007 and terminated two weeks later. The reasons behind, according to the Guardian, were that 13 years after the end of apartheid, the poverty gap in South Africa remains among the largest in the world - second only to Brazil.¹⁰³ Two weeks later, the strike by metal and engineering workers' National Union (more than quarter of a million participants) took place.¹⁰⁴ Some in the Trade Unions are warning that the "wealth gap is a time bomb for the country and the party", which is losing touch with the mass of its voters and "betraying the national democratic revolution with too much focus on creating a liberal business climate."¹⁰⁵ Trade Unions are leading the attack on economic priorities they say have principally benefited the emerging black elite, and the old white one, at the expense of the poor. Alluding to the merits of the neo-liberal GEAR policies, secretary general of the COSATU, Z. Vavi, commented that "it's like a doctor saying an operation has been successful when the patient is dead."¹⁰⁶ According to African Research Bulletin, ARB, the wave of strikes sweeping the country has exposed the sharp division between the ruling ANC and the labour movement, which has

⁹⁹ See e.g. James Hentz J. *South Africa and the logic of regional cooperation*. Bloomington and Indianapolis: Indiana University Press, 2005.

¹⁰⁰ Interview with Mike Spicer.

¹⁰¹ Interview with Peter Draper.

¹⁰² Interview with Mzukisi Qobo.

¹⁰³ ARB, Vol 44, no 6, June 16th- July 15th 2007, 17439.

¹⁰⁴ ARB, Vol 44, no 6, June 16th- July 15th 2007 17439C.

¹⁰⁵ ARB, Vol 44, no 6, June 16th- July 15th 2007 17439 A.

¹⁰⁶ Ibid.

accused the government of promoting big business at the expense of poor South Africans.¹⁰⁷

Importantly, as ARB points out, Trade Unions are critical of the government self-discipline since "it has done much for business but little to improve the lot of poor South Africans."¹⁰⁸

That the government is aware of the Trade Unions' concerns and their ability to assert their preferences is witnessed by the protectionist policies within South Africa's regional trade policy and the generally detectable shift, since 2000, but especially since 2004, towards more redistributive and protectionist approach¹⁰⁹ within domestic politics and quite strong leftist discourse within certain quarters of the ANC. These, according to many resources¹¹⁰, are primarily the result of Trade union pressures. The adoption of the strict rules of origin, for instance, upon which I touched upon in the first chapter, was mostly the result of textile trade union pressures, who pressed for their highly restrictive nature. In case of the quotas imposed on China's products, the Department of Trade and industry "clearly sacrificed retailers for the sake of COSATU". A similar pattern occurred also in agriculture.¹¹¹

The main forum where Trade Unions can formulate and defend their positions is South African tripartite called National economic development and labour council (NEDLAC), where representatives of the government, business associations and trade unions meet and where the aggregation of foreign policy interests, especially regional trade policy, in the form of policy debates takes place. It is especially here that positions and preferences are debated, which are subsequently implemented by the relevant governmental departments, either in the

¹⁰⁷ ARB, Vol 44, no 2, Feb 16th-March 15th 2007, 17440A.

¹⁰⁸ ARB, Vol 44, no 2, Feb 16th-March 15th 2007, 17284C.

¹⁰⁹ See e.g. Industrial policy framework which is a reaction to GEAR and to a large extent was meant to appease especially Business Unity South Africa, BUSA, which comprises mostly import competing companies and Union constituencies. BUSA was created in October 2003 through the merger of the Black Business Council and Business South Africa. It began operating in January 2004. The merger created the first unified organization for business in South Africa. <http://www.busa.org.za/>. The members, in Peter Draper words are, well in line with overall South African trade policy "very often protectionist internally but liberal regionally." (interview with Peter Draper).

¹¹⁰ This was confirmed during my interviews at DFA, DTI, NEDLAC and Business Leadership.

¹¹¹ Interview with Peter Draper; However, as much as with business, we must be cautious not to treat COSATU as a homogenous organization. It is an umbrella organization of all South Africa trade unions, which obviously have different preferences when it comes to trade policy of the Republic.

form of official declarations or concrete activities. NEDLAC is a platform which the government uses to "get common understanding of what government articulates" and to this end "invites labour and business to make comments and voice their concerns (interview with Herbert). The decisions adopted within the NEDLAC executive committee represent the "position of the country" are as such binding on all members of the platform. This means that once the position is adopted, none of the constituencies can later on come up with policies contradictory to it or re-open the issue. However, it is possible, and precedence has been set, that under certain conditions, when substantial issues are at stake, the government actually implements policy which contravenes the agreed position at NEDLAC, and which may be a result of lobbying.¹¹²

The purpose of this section was to demonstrate that the government *is* sensitive to the concerns of South African Trade Unions, which regard trade liberalization as harmful for their major constituencies. As a result, the government has adopted a protectionist stance *vis-à-vis* the countries in the region as a result of the Trade Union pressures. This is also in line with Herbert's observation that domestically, the government has to try all the time to strike a balance between Trade Unions and Big business demands. It can not be "pro-business or pro-unionist all the way"¹¹³ and is "oscillating uncertainly between GEAR and greater populism."¹¹⁴

Big business - push for liberalization

In this part, we provide the first of the two explanations of our main puzzle of why the republic has been pushing through neo-liberal forms of regional integration since 1996,

¹¹² Interview with Mkhize.

¹¹³ Interview with Mkhize.

¹¹⁴ Zondie Masiza and Thami Ngqungwana, "Enhancing policy implementation: Lessons from the Growth, Employment, and Redistribution strategy," *Centre for policy studies*, Research report no 91, 2001, 27."

despite the tensions this creates in the region and why it has done so in the first place, given the possible alternatives, such as a more redistributionist approach or not promoting market-led integration at all. In order to answer this question, we need to have a look at the other dominant domestic private actor, namely big businesses and their interests and preferences.

One of the most powerful groups in the domestic politics of the Republic of South Africa has historically been big parastatals. These, since 1948, had been "the engines of the Afrikaner nationalist project"¹¹⁵ and have always had strong protection from the state. They have dominated, even after the fall of the apartheid regime in 1994, capital intensive sectors such as electricity, iron and steel, or petroleum industries. At the same time, they have strong links with mineral-extractive sectors, which gave rise to the notion of a mineral-energy complex which currently accounts for a fifth or even a quarter of the overall economic output of the Republic. They also have strong links with South African financial institutions, which strongly boosted their position after the liberalization of monetary policies in the second half of the nineties.¹¹⁶

According to Handley, big business, dominated by white, English speaking South Africans, is, for policy purposes, "the most influential stratum of business in South Africa", often at the cost of small and medium-sized business.¹¹⁷ The South African economy has always been notoriously oligopolistic. Economic wealth is held almost entirely in the hands of the white community, moreover, in the hands of a few large companies.¹¹⁸ Kalaba writes about the "unprecedented power of the capitalist class"¹¹⁹ and Hey about the high level of influence that the business community exercises on the policymaking process, which according to her derives from the relative size and strength of the private sector's contribution

¹¹⁵ Anthony Butler, *Contemporary South Africa* (Palgrave Macmillan, 2004), 56.

¹¹⁶ Ibid, 49.

¹¹⁷ Antoinette Handley, "Business, government and economic policymaking in the new South Africa, 1990-2000," *Journal of modern African Studies*, 43, 2 (2005), 212.

¹¹⁸ Ibid, 214.

¹¹⁹ Mmatlou Kalaba et al., *Deepening Integration in SADC - South Africa - SADC's economic engine* (Botswana: Friedrich Ebert Foundation, 2006), 180.

to the South African economy.¹²⁰ Mandela's cabinet choices, for instance, demonstrated the ANC's sensitivity to the concerns of these constituencies.¹²¹ According to Qobo, powerful domestic business circles expect their governments to favour their interests and in taking this into account, the Department of Trade and Industry maintains "continuous institutional links with business."¹²² In 1998, South African president Thabo Mbeki created four working groups that would connect the government directly with commercial agriculture, trade unions, black business and big business.¹²³ This move was a result of the major initiative, the Business Trust, launched by business after the revelations of the Truth and Reconciliation commissions about the connections between big businesses and the apartheid regime, in which they "consciously and strategically" set out to repair their relations with government. From this, I believe, we can conclude that big businesses are a dominant actor capable of asserting their preferences successfully in the foreign policy making process.

How do big businesses signal and assert their preferences *vis-a-vis* the foreign policy making apparatus of the ruling ANC? Hey argues that in a market-driven context, business influence may not be most powerfully felt as the result of the direct lobbying efforts. Rather, it may be felt indirectly, for example through the movement of investment capital or support for the national currency.¹²⁴ Any unease on the part of the business community is signalled by the sentiment on the Johannesburg Stock Exchange and business confidence index.¹²⁵ The example of more direct influence attempt could be the 1996 Growth for All (GFA) document

¹²⁰ Antoinette Handley, "Business, government and economic policymaking in the new South Africa, 1990-2000," *Journal of modern African Studies*, 43, 2 (2005), 213.

¹²¹ Ibid, 223.

¹²² Mzukisi Qobo, "The political economy of regional integration," in *Reconfiguring the Compass - South Africa's African Trade Diplomacy*, ed. Peter Draper (South Africa: South African Institute of International Relations, 2005), 59.

¹²³ Ibid, 230.

¹²⁴ Ibid, 213.

¹²⁵ Ibid, 223.

in which the business community called for sound macro-economic policy, outwardly oriented economy and a vigorous export drive.¹²⁶

Big business interests, according to Utilitarian-Liberal Foreign Policy Theories, are accumulation of resources and capital. Their preferred policy option therefore is neo-liberal regional integration so that they can expand more easily. Big businesses are undoubtedly interested in deeper trade integration within the region, given the sunk investment in the region. They are, however, rather "cynical about institutions that are there and desire of South African and southern African elites to integrate."¹²⁷ During my interviews with business representatives I felt strong frustration regarding progress in integration and communication between the government and big businesses in this respect. Usually the case of expropriations in Zimbabwe was quoted as an example of government not doing enough to protect private sector interests. According to Mike Spicer, it is currently much less costly to invest in eastern Africa, western Africa or Middle East than in SADC. Referring to slow progress in the implementation of the agreement on the Free Trade Area, Mike Spicer lamented that "there is no reason to hit the head against the wall."¹²⁸ These undoubtedly strong opinions, despite being vastly exaggerated, do have their informative value. They show that there is a strong interest of export oriented business community in regionalization in southern Africa and a wish that the government does much more to use its "weight" to push through the integrationist agenda. Qobo also draws attention to this problem when he points out that organized business still believes that government's trade policy is insufficiently reflective of its concerns, "despite the manifestly neo-mercantilist policies that South Africa pursues in the

¹²⁶ <http://www.businessleadership.org.za/publications.php>

¹²⁷ Interview with Mike Spicer.

¹²⁸ Interview with Mike Spicer; Further frustrations are inspired by the fact that, according to Mike Spicer, most of the business do not pay enough systematic, organized attention to trade related issues. BUSA for instance has had trade committee for only 18 month. Only a handful of individuals within the business community, according to him, pay attention to trade related issues. Moreover he sees DTI as too wide, with limited capacity, over-stretched and with anti-market orientation (interview with Mike Spicer).

region.¹²⁹ Moreover, big businesses do not need any kind of protection, like e.g. light industries, since there is no regional competition *vis-a-vis* their capital intensive products. They do not want to be too tied to South Africa's poor neighbours; they insist that South Africa should not pay for their development; and are generally very disdainful of other than market regional interdependence. As a matter of fact, developmental integration would mean much stronger regional regime, which could be a break on their business activities.¹³⁰

A third member of what I call South African "economic tripartite alliance" is the banking sector, which is inseparably linked with mineral-extractive sector and capital intensive big businesses. This relationship dates back to the 19th century when first diamonds and later gold was discovered in Witwatersrand Mountains, current industrial heartland of South Africa. To be able to capitalize on this discovery, long term financing was required, which only well developed banking system could provide for. This sector of South African economy is even more than big business interested in successful integration and generally activities in the region. It is because Africa in general has vastly underdeveloped banking sector, hence there are many opportunities for large South African banks such as Standard and ABSA, to set up new operations. South African banks have also high comparative advantage in comparison with extra-regional banks, since they understand the environment much better. Banking sector is, as much as capital intensive industries, very well connected to the governmental administration at the board level. The representative of the ABSA I interviewed, however, also did not hide his disappointment with the progress in integration and the level of leverage the South African government exercises over the countries in the region.¹³¹

¹²⁹Mzukisi Qobo, "The political economy of regional integration," in *Reconfiguring the Compass - South Africa's African Trade Diplomacy*, ed. Peter Draper (South Africa: South African Institute of International Relations, 2005), 60.

¹³⁰ James J. Hentz, *South Africa and the logic of regional cooperation* (Bloomington and Indianapolis: Indiana University Press, 2005), 6, 58.

¹³¹Interview with Jeff Gable.

Drawing on the above elaborated, we can conclude that the regional trade foreign policy adopted by the Republic does reflect preferences of export oriented, capital intensive businesses. Government not only tries, less or more successfully, to create an environment conducive to business activities but also provides them with direct support by way of "millions of rands in loans" from Industrial Development Corporation, earmarked specifically for their regional activities.¹³² This policy however is not necessarily the result of the direct pressures or hard lobbying of South African businesses. It is rather the realization of the government that it simply can not ignore the preferences of this constituency if it wants to meet its macro-economic targets. Moreover, the government can not be ignorant of businesses' interests, simply because of the array of developmental activities within the republic, which these do. Finally, on one hand, I was cautioned during my interviews many times not to expect any direct, "Washington style, hard, aggressive"¹³³ lobbying pressures from the big businesses or any other constituencies for that matter.¹³⁴ Mzukisi Qobo for instance presupposes considerable degree of "insulation of DTI bureaucracy"¹³⁵ and points out that the governments of developing countries are not subject to the same high level of influence as is exerted by organized business interests in developed economies. He is, however, quick to point out that "trade policies nonetheless do reflect the preferences of specific business groupings."¹³⁶ On the other hand, however, I was also instructed about the implied threats of a "revolt" against the government in case it adopts foreign policy hostile to business interests.¹³⁷

¹³² Adekeye Adebajo, "South Africa in Africa: Messiah or Mercantilist?" *South African Journal of International Affairs*, Vol. 14, Issue 1, Summer/Autumn 2007, 35.

¹³³ Interview with Mike Spicer.

¹³⁴ Interviews at Business Leadership, DFA and NEDLAC.

¹³⁵ Interview with Mzukisi Qobo.

¹³⁶ Mzukisi Qobo, "The political economy of regional integration," in *Reconfiguring the Compass - South Africa's African Trade Diplomacy*, ed. Peter Draper (South Africa: South African Institute of International Relations, 2005), 59.

¹³⁷ Interview with Jan van Vollenhoven.

Having discussed the role of South African parliament with most of the people I interviewed, I can only agree with Hughes¹³⁸ that it has "largely failed to carve out for itself an independent and robust executive oversight role" and the body remains "generally very weak"¹³⁹ and is, as much as civil society, rather marginalized from the Foreign Policy making process.¹⁴⁰

The purpose of this section was to explain the influence, interests and preferences of South African government and main constituencies, COSATU and big businesses, in order to show the driving force behind domestically protectionist but regionally liberal South African trade policies. Most importantly, I showed that the first source of South African neo-liberal regional policies is the influence and preferences of capital intensive big businesses. This conclusion, however, provides us only with partial explanation of our dependent variable. To grasp our subject matter in its entire complexity, we need to turn our attention to the influences, which originate outside of the Republic of South Africa.

2.2 Foreign policy under dependence

The purpose of this chapter is to, first, introduce the major tenets of the dependency theories approach to Foreign policy analysis and subsequently apply the theory to the case study of South Africa.

¹³⁸Tim Hughes, "South Africa" South African Journal of International Affaires, Vol. 12, Issue 1, Summer/Autumn 2005, 164.

¹³⁹ Mmatlou Kalaba et al., *Deepening Integration in SADC - South Africa - SADC's economic engine* (Botswana: Friedrich Ebert Foundation, 2006), 19.

¹⁴⁰ Garth le Pere, *South Africa's Foreign policy in a Globalising world - an overview: 1994-2002*, Institute of Global Dialogue, 68.

2.2.1 Theoretical framework

The authors coming from the systemic dependency theories background¹⁴¹ argue, at a more general level of analysis, that the current form of integration in the developing world characterized by so-called open or neo-liberal regionalism, which disregards the developmental needs of the countries concerned, is the result of the neo-liberal discourse stemming from the global north. With respect to foreign policy of the particular countries in the South, this, according to dependency theorists, is responsive to these systemic pressures rather than to the foreign policy preferences of the countries concerned.¹⁴² The dependent countries have two main modes of adaptation, compliance and consensus. *Compliance*, in line with the realist perspective, can ensue for three reasons: a) response to overt pressure and threats, b) pressures are implicit i.e. the hegemon does not need to be explicit about threats c) compliance follows because the international economic and political structure favouring the core compels such behaviour. *Consensus*, rooted in dependency theories, is a result of cooperation among core and peripheral elites, reflecting the interests of the North.¹⁴³ As we see, both of these explanations rely on a structural account of international political outcomes and policy outcome is supposed to be pro-core. Hey, who applied this framework to the foreign policy of Latin American states, concludes, first, that the issue area is an important factor in determining whether dependent Ecuador implemented pro-USA or anti-USA foreign policies. The two pro-USA cases concerned economic issues, the anti-USA cases involved more diplomatic concerns. The economic realm, according to her, was "at once the area of Ecuador's greatest vulnerability and the United States' highest priority during the period under study." The second finding is that the "substantive pattern concerns the beneficiaries of

¹⁴¹ James H. Mittelman, *The Globalization Syndrome* (New Jersey: Princeton University Press, 2000); Ankie Hoogvelt. *Globalization and the Postcolonial World* (Baltimore, Maryland: The Johns Hopkins University Press, 2001).

¹⁴² See e.g.: Jeanne A. K. Hey, "Foreign Policy Options under Dependence: A Theoretical evaluation with evidence from Ecuador" *Journal of Latin American Studies* 25 (1993).

¹⁴³ Ibid, 546 - 548.

foreign policy."¹⁴⁴ In the economic cases, Ecuador implemented policy that benefited foreign actors as much or more than local interests, especially local industrialists. In the diplomatic cases, on the other hand, the foreign policy winners were exclusively local actors. This leads, according to her, to the tentative conclusion that we should look inside Ecuador for the principal source of diplomatic initiatives and outside Ecuador for the principal source of economic policies.¹⁴⁵ I will return to these comments in the final, synthesizing chapter of my thesis, to see how much these conclusions hold for the case study of South Africa.

2.2.2 South Africa's foreign policy under dependence

The first observation we need to make is that South Africa is heavily dependent on trade with the global north, mainly with the European Union, especially so since the adoption of the Trade and Development Cooperation Agreement in 1999.¹⁴⁶ This is an important point, since this puts the EU in an ideal position to promote her norms of neo-liberal economic policies in general and neo-liberal approach to regional integration in particular. Indeed, it is especially in Africa that the "significance of the international community is more influential ... than in regions of less economic dependence."¹⁴⁷ When trade links are "asymmetrically in favor of the EU [or other external actors], i.e. the target country is more dependent on trade with the EU than *vice versa*, which is the case with virtually all Third World countries and not only South Africa, the chances to create acceptance for [the EU's foreign policy objectives] are...

¹⁴⁴ Ibid, 571-572.

¹⁴⁵ Ibid, 572-573.

¹⁴⁶ See e.g. James J. Hentz, *South Africa and the logic of regional cooperation* (Bloomington and Indianapolis: Indiana University Press, 2005).

¹⁴⁷ Armin K. Nolting, "External actors in Democratisation Processes: The European Union and its Activities in Southern Africa", Paper prepared for the ECPR Joint Sessions of Workshops, '*Democracy in the Third World: What should be done?*', Mannheim, Germany, 26-31 March 1999, 3.

higher."¹⁴⁸ When it comes to South Africa, the EU's involvement there is "more intensive" than in any other country in the developing world.¹⁴⁹

As for the northern neo-liberal discourse, we can see that it is especially the European Union, which "quite consciously projects its model of [neo-liberal, market-led regional] integration on the basis of the creation of Free trade areas"¹⁵⁰ in order to "use the region as a captive market...and...hold on to its market share in SADC."¹⁵¹ Importantly, most of the funding also comes from the European Union, which is the "highest of all donors" and outstrips also its other programmes in the developing world.¹⁵² This provides the European Union with a substantial level of leverage which, according to several confidential interviews I conducted, the EU has not hesitated to exercise.¹⁵³ Peter Draper, the leading authority on the topic, is in no doubt that the "EU [along with World Bank]¹⁵⁴ exerts a lot of leverage, particularly on the trade front and through Economic Partnership Agreements."¹⁵⁵ This opinion was also confirmed during my confidential interview at DFA. According to one senior bureaucrat, during EU-Africa summit in Addis Ababa two month ago, "an attempt was definitely present on the part of the EU delegates to put implied, under the radar, pressure on (South) African delegates."¹⁵⁶ This "positioning *vis-à-vis* ...the EU", according to Donna Lee, "is hardly surprising and seems to be a sober and pragmatic response to South Africa's

¹⁴⁸ Ibid, 8.

¹⁴⁹ Gerrit Olivier, "The European Union and South Africa: Towards a strategic Partnership?" *South African Journal of International Affairs*, Vol. 13, Issue 2, Winter/Spring 2006, 177.

¹⁵⁰ interview with Peter Draper.

¹⁵¹ interview with Mzukisi Qobo. See also: Ivan Lukas and Viera Dobosova, "Dohody o hospodarskom partnerstve Europskej unie - cesta k upadku Afriky, Karibiku a Tichomoria (The EU Economic Partnership Agreements: A path leading to the decay of Africa, the Caribbean, and the Pacific?)," *Mezinarodni vzťahy*, 1 (2008), p. 95-113.

¹⁵² Gerrit Olivier, "The European Union and South Africa: Towards a strategic Partnership?" *South African Journal of International Affairs*, Vol. 13, Issue 2, Winter/Spring 2006, 181.

¹⁵³ Interviews at foreign affairs, DTI and SAIIA.

¹⁵⁴ Both institutions have especially financial leverage due to the considerable number of regional projects funded by them. World Bank at the same time is pushing through the integrationist projects based on the creation of Free trade areas.

¹⁵⁵ Interview with Peter Draper.

¹⁵⁶ Confidential interview at the Department of Foreign Affairs.

economic dependence upon [it]."¹⁵⁷ Olivier concurs that "in its present form the relationship is asymmetrical in two ways: dependence vulnerability and attitudinal orientation."¹⁵⁸ According to Mkhize¹⁵⁹, adoption of Gear was a "reaction to external environment which was hostile." When asked about possible direct pressures from the International financial institutions and external actors in general, he commented:

What do you say if a South African delegation in 1995 meets with World Bank representatives, they tell you that your exchange rates are not so good and then you go home and change the rates? It seems like they were "convinced" that it was the right thing to do.

Le Pere points out that it appears as if the "ANC's earlier idealist foreign policy was in the process of being challenged by another approach: so-called neo-liberalism, which is an approach which advises foreign policy makers firstly to listen to (and obey) the globalizing free market dogma and, only then, to pay attention to the issues of human rights and democracy."¹⁶⁰ According to Handley, "exposure to an international neo-liberal policy environment further moderated the view of policymakers."¹⁶¹ One of Thabo Mbeki's political advisors pointed out in a similar vein that "if you look at the politics of the ANC, it has always been one of engagement with international developments."¹⁶² Handley presents as one of the possible sources of the adoption of liberal norms courses and executive trainings in various international financial institutions and economic policy think-tanks in the West, which a number of key South African figures attended in 1992 and 1993. There, according to her "they were clearly fed a steady diet of neo-liberal ideas."¹⁶³ Also according to Mzukisi

¹⁵⁷ Donna Lee, "South Africa in the WTO," in *The new multilateralism in South African diplomacy*, ed. Donna Lee, Ian Taylor and Paul D. Williams (Palgrave Macmillan, 2006), 58.

¹⁵⁸ Gerrit Olivier, "The European Union and South Africa: Towards a strategic Partnership?" *South African Journal of International Affairs*, Vol. 13, Issue 2, Winter/Spring 2006, 177.

¹⁵⁹ Interview with Herbert Mkhize.

¹⁶⁰ Garth le Pere, *South Africa's Foreign policy in a Globalising world - an overview: 1994-2002*, Institute of Global Dialogue, 7.

¹⁶¹ Antoinette Handley, "Business, government and economic policymaking in the new South Africa, 1990-2000," *Journal of modern African Studies*, 43, 2 (2005), 222.

¹⁶² Ibid, 222.

¹⁶³ Ibid, 222.

Qobo, there is an observable impact of Washington Consensus on South African Foreign policies. According to him, this is mostly the result of the socialization process through interaction of South African policy-makers and delegations at bodies such as the World Trade Organization, the World Bank or the International Monetary Fund. As a result of this, the "internalization of a particular strand of thoughts" takes place. According to him, "the EU model is the only model we know of, and since it is the only model, it limits the originality in terms of modalities of integration...hence, there *is* a lot of influence of the EU on the thinking of SA policy makers."¹⁶⁴ In Mandy Solomon's words, "you can't help but being influenced by external forces ... the role of global environment is undoubtedly present."¹⁶⁵ Williams talks about South Africa's growing affinity with neo-liberalism and "neo-liberal mindset [which is] prevalent within official circles."¹⁶⁶ Senator H. J. P. Lebona explains that "the basic starting point of Government policy has been that we must engage with [the] complex forces of globalization."¹⁶⁷ Similarly, Kapoor explains South Africa's conformity with neoliberal orthodoxy by pointing out that "power fixes or privileges certain types of knowledge, and ignores and suppresses others, so that it is the knowledge claims of the dominant participants that tend to get naturalized."¹⁶⁸

Adam et al. comment on another aspect of north-south relations by highlighting that "defiance of global expectations ...is now immediately penalised by currency fluctuations, higher interest rates on loans or capital outflows and refusal to invest."¹⁶⁹ This fear seems to be expressed also in the words of the South African trade and industry minister, Alec Erwin, who puts emphasis on "export capacity and competitiveness, [because] ...a country cannot

¹⁶⁴ Interview with Mzukisi Qobo and Dr. Spies.

¹⁶⁵ Interview with Mandy Solomon.

¹⁶⁶ Paul Williams, "South African foreign policy: getting critical?" *Politikon*, (2000), 27(1), 87.

¹⁶⁷ Ibid, 77.

¹⁶⁸ Quoted in Donna Lee, "South Africa in the WTO," in *The new multilateralism in South African diplomacy*, ed. Donna Lee, Ian Taylor and Paul D. Williams (Palgrave Macmillan, 2006), 61.

¹⁶⁹ Quoted in: Antoinette Handley, "Business, government and economic policymaking in the new South Africa, 1990-2000," *Journal of modern African Studies*, 43, 2 (2005), 235.

industrialize in a global world if it cannot export."¹⁷⁰ And although there is, since 2000, but especially since 2004, a detectable shift towards a more redistributive and protectionist approach (see above) within domestic politics and quite a strong leftist discourse within certain quarters of the ANC, the overall macro-economic direction of internal political economy and trade policy is unlikely to deviate substantially from the neo-liberal framework put in place since the introduction of the GEAR in 1996. The reason is that any deviation, according to Peter Draper, will be immediately corrected by what Friedman calls the "golden straitjacket", which is "imposed upon us [read South Africa]."¹⁷¹ This, among other things, is being induced by the fact that South Africa has the tenth biggest stock-exchange in the world and highly liquid financial markets. As a result, any financial minister defending, for instance, abolition of inflation targeting or declaring populist macroeconomic policy, would bring about the country's "hammering" by the market discipline.¹⁷² So despite the fact that there is a discernible left-turn in welfare-state policies, especially since the last ANC conference, the major tenets of the GEAR have not, as a result of the external environment, fundamentally changed and are unlikely to do so in the future.

The conclusion which follows from these observations is that the open, neo-liberal regionalism promoted by South Africa, but also her broader economic diplomacy at bodies such as the WTO, are, to a large extent, a result of the norms emanating from the north. These norms impact via two mechanisms: imposition, which is the result of the implied threat of punishment, in the case compliance is not forthcoming, and internalization of the norms by the elites as a result of social learning.

¹⁷⁰ Garth le Pere, *South Africa's Foreign policy in a Globalising world - an overview: 1994-2002*, Institute of Global Dialogue, 11.

¹⁷¹ Interview with Peter Draper.

¹⁷² Ibid.

SYNTHESIS

The Utilitarian-liberal approach seems to provide us with a more nuanced and comprehensive understanding of the factors influencing South African foreign policy, however, if unaccompanied with systemic level insights, it leaves us with only a partial explanation of the dependent variable. One particularly wonders why the ruling elites have opted for neo-liberal regional foreign policies, given that it does not clearly suit their interests in terms of both the increase in voters' utility and good neighbourly relations with the countries in the region. The first puzzle, which is related to voting patterns of the ANC constituencies and militant unionist actions, disappears, as soon as we understand the Janus nature of South Africa's foreign trade policy. What follows from my research is that South Africa indeed promotes neo-liberal regional integration, especially the creation of the Free Trade Area by encouraging the countries in the region into adopting this kind of foreign trade policies. However, when it comes to the actual activities of the Republic in this respect, what we observe are strong mercantilist and protectionist policies, the latter one having in mind the appeasement of the substantial part of ANC constituencies. Interestingly therefore, we observe that South Africa behaves in the same ambiguous manner in her own regional backyard as the European Union on a global scale. That is, pushing peripheral countries into trade liberalization, whilst at the same time keeping non-tariff barriers to protect her domestic agriculture and industries. This conclusion is well in line with Ahwireng-Obeng's observation that South Africa's relationship to ... southern Africa ... shows that South Africa can be thought of as the 'North' and the other countries as the 'South' "... the former one being "industrialized core and [the latter] deindustrialized periphery."¹⁷³

With respect to the second puzzle, the questions why the Republic has opted for the promotion of neo-liberal regionalism at all, whilst it could have opted for a more

¹⁷³Fred Ahwireng-Obeng and Patrick J. McGowan, "Partner or Hegemon? South Africa in Africa," *Journal of Contemporary African Studies*, 16, 1, 1998, 32.

developmental approach or not to promote integration at all and that it has done so despite the fact that it contravenes her interests in good neighbourly relations, we need to incorporate into our framework the role of domestic and systemic influences. That South Africa has opted for this kind of policies because of the concerns for the wellbeing of the export oriented big businesses, and the implied pressures attached to it, as Utilitarian-liberal approach would tell us, is of course revealing, but not entirely convincing, given the near paranoid reactions the expansion of South African businesses in the region inspires, but also sometimes uneasy relations between this group and the black ruling elites as a result of the white business communities collaboration with the apartheid regime. It is only when we take into account dependency theories explanation, that the second focal point of influence and pressure is revealed. This materializes first in the form of the neo-liberal discourse emanating from the global north and the neo-liberal nature of the current international political economy, which corresponds rather well with Hey's observation that "compliance follows because international economic and political structure favouring the core compels such behaviour".¹⁷⁴ Second, in the form of pressures that are mostly implied i.e. "the hegemon does not need to be explicit about threats."¹⁷⁵ It is only a combination of these two theoretical approaches that we can see that the ANC ruling elites are under *double influence* pushing them in the direction which to a certain extent contravenes their basic interests. Finally, my conclusions are at odds with Hey's observation that we need to look inside the dependent country for the principal source of diplomatic initiatives and outside of it for the principal source of economic policies.¹⁷⁶ As I tried to demonstrate, the sources of South Africa's economic foreign policies come as much from within and from outside and together in a synergic

¹⁷⁴ Jeanne A. K. Hey, "Foreign Policy Options under Dependence: A Theoretical evaluation with evidence from Ecuador" *Journal of Latin American Studies* 25 (1993), 546-8.

¹⁷⁵ Ibid.

¹⁷⁶ Jeanne A. K. Hey, "Foreign Policy Options under Dependence: A Theoretical evaluation with evidence from Ecuador" *Journal of Latin American Studies* 25 (1993), 573.

manner give rise to South African elusive and seemingly contradictory "neo-liberal - mercantilist" regional foreign policies.

BIBLIOGRAPHY

Adar, Korwa Gombe and Rok Ajulu, eds. *Globalization and Emerging trends in African states' foreign policy-making process*. South Africa: Rhodes University, 2002.

Adebajo, Adekeye "South Africa in Africa: Messiah or Mercantilist?" *South African Journal of International Affairs*, Vol. 14, Issue 1, Summer/Autumn 2007.

African Research Bulletin (ARB) - Economic, Financial and Technical Series, Blackwell Publishing Ltd. 2007.

Ahwireng-Obeng, Fred and Patrick J. McGowan "Partner or Hegemon? South Africa in Africa." *Journal of Contemporary African Studies*, 16, 1, 1998.

Alden, Chris and Mills Soko. "SA's economic relations with Africa: hegemony and its discontents." *Journal of Modern African Studies*, vol. 43, n. 3 (2005).

Bischoff, Paul-Henri. "External and domestic sources of foreign policy: South African foreign policy ambiguity: South African foreign policy and the projection of pluralist middle power." *Politikon*, (November 2003), 30 (2), 183-201).

Butler, Anthony. *Contemporary South Africa*. Palgrave Macmillan, 2004.

Draper, Peter ed. *Reconfiguring the Compass - South Africa's African Trade Diplomacy*. South Africa: South African Institute of International Relations, 2005.

Freund, Corrina and Volker Rittberger, 2001: "Utilitarian-liberal foreign policy theory." in Volker Rittberger, ed., *German Foreign Policy Since Unification*. Manchester: MUP, 2001.

Grobbelaar, Neuma. "Can South African business drive regional integration on the continent?" *South African Journal of International Affairs* Volume 11, Issue 2, winter/Spring 2004.

Handley, Antoinette. "Business, government and economic policymaking in the new South Africa, 1990-2000." *Journal of modern African Studies*, 43, 2 (2005).

Hentz, James J. *South Africa and the logic of regional cooperation*. Bloomington and Indianapolis: Indiana University Press, 2005.

Hey, Jeanne A. K. "Foreign Policy Options under Dependence: A Theoretical evaluation with evidence from Ecuador." *Journal of Latin American Studies* 25 (1993).

Hoogvelt, Ankie. *Globalization and the Postcolonial World*. Baltimore, Maryland: The Johns Hopkins University Press, 2001.

Hughes, Tim "South Africa." *South African Journal of International Affairs*, Vol. 12, Issue 1, Summer/Autumn 2005.

Iheduru, O.C. "Post-Apartheid South Africa and its neighbors: A maritime transport perspective." *Journal of Modern African Studies*, 34 (1), 1996.

Jelinek, Petr. *Kontinentální a regionální integrace v postkoloniální Africe*: Diplomová práce. Praha: Filosofická fakulta Univerzity Karlovy, Ústav světových dějin, 2002.

Jordaan, Eduard "The concept of a middle power in international relations: distinguishing between emerging and traditional middle powers." *Politikon*, November 2003, 30(2), 165-18.

Kalaba, Mmatlouet, Takudzwa Fundira and Philip Alves. *Deepening Integration in SADC - South Africa - SADC's economic engine*. Botswana: Friedrich Ebert Foundation, 2006.

Landsberg, Christopher. "Mbeki's external initiative on Africa and the global South." *Africa insight*, www.ai.or.za, African Institute of South Africa, Pretoria, SA, Oct 2000.

Landsberg, Chris and David Monyae, "South Africa's Foreign Policy: Carving a Global Niche." *South African Journal of International Affairs*, Vol. 13, Issue 2, Winter/Spring 2006.

Lee, Donna, Ian Taylor and Paul D. Williams (eds.) *The new multilateralism in South African diplomacy*. Palgrave Macmillan, 2006.

le Pere, Garth. *South Africa's Foreign policy in a Globalising world - an overview: 1994-2002*. Institute of Global Dialogue. <http://www.thepresidency.gov.za/docs/pcsa/irps/pere1.pdf>

Lukas, Ivan. "Cooperation of Western Powers with the Republic of South Africa from 1948 to the end of the 1970s." *Archiv orientální: Quarterly Journal of African and Asian Studies*, Volume 72 (2004), p. 91-106.

Lukas, Ivan. "Regionalna integracia v sub-saharskej Afrike." *Mezinárodní vztahy*, vol. 46, no.1 (2006).

Lukas, Ivan and Viera Dobosova. "Dohody o hospodarskom partnerstve Európskej unie - cesta k upadku Afriky, Karibiku a Tichomoria (The EU Economic Partnership Agreements: A path leading to the decay of Africa, the Caribbean, and the Pacific?)." *Mezinárodní vztahy*, 1 (2008), p. 95-113.

Masiza, Zondie and Thami Ngqungwana. "Enhancing policy implementation: Lessons from the Growth, Employment, and Redistribution strategy." *Centre for policy studies*, Research report no 91, 2001.

Matlosa, Khabele. "New regionalist impulses." *Centre for policy studies*, Vol 17 no 5, 2004.

Mittelman, James H. *The globalization Syndrome: transformation and resistance*. Princeton: Princeton University Press, 2000.

Muchie, Mammo. "Partnership or Self-reliance: Does NEPAD Provide the Strategy for African Development?", *Centre for Civil Society* (2003): 1-20. <http://www.ukzn.ac.za/ccs/default.asp?5,50,10,771>

Moravcsik, Andrew. "Taking Preferences Seriously: A positive liberal theory of international politics." *International Organization* 15(4) (1997).

Nolting, Armin K. "External actors in Democratisation Processes: The European Union and its Activities in Southern Africa", Paper prepared for the ECPR Joint Sessions of Workshops. *'Democracy in the Third World: What should be done?'* Mannheim, Germany, 26-31 March 1999.

Nyiarabu, N. "Appraising regional integration in southern Africa." *African Security Review*, Vol 13 No 1, 2004.

Olivier, Gerrit. "The European Union and South Africa: Towards a strategic Partnership?" *South African Journal of International Affairs*, Vol. 13, Issue 2, Winter/Spring 2006.

Schoeman, Maxi. *From SADCC to SADC and Beyond: the politics of economic integration*. <http://www.eh.net/XIIICongress/Papers/Schoeman.pdf>. 2003. downloaded: 18.12.2005.

Solomon, Hussein. "Draft protocol on the movement of persons in SADC." *Africa insight*, www.ai.or.za, African Institute of South Africa, Pretoria, South Africa.

Van Nieuwkerk, Anthoni. "Implications for South African Foreign Policy beyond Lesotho crisis." *ACCORD*, occasional paper, No 3, 1999.

von der Ropp, Klaus Baron. "The challenge of change: Comparative lessons from the experience of the EU and SADC." *African Security Review* Vol 9 No 2, 2000.

Williams, Paul. "South African foreign policy: getting critical?" *Politikon*, (2000), 27(1), 73-91.

Interviews

Draper, Peter, *Research Fellow and Head: "Development Through Trade" programme at the South African Institute of International Affairs, Pretoria, 28 April 2008.*

du Plessis, Anton, *professor, Department of Political Sciences, University of Pretoria, 5 May 2008.*

Gelb, Jeff, *Head of Research, ABSA CAPITAL, Johannesburg, 25 April 2008.*

Mkhize, Herbert, *Executive Director, NEDLAC, Johannesburg, 23 April, 2008.*

Moerane-Khoza, Her Excellency Dr. D., *South African Ambassador Extraordinary and Plenipotentiary to Budapest, Budapest, 25 March 2008.*

Qobo, Mzukisi, *Chief Director at Department of Trade and Industry, Pretoria, 29 April 2008.*

Schoeman, Maxi, *Head of the Political Science Department at the University of Pretoria, Pretoria, 5 May 2008.*

Solomon, Mandy, *Chief Director: SADC desk at Department of Foreign Affairs, Pretoria , 29 April 2008.*

Spicer, Mike, *Chief Executive Officer, Business Leadership South Africa, Johannesburg, 23 April 2008.*

Spies, Dr Yolanda Kemp, *Senior Lecturer, Department of Political Sciences, University of Pretoria, 5 May 2008.*

van Vollenhoven, Jan, *Chief Director: European Organizations at Department of Foreign Affairs, 1-5 May 2008, Pretoria.*