

CHAPTER THREE

SOUTH AFRICA, SADC AND MERCOSUR: SOCIO-ECONOMIC CO-OPERATION AND SECURITY

1. INTRODUCTION

One of the salient features of the second half of the twentieth century has been the ascendance of socio-economic issues in international relations. Through these issues states rewarded their allies (in the form of preferential access to their markets, most-favoured nation status, easy credit loans, and so forth) and 'punished' their enemies (through excessive tariff and non-tariff barriers). Prior to, but especially after WW II, the globe was divided into two hostile economic systems, namely, the capitalist bloc and the socialist bloc, led respectively by the US and the former Soviet Union. States from both camps had to ensure a free flow of essential raw materials and goods required for the military industrial complex. High on the priority list were strategic resources such as oil, plutonium, uranium and gold. The attempts to keep the supply lines open created tensions. These socio-economic tensions induced by the imperative of maintaining large military industries, persisted until the late 1980s during the demise of the former Soviet Union. Consequently, the focus changed from ensuring economic growth with a view to financing massive defence spending, to that of increasing social spending. However, the protection of links and routes for transporting essential goods and services remain crucial for all countries, given the threat posed by rogue states, and pirate and terrorist groups.¹

Regional co-operation and/or integration defy a single definition, but both concepts are characterised by the desire to improve the welfare of parties by eradicating all or most forms of restrictions on interaction and co-operation. Conceptually there is a fundamental, but increasingly blurred, difference between integration and co-operation between states. Generally, it is assumed that the natural progression process, especially among contiguous states, is that co-operation should lead to integration. But this is not necessarily always the case. According to Barber,² co-operation refers to an "agreement between governments to act jointly for specific ends, and usually does not involve the creation of a regional structure or institutions." Unlike co-operation, integration involves the transfer of elements of sovereignty to a regional organisation. As a general rule, closer economic co-operation

engenders mutual economic development, thus bringing about increased income and efficiency, improved political stability in the region and strengthens the bargaining power of members in multilateral forums. Throughout this discussion, 'economic integration' will be seen as referring to "the process of reducing or eliminating the economic significance of national boundaries within a geographic area, namely, the treatment of hitherto separate economic units as a single economic area."³ It should be noted that economic integration is normally facilitated by many factors, including political, military and strategic considerations. For instance, the European Union idea originated from those unique historical, geopolitical and economic circumstances of Western Europe. Similarly, NAFTA, comprising the US, Canada and Mexico, has implications and arrangements that go way beyond strictly economic issues. Through NAFTA, member states are able to deal with security threats such as drug-trafficking, illegal immigration and the environment.⁴

Relations between South Africa and the countries of the Mercosur group fall largely in the realm of co-operation in socio-economic matters with a view to improving the living standards of their citizenry. This chapter discusses co-operation within the context of South Africa's relations with the Mercosur group, state-to-state interaction (namely, South Africa's relations with individual countries) and, lastly, it analyses the potential impact of such relations on the Southern African sub-region or the SADC of which South Africa is a member. The common thread running through the analysis is based on the expanded notion of economic security as discussed in Chapter 1. However, the emphasis is on socio-economic relations and the potential impact this may have on security.

2. SOUTH-SOUTH RELATIONS

Since the establishment of Mercosur and the advent of democracy in South Africa there have been increased efforts to cement ties across the South Atlantic region. Unlike in the past where the most glaring feature of international affairs was East-West confrontation, the rallying point in the post-Cold War scenario was the promotion of South-South co-operation. The economic polarisation of the globe into 'First' World (the rich industrialised countries of the North), 'Second' World (the state socialism of Central and Eastern Europe) and 'Third' World (the poor, developing countries of Africa, Asia and Latin America) became inappropriate when the 'Second' World collapsed. Consequently, the North-South divide became the new main fault-line characterising international affairs. It was against this

background that post-apartheid South Africa, like many other countries in the region, sought to strengthen economic, political and other forms of co-operation within the context of South-South relations.

Historically, co-operation among the countries of the South has not been particularly good. The watershed in South-South relations, according to the Jorge Heine, the former Chilean Ambassador to South Africa up to 1995, was the 1973 oil shock, and the “New International Economic Order” (NIEO) became the buzzword.⁵ Rich countries of the North realised the magnitude of potential disruption that collective action by some Third World oil-producing countries could have on their global industrial output. The seriousness with which North-South issues were taken, in the aftermath of the oil shock, in international forums dwindled to negligible levels by the late 1980s. Despite the relative loss of strategic value of the developing countries following the demise of the former Soviet Union, there were already indications that some of that lost value could be recovered in the socio-economic realm. By 1995 the US had already identified ten countries as emerging markets that are critical for the world economy for the period ending in 2005. These countries are: Greater China (the Peoples' Republic of China plus Taiwan and Hong Kong), South Korea, India, Indonesia, Brazil, Mexico, Argentina, South Africa, Poland and Russia. It was further speculated that the combined exports of these countries would exceed those of Japan and the European Union by the year 2005.⁶ It is notable that two of these countries are from the Mercosur group (Argentina and Brazil) and only one from Africa — South Africa.

3. SOUTH AFRICA'S SOCIO-ECONOMIC RELATIONS WITH THE MERCOSUR COUNTRIES AND SECURITY IMPLICATIONS

With the ascendancy of socio-economic issues topping international agendas, it is imperative that individual countries identify strategic partners both at bilateral and multilateral levels. While it could be argued that the investors, especially in the form of multi-national corporations (MNCs), are generally pursuing profit targets and therefore would invest in any country where that could be realised, the host country stands to benefit even more. Direct investments ensure higher employment levels, increase the national tax base, improve a country's infrastructure, and the potential for political instability emanating from lack of service delivery is vastly reduced. Thus it is crucial for all responsible governments to strike

valuable partnership and co-operation agreements with like-minded allies, as South Africa sought to do with Mercosur.

3.1 SOUTH AFRICA'S OFFICIAL VIEWS ON CO-OPERATION WITH SOUTH AMERICAN COUNTRIES PRIOR TO 1994

South Africa's quest for co-operation with its trans-Atlantic neighbours dates as far back as its conceptualisation of the so-called 'outward movement' policy. That government policy was geared towards gaining more acceptability from countries that had hitherto sidelined South Africa due to the policy of apartheid. The first priority was to be southern Africa, then the rest of Africa and lastly the rest of the world. It had become evident to the South African government that military prowess had to be complemented with political (diplomatic) and economic measures. To this effect, Dr Hilgard Muller, Minister of Foreign Affairs (1965-1977), identified South America in 1968, particularly Brazil and Argentina, as potential strategic partners. South Africa was at that stage experiencing tumultuous times in its political history as the African National Congress (ANC) and the Pan-Africanist Congress (PAC) had just been banned (following the Sharpsville events and other anti-government activities) and the UN had also adopted resolutions calling for economic and diplomatic sanctions against South Africa.⁷ The arms embargo imposed on South Africa in 1963 on a voluntary basis was made mandatory in 1977. Nuclear arms deals were also specifically proscribed.⁸ The South African government treated information on the impact of economic sanctions on the country with utmost secrecy. When the issue of the impact of sanctions was raised on 12 March 1965 for the first time in parliament by E.G. Malan, Member of Parliament (MP), there was total unease about the question. Malan asked the Minister of Economic Affairs, Dr N. Diedericks:

"Whether any countries have refused (a) to buy products from South Africa and (b) to sell products to South Africa since 1960; if so, which countries and products." He further wanted to know "what was the total value of (a) imports from and (b) exports to the countries concerned in (i) the last year preceding the refusal and (ii) the latest year for which figures are available."⁹

To these questions, the Minister of Economic Affairs answered as follows: "I do not regard it in the national interest to furnish this information."¹⁰

Faced with all odds from the West, South Africa highlighted the strategic importance of the Southern Hemisphere. The argument was based two fundamental realities. The first one was aptly articulated by J.J. Engelbrecht, National Party (NP) MP for Algoa, during the debate in the House of Assembly concerning concerted efforts to expand South Africa's relations with other countries. He indicated that the first 15 or 16 years since taking over the reigns of power, the NP government had to concentrate on consolidating its position and to 'sell' and defend the apartheid idea to the international community. He equated South Africa's isolationism with that of the US which had lasted for many decades.¹¹

The second reality was the apparent nuclear stalemate between the US and the former Soviet Union, and the possibility that the latter would extend its manoeuvrings southwards. South Africa contended that the Soviet forces would attempt to outflank the US by overrunning the countries in the Southern Hemisphere, and South Africa was particularly vulnerable due to its geostrategic position. To counter such a move by the Soviet Union, a Western-oriented military alliance fashioned along the lines of the NATO was to be established and called the South Atlantic Treaty Organisation (SATO). This alliance was to comprise Argentina, Brazil, Australia and New Zealand. It was hoped that the US would extend its nuclear umbrella to cover the alliance as well. The net effect of such a move would be to alleviate South Africa's international isolation. Ironically, most South American geopoliticians also argued along similar lines that should South Africa fall under the Communist strategic umbrella, the Communist government would have access to the Indian Ocean, South Atlantic and one of the most strategic routes around the Cape of Good Hope.¹²

Even though the alliance idea never came to fruition (or at least, it was never publicly announced to exist), the 'outward movement' policy helped improve South Africa's acceptability in South America. By mid-1960, South Africa was already interacting with some South American countries within specialised strategic clubs such as the Satellite Communications Agreement which involved the US and other countries. While from South America only Argentina, Brazil, Chile and Colombia were invited to become members, from Africa it was only South Africa.¹³ The main considerations for admitting South Africa to the group, despite its suspension in the UN, were its technical expertise and geostrategic position. Having been a South African ambassador in London where he got to interact with a number of South American diplomatic representatives, Dr Hilgard Muller, paid official visits to

Brazil, El Salvador, Paraguay and Uruguay on 8-30 July 1966 – the countries which, except for El Salvador, later formed the Mercosur group. The primary objective of such visits, as Dr Muller declared, was to implement the Department of Foreign Affairs' policy of personal visits to friendly countries and to ensure contact at government level with such countries.¹⁴ There was a realisation that these political initiatives had to be augmented with economic ones as well.

By the late 1960s it had become evident that South Africa's isolation by the international community was going to be exacerbated by the protectionist policies of the then European Economic Community (EEC). Africa's lack of buying power of manufactured products compounded the problem. Thus, the South African government undertook a number of initiatives to stimulate trans-Atlantic trade flows. These included the following:

- In 1968, the state bought bonds issued by the Inter-American Development Bank to enable South African firms to tender for development projects financed by the bank.
- Latin American governments were offered export credits through the Credit Guarantee Insurance Corporation (CGIC), while the Industrial Development Corporation (IDC) provided assistance in the financing of projects for exporters.
- Participation by South African companies in international trade fairs in Latin America was facilitated by South African state officials.
- State assistance was provided to improve air, shipping and telecommunication links between South Africa and Latin America.
- Diplomatic contact with Latin America was expanded through official visits and the establishment of new missions.¹⁵

South American countries and South Africa, through the Minister of Economic Affairs, J. Haak, criticised the General Agreement on Tariffs and Trade (GATT) rules, as the latter favoured the industrialised North to the detriment of the poor South. Thus South Africa joined the proponents of the NIEO even though the former was regarded as an international *pariah* state due to its political system.¹⁶ Viewed in this perspective, it is evident that South Africa's decision to engage South American countries, including those that later formed Mercosur, was prompted by threats to its broad national security. Factors such as the shrinking local market base, increasing international isolation and lack of buying power of African states, all collectively conspired to threaten South Africa's economic security.

Despite the above arguments indicating the involvement of South Africa in South America, such involvement, especially on the diplomatic and economic fronts, remained underdeveloped and subdued owing to the country's internal political system which was viewed by the international community with extreme abomination. Ironically, the only real military threat that ever confronted South Africa came from Cuba. The former South African Defence Force (SADF) faced the wrath of Cuban forces, which, at the height of the South Africa-Angola War (or the so-called 'Border War') peaked at 50 000 soldiers. As a region, South America as a whole did not have a common approach towards South Africa prior to 1994. Some even undermined the UN Resolutions to which they were party by secretly engaging in economic and even military interaction with South Africa. For instance, for the period 1966-1972, between 60 and 70 per cent of South Africa's total trade with South America consisted of imports. The average total trade per year for the said period amounted to a meagre R28 million, namely, R18 million in imports and R10 million in exports. By 1985 this pattern had changed as South Africa was importing R444 million of goods from South America.¹⁷ It is notable that this increase in trade volume between South Africa and South America coincided with the height of international sanctions and disinvestment campaigns against the former. The long-standing South African government position towards South America was that an investment in South America would be to South Africa's advantage, not only in terms of economic development for the country but also to gain the favour of these countries so that they would support South Africa during the UN's debates on issues pertaining to South Africa. This was particularly important as the South American countries normally voted as a bloc and therefore South Africa's approach had to encompass the whole region.¹⁸

However, such support from the South American countries would not be sufficient, especially if the immediate neighbourhood was still extremely hostile. Thus, during the debate in Parliament on 27 March 1968, it was decided that South Africa would have to invest heavily in the friendly states in Africa, and that such investment should be in the form of loans at low interest rates and supporting viable development projects. Legislation was enacted creating a Loan Fund for the Promotion of Economic Co-operation. To this effect, an amount of R5 million, which was a budget surplus for the 1967-1968 financial year, was set aside for that purpose.¹⁹ South Africa's overall trade over the period 1957-1967 had grown by only half a per cent.²⁰ In 1968 South Africa's imports from Africa amounted to R128 million, while exports were R248 million. In that specific year, trade with Africa, in value terms, surpassed

that of trade with Asia, North and South America. Exports to the whole of Asia were worth R235 million, while to North and South America, exports amounted to R137 million.²¹

Another more pressing issue which forced South Africa to heed the necessity of strengthening ties with its neighbourhood, was the increased expansion of communist presence in Africa. By March 1971, the Chinese and the Russians already had 10 000 technical advisors in Africa with a view to helping African countries recover from economic difficulties. At the same time, more than 15 000 African students were being trained in China and Russia. At that time, the main beneficiaries of communist involvement were Guinea, Burundi, Congo-Brazzaville, Uganda, Somalia and Tanzania. There were growing fears that the take-over of government by the communist-trained liberation movements in these countries would be replicated further south as a successful model.²² It was therefore crucial for South Africa to create a *cordon sanitaire* by supporting countries such as Angola, Mozambique, Rhodesia and Botswana which would serve as growth points for a safe zone.²³ Thus South Africa sought to ensure its own national security by countering the economic insecurity of its immediate neighbours and those across the South Atlantic.

The suspension of South Africa's membership of the UN General Assembly was a *coup de grâce* in the history of its international relations. South Africa's Ambassador to the UN was recalled on 17 November 1974.²⁴ The suspension constituted the ultimate rejection of the country's political system and made it extremely difficult to conduct open international relations with other countries without such countries suffering collateral damage due to their association with a *pariah* state. Thus it was a costly enterprise, both in diplomatic, financial and security terms. Diplomatically, South Africa lost most of its existing and potential allies. Financially, by March 1976 – after nearly 30 years of UN membership, South Africa had already paid a total amount of R10 198 739,26 into the UN coffers. In addition to making contributions in support of specific UN operations such as the Task Force in the Middle East (UN Emergency Force - UNEF and UN Disengagement Observer Force - UNDOF), South Africa also made voluntary contributions to UN subsidiary organisations such as the UN Children's Fund (UNICEF) and the UN High Commissioner for Refugees (UNHCR).²⁵ In the security arena, South Africa suddenly could not openly declare some allies while the line between its traditional foes and potential new allies became blurred. This caused much unease and a sense of insecurity which only a change in the political system could resolve.

3.2 THE END OF SOUTH AFRICA'S *PARIAH* STATUS AND THE BEGINNING OF A NEW ERA

The advent of democracy in South Africa changed the international *pariah* status, thus ushering in a new era in the trans-Atlantic relations in the Southern cone. Marking this change in status were high-level state visits by senior government officials. The first visit to the Mercosur countries by a democratically-elected South African President was by Nelson Mandela when he was invited to address the Mercosur Heads of State Summit on 24 July 1998. He was the first head of state from outside Mercosur to be invited to address the Summit. In his address he emphasised the existence of "new conditions" which prevailed on both sides of the Atlantic. Having visited other regional organisations such as the Organisation of African Unity (OAU), the EU, the Caribbean Community and Common Market (CCCM), concluding with Mercosur, Mandela lamented the limited achievements of humanity in striving for peace and development, especially in the developing countries. Complimenting the efforts made by nations to ensure human security during the last decade of the twentieth century, he singled out the nations' determination to "pool their sovereignty in order to achieve together what cannot be achieved separately."²⁶ In this way, he was calling for states not to over-emphasise their sovereignty but to view security, economic growth and prosperity for their citizens as primary objectives of any government that is responsive to the citizens' needs.

According to Mandela, socio-economic co-operation would help strengthen the South and also form the basis for advancing a mutually beneficial partnership with the North. Through co-operation states would be able to face up to the challenges of development and peace which are beyond the capacity of one nation to tackle alone. He further highlighted South Africa's geostrategic position, which he thought has a potential of being a bridgehead between South America, East Asia and Africa.²⁷ Being the first speech by a South African head of state in South America since the advent of democracy in South Africa, it is notable that he dedicated a substantial portion of his speech to socio-economic, peace and security issues. This could have been the laying of a foundation for future co-operation on security issues that transcend national borders such as combating piracy at sea; narco-trafficking and abuse of the environment through nuclear testing and global warming. The other countries which have entered into almost similar bilateral arrangements of co-operation with Mercosur include Australia, Canada, New Zealand and the US. While these agreements are largely focused on

socio-economic co-operation, they also recognise the undeniable fact there can be no development without peace and security, thus hinting at the inconclusive nature of issues still to be covered in the future.²⁸

With Mercosur being the world's fastest growing trading bloc and the world's third largest customs union, after NAFTA and the EU, the benefits that would accrue to South Africa for associating itself with such a giant are only too conspicuous to ignore. It is against this background that South Africa is attempting to secure a free trade agreement with Mercosur, almost along the same lines as the one with the EU which came into effect in January 2000.²⁹ However, South Africa will first have to become an associate member, like Bolivia and Chile. This could take a long time to materialise because of various factors, including different tariff structures and the question of incorporating SADC's interests in the agreement as well.³⁰

The trade relations between South Africa and Mercosur have increased quite substantially since 1995. While the trade balance remains in favour of the Mercosur countries, particularly due to the disproportionate influence of Argentina and Brazil in the group, exports to, and imports from, the Mercosur group have grown since 1995 till 1997 by about 21.9 per cent and 20.4 per cent, respectively. If the associate members (Bolivia and Chile) are considered, the trade volume in exports and imports increases over the same period by 18.5 per cent and 20.9 per cent, respectively. However, the 1998 Asian crisis in financial markets wreaked havoc on Brazil and Argentina, the main trade partners in Mercosur. Consequently, there was a slump in trade volumes as from 1998 to 1999 (see Table 6). Compared with the 1997 figures, this decline in trade volume represents 12.9 per cent and 23.4 per cent less than the 1997 figures for imports and exports, respectively.

Table 6: SOUTH AFRICA'S TRADE TIES WITH THE MERCOSUR COUNTRIES

| Country | 1997 | | 1998 | | 1999 | |
|-----------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Imports (Rm) | Exports (Rm) | Imports (Rm) | Exports (Rm) | Imports (Rm) | Exports (Rm) |
| Argentina | 1 260.0 | 467.0 | 1 153.3 | 560.2 | 1 121.4 | 457.7 |
| Brazil | 1 500.0 | 1 391.0 | 1 272.3 | 1 088.3 | 1 376.1 | 947.5 |
| Paraguay | 9.0 | 54.9 | 17.6 | 65.1 | 15.5 | 33.1 |
| Uruguay | 57.2 | 39.0 | 41.6 | 113.2 | 35.4 | 51.4 |

| | | | | | | |
|--------------------------|----------------|----------------|-----------------------------------|----------------------------------|-----------------------------------|-----------------------------------|
| MERCOSUR TOTAL | 2 826.2 | 1 951.9 | 2 484.8 (-12.1%) | 1 826.8 (-6.4%) | 2 548.4 (-9.8%) | 1 489.7 (-23.7%) |
| Bolivia* | 1.6 | 9.5 | 0.5 | 4.1 | 1.0 | 1.1 |
| Chile* | 247.0 | 263.1 | 149.4 | 291.2 | 129.9 | 213.2 |
| GRAND TOTAL | 3 074.8 | 2 224.5 | 2 634.7 (-14.3%) | 2 122.1 (-4.6%) | 2 679.3 (-12.9%) | 1 704.0 (-23.4%) |

* Denotes 'associate members of Mercosur'

(%) Denotes decline in imports and exports since 1997.

Source: The South African Institute of International Affairs (SAIIA). 2000. *South African Yearbook of International Affairs, 2000/01*. Johannesburg: SAIIA.

Foreign direct investment by the Mercosur countries in South Africa, and *vice versa*, gives a clear picture of mutual recognition and the need for closer co-operation (see Table 7). These investments are still largely in the indirect sphere, meaning they would use South Africa as a launch-pad to pursue their interests in the neighbouring countries. However, owing to South Africa's commitment to regional development, such indirect investments have positive spin-offs for the country as well, such as keeping economic migrants away, and creating viable markets for South African goods and services.

Table 7: FOREIGN INVESTMENT BETWEEN SOUTH AFRICA AND THE MERCOSUR, 1996 (US\$m)

| | SA Investment in Mercosur | | | Mercosur Investment in SA | | |
|--------------|---------------------------|------------|-----------|---------------------------|------------|-----------|
| | Direct | Non-Direct | Total | Direct | Non-Direct | Total |
| Argentina | - | 10 | 10 | - | 3 | 3 |
| Brazil | - | 9 | 9 | 1 | 6 | 7 |
| Paraguay | - | 1 | 1 | - | 1 | 1 |
| Uruguay | - | - | - | - | 1 | 1 |
| Total | - | 20 | 20 | 1 | 11 | 12 |

Source: Mills, G. & Mutschler, C. (eds.) 1999. *Exploring South-South Dialogue: Mercosur in Latin America & SADC in Southern Africa*. Johannesburg: The South African Institute for International Affairs (SAIIA).

Since former President Mandela's visit to South America, which culminated in his address to the Mercosur summit, there have been frequent exchanges of high-level delegations by South Africa and Mercosur members. His successor, President Thabo Mbeki, was also invited to address the Mercosur summit on 15 December 2000. Like his predecessor, President Mbeki emphasised the importance of building and strengthening the strategic alliance between the two entities. Unlike his predecessor, Mbeki viewed such a partnership between South Africa

and the Mercosur countries in the context of South-South relations and the need to exert pressure on the North to accept responsibility for some of the socio-economic ills that are being experienced by the South. To this effect he called for solidarity in the attempt to restructure the world economic order. He posited that this would be done through negotiating for the rebalancing of world trade agreements and international financial systems that are tilted in favour of the North. Like Mandela, but in a much more explicit manner, Mbeki indicated that trans-Atlantic co-operation should not be viewed as being limited to trade and investment issues only, but as including such crucial aspects as conflict resolution and prevention, peacekeeping operations, namely, the security dimension; and the reform of international institutions of governance like the UN.³¹

3.3 RELATIONS WITH INDIVIDUAL COUNTRIES

Despite the discrepancy in the manner in which South American countries dealt with South Africa, especially prior to 1994, an analysis of relations of individual countries now constituting Mercosur with South Africa, reveals a selective approach. Put differently, while denouncing South Africa's internal political system, most countries in South America changed their foreign policies in respect of South Africa in accordance with their immediate national interests. Similarly, South Africa's relations with the individual countries have evolved in a chequered manner, namely, its foreign policy towards these countries vacillated from friendship to mild animosity as the situation dictated at the time.³²

3.3.1 Argentina

The relations between South Africa and Argentina can be traced back to the arrival in Argentina of three groups of white Afrikaans-speaking people — called Boers — between 1902 and 1905. It was just after the Anglo-Boer War (1899-1902) that these groups settled in Comodoro Rivadavia, Chubut Province in Patagonia. Ever since their migration to Argentina, the Boer community has multiplied and continues to practise their South African cultures, including speaking Afrikaans. In 1960 the South African government established an Honorary Consulate in Comodoro Rivadavia. This community's contribution to the economic and military security of Argentina has been significant since its arrival. They are even said to have participated in the Falklands/Malvinas War of 1982 on the side of Argentina against the British.³³

The foundation established by these socio-economic and cultural ties between South Africa and Argentina, was never solid and the relations have since the 1960s been marred by the inconsistency caused by successive military governments in Argentina. As Tulchin³⁴ aptly puts it, “Argentina ... changed foreign policies and its posture on international issues more frequently than Diego Maradona scored goals.” The imports from Argentina as a percentage of the total imports from South America for the period 1966-1985 averaged about 18 per cent per year.³⁵ However, as Table 6 indicates, by 1997 South Africa’s exports to Argentina stood at R1 260 million and imports R467 million, thus representing a 16.1 per cent and 12.2 per cent increase from 1995. In 1997 Argentina was South Africa’s 27th largest export market, while South Africa was Argentina’s 21st largest export destination.³⁶

When Raúl Alfonsín became President of Argentina on 10 December 1983, one of his priorities was to position the country in the international arena. To this effect he severed diplomatic ties with South Africa in 1986. This was due to latter’s internal political situation and international *pariah* status. President Alfonsín was keen to win greater international acceptability and is said to have aspired to become the leader of the Non-Aligned Movement (NAM). Thus he concluded that winning the hearts of the Third World countries would require that he ostracised South Africa. Furthermore, disengaging from South Africa would not only help endear him (and Argentina) in the eyes of the international community but would also ensure support (in the form of votes) at the UN, especially with regard to the Falklands/Malvinas question. However, President Carlos Saúl Menem reversed this situation when he took power in July 1989. President Menem deemed the severance of diplomatic relations with South Africa a ‘political error’. It was only in January 1992 that an Argentinean ambassador presented his credentials to then President F.W. de Klerk.³⁷ In this way, one of Mercosur’s economic giants had joined the international community in re-admitting South Africa to the international fold as the latter’s internal political situation was improving. Nelson Mandela, who later became president of South Africa, had just been released, political parties had been unbanned, and a serious political dialogue was underway in the form of the Convention for a Democratic South Africa (CODESA).

In a process which Leysens calls a “new outward movement”, there is renewed enthusiasm in cementing ties between South Africa and Argentina.³⁸ This policy is predicated on strengthening economic ties as the significance of the military has receded in both countries.

Hampering these efforts have been the creation of trading blocs with strong protectionist tendencies. While Mercosur was initially fairly protectionist in its approach, it has realised that it cannot achieve much without involving countries in the South as well. There is also a realisation that all the countries in the Global South occupy an inferior position in the pyramid of nations in the global political economy, and also with regard to the four primary power structures, namely, security, production, finance and knowledge.³⁹

The democratisation processes in both Argentina and South Africa have borne fruit in many respects. As in South Africa, the international community has accepted the irreversible nature of democratic transition in Argentina and, accordingly, rewarded it with favourable terms for the refinancing of foreign debt. International lending agencies have also acknowledged the economic liberalisation taking place within Mercosur, especially Argentina, which is complying with the renowned ‘good governance’ or ‘second-generation reform’ conditionality clauses. As a group, Mercosur has also introduced democracy as a prerequisite for membership. These conditions help generate economic prosperity and reduce the socio-economic plight of citizens, thus reducing the probability of returning to military or autocratic rule.⁴⁰

The need for a politically stable and economically growing democracy is illustrated by the role of Brazil within the group in fostering relations across the South Atlantic sub-region. During his visit to Argentina in July 1998, President Mandela witnessed the signing of a number of agreements among the Mercosur member states which provided strategic lesson for the Southern African sub-region generally, and South African in particular. However, the most important of these agreements, from a global peace and democratic perspective, was the Democratic Protocol of Ushuaia. The Protocol — popularly known as the Democratic Clause — prohibits “the participation in the bloc by countries in which the constitutional order is violated”.⁴¹ The signing of the Protocol was a culmination of the process initiated at the San Luis Summit (in Argentina) in 1996, following General Lino Oviedo’s threat of carrying out a *coup d’etat* against the democratically government of President Juan Carlos Wasmosy of Paraguay. The Mercosur countries were unequivocal in condemning General Oviedo’s plans and they stated that they would impose sanctions on Paraguay and its membership to Mercosur would be terminated if he went ahead with the *coup*.⁴² It was only a few months after the signing of the Protocol that it was put to test during the assassination of Paraguay’s

Vice-President Luis Maria Argaña, in March 1999. At that stage the country was facing a real possibility of a civil war when the Mercosur countries boldly and unflinchingly acted in averting the imminent disaster. This resulted in the resignation of President Raúl Cubas after he was implicated in the assassination and the subsequent installation of Luis González Macchi as the new president.⁴³

The signing of the Protocol happened while the then President of South Africa, Nelson Mandela, was still in Argentina. During his visit he signed three bilateral agreements between South Africa and the Mercosur countries, namely, on combating drug-trafficking; reciprocal investment promotion and protection to encourage greater investment flows between the two countries; and on consultations about ‘issues of common interest’. The other agreements signed by the Mercosur countries during a similar occasion, excluding the Democratic Protocol of Ushuaia, were the following:⁴⁴

- *Consumer protection.* In terms of this agreement, member states undertook to abide by a single consumer protection code, particularly with regard to health products, combating abusive clauses in contracts, and unfair competition.
- *Gaming laws.* Member states undertook to conduct studies towards a common rule for raffles, lotteries, competitions and telemarketing.
- *Services.* Member states undertook to liberalise their markets and provide lists of proposals for ‘united services’. This was to be done in a phased manner, namely, according to each country’s level of readiness with regard to liberalisation.⁴⁵

These agreements signal a higher degree of commitment to regional co-operation which is still absent in the SADC. By becoming an associate member of Mercosur, South Africa would be able to link up to these agreements in a manner that is tailor-made for its conditions, especially taking cognisance of unique conditions and needs of Southern African countries.

3.3.2 Brazil

The strategic value of Brazil to South Africa was recognised by both countries early in the historical development of relations between the two. These relations were rooted in a number of commonalities and some mutually complementary differences in their national characters and natural resource endowment. However, as was the case with Argentina, the development of diplomatic relations between the two countries has been characterised by numerous hurdles, largely emanating from South Africa's previous political system and unacceptable racial policies.

3.3.2.1 *Historical development of relations*

There are striking commonalities between the historical development of the political systems of Brazil and South Africa. Both countries have experienced oppressive military or securocratic rule. Large-scale violation of human rights characterised such rule in both states. Some left-wing political parties were banned in South Africa and Brazil in 1960 and 1965, respectively. With the transition to multi-party democracy, both countries benefited from the visionary and reconciliatory leadership of Presidents Nelson Mandela and Fernando Henrique Cardoso of South Africa and Brazil, respectively, both coincidentally elected in 1994.⁴⁶ Given their bloody and divided past, both countries are still faced with a daunting task of national reconciliation and nation-building. The gap between the rich and poor remains one of the challenges facing the two countries. Brazil's Real Plan and South Africa's Reconstruction and Development Programme (RDP) and the Growth, Employment and Redistribution (GEAR) strategy, seek to address these socio-economic concerns. Brazil's linguistic and historic ties with Mozambique and, especially, Angola, and the mining and oil investments in the latter country, imply that South Africa and Brazil shared the concerns about the previous lack of peace and security in Angola.⁴⁷ Furthermore, both countries have a dominant status in their respective sub-regions (or areas of influence), in economic and military terms. They are also aspiring to greater political ambitions that include permanent membership to the reformed UN Security Council of the future.⁴⁸

The historical ties between Southern Africa and Brazil are even more intriguing in many respects. Contrary to popular belief, Brazil made contact with Southern Africa even before Jan van Riebeeck set foot in the Cape. Salvador de Sá, Governor of Rio de Janeiro, sailed

from Brazil in 1648 to rescue Angola that was being attacked by the Dutch. After a successful mission he sailed back to Brazil. It was only four years later that Jan van Riebeeck arrived in the Cape. Even more intriguing is the fact that Riebeeck's father died in Brazil during the Dutch occupation and was buried in Pernambuco.⁴⁹

The slave trade that characterised the economic activities of the sixteenth and seventeenth centuries was responsible for a great number of Blacks (Negroes) who eventually became citizens of Brazil. The main sources of Negro slaves were Angola, the Kingdom of Congo and Sudan.⁵⁰ In 1822, the newly independent Brazilian nation only had about four million citizens. About 50 per cent of the citizens were slaves — both Brazilian-born slaves and those from Africa. In 1835, in the city of Salvador, the capital of the state of Bahia, about 26,5 per cent of the population were African slaves, 15,5 per cent Brazilian slaves, 7,1 per cent freed African, and 22,7 per cent freed Black Brazilians.⁵¹

During the period after the Anglo-Boer War up to 1922, trade relations between South Africa and Brazil were still mired in a controversy that largely emanated from General C.J. Smuts's negative perception of Brazil. The Brazilian government sent a cable message dated 16 January 1922 to General Smuts in connection with trade links. The Secretary to the Prime Minister of South Africa wrote to Owen Smith, the Commissioner of Customs and Excise (Cape Town), suggesting that a cable message be published detailing Brazil-South Africa trade relations. Dr Marais, South African Minister of Foreign Affairs, wrote to General Smuts informing him of the situation. For reasons known only to himself, General Smuts was not in favour of the appointment of a Consul-General representing Brazil in Cape Town. He therefore suggested in a telegram (dated 23 January 1922) that Dr Marais should not 'sanction' the appointment of such a Consul-General. Unfortunately, by that time a certain Senhor Paulo Semoro had already been appointed by the Brazilian government more than two years before (that is before 1920), but he had not yet assumed office, pending confirmation from the South African government. At that stage, H.W. Blackburn, who was already in Cape Town, continued to exercise the functions of Consul of Brazil, *albeit* informally. The international practice was (and still is) that appointments are made by the foreign government concerned and were only to be accepted by the Union government in this case.⁵² From correspondence between General Smuts and his ministers, it appears that the former was not in favour of the appointment of any person or Consul-General from Brazil. While the Consul-

General was eventually appointed to Cape Town, it is also not clear if General Smuts's reluctance to accept a Consul-General from Brazil was reflective of strained political relations between the two countries at the time or whether it was based on other considerations. However, being a renowned internationalist, it is possible that General Smuts viewed such relations as premature or unsuitable for his plan at the time.

It was only in 1941 that South Africa started to vigorously pursue the process of appointing a Consul in Brazil. On 4 July 1941 General Smuts, who was the South African Prime Minister and Minister of External Affairs and of Defence, wrote to the British monarch requesting permission to appoint James Alexander Chapman (a British subject) as the Union Consul in Brazil to be based in São Paulo and responsible for that region and other neighbouring regions. Chapman was eventually appointed as the Union Consul.⁵³ The British representatives in São Paulo would work separately from the Union representative. Chapman, who would still be subordinate to the British Ambassador in Brazil, would be responsible for all Union needs except passport-related issues which would be referred to the British representatives. Chapman remained the honorary Union Consul in Brazil until 1944 and was re-appointed to the same position in 1947. The items most suitable for trade at the time from South Africa were dried fruit, wines and feathers, and from Brazil were timber, coffee and cocoa.⁵⁴

It is undeniably true that despite the long historical ties between the two countries, Brazil's foreign policy has always been double-edged and ambiguous. On the one hand, Brazil politically denounced South Africa's political system of exclusion, but embraced trade relations on the other. By 1967, the trade balance between the two countries was 14 to 1 in Brazil's favour. It was only in the same year that South Africa – as a republic – opened a commercial office in Rio de Janeiro.⁵⁵ Since then relations between the two countries grew from strength to strength. Obviously, South Africa made more concessions to Brazil in strengthening the ties than *vice versa*. For instance, South Africa was offering generous bursaries for Brazilian students to study in South Africa. It was hoped that Brazil would reciprocate in kind.⁵⁶

Brazil's foreign policy towards Africa has developed and matured over time. The Itamaraty (Brazil's Foreign Office) increasingly became determined to pursue its foreign policy towards Africa, irrespective of negative sensitivities especially from Washington. The apparent

crumbling of the Portuguese colonial empire in the mid-1970s enabled Brazil to develop strong diplomatic ties with Africa; improve links with oil-producing Arab countries; and also to play a significant role in regional affairs.⁵⁷ For Brazil the rationale for cementing ties with Africa in general, and South Africa in particular, was based on the following interests:

- An increase in trade relations involving, on a preferential basis, the barter of manufactured products for raw materials, destined for use in the new Brazilian industries, or the general expansion of all types of sales to new markets.
- Defence of national economic interests in the competition between commodities, notably coffee, cocoa, sugar, cotton, including an attempt to persuade the African states which are associated with the European Common Market to establish common preferential tariffs.
- The encouragement of solidarity between developing countries to make it possible to negotiate as a group with the developed countries, in order to reverse unfavourable trade terms and gain other economic concessions claimed by the Group of 77.
- Preservation of the Portuguese language and culture in Africa, to serve as a facilitating factor towards a future Brazilian presence on the African continent.
- The growth of national prestige as a leader among developing countries, an emerging medium power, utilising the projected image of a civilisation that is pacific, multiracial, and a model of tropical industrialisation.
- The exchange of technical know-how in fields such as nuclear energy, tropical medicine, tropical agriculture, civil aviation, architecture and road construction.⁵⁸

Viewed from the South African perspective these areas of interests are important and there is a symbiotic relationship from which both states benefit.

3.3.2.2 *Current relations*

The current state of socio-economic relations between the two countries was initiated on 2 September 1991 when the Chairman of the Brazilian Group in Latin American Parliament, Congressman Ney Lopes, proposed to the Congress that economic sanctions against South Africa be lifted. He also proposed that a Brazilian Ambassador be appointed in Pretoria. He argued that Brazil was going to lose out on the South African market as many other countries

were lifting sanctions. President Fernando Collor de Mello subsequently visited South Africa from 8 to 14 September 1991. Following Lopes' advice, the Sarney Decree No. 91524 of 9 August 1985 was rescinded on 17 January 1992. In terms of that announcement by the Brazilian government, normal "scientific, cultural and sporting links with South Africa" would be resumed.⁵⁹ The UN embargoes on arms and petroleum remained in place.

Despite the relative increase of trade links between Brazil and South Africa, the personality factor has on numerous occasions almost derailed trans-Atlantic co-operation. For instance, former President Collor threatened to delink Brazil from the Third World, arguing that "it is better to be the last country of the First World than the first country in the Third."⁶⁰ However, this never happened and his successor, Fernando Henrique Cardoso, strengthened socio-economic and diplomatic ties with Africa. In fact, when South Africa was readmitted into the international family of nations, it identified twelve strategic partners, one of which was Brazil — the only one in South America.⁶¹

As from 1994, Brazil became South Africa's biggest trading partner in South America and one of the largest in the Southern Hemisphere. While the bilateral trade figures between Brazil and South Africa reached R2 billion, by 1995 Brazil's share of South Africa's export market in South America was already over 50 per cent. During the same year South Africa enjoyed a trade surplus with Brazil, despite the sheer size and diversity of Brazilian economy — the state of São Paulo has a GDP that is larger than that of the whole of South Africa.⁶²

The visit of the Brazilian Foreign Minister, Luiz Felipe Lampreia, to South Africa in May 1995, paved the way for the later visit of President Cardoso which took place on 26 November 1996. Lampreia's brief was reportedly to conduct exploratory talks with South Africa. Given the fact that South Africa would like to entrench and market its regionalist foreign policy and has a strong European tradition, and that Brazil would like to be associated positively with the Indian Ocean Rim, Lampreia was reportedly instructed to investigate how Brazil could forge meaningful ties with South Africa with the possibility of extending such ties to involve Mercosur and SADC.⁶³ Of course, this was a mammoth task. When President Cardoso eventually visited South Africa, he stated unequivocally that his visit was aimed at strengthening socio-economic co-operation between the two countries. While the visit was largely for economic purposes, Cardoso indicated that he also wanted to cement political ties.

The kind of co-operation he sought with South Africa was to be in all fields of human endeavour but particularly culture, air services and anti-drug trafficking.⁶⁴ During his visit the following agreements were finalised:

- Bilateral Air Services Agreement.
- Control of Narcotics Agreement.
- Cultural Co-operation Agreement.
- The exchange of Notes for the reciprocal lifting of visas for tourism and business purposes for all categories of passports (not exceeding 90 days).
- The Presidential Declaration between South Africa and Brazil.⁶⁵

For the first time in the history of Brazil-South Africa relations, a career diplomat was appointed as ambassador to South Africa in April 1996. Ambassador Otto A. Maia was appointed with the rank of Under Secretary-General, the highest ever appointment to a diplomatic post by Brazil to any African country.⁶⁶

As already indicated, former President Mandela had reciprocated the visit in 1998 which included the signing on 21 July 1998 of the so-called Mandela-Cardoso Memorandum of Understanding Concerning Consultations on Issues of Common Interest. On 21 October 1998, a Declaration of Intent on Land Policy was signed between Brazil and South Africa. The other agreements that were to receive attention were, *inter alia*, those concerning Technical Co-operation; Avoidance of Double Taxation; and Promotion and Reciprocal Protection of Investments.⁶⁷ President Mandela's successor, Thabo Mbeki, also made a follow-up visit to Brazil from 12-15 December 2000, which culminated in his address to the Mercosur Heads of States Summit. In their bilateral deliberations, the two presidents concluded that both countries are facing almost similar circumstances and challenges. To this effect they signed an agreement establishing a Joint Commission which would focus on the following areas of interest: trade, investment, human resource development and health co-operation. This was viewed as a basis for integration of the economies of Mercosur and South Africa.⁶⁸ Other issues that enjoyed their attention included international security issues such as drug-trafficking and the trade in small arms.⁶⁹

The symbiotic link between Brazil's involvement in South Africa and Southern Africa is further accentuated because the latter is expected to maximally utilise the former's involvement in the sub-region even if such involvement is not in South Africa. For instance, the involvement of the two major Brazilian construction companies — Mendes Júnior and Odebrecht — which built a huge Campana hydroelectric plant in Angola in 1992, rely on South Africa being prepared to consume substantial energy. According to the former Brazilian ambassador to Namibia in 1991, Mario Augusto Santos, it was envisaged that a strong partnership involving Brazil, Angola, Namibia and South Africa would be established. He further demonstrated South Africa's indispensability if Brazil is to become meaningfully involved in the sub-region.⁷⁰

3.3.3 Paraguay

Historically, political, economic and social relations between Paraguay and South Africa have never been a priority for both countries. Like some South American countries, Paraguay never severed political (diplomatic) and economic ties with South Africa, even at the height of international condemnation of the southern African state. Various heads of state and senior ranking officials from South Africa continued to pay official visits to Paraguay.⁷¹ This was not a demonstration by South Africa of any intrinsic value that she attached to that country as such, but because it enabled her to counter international isolation. However, with the formation of Mercosur, following the signing of the Treaty of Asunción in Asunción — the capital of Paraguay — this situation changed. Relations changed from those based on symbolism to those of realism. Despite the country's small geographic size, its partnership with such countries as Argentina and Brazil in Mercosur, makes Paraguay an invaluable strategic partner with a view to accessing Mercosur's massive market. It also has the potential to serve as a launching-pad for South Africa's economic operations in the neighbouring countries.⁷²

3.3.4 Uruguay

Like Paraguay, Uruguay never severed, but scaled down, political (diplomatic) and economic ties with South Africa during the apartheid era. However, it was only in 1991 that the Uruguayan government, which had been inaugurated in March 1990, decided to establish a

full diplomatic mission in Pretoria. It is generally believed that, from both Uruguay's and South America's perspective, the main rationale for cementing diplomatic ties with South Africa stemmed from the desire to secure the African vote in international forums and also to be in the same camp as the Third World countries. This is particularly important in organisations such as the UN and the Latin American Group (GRULA), where member states have to vote and support positions *en bloc*. Favourable political and economic ties facilitate a positive inclination from member states if certain positions are to be adopted. Uruguay is known for her extremely advanced financial system unparalleled in the whole of South America — hence its popularity as "the Switzerland of Latin America".⁷³ Thus South Africa can capitalise on the skills-transfer programmes that could be entered into with Uruguay. Being the administrative capital of Mercosur, Uruguay presents a unique opportunity to influence and gain concessions from other Mercosur partners.

3.3.5 Bolivia and Chile

Both countries — Bolivia and Chile — but especially the latter, have maintained close relations with South Africa even during the time of isolation. For a long period Chile was under military rule and therefore suffered international isolation just like South Africa. Given their similar international status, it was prudent for Chile and South Africa to interact quite closely. Their interaction spanned across the full spectrum of areas of mutual benefit, including trade, defence and diplomatic relations. It is also notable that in both countries (Chile and South Africa) the democratisation process commenced in earnest in the early 1990s. Chile had always been represented by a *charge d'affaires* in South Africa, until President Patricio Aylwin (1990-1994) upgraded diplomatic representation to Pretoria to ambassadorial level.⁷⁴ Subsequently, in January 1995, the Chilean Minister of the Economy, Dr Alvaro Garía, led a high-powered delegation to South Africa. The visit paved the way for the official visit of the Chilean President and strengthened the already existing ties, especially in the mining, manufacturing and forestry sectors.⁷⁵

It was only with the state visit by the first democratically elected Chilean President Eduardo Frei Ruiz-Tagle to South Africa that a new chapter in the political relations between the two countries was opened. President Frei has always emphasised co-operation between the two countries, not so much for security-related challenges, but with a view to increasing trade,

development and direct investment. Like all other statesmen, President Frei maintains that the bilateral relations between Chile and South Africa should encompass all facets of human endeavour.⁷⁶ As a stable and developing economy, Chile has succeeded in ensuring the economic security of its citizens both by diversifying her export destinations and strategically associating itself with winning successful regional groupings such as APEC, Mercosur and NAFTA. As much as membership of too many organisations could compound the process of standardisation and designing of suitable economic policies that are in accordance with regulations of different organisations, it enables Chile to extract advantages without being entangled in the intricacies of being a full member. It is against this background that South Africa is seeking to link up with the Mercosur members both at bilateral and multilateral levels. Overlapping membership helps cast the safety net much wider, thus providing a comprehensive security framework for dealing with security threats across the whole spectrum.

Unlike Chile, Bolivia maintained low-profile relations with South Africa, especially during the period of isolation. However, with the reinsertion of South Africa into the international community the Bolivian government has shown strong support for strengthening ties with South Africa. Being a small country with limited resources, Bolivia has not succeeded in elevating relations to ambassadorial level. It is, however, envisaged that when Bolivia becomes a full member of Mercosur, as it is of the Andean Community (AC), it will play an important role in bridging the interaction between the AC and Mercosur, which will benefit South Africa. In addition to that, it has substantial natural gas reserves which may require South African technology and expertise to optimally exploit in terms of exports to Brazil and other members of Mercosur.⁷⁷

The relations between South Africa and the countries currently constituting (or associated with) Mercosur have vast potential for having a positive and negative impact on SADC. This is particularly important in the context that South Africa is a dominant member of SADC, and therefore any bilateral trade or security agreement with any non-SADC member(s) could have far-reaching consequences for the sub-regional organisation. Thus, it is crucial that South Africa-Mercosur talks should include the dimension of inter-regional co-operation, namely, linking up both Mercosur and SADC, with South Africa playing a facilitating role.

4. INTER-REGIONAL CO-OPERATION: MERCOSUR AND SADC

The ultimate need for co-operation between the two sub-regional organisations — Mercosur and SADC — cannot be over-emphasised. This stems from the reality that any gains that could accrue to South Africa due to successful interaction with Mercosur or its members would be negated by the adverse effect that such interaction might have on the southern African sub-region. However, South Africa's first priority is to confront some contentious issues pertaining to its strategic orientation *vis-à-vis* Africa and sensitivities regarding its 'big-brother' image.

4.1 THE DEBATE ON SOUTH AFRICA'S STRATEGIC ORIENTATION

Despite pronouncements indicating the contrary, South Africa is faced with a real dilemma of political orientation which affects its socio-economic power base. The debate, which began after South Africa's readmission to the international community in the early 1990s, revolves around the strategic orientation of its foreign policy, that is, whether it should be directed towards the rich Global North and Asia or towards the poor Global South. Some analysts argue that with the demise of the former Soviet Union and apartheid, there is a conscious effort to de-ideologise international relations. Based on this understanding, South Africa should actively participate in the globalisation process by penetrating global markets and gaining a competitive edge. Others believe that solidarity with the poor South is more appropriate, given South Africa's recent past where the poor nations of the world helped fight for its liberation. Thus, contrary to those who take a global view, or globalists, this group posits that South Africa should adopt a strong regionalist approach which seeks to improve regional economic development and political solidarity, irrespective of the challenges of globalisation. While a globalist approach would imply that South Africa should be cautious in participating in such groupings as the Group of 77, the regionalists advocate a strong involvement and even playing a leading role in NAM and developing the African continent, especially SADC.⁷⁸

The globalism–regionalism debate is particularly important as it could determine the extent to which South Africa would be prepared to engage its trans-Atlantic neighbours in support of

projects to develop the Southern African sub-region. The development of the sub-region implies less dependence on South Africa and less pressure on the latter's resources due to economic refugees migrating southwards. However, South Africa has already decided that it would apply a 'butterfly approach', but simultaneously seek to uplift the continent and the sub-region. The imaginary body of the butterfly is clearly oriented north-south to the EU and North America, along the axis of South Africa's traditional trading and investment flows, and its wings extending laterally to South American markets and those of Asia. The South Africa-EU agreement was an unambiguous demonstration of this thinking.⁷⁹

While individual countries in the South Atlantic endeavour to augment co-operation on a bilateral basis, it is equally crucial that they keep their immediate sub-regional neighbours in mind. All efforts by South Africa to engage Mercosur should concurrently include an inter-regional agenda. Therefore, for every political and economic deal struck between these entities, South Africa should consider the potential impact of such a deal on the sub-region. Both the Asunción Treaty and the SADC Treaty make provision for interaction with extra-regional entities, provided such interaction is not prejudicial to the organisation's goals.⁸⁰

4.2 MERCOSUR AND SADC: A COMPARATIVE PERSPECTIVE

Comparing the level of focus on development which is displayed by Mercosur and SADC, Alec Erwin, the South African Minister of Trade and Industry, expressed concern that the latter organisation was originally established for socio-economic development of the region but it is "pre-occupied with military conflict at the expense of its ostensible goal of economic union and progress."⁸¹ Erwin was accentuating the inextricable link between economic development, peace and security. While South Africa recognises the significance of SADC in geographic terms, it is also conscious of the fact that the latter cannot be a means of the former's economic salvation. It is against this background that South African trade policy is driven by the so-called 'trade butterfly' approach. South Africa has adopted a regional approach to development in realising that, as former Foreign Minister Alfred Nzo aptly put it, it "cannot be an island of prosperity surrounded by a sea of poverty."⁸² President Mbeki has on numerous occasions demonstrated his commitment to alleviating the socio-economic plight of African people by engaging and challenging the international financial and trade regimes which militate against development in Africa. On numerous occasions Erwin and Lampreia have publicly called for a closer co-operation between SADC and Mercosur.

However, there is always a realisation that this is easier said than done. A tariff agreement between Mercosur and the SADC will not easily be reached.⁸³ Despite criticism from some cynics, South Africa has negotiated trade deals with this in mind. Trans-Atlantic relations in the Southern Cone should be geared towards assisting to achieve that goal.

SADC comprises 14 countries (Angola, Botswana, the DRC, Lesotho, Malawi, Mauritius, Mozambique, Namibia, the Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe) while Mercosur only has four member states. In addition to the huge differences in terms of population and territorial sizes, the performance of Mercosur far outstrips that of SADC (see Table 8). In 1999 trade activity within Mercosur stood at 20 per cent compared with 5-6 per cent in SADC. Some analysts posit that SADC is bound to fail given the number of member states which are amongst the least developed in the world, operating with shoe-string budgets incapable of servicing external debt (in 1996 the average debt burden as a percentage of GDP was 50 per cent for SADC, compared with 28 per cent for Mercosur) and providing basic services to citizens; plagued with protracted and almost intractable intra-state conflicts; and having a legacy of poor governance. These conditions no longer apply in the Mercosur group as the democratisation process is now firmly entrenched, sub-regional rivalries have receded, and the economic growth rates of member states are impressive. There

Table 8: COMPARISON BETWEEN MERCOSUR AND SADC

| | Area (million km ²) | Population (millions) | GDP in 1996 (US\$ bn) | Ave Annual % Increase in Real GDP (1990-1995) |
|-------------------------------------|------------------------------------|--------------------------|--------------------------|---|
| SADC | 9.2 | 186 | 178 | 1.3 |
| SADC excl. South Africa | 8 | 148 | 51 | 2.3 |
| Mercosur | 11.9 | 207 | 1230 | 3.3 |
| Mercosur plus associated members | 13.8 | 229 | 1313 | 3.5 |
| Mercosur excl. Brazil | 3.4 | 44 | 349 | 4.9 |
| European Union | 3.2 | 372 | 8093 | n/a |

n/a = Not available

Source: Mills, G. and Mutschler, C. 1999. (eds.) *Exploring South-South Dialogue: Mercosur in Latin America & SADC in Southern Africa*. Johannesburg: South African Institute of International Affairs (SAIIA).

is a conspicuously disproportionate influence of South Africa and Brazil with their contributions in 1996 to regional GDPs amounting to 71 per cent and 72 per cent, respectively. The average annual economic growth rate of Mercosur is about twice as high as that of SADC. The GDP of SADC is almost one-fifth of the GDP of Mercosur, while the *per capita* income of SADC is less by one-third.⁸⁴

4.3 CHALLENGES AND PROSPECTS FOR INTER-REGIONAL CO-OPERATION

There are sensitivities about South Africa's 'big brother' image, both on the sub-region and the African region. While neighbouring states appreciate the positive role played by South Africa in contributing towards regional development and integration, they resent the fact that interaction between SADC and other sub-regions or regions is viewed mainly in terms of South Africa's involvement. For instance, more than 80 per cent of trade between SADC and Mercosur is attributed to the involvement of South Africa. In 1996 SADC's exports to Mercosur amounted to US\$722 million and imports US\$667 million. Thus, the only true potential partner with the Mercosur group is South Africa.⁸⁵

The question occasionally arises whether South Africa should be concerned about being perceived as a 'big brother', regardless of resentment and jealousy from the sub-region. During the Mercosur-SADC conference on regional integration in the South that was held in Cape Town on 26 October 1998, Guillermo Mondimo, the Director of Argentina's Mediterranean Foundation, posed the question: "Why isn't South Africa leading the process and setting parameters towards integration of the regional economy?" He further asked, "Is South Africa feeling guilty for being rich? You have to lead your neighbours to (help them) get wealthy. The SADC should join forces and use the Rand (as a common regional currency). Then you could use the revenue generated on member states' reserves and share it among countries adopting the Rand."⁸⁶ These sentiments seem to be prevalent among observers from outside the sub-region. South Africa's economic and political security are inextricably linked to that of the sub-region and therefore it is imperative that something is done to uplift the region for South Africa's own benefit. However, issues of territorial integrity, national sovereignty and non-interference in the internal affairs of another country come to the fore and thus obscure opportunities beyond such issues. This is partly attributable to the fact that some governments in the sub-region are insecure because of either having come to power through military *coups*, rigging the election results, or winning with a

perilously slim margin. It could also be attributed to the fact that South Africa, as a new democracy and therefore relatively new in the international relations arena, could not be seen as assuming leadership of a collection of states which are led by seasoned, tried-and-tested statesmen who, for many years, represented regional interests in international fora and organisations.

Further compounding the challenge of proper co-operation between the two blocs is the fact that both are still grappling with the modalities of either including new members (especially in the case of Mercosur) or to accommodate bilateral agreements that do not include all the members of the group (such as the South Africa-EU Agreement). Mercosur is attempting to gather Bolivia, Chile and Venezuela under its umbrella. It is also involved with the discussions on the American Free Trade Area (AFTA); it is conducting negotiations with the EU in the framework of the agreement signed in 1995; and at the same time maintaining the dialogue with the ANZERTA (Australia/New Zealand Closer Economic Relations Trade Agreement).⁸⁷ However, it already has preferential trade links with NAFTA, the AC and the EU.

While Mercosur still aspires to have strong relations with other regional blocs and to strengthen South-South trade, South Africa boasts of its geostrategic position which is suited to furthering Mercosur's ideal of creating a bridge which joins South America, Southern Africa and Asia.⁸⁸ Both Mercosur and South Africa have gained substantial experience during their respective involvement in protracted FTA negotiations with organisations such as the EU and NAFTA. Given that both South Africa and Brazil, a dominant member of Mercosur, are extremely sensitive to socio-economic issues such as unemployment, development and combating poverty, it can be expected that increased economic interaction between the two countries will be characterised by sensitivity to the side-effects of a mutual opening up of markets for certain industries. Their individual experiences — South Africa and the EU with regard to specific agricultural products, and Argentina and Brazil with regard to the automotive industry — should help them design a people-friendly accord. The urgency in concluding such an FTA is further justified due to the collapse of the World Trade Organisation ministerial meeting in 1999, as the EU members refused to compromise on the question of subsidising agricultural products. It is therefore imperative to open new markets and strengthen trade relations across the South Atlantic.⁸⁹

As much as South Africa is eager to ensure stronger trade relations with the North due to the latter's buying power and considerable market, there is general concurrence that relations with the South will be even more beneficial in terms of long-term strategic, economic and political goals. Not only are the distances shorter to countries in the South, but there is also congruence and mutual understanding of one another's challenges. Co-operation between SADC and Mercosur would help ensure lifting the standard of living of citizens and thus more peace and stability will prevail as fewer people will be faced with basic challenges of survival.⁹⁰ By the end of 2001 there was still no formal trade arrangement or agreement between SADC and Mercosur. The only semi-official interaction between SADC and Mercosur, as sub-regional organisations, was the conference co-sponsored by the members of Mercosur and SADC, and hosted by the South African Institute for International Affairs (SAIIA), in Johannesburg, from 27 to 28 October 1998. The theme of the conference was "Mercosur/Mercosul and SADC: Regional Integration in the South".⁹¹ Thus, trans-Atlantic business transactions or foreign investments are conducted by private entrepreneurs outside the formal framework provided by government. This excludes bilateral agreements that exist between the countries on both sides of the South Atlantic Ocean.⁹²

However, it is also for instance in the area of organised crime where both sub-regions and individual countries could co-operate fruitfully. The concept of 'organised crime', as seen by the South African Police Service (SAPS), refers to "a well-organised and structured group with a clear leadership corps, which is involved in different criminal activities such as drug trafficking, vehicle theft or money laundering. Such syndicates have well-established contacts with national and international criminal organisations, cartels or mafia groupings."⁹³ For ensuring successful operation, organised criminal syndicates, including those in South Africa, share some common characteristics, which include the following:

- a hierarchy of control, with clearly designated systems of promotion and payment;
- sophisticated procedures, often *via* legitimate business interests, to launder money obtained by means of illegal activities; and
- the use of weapons to ensure that 'business' routes are protected and potential competitors eliminated.⁹⁴

The need to use weapons is particularly prevalent amongst drug-traffickers and South Africa is extremely vulnerable to this criminal activity, especially since the advent of democracy. It is against this background that a brief analysis of drug-trafficking and its links with the South American countries is warranted.

5. DRUG-TRAFFICKING ACROSS THE SOUTH ATLANTIC OCEAN

As already indicated, the readmission of South Africa into the international fold resulted in an unprecedented influx of foreigners, with both *bona fide* and *mala fide* intentions. At the time when there were concerns about increased vulnerability to espionage (internal and external), there were also concerns about the possibility of increased organised criminal activity, characterised by being more transnational and difficult to detect. There is sufficient evidence to demonstrate that the increase in organised criminal activity is particularly prevalent during periods of political transition. South Africa was no exception to the rule. For instance, during the demise of communist rule and the collapse of the East Bloc, there were literally thousands of criminal organisations that mushroomed, involving current and former members of the security establishment.⁹⁵ Even though South Africa had a limited exposure to drug-trafficking during the apartheid years, periodic gang fights erupted in the Western Cape due to competition for clients for drugs and protection of 'business' routes. As the new political dispensation was introduced, South African borders became even more porous, thus resulting in relatively easy shipment of drugs in and out of the country. This coincided with a serious clampdown on drug-traffickers elsewhere, especially in North America and Europe. Consequently, the Southern African sub-region became a favourite 'trade' route, linking the Far and Middle East, the Americas and Europe. Making it even more lucrative was the fact that trans-shipment in South Africa could be conducted by sea, land or air. It was against this background that South Africa, in particular, obtained the dubious recognition of having an organised crime problem second only to Columbia and Russia. During the pre-1994 period, mandrax was South Africa's number one hard drug, followed by cannabis. In the post-1994 period, cocaine became the most popular hard drug.⁹⁶

By 1998, the SAPS estimated that South Africa was home to approximately 192 organised crime syndicates and only 96 were under police surveillance. About 96 of these syndicates specialised in drug-trafficking, while 83 concentrated on vehicle-related crimes, and 60 were involved in commercial crime or any combination of these.⁹⁷ To deal with these syndicates

the SAPS initiated a number of projects with a view to devising specific counter-measures for specific types of organised crime (see Table 9).

Table 9: SAPS PROJECTS ON ORGANISED CRIME, MARCH 1997

| Category of Organised Crime | Number of Projects |
|-----------------------------|--------------------|
| Drugs | 37 |
| Vehicles | 18 |
| Endangered Species | 3 |
| Diamonds and Gold | 15 |
| Firearms | 9 |
| Commercial Crime | 6 |
| Taxi Violence | 5 |
| Corruption | 8 |
| Highjackings of Freight | 3 |
| Armed Robbery | 2 |
| Gang-related Violence | 1 |
| Housebreaking | 1 |
| TOTAL | 108 |

Source: Shaw, M. 1998. "Organised Crime in Post-Apartheid South Africa." *Occasional Paper No. 28*, Institute for Security Studies, January, pp. 1-2.

Thus, drug-trafficking remains one of the greatest challenges ever to confront the law enforcement agencies in South Africa. This cannot be dealt a severe and decisive blow unless there is co-operation with the countries across the South Atlantic, which are the main source of drugs flooding the globe today.

There seems to be a correlation between the incidence of drug-related crime and the geographical position of the Western Cape Province, in relation to the main sources of drugs, namely, the South American countries. In South Africa, some of the biggest drug busts have occurred on the West Coast. For instance, on 20 July 2001, 116 kg of cocaine, worth R250 million, was seized from a Maltese-registered cargo ship in Saldanha Bay. The ship was bound for China from Argentina.⁹⁸ Less than a month later (2 August 2001), another ship carrying 155 kg of cocaine worth an estimated R325 million — the biggest quantity ever

seized in a single police operation — was searched by the South African Police Service. That ship, *Anangel Destiny*, had left the Brazilian port, Porta da Madeira, on 17 July and was bound for China. The search-and-seizure operation required that a special police task team be constituted, comprising organised crime detectives, border police, the airwing, along with police and navy divers, customs officials and a police sniffer dog.⁹⁹ While the significance of these seizures cannot be overemphasised, especially with regard to breaking the backbones of transnational drug cartels, such seizures also have a serious side-effect on the general safety of the community. Drugs busts usually result in limited supplies of drugs and therefore spark gang wars as drug-lords have to fight for limited stock and space to sell. This has been characteristic of the gang wars that have ravaged the Cape Flats in the Western Cape, particularly during the period when the SAPS was making progress in combating illicit drug-trafficking.¹⁰⁰

South Africa and the South American countries, especially those now constituting Mercosur, still have much to do in the area of combating drug-trafficking. The drug industry, which is reputed to be worth about R1,2-trillion or US\$150-billion in global retail sales, cannot be destroyed single-handedly.¹⁰¹ From a South African perspective, the situation is getting even more dire as a result of trans-Atlantic drug-trafficking. For instance, as at July 2001, there were 460 South Africans languishing in overseas jails, of whom 241 are related to drug-trafficking. South American countries alone hold about 110 (conservative figure) South Africans on drug-related charges. In Brazil and Peru, there are 56 South Africans who are suspected of being drug ‘mules’.¹⁰² Given these circumstances, it is crucial for countries on both sides of the South Atlantic to synergise in their efforts to weed out drug-trafficking. The US has a particular interest in these efforts as it remains the largest consumer of drugs, originating from South America, shipped through South Africa and landing up in the US in whatever form. Thus, in 2000 the US donated US\$1,5-million to the South African drug-fighting effort. The US government increased the figure to US\$2,2-million in 2001. Efforts of this nature are especially crucial as they have the potential to improve co-operation in other areas such as combating piracy on the high seas, illegal fishing and increasing foreign direct investment. These phenomena have a residual impact on security-related issues.

6. SOME BROAD SECURITY IMPLICATIONS

Following the discussion on the nature of socio-economic relations between South Africa/SADC and the Mercosur countries, the question could be asked: What are the direct security implications and how could the peace and security situation be improved on the basis of strong socio-economic ties?

Firstly, the current popular neo-liberalist paradigm that increased economic growth enables states to generate more funds for social spending, provides sufficient incentives for states to co-operate. This paradigm also emphasises the importance of the individual – hence individual security. Welfarist states, such as the Scandinavian countries, hardly ever have fundamental problems with their citizens, as social ills such as unemployment and lack of access to basic human needs (particularly the physiological needs in Maslow's hierarchy of needs) are adequately addressed. As the adage goes, 'A hungry man knows no boundaries'; therefore it is crucial that any national development strategy should incorporate the interests of the neighbours. For instance, the US had to bring Mexico on board through NAFTA, and the EU countries are currently grappling with ways and means of accommodating the countries from the former East Bloc in order to bring them on par with the EU in terms of economic development and democratic governance. Failure to do that would expose them to a multitude of social security threats emanating from these quarters. In this regard Papp¹⁰³ cites testimony provided by the seminal works of Quincy Wright and Ruth Leger Sivard. Wright concluded in 1942 that poorer states have the proclivity to initiate war or resort to violence. In this respect, Germany is the exception to rule in that it initiated war while it was an economically advanced state that had strong economic ties with its neighbours. Similarly, Sivard concluded that of the more than 120 instances of armed conflict in the period between 1955 and 1979, all but six involved developing countries. Aggression could be a response to frustration and relative deprivation. Frustrated by poverty, poor countries may be tempted to lash out at neighbours "to overcome a sense of impotence."¹⁰⁴ Former US Secretary for Defence, Robert S. McNamara observed in 1966 that "there is no question but that there is evidence of a relationship between violence and economic backwardness."¹⁰⁵

Poverty could also generate internal political instability which may either spill over into neighbouring countries or cause an exodus of refugees, internally-displaced persons, or mass emigration. Large influxes of illegal immigrants or economic refugees are symptomatic of

skewed economic development in a region. Unfettered illegal immigration poses a whole range of challenges, including involvement in crime for survival because illegal immigrants can hardly obtain proper permanent employment; straining the social service infrastructure (health-care, educational facilities, shelter, etc) and threaten the environment (informal settlements which mushroom outside the planning framework of the relevant authorities). Thus, in dealing with illegal immigrants, as opposed to genuine verifiable asylum seekers in South Africa, it is crucial that international norms in this regard are strongly adhered to and complied with. Despite the draining effect of dealing with economic refugees, South Africa has the responsibility of treating them humanely, especially given the fact that South Africa is a prominent signatory to a multitude of human rights conventions and agreements. It is against this background that South Africa has undertaken to contribute substantially towards the development of the sub-region because it realises, as has already been mentioned, that it cannot be an island of prosperity in a sea of poverty.

The main vehicle for addressing these social security challenges is through encouraging foreign direct investment (FDI) and designing investor-friendly macro-economic policies. Economic co-operation between states is best achieved where playing fields are level, and that involved states make themselves mutually attractive to one another. With the increase in FDI, the national income increases, which enables the government sufficient leeway to share it by disbursing funds and supporting economically-viable labour-intensive regional projects which have the capacity to improve the living standards of the citizens. This in turn stems the propensity to emigrate while, at the same time, improves the security of the richer country's nationals.

Secondly, through economic co-operation, individual states benefit by pooling their resources to ensure that the interests of the group are properly articulated at international fora, which in turn helps governments to deal with aspirations of the population properly. While states are equal in terms of the Westphalian principles, the reality is that they are unequal in terms of the influence or pressure they can bring to bear on any given issue. The importance of territorial size in international relations has diminished in favour of economic size. To compensate for deficiencies with regard to the crucial power bases of the state, namely, natural resource endowment, size of GDP, technological advancement, military prowess and political influence, states enter into co-operative arrangements. This enables relatively smaller states to gain collectively from the international system what they could have lost individually. For

instance, South Africa in collaboration with Mercosur is currently attempting to influence the World Trade Organisation (WTO) to adopt trade regulations that will be favourably biased towards the developing world. Thus, states are able to pursue and secure national interests by identifying like-minded allies. Besides basic challenges to social security, there is another ominously powerful phenomenon called globalisation. The post-Cold War international scenario has catapulted regional Balkanisation and overlapping membership to various international organisations as the main strategy to counter the side-effects of globalisation and to avoid being subsumed by gigantic international role-players.

Thirdly, economic co-operation paves the way for co-operation in other more controversial areas. In accordance with the adage, 'States only have interests and no friends', states are inherently suspicious of one another's motives. This explains the origins of the sense of insecurity or security dilemma. Until there is general clarity on the actual intentions of another state that is proposing closer co-operation, there always seems to be uncertainty as to the extent that one party should trust the other. Although this was fairly easy to determine during the Cold War because of the bipolar nature of the international system, the post-Cold War era is even more complex. This stems from sensitivities such as the protection of intellectual property rights and the eternal fear that vital skills and technologies might be stolen through such diplomatic exchanges. There is general consensus that the main survival strategy for maximally benefiting from the rewards of globalisation is developing specialised skills, adding value to existing products, and identifying and captivating niche markets. This is as much the responsibility of the private sector as it is of the government. While globalisation advocates the opening up of markets, it creates a situation of 'unequal equality' in the sense that it equally affords any entrepreneur a chance to sell products anywhere on the globe, but the playing fields are not equal. Entrepreneurs from the developing countries do not possess sufficient resources or skills to penetrate the markets of developed countries. Thus, bilateral and multilateral arrangements are normally characterised by a gradual incremental approach in terms of issues open for co-operation. Therefore, economic co-operation provides a first-level assessment for possible co-operation in other more sensitive areas.

Fourthly, democratic states with strong economic ties tend to avoid war with each other as the stakes are too high for both sides. As already indicated, Germany is an exception to the rule because it initiated war while having strong economic ties with neighbours. Mutual

investments take a long time to build and this normally requires extensive harmonisation of macro-economic policies for mutual benefit. Mutual trust guides interaction between the co-operating states. This is further strengthened by adhering to universally-recognised democratic principles. Woodrow Wilson, the former US President, argued that the main enemy of peace "was neither private ownership nor conflict between senses and reason, but rather the absence of political democracy."¹⁰⁶ For democracies, jealously-guarded technologies are sometimes partially shared, as most co-operative arrangements usually include clauses on skills transfer and technological exchange.

With the increase in the formation of regional economic blocs, inter-state wars are increasingly becoming obsolete. However, this applies largely to highly developed and functional regional economic blocs such as the EU and NAFTA. For dysfunctional regional blocs such as SADC, war is still very much part of the conflict-resolution mechanism. As already indicated above, there is limited intra-regional trade and investment within SADC, while within Mercosur the trend is impressive. Similarly, mutual investments between South Africa and the Mercosur countries show an upward trend. Economic co-operation therefore provides a sound mechanism for establishing a long-term protective shield for citizens in countries that buy into the arrangement.

Lastly, increased economic co-operation should not be marred by such phenomena as drug-trafficking and piracy on the high seas. Drug-trafficking in particular is extremely damaging as in most cases it relies on the existing channels of official trade and makes use of legitimate trading mechanisms such as registered ships, scheduled flights and regular land-transport. Even though efforts should be geared towards reducing supplies of drugs, this should be complemented with corresponding efforts to reduce demand as well. Anything in between, that is control of transportation modes or facilities, requires a drastic overhaul for all countries involved. National legislation and efforts by international agencies, such as Interpol, can only succeed if countries in the South Atlantic region harmonise policies and standard operating procedures at airports, harbours and border areas.

7. CONCLUSION

Concurrently with the broadening of the concept of security, some military threats have receded while certain non-military threats have increased. Non-military threats require a

concerted effort from both developed and developing nations alike as their effects transcend national and regional borders. Most of these threats lie in the socio-economic arena. They range from financial crises to resource depletion, and from extreme poverty to environmental degradation. While these threats do not necessarily constitute threats to national security individually, their combination could pose a potent threat.

South Africa's relations with the Mercosur countries is rooted in the understanding that socio-economic development and long-term economic prosperity which seek to address some of these incipient threats, are crucial for national security. This chapter has demonstrated the inextricable link between socio-economic issues and national security. It also showed how socio-economic co-operation has become the common currency, which defines international relations in the post-Cold War era.

The historical development of socio-economic relations between South Africa and the Mercosur countries was discussed. This section revealed the chequered manner in which these countries interacted with South Africa, especially prior to the latter's transition to a democratic dispensation in 1994. During the sanctions era, countries now constituting Mercosur either maintained low-profile relations with South Africa or simply abrogated the UN-imposed economic and military sanctions. With the demise of the Soviet Union in the early 1990s and the advent of democracy in South Africa, a whole new era was ushered in regarding trans-Atlantic relations involving South Africa. Interaction between the countries on both sides of the Atlantic increased and these were underpinned by high-level diplomatic visits which culminated in the signing of various agreements and memoranda of understanding.

Being a regional giant, any agreement entered into by South Africa with any major extra-regional country or organisation is bound to impact on SADC. A brief discussion of the prospects for inter-regional co-operation between Mercosur and SADC was presented. Huge differences were highlighted between Mercosur and SADC, especially on the level of development and the nature of internal dynamics dominating the two regional organisations. While both organisations concur that broad security for their nationals could be effected through socio-economic development, there are clear indications that SADC still has much to learn from such organisations as Mercosur and ASEAN, as the latter two organisations largely consist of developing countries, as is the case with SADC.

Applying the same approach as with regard to socio-economic co-operation, the next chapter deals with military relations between South Africa and the Mercosur countries. Military interaction between states usually demonstrate a higher level of mutual trust and commitment to the economic and political ideals. Being the executive arms of governments, the military occupy a unique position in international relations. An attempt will be made to demonstrate that, as much as the military dimension of security has declined as a general global trend, it is still being pursued quite vigorously by some states. The achievements attained in the socio-economic arena require that they be buttressed by a credible capacity to secure them militarily, if necessary.

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