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## The Effect of Sanctions on Constitutional Change in SA

Speech delivered by Dave Steward on behalf of former President FW de Klerk to the Institut Choiseul, Paris.

Many supporters of sanctions regard the democratic transformation of South Africa as their greatest success. They believe that the increasingly comprehensive net of sanctions that was drawn around South Africa during the 'seventies and the 'eighties was, perhaps, the principal reason why the National Party Government decided in 1990 to embark on the programme of radical reform that led to South Africa's first fully democratic election on 27 April 1994.

Is this so? Were the sanctions against South Africa an effective change agent? And, if so, what lessons can one learn from the South African experience that might be of use when dealing with other recalcitrant governments?

I appreciate the opportunity that the *Institut Choiseul* has extended to me to share my views on this important topic. After all, nobody – or almost nobody – believes that the international community should resort to armed conflict to impose its will on recalcitrant governments until all other avenues have been exhausted. Clearly, the most important of those other avenues is the imposition of sanctions. It is accordingly advisable to have a very clear understanding of the efficacy and limitations of sanctions when confronting regimes that pose a threat to peace and consistently violate human rights.

I must also compliment the *Institut* for wishing to find out what the experience of sanctions is from the point of view of those – like the former South African government – who have been on the receiving end of international action. One can never really understand the nature of the hunt if one interviews only the hounds. The hare will be able to provide a very special and different perspective about the process – because, as the old saying goes, the hounds are running for their dinner and while the hare is running for his life!

What historic processes led to South Africa's increasing isolation and to the imposition of sanctions?

South Africa had emerged from the Second World War as an honoured member of the victorious alliance. Its Prime Minister, Field Marshall Smuts had been a member of Winston Churchill's war cabinet. In one of history's more ironic moments he had played the leading role in drafting the preamble to the Charter of the newly formed United Nations in San Francisco in 1945. Very soon the United Nations would confront his government with the first rumblings of opposition that presaged the earthquake of decolonisation. South Africa soon found itself the target of increasingly bitter criticism over its continued control of the

former League of Nations mandated territory of South West Africa (now Namibia) and over its own segregationist policies – which after 1948 became known as ‘apartheid’ ( which means ‘separation’ in English).

As the tide of European colonialism ebbed from Africa and the world, South Africa found itself conspicuously and uncomfortably exposed as the last remaining white-ruled country on the continent. In 1975 the Portuguese Empire in Angola and Mozambique collapsed and in 1981 the last buffer state between it and independent Africa – Rhodesia – gained independence as Zimbabwe. Increasingly, South Africa found itself the target of a concerted international criticism – particularly after the Sharpeville massacre in 1960; the trial and imprisonment of Nelson Mandela in 1964 and the Soweto riots of 1976.

Throughout this period South Africa also came under increasing pressure from the United Nations and the international community over its continuing administration of Namibia. By 1974 it had decided to embark on its own independence process for the territory and convened a conference of internal political parties. This process was, however, unacceptable to the United Nations because it did not have the support of the South West African People’s Organisation (SWAPO) which the General Assembly had rather arbitrarily recognised as the ‘sole and authentic representative’ of the people of the territory. In 1976, under threat of expanded sanctions, the South African Government entered into negotiations with the Western countries on the Security Council with regard to an internationally controlled independence process for the territory. The talks led to the adoption of UN Security Council Resolution 435, which included the Secretary-General’s implementation plan for the independence process. However, South Africa lost confidence in the initiative when the Security Council simultaneously adopted Resolution 432 which purported to recognise the South African enclave of Walvis Bay as part of the territory of Namibia. The resolution was adopted without any prior negotiation with, or warning to, South Africa and despite the fact that the UN’s own law advisers – and those of the Western nations on the Security Council unequivocally acknowledged that Walvis Bay was, indeed, part of South Africa. The South African government also lost confidence in the process because of its perception that the United Nations had egregiously breached clear understandings regarding the implementation plan – most significantly that SWAPO forces – unlike those of South Africa – would not be monitored or restricted to their bases in Angola just across the border from the most heavily populated part of the territory. The negotiations lurched from deadlock to stalemate until 1980 when the newly elected Reagan administration accepted South Africa's position that the independence plan should not be implemented until some 50 000 Cuban troops in neighbouring Angola were withdrawn from the continent.

Throughout this period there was a relentless intensification of sanctions against South Africa: a partial arms embargo, imposed in 1963, was followed by a plethora of non-binding General Assembly sanctions. In 1970 OPEC countries imposed an oil embargo and in 1976 the Security Council imposed a comprehensive arms embargo.

Sanctions – as with any artificial interference in the market – often had ironic and unintended consequences:

- The National Party used the threat of sanctions and international pressure to rally voters to its cause in election after election. Sanctions, if anything, strengthened its hold on electoral power.
- OPEC’s 1970 oil sanctions spurred South Africa to expand and develop SASOL, its advanced oil from coal process, which soon provided a significant part of its fuel

requirements and also became the base for a thriving petrochemical industry. The government also built up enormous oil reserves during the 60s which were purchased for only a few dollars a barrel and were then stored in abandoned gold mines. During the 'eighties the reserves were gradually sold off at a huge profit.

- The Security Council's 1963 arms embargo forced South Africa to develop its own armaments industry which by the 'eighties had become the sixth or seventh largest in the world. The industry was able to supply virtually all South Africa's military requirements – including advanced jet fighters, helicopters and one of the best artillery systems in the world. By the mid 80s armaments had become one of South Africa's most important exports.
- The disinvestment of some foreign companies also often had ironic and unintended consequences. General Motors, which had invested £25 000 in South Africa in 1926, came under increasing pressure during the 70s and 80s to disinvest. Like most other US companies it strictly applied the Sullivan principles which ensured that its black and whites employees were fully integrated and were treated in every respect as equals. When it finally decided to disinvest in 1987 the parent company in Detroit found that the only way that it could extricate itself was by lending the white South African management of the company sufficient funds to buy out the company at a bargain price. Having done so, the new South African company, called Delta Motors, no longer subject to the constraints of the Sullivan Code, continued to manufacture the same Opel cars and was soon running at a profit. Little surprise that many white South African managers of American and European subsidiaries prayed fervently that their parent companies would also disinvest!
- The main victims of sanctions – predictably – were black workers who were usually the first to be retrenched as a result of the negative effects of sanctions. It is accordingly not surprising that authoritative opinion surveys consistently showed that a sizable majority of black South Africans was resolutely opposed to sanctions.

It was also ironic that none of the so-called 'frontline states' (the independent black African states of southern Africa) - that lobbied most vociferously for sanctions at the United Nations - ever applied economic sanctions against South Africa. Throughout the period of confrontation, South Africa's borders with its frontline state neighbours remained open. Nothing was done to limit trade and most of the frontline states' exports and imports continued to be transported by South African Railways through South African ports. In general, those states with the least trade links with South Africa were the most fervent in their support for sanctions. Like those who confronted Horatio on the bridge, it was very much a case of those at the back shouting 'forward' and those at the front shouting 'back'.

There is, however, no doubt that sanctions seriously harmed and distorted the South African economy – and probably reduced its economic growth rate by about 1.5% per annum. In general, South Africa could obtain virtually everything that it required – including oil – but at a premium. South Africa was also forced to make enormous and uneconomical strategic investments, such as its investment of some 13 billion Rand in a huge refinery near Mossel Bay which converted gas from marginal off-shore fields into petroleum.

Why then did South Africa endure all these sanctions and isolation for so long? Why did it not accept the kind of constitutional settlement in 1970 or in 1980 that it was prepared to accept in 1990? The South African government had three broad concerns:

The first was the right of white South Africans – and particularly Afrikaners – to national self-determination. Unlike any other settler group in Africa, the Afrikaners were a nation. They had their own language. The central theme of their history had been their wish above everything else to rule themselves – which had led them twice during the nineteenth century to defend their independence against Britain. In 1900 – during the Anglo-Boer War – few people in Europe questioned the right of the brave ‘Boers’ to national self-determination. In the post-colonial world of the 1960s and 1970s hardly anyone any longer acknowledged this right despite the fact that it remained the driving force of Afrikaner politics throughout the first sixty years of the 20<sup>th</sup> century. How could this right to self-determination possibly be maintained in a one-man, one-vote dispensation? For white South Africans acceptance of a one-man, one-vote solution evoked very much the same fears and reaction that could be expected from Israelis were they ever asked to consign their fate to a one-man, one-vote election in a greater Israel/Palestine in which they would be heavily outnumbered.

Secondly, former governments were deeply concerned about Communist influence in the ANC. They knew that a majority of the members of the ANC’s National Executive Committee were also members of the South African Communist Party. They knew that SACP cadres controlled key functions within the ANC alliance, most notably its armed wing Umkhonto we Sizwe. They knew that the SACP proposed a two phased revolution – a national liberation phase that would include all forces opposed to apartheid during which the ANC would be the vanguard party; and a second ‘democratic’ liberation phase that would culminate, under the leadership of the SACP, in the achievement of the ‘democratic’ revolution and the establishment of a ‘people’s democracy’. Former NP governments did not feel that they were under any moral obligation to accept a one-man, one-vote process that would quickly lead to the demise of democracy and the establishment of a totalitarian communist regime – as had already happened in a number of neighbouring states. This was not a question of ‘reds under beds’. The communist threat was very real. The contest between the free world and the Soviet bloc was taking place through third world liberation struggles. One of the main battlegrounds was southern Africa where South African forces had until as late as the end of 1987 been involved in large-scale battles with Cuban and Soviet-led forces in Angola.

Thirdly, they were worried about chaos. It was one thing to accept the necessity of a liberal democratic transformation, even if this meant the end of the dream of Afrikaner self-determination. It was entirely another thing to accept one-man, one-vote elections that would be held only once and that would open the gates to the kind of tyranny and chaos that had characterised the post independence experience of the great majority of African states. One must remember that throughout the ‘eighties there were only one or two democratic states in the whole of Africa.

These were all reasonable concerns – which incidentally were given very little recognition by the Western powers whose overwhelming inclination was to get South Africa and apartheid off the international agenda – almost at any price. So, throughout the 1980s the South African government found itself riding the tiger of growing black anger and increasing international isolation. The world – and most black South Africans were shouting at white South Africans to dismount – but it was difficult for them to see how they could do so without being devoured.

The South African government was also very disillusioned by the response of the international community to the very real reforms that it had introduced from 1978 onwards. By 1986 it had repealed most of its apartheid legislation. However, each new

reform simply redoubled the demands for further concessions - concessions that most white South Africans increasingly equated with the total surrender of their core interests. According to a survey carried out in 1986, the great majority of white South Africans were opposed to making concessions because of sanctions because of their perception that sanctions would force them to 'give up everything'. At that time only 30% of whites were prepared to contemplate the prospect of direct negotiations with the ANC – despite the serious political and economic crisis that the country experienced between 1984 and 1986.

Serious internal unrest broke out in 1984 and 1985 in response to the introduction of South Africa's new constitution which extended real powers to Indian and coloured citizens. Scenes of rioting and repression were televised almost daily throughout the world and led to a collapse of confidence in the government's ability to maintain order. In 1986 these negative perceptions, in turn, precipitated more disinvestments and the imposition of further draconian sanctions by the United States (the Comprehensive Anti-Apartheid Act) and the European Union.

Even more seriously, the world's major banks, led by Chase Manhattan, sensing a possible failure by the South African government to control the situation, refused to roll over about \$ 14 billion of short-term loans. South Africa was faced with the extremely serious prospect of being forced to default on its international commitments and was able to save the situation only at the last moment through the negotiation of a draconian repayment agreement. The banking crisis was perhaps the most serious economic threat that South Africa ever had to deal with – and ironically it was precipitated by market forces caused by a collapse of confidence rather than by government-imposed sanctions.

However, by 1988 South Africa appeared to have weathered the storm. The government's strict state of emergency had successfully restored order throughout the country. Despite tightening sanctions and growing uncertainty, the economy actually grew at an annual rate of 2.7% between April 1986 and February 1989. There is every reason to suppose that the government would have been able to maintain control of the country for at least the next ten or twenty years.

What changed? Why did the South African government decide at the beginning of 1989 to accept fundamental change?

The first factor was the realisation that its policies had failed. The National Party had thought that, like a large number of other multicultural societies South Africa would be able to solve our problems through a process of partition. After all, this is what had happened in India/Pakistan; in Malaysia/Singapore; in Czechoslovakia. It is what would happen with the disintegration of the Soviet Union and Yugoslavia; and it became the universally recommended solution for Israel/Palestine. The idea was that each of the nine black South African nations should have its own entirely independent homeland in the core areas that they had traditionally occupied. The three and a half million coloured South Africans and the million Asians would join the whites in a consociational democracy in which each community would have substantial control over its own affairs – as is the situation, for example, between the Walloons and the Flemish in Belgium. Black South Africans in the white areas would exercise their political rights in their own homelands and would enjoy rights of local government in the communities where they lived. All these states and entities would freely co-operate to their mutual benefit in a South African 'commonwealth' of nations.

By the early 80s it had become apparent that this model had for a number of reasons failed dismally and held no prospect whatsoever of bringing about a just or workable solution for the country. The partition of the country on which it was based was hopelessly inequitable – with the 78% black majority being allocated only 13 % of the land (as a young MP I had supported a fairer distribution of territory); the economy – and the supposedly white cities – were becoming more integrated with each year that passed; whites did not constitute a majority in any geographic region of the country; and the solution was vehemently rejected by a vast majority of blacks, coloureds and Asians.

A second key factor was the collapse of global communism in 1989. At a stroke, it removed the primary strategic concern that had dominated the thinking of NP governments for decades. The demise of communism and the manifest success of the free market economies also meant that there was no longer any serious debate with regard to the economic policies that would be required to ensure economic growth in a future democratic South Africa. The devastation that central planning and socialist policies had caused to the economies of Eastern Europe was there for all to see. Even social democrats in Europe were quietly abandoning the idea of nationalisation and other unworkable socialist principles and were adopting central elements of classical free market policies – albeit with a more benign and caring social approach.

A third factor for change was the successful conclusion of a tripartite agreement in 1988 between South Africa, Cuba and Angola for the withdrawal of Cuban forces from Angola and for the implementation of UN resolution 435 for the independence of Namibia. The negotiations with the Angolans and the Cubans and the subsequent successful implementation of the UN independence plan during 1989 reassured the South African government that it could secure its core interests through negotiations with its opponents. The independence of Namibia – though long in the coming – was a vindication of the Reagan administration's policy of constructive engagement, ably expounded by Assistant Secretary of State Chester Crocker. In the end, South Africa responded more positively to recognition of its reasonable core interests than to threats and sanctions.

Apart from the three factors mentioned above, the most significant force for change by far was the underlying economic and social dynamics that had been at work in South Africa for decades. The true agents of change in South Africa were the evolutionary forces that were unleashed over decades by millions of ordinary black and white South Africans going about their daily lives; moving to the cities; improving their living conditions; getting better jobs, participating in the free market, acquiring better educations.

Between 1970 and 1989 there were dramatic – but largely unreported – shifts in social and economic relationships in South Africa. The first major shift was in the share of personal income. According a study carried out by M D McGrath some years ago there was hardly any change in the racial distribution of personal income between 1917 and 1970. In 1917 Black share of personal income was 20,3%. By 1970 it had, according to him, actually declined slightly to only 19,8% compared with a White share of 71,1%. However, between 1970 and 1991 there was a marked shift in the relationship: the Black share climbed to 37% and the White share had fallen below 50% with coloured and Indian South Africans accounting for the remainder.

In practice, these dry statistics meant that between 1970 and 1990 black South Africans moved into a dominant position in many sectors of the consumer market. By the end of the 80s they were buying more TV sets, more hi-fi sets, more furniture suites, more stoves, more fridges and more of many other consumer items than whites.

According to the Small Business Development Corporation there were, by the beginning of the 'nineties, more than 625 000 small black businesses in South Africa providing employment to millions of people and support for millions more. By 1993 there were 120 823 black undergraduate students - compared with 116 631 Whites - at South African universities. There were 41 342 Black Technicon students and 41 343 trainee teachers. Despite the disruption of black education and despite the low pass rates, by the beginning of the 1990s Black South Africans made up a large majority of each year's matriculants.

The face of South Africa changed dramatically during the generation that preceded the reforms of 1990. Millions of black South Africans moved to the cities and improved their standard of living and education - just as many Afrikaners had done a generation or two earlier. By 1989 they had begun to occupy key positions in the industrial and commercial sectors. Increasingly they were becoming indispensable in the white-collar professions. These developments, in turn, had far-reaching effects on government policy: the "pass laws" were abolished by the reality of millions of people migrating to the cities, long before 1986 when they were officially scrapped from the law books by Parliament. The Group Areas Act - which segregated black and white residential areas - was abolished by the reality that thousands of people had by the end of the '80s peacefully moved into supposedly white areas. By the time the Act was abolished in Parliament there were already tens of thousands of black South Africans living peacefully in supposedly white Johannesburg. Other segregation legislation was doomed from the moment that young black and white people with the same qualifications began working side by side in banks, shops and factories.

The same economic and social forces that were helping to move black South Africans up the ladder of development during the 70s and 80s were also exercising a dramatic effect on Afrikaners. When the National Party came to power in 1948 its support base was made up of working class Afrikaners and small farmers - together with a quite small minority of middle class intellectuals and professionals. The NP at that time had a number of socialist tendencies: it was strongly supported by white rightwing trade unions; it distrusted big business - which was totally almost controlled by English-speaking South Africans; and it supported extensive state involvement in the economy.

However, during the 'sixties, 'seventies and 'eighties a whole generation of young Afrikaners moved from the working class to the middle class. They graduated from university and travelled abroad - and were inevitably influenced by global values. Their attitudes were increasingly determined by the more individualistic and liberal lifestyles to which they were exposed at the cinema, in the books they read and -after 1975 - on television. TV programmes - like the Bob Cosby show - gave them a view of black people that did not accord at all with established Afrikaner perceptions. The new generation of university educated Afrikaners no longer shared the fiery nationalism of their parents and grandparents. By the early 'eighties they were becoming increasingly uncomfortable with many aspects of apartheid - but like the NP leadership had no idea of how they could dismount the tiger of growing black resentment without being devoured. By 1989 they were ripe for change - and in March 1992 they voted in favour of the continuation of the reform process.

These were the forces that brought about the transformation of South Africa.

There is nothing new in this. Much of history has been the story of how changing economic relationships have led to changed social relationships. Ultimately these changed

relationships have placed irresistible pressure on antiquated constitutional relationships and have led to reform and the emergence of democratic societies.

What lessons can we learn from South Africa's experience?

Firstly, sanctions are a very blunt weapon and often lead to unintended and unpredictable consequences. Often the main victims of sanctions are the very people that they are supposed to help.

Secondly, sanctions can be quite effective in encouraging action and reforms that do not threaten the core interests or the continued existence of targeted governments and communities. However, few governments are likely to bow to sanctions that they believe will lead to their destruction. It is accordingly essential to identify the reasonable interests of targeted governments and to devise approaches to reassure them that such interests will not be jeopardised. As mentioned above, the Reagan administration finally secured the cooperation of the South African government in implementing the UN independence plan for Namibia not by threats of sanctions – although they were always in the background – but by addressing South Africa's real concerns regarding the presence of Cuban forces in neighbouring Angola and by ensuring that the rights of the territory's minorities would be protected by a strong and negotiated constitution.

Thirdly, the international community should identify and encourage forces for change in targeted states. Economic growth and international cultural influences are often powerful forces for change. It accordingly makes little sense to try to cripple the economies of targeted states or to isolate their citizens from positive cultural influences. To the extent that economic sanctions retarded economic growth and development in South Africa they also served to slow down powerful underlying forces that were in fact already changing the country. The cultural and academic sanctions that were imposed against South Africa also served only to inhibit one of the most powerful forces for change in the country.

In the final analysis, each case where sanctions are considered must be carefully judged on its own merits. In most cases there will be no easy solutions – even in the seemingly straight-forward case of Iraq under Saddam Hussein. One thing is certain – and that is that righteous indignation should not be a substitute for policy – as I believe it often was in the case of South Africa.

As I have pointed out above, sanctions were certainly a factor that the South African government had to consider very carefully when considering its options. However, they were not by any means the main factor in our decision to embark on fundamental reform and often undermined the real forces for change.