CHAPTER 1: THE CONCEPT OF STRATEGIC SIGNIFICANCE

Strategic significance is largely determined by a state's national capabilities. It is primarily these capabilities which not only lead to ego perceptions of own importance to the international community, but also alter perceptions as to the importance of a specific state. Strategic significance is of relevance to all states in that no one state exists in a vacuum and all members of the international community are therefore subjected to the perceptions and judgements of the other members. A state's strategic significance is not static and is continually changing according to circumstances. These circumstances would include a change in national capability or changes in ego and alter perceptions. The latter two concepts are particularly susceptible to change as environments move between peace-and-wartime. It must also be remembered that perceptions are often a subjective attribute which can ultimately influence a state's overall significance, in spite of evidence that disproves the specific perception.

The term "strategy", has itself undergone a change as regards its use and meaning. It has evolved from the strict interpretation of "military strategy", to a more total concept which involves a variety of factors other than pure military power. This has also affected the concept of strategic significance. The concept of strategy is discussed below in an attempt to bring this evolution to light.

1. The concept of strategy

According to Beaufre (1965), Liddell Hart’s traditional definition of military strategy as “the art of employing military forces in order to achieve the goals of political policy”, is too restrictive. Beaufre views it instead as, “the art of applying force so that it makes the most effective contribution towards achieving the ends set by political policy”.1) Strategy, according to Beaufre, is “the art of the dialectic of two opposing wills using force to resolve their dispute”.2) The aim of strategy is to achieve the objectives laid down by policy, using available resources.

The objective may be defensive, offensive or may even be the maintenance of the political status quo. It is here that Clausewitz falls short in his definition of, “decision as a result of victory in battle”, as military victory is not the sole manner by means of which a psychological effect over the enemy can be achieved. The outcome desired is thus to force the enemy to make a decision that to begin or continue the struggle would be useless. A psychological effect has then been produced.3) Strategy must be directed, by first creating and then exploiting a situation to such an extent that the enemy is morally debilitated and the art of strategy is the careful selection of the most suitable means available, both moral and material, in order to produce the necessary psychological pressure.4)
Following Clausewitz, the concept of strategy has developed by three extensions: a) strategy has gone beyond the primary use of armed violence to include such aspects as political, economic and ideological policy; b) strategy has gone beyond war to include peacetime military involvement and; c) strategy is sometimes defined as the use of complete state power for the achievement of all political goals.  

Indirect strategy is therefore also involved and can be defined as, "using the minimum of force and military resources, the art of maximum exploitation of the narrow margin of freedom of action left by nuclear or political deterrence in order to achieve the desired, frequently large-scale, results". Total strategy in the direct "mode", which basically involves preponderant military action, has certain inherent limits. Aside from the obvious importance of the choice of military methods and the necessity of mobile military resources, direct action is frequently confined by the limits imposed by nuclear deterrence. This forces action below a certain level. Other limitations include local conditions and psychological instability of the theatre of operations which can result in unexpected popular resistance. Total strategy in the indirect "mode" thus involves more than military action and also includes national capabilities and overall national power in order to produce the desired effect and achieve policy goals.

Strategy can therefore be divided into various forms or levels which, when co-ordinated, can be directed towards the same objective. These levels can be tabulated in a pyramid shape as follows:

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Total Strategy

(Military)
(Political)
(Economic)
(Social and Psychological)
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Just as the term strategy has evolved into a broader concept, the term strategic significance has evolved in a similar fashion to cover an entire spectrum of factors that are both tangible and non-tangible.
2. The traditional meaning of strategic significance

The contemporary world is characterised by a condition of permanent international insecurity which forces states to rely on their respective national resources to ensure survival. These states are also entwined in a situation of interdependence involving various relationships ranging from allies to enemies. National security is still considered to be of the utmost importance to all states and a nation’s national security policy is partially based on perceptions of its strategic significance. The concept strategic significance is thus linked to perceptions, both those of the respective states and those of their allies and enemies.

As explained, strategy is no longer viewed as a purely military concept, but has become a “total” approach where all elements of national capability, both tangible and intangible, are included. Nations are today faced with a completely different facet of strategy and strategic significance. The result has been a subsequent emphasis on such factors as economic capability and political leadership. Economic considerations have even begun to take precedence over ideological and other political issues. Military questions are thus no longer the sole issue of concern. States are forced to study the perceptions of other states as well as domestic ego perceptions, in an attempt to establish their own strategic significance as well as that of other members of the international system. In order to achieve this, national capabilities must be brought into account and an overall assessment made. It should also be noted that strategic significance is not a static concept and that both national capabilities and perceptions are known to change. Certain states are thus perceived as being of strategic significance for only a certain period of time. There are also different degrees of strategic significance, in that a country or region may be considered important by one state and relatively insignificant by another. Strategic significance has thus become a total concept and is influenced by ego perceptions of significance, national capability, and perceptions of significance by the world community. These factors must be viewed against a constantly moving background of events. National capability is of vital importance in this regard and will be discussed below.

It should also be noted that the above-mentioned concept of capability and strategic significance has, as expected, developed further in the post-Cold War era. Although certain elements of the traditional meaning of strategic significance, such as economic capability, have remained the same, other aspects such as a state’s human rights record and democratic political institutions, now also play an important role in this concept. This will be further discussed at a later stage.

2.1 National capability

A state’s national capability and resultant level of power, is closely linked with the ability to act purposefully in a given situation, especially as regards causing another state to do something which it would prefer not to do. It is the capacity to perform an action, usually to coerce, persuade or force. Capability is, however, linked to situations and is therefore relative. In other words, a strong and effective capability in a certain
situation does not imply the same strong capability in a different situation. Capability and the distribution of power are thus dynamic concepts which are subject to change under a variety of factors. Holsti refers to power as: “The general capacity of a state to control the behaviour of others”. In order to achieve this, national resources must be mobilised for political purpose or in support of specific foreign policy objectives. Holsti emphasises the importance of resources in a particular diplomatic situation, as well as the difference in needs between two countries in what he terms any “influence relationship”. In other words, if a nation needs something from another, it is vulnerable to the latter’s acts of influence. Another factor to be considered regarding the effectiveness of acts of influence is the responsiveness of the targeted state.

A nation’s leaders develop a foreign policy on the basis of projections as to what they perceive as their own power, as well as the power of other states. Perception is the key word and international conflicts of interest become a game. Each move by the opponent must be perceived and counteracted by means of the effective use of capabilities. National power is, amongst other things, basically a state’s ability to wage war and it is therefore important to calculate the capabilities and intentions of both future and present capabilities. An effort must also be made not to exaggerate or underestimate an opponent’s capabilities as this can lead to irrational foreign policy decisions.

According to Morgenthau, international politics is a struggle for power, although politics and power are not necessarily synonymous. Politics is, in essence, based on conflict and all political systems are aimed at the management of politics and power. Power can either be the ability of an individual or a group to mobilise the appropriate resources in order to get others to do something that they would otherwise not do or to refrain them from taking a certain action. Power can also be the inadvertent impact of groups or individuals on others. Power is relative, its distribution is constantly changing, and it is also linked to a government’s perception of its ability to achieve the nation’s goals. Military force is but one of the ways in which power is manifested, but a state must demonstrate the capability and the will to utilise the power it claims to possess. Perceptions of credibility are thus vital. Power and wealth are closely linked and the great powers through history have tended to be great economic powers. Coulombis et al state that power has three key “ingredients”, namely force, influence and authority. Power can also be actual (immediate) or potential.

A government must therefore study available resources and develop a plan as to how they will be effectively incorporated into external objectives. The measurement of a state’s capabilities is thus not a complete indication of its power or influence. Pearson et al have theorised that all foreign policy behaviour can be traced to national interests and various systemic, idiosyncratic factors, as well as national attributes. In this case, systemic factors are conditions in a state’s external environment and include geography and the international system structure. National attributes, for example, economic and military capability, also affect behaviour; while idiosyncratic factors refer to the personal characteristics of leaders.
Hocking *et al* refer to resource profiles and capabilities in their analysis of power. These include physical capabilities, organisational capabilities, attitudinal capabilities, network-accessing capabilities, and information-related capabilities. The latter aspect has been identified due to its significance in the late twentieth century. Knowledge has, in fact, become an element of state power. These factors and others are discussed below.

### 2.1.1 Strong and weak states

Buzan uses the term weak or strong *states* to refer to the degree of socio-political cohesion, while the term weak or strong *powers* refers to the classic distinction between states as regards their military and economic capability. Strength as a state is not related to power, for example, weak powers such as Austria and Norway are strong states. Many weak states are located in the Third World, primarily as a result of decolonisation. Domestic violence is endemic in such states and weak states are often trapped in a situation where a historical legacy of economic development and political power results in their being underdeveloped and politically affected. One of the primary characteristics of weak states is the lack of a strong domestic political and societal consensus to eliminate excessive use of force in the domestic political situation.

There is no single indicator which defines the difference between weak and strong states, although Buzan mentions a list of possible conditions in weak states. This list includes such aspects as high levels of political violence; the lack of a coherent national identity; excessive state control over the media; and major political conflict as regards the ideology to be used to organise the state. While national security in a strong state can be regarded as protecting the components of the state from outside threats, only the physical base of a weak state may be sufficiently well-defined to constitute an object of national security. There is, in fact, little idea of the state and the governing institutions are often perceived as a threat. National security in such a situation thus differs considerably from national security in a strong state. In a weak state, individuals and sub-state units become the most meaningful security referents. National security thus cannot be considered apart from the internal structure of the state.

The two primary sources of national capability are physical and non-tangible elements of national capability. The former refers to the more tangible elements such as geography, natural resources, economic capability, and population, while the latter refers to elements such as national morale and national character, which determine the level of support for government initiatives and policies. External sources of national capability refer predominantly to the level of international interaction experienced by a state through alliances, regional co-operation, etc. These sources should be considered to be in a continual state of flux in that strategic alliances are known to change along with changes in the international community. Africa represents a good example in this regard in that the end of the Cold War has seen not only diminished interest in the African continent by the rest of the world, but has also resulted in an increase in funding and co-operation away from Africa towards the former Eastern-Bloc countries and own domestic programmes.
The intangible sources of national capability are often the deciding factor as regards a conflict between forces with similar tangible resources. There are many examples of states disadvantaged as regards tangible sources of power, who have defeated larger states due to such factors as political will and leadership skill. Ultimately, the victor will be the side which is willing to sacrifice the most for victory. The most effective use of power is thus the ability to impose the will of one side on the other. It should also be noted that the importance of owning vast amounts of natural resources has declined as interdependence amongst the world’s states has increased. Other tangible aspects of importance include location and size.

The determinants of national capability, as well as changes in the international community following the end of the Cold War and Africa’s position in this community, will be discussed below.

2.1.2 Physical determinants of national capability

Physical determinants are tangible factors and include such elements as available natural resources, military and industrial capacity. These are vital attributes of national capability and overall strategic significance. They are, however, subject to change and thus form part of the moving background that influences strategic significance. Each state possesses different physical determinants and these usually form the base of initial strategic significance. It therefore stands to reason that a state with an abundance of vital physical elements will be perceived as having a certain degree of strategic significance.

2.1.2.1 Geography, location and size

The size and population of a state, as well as its geographical position, are important indicators of power or the lack thereof, as well as position in the international system. When studying the strategic alignment of a state, the attitudes, interests and policies of neighbouring states, as well as their military reach, should also be taken into account. The central position of a state in an international system generally leads to increased confrontation and a correlation has been found between the number of frontiers a state possesses and the number of wars or hostilities engaged in. Yet a large state, with an accompanying large population, does not necessarily result in a powerful nation. This has been effectively demonstrated by Israel, which with both limited territory and population, is an important player in the Middle East.

The size and geographical situation of a state are therefore important factors in an assessment of power and significance. Britain, with its position of insular isolation, displays the advantages of natural geographical boundaries and has suffered few invasions as a result. Japan also enjoys an insular position and until its defeat in World War II (by the United States), had never experienced a successful invasion. Geographical location has a profound effect on a nation’s foreign policy and military strategy, as it affects the vulnerability, accessibility and mobility of the military establishment. Distance is here a primary concern due to the high cost of transporting military forces and equipment. Mountains, forests, deserts and swamps all increase the degree of difficulty and cost of transportation. Recent advances in transport technology have, however,
managed to overcome some of these difficulties. Yet there is no denying the substantial costs involved in the geographical transfer of military force. There are thus two key geographical features which can be considered to affect foreign policy, namely, conditions along a nation’s borders, and distances that must be traversed to reach key strategic areas. Geography can also influence the scope of interests and the degree of conflict or cooperation experienced.

Geography is considered to be one of the most stable factors on which the power of a nation depends, as geographical location is highly unlikely to alter much from the past. No matter how small and seemingly insignificant the English Channel, neither Napoleon nor Hitler could ignore it. Geography is thus a constant in foreign policy and cannot be overlooked as an important strategic influence. States develop foreign policies using their geographical location in order to increase trade, maintain or alter contemporary power configurations, and for defence against invasion.

The importance of location does, however, vary according to the current political situation, with states (or parts thereof) acquiring strategic importance under certain circumstances. This generally entails the establishment of bases for protection or the launching of attacks. The Panama Canal ultimately altered the strategic importance of the Cape Horn Route and the importance of the Falkland Islands also diminished with time. Positions of strategic importance may be effected by technological advancements and international events. Military powers have generally tended to expand territory either by the acquisition of colonial territories or by expanding already-established boundaries. Large areas also tend to become an economic burden in terms of transportation costs, especially if the nation concerned has little resources and an insignificant population. An immense geographical area can, however, serve as an impediment to foreign aggressors, as invading armies are able to take control of relatively large areas of land without being a threat to military power centers. An added advantage of sheer territorial size is found in the area of nuclear warfare, as there tends to be a smaller geographical concentration of industry and population. Large states thus result in an increased number of independent targets for nuclear deterrence, as vast territory leads to the location of nuclear retaliatory forces at a further distance from densely populated areas.

It should also be noted that the conquest of a large portion of a country often breaks the will to resist and this is generally the aim of military conquests. The size of a territory is an important determinant of natural resources and overall growth potential and a state of only moderate size and few natural boundaries has less chance of expanding or even surviving. Together, location, territorial size and natural boundaries have a critical influence on a nation’s chance of success and survival.

2.1.2.2 Climatic conditions

Geographical features such as climatic conditions can impose severe limitations on agriculture, and dramatic climatic changes such as a severe drought or heavy flooding, can rapidly have a disastrous effect on a
nation's economy and overall power capacity. Geography, however, remains a descriptive element and does not necessarily determine international relations, although nations have to be able to utilise given environments with their available resources, terrain and climate in order to serve necessary ends. Climate does therefore have an influence on power, but this influence is neither predictable nor regular. Although some have claimed that civilizations and centres of power have risen in relation to certain climates, development in this regard has, in fact, taken place at some point in most climatic zones. Whether this is due to climatic changes or technological advancements which nullify the influence of climate, is not the issue. Political power is, however, clearly related to at least some extent to geography and climate forms part of this aspect.34)

2.1.2.3 Natural resources

Natural resources are a vital element of capability and overall strategic significance. A state well-endowed with resources is automatically perceived as a stronger state. Such states can survive negative external influences for longer periods and are thus more immune to external pressures such as economic sanctions. Natural resources are not, however, continually renewable and a state would be committing a grave error if too much reliance was placed on these resources as the only source of national capability. Nevertheless, a state with an abundance of natural resources is normally perceived as having greater strategic significance than one with minimal resources.

a. Agricultural resources

The most elemental of all resources is food and a nation that is virtually self-sufficient in this regard has a large advantage over those states which depend on others to survive, especially over long periods of time.35 A pertinent scarcity of food thus translates into a source of permanent weakness for any state and these states are forced to act according to this specific weakness rather than according to other available strengths. Changes in the consumption of food as a result of changing nutritional ideas or changes in agricultural techniques, can lead to either self-sufficiency in food or the lack thereof. An adequate supply of foodstuffs is thus a primary source of concern for any government, especially in times of war when the labour force and transportation are restricted.

As a result of climatic constraints, no country can claim to be completely self-sufficient as regards foodstuffs, although the United States (US) is considered to be one of the countries closest to self-sufficiency in this regard. The United Kingdom (UK), on the other hand, has been known to import approximately half of its total food requirements in the past. This is considered a major weakness in overall power structure, as blockades can successfully cut off the import of foodstuffs and basic necessities in times of hostilities. This policy was followed by the Allied powers against Germany during the course of both World Wars. The UK and Japan are particularly vulnerable to a blockade.36)
b. Mineral resources

Natural resources and their location are of the utmost importance to any nation and have a direct impact on a nation's power status. Some of these resources, for example oil, have become more important than others and natural deposits of such minerals deliver additional influence in international affairs. Minerals, unlike foodstuffs, cannot be coaxed from unyielding soils using intricate agricultural methods as they are distributed on a less regular basis.

No single developed state is self-sufficient as regards resources and this has resulted in a generally large trade in minerals. Mineral resources are also exhaustible and will eventually run out. They are thus an unstable element of national power. Another important difference between food and mineral resources is that the former is perishable, while the latter can be stockpiled and generally does not deteriorate under exposure.

c. Energy resources

Fuel resources (natural gas, coal and petroleum) have a larger distributive base than metallic minerals, but few states possess these valuable resources. Together, only fifteen countries produce approximately 95 percent of the world’s coal and a further ten countries produce 85 percent of global petroleum. Nations lacking these mineral fuels either resort to dependence on other states as regards imports or attempt to develop alternative fuel sources, which is a very costly procedure. It is therefore natural that any state will attempt to utilise its overall power position in order to ensure a continuing supply of these important resources.

Fuel shortages can have tremendous repercussions for all states. Mention should also be made of nuclear and atomic power, which although limited in scope to a few countries, may become a future source of industrial power. Unfortunately, this power has been increasingly used for negative purposes and it must ultimately be decided whether its positive effects outweigh its dangerous shortcomings in the "wrong hands". Resources must be mobilised in support of a state's sphere of influence if they are to be effective and these resources then become a foreign policy instrument. These aspects all effect the assessment of a nation's power and significance. A state with an abundance of natural resources and mineral fuels therefore has an unbridled advantage over those who have limited supplies or lack certain resources completely. The latter have to strive to import key minerals and are thus sensitive to market fluctuations and influences. This leads to heavy dependence, a situation which obviously weakens a nation's power; while those rich in natural resources maintain a definite strategic advantage. There is, however, another source of national capability which cannot be ignored and that is population.
2.1.2.4 Population and manpower

The size, skills, motivation and homogeneity of a country's population play an important role in a government’s national capability and foreign policy, affecting such aspects as the degree of assertiveness and the rate of success as regards influencing other states. Population in its broadest sense refers to the total number of human beings that a state incorporates. The assumption can be made that the larger the population, the greater the state’s capability to perform more tasks, more effectively. Population data must, however, be qualified according to specific circumstances. Factors such as age and sex distribution must therefore be taken into account during an assessment of national capability. A population that is healthy, unified, well-informed and loyal to its government is likely to be far more powerful than an undernourished, illiterate, overcrowded, and disloyal population.

Manpower refers to that portion of the population which can contribute to the political, military and productive capability of the state and does not include those individuals merely required for the effective functioning of society. An example of the latter would be food producers. Any capability assessment that involves manpower should also consider trends of evolution and development within the population. The human component of national power can be divided into qualitative and quantitative elements. The latter concerns the actual size of the population, while the former involves national character and diplomacy, as well as national morale.

a. Size and distribution

No nation is able to become a superpower unless it possesses a population large enough to man the necessary industries which support the conduct of contemporary hostilities and outright war. This does not, however, imply that the larger a nation’s population, the greater its power and China, with a vast population, emphasises this point. Large populations can also have a negative influence on national power, especially in the underdeveloped nations of the Third World, where food supply is constantly outpaced by the needs of an ever-increasing population. Scarce resources have to be diverted from the strive for national power in order to care for undernourished and diseased populations. In such a situation, population control becomes an essential precondition for the achievement of national power.

Population density (the relation of population to area) varies according to geographical elements such as available resources and migration. There is no optimum population density and this factor only becomes important to national power when it is high or low in relation to resources and the current technological level. Overpopulation restricts the availability of capital for investment and lowers the level of education, health and welfare. Such a state is also likely to be militarily ineffective. In spite of the fact that a vast body of labour is available, such labour is basically unskilled and thus ineffective without the necessary training. Such training requires financial support for which the already-strained resources will be unable to provide.
There is also the issue of ethnic make-up and diversity which can challenge unity and lead to genocide. A state will find it difficult to mobilise national capability and execute effective foreign policy if all energies are concentrated on maintaining peace between feuding ethnic groups.

Underpopulation results in equally significant weaknesses as regards national power and even though large-scale arable land may be available, the nation will only be able to provide a small market. It will thus not be possible to establish important industries or generally profit from the abundance of arable land. Effective defence of a large area using military force from such an under-populated nation is largely impossible and public order becomes more difficult to maintain.  

Both migration and especially immigration, have an important impact on national power, particularly where it becomes a method of reducing an excessive population in overcrowded countries and increasing the population in critically underpopulated nations. Tighter immigration controls have been introduced in various countries around the globe, with fewer immigrants permitted into these countries each year. Temporary migration, in the form of seasonal workers who are generally hired as manual labourers, is a factor of growing importance and has various advantages for the “host” country. One such advantage is that these labourers can merely be “exported” during times of recession. They are also not authorised to vote. There is, in fact, a relatively constant requirement for unskilled labour in developed nations, where the permanent population deems itself too educated for such work.

Political demography is a discipline of international relations and can be defined as the science relating population to world politics. The dynamics of population changes, such as births and deaths, are thus of great relevance and political demographic data makes the prediction of social, political, economic and cultural changes (albeit with a margin of error) possible. Demographers recognise that changes in population variables influence the relative power position of states and that events such as territorial transfer are largely dependent on the population inhabiting the relevant area. It can be noted that a society’s ethnic divisions should be taken into account as dissident groups can become an important target for those aiming at the overthrow of a rival government.

Political demography makes certain assumptions, namely: (a) rapid population growth on a worldwide scale is likely to continue; (b) national and international institutions and policies influence the population; (c) changes in the population influence national and international policies and institutions; and (d) sovereign territorial states strive to regulate own populations in order to improve their power positions.

A nation’s population is therefore of primary importance when making an assessment of strategic significance. It should, however, be noted that national character and national morale, as well as the quality
of government, are also key factors in such an analysis and are thus discussed at a later stage.

c. Technical and educational levels

Education is a vital aspect as regards the quality of manpower. Literacy of the population is one of the primary considerations in this regard, especially as concerns the establishment of an effective administration and the building of consensus. This aspect is crucial if there is to be any attempt at an international role for the state concerned. Another important element is the development of "tool skill" so that valuable time and effort will not be lost in attempts to make machinery work. This will entail essential training. A third factor is the number of available educated specialists, as well as their level of performance. Academic, scientific and technological efforts should thus increase if true national capability is to be achieved. 54)

One of the reasons for the necessity of a high level of technical expertise is that numerous issues on international agendas are now extremely technical in nature, for example, satellite broadcasting and international monetary concerns. As these issues are now discussed at international fora, it is vital that any government wishing to participate in these discussions have a solid understanding of the issue at hand. This would, in turn, provide a certain degree of influence over those governments having a mere rudimentary knowledge of the problem. In such a case, knowledge has more value than raw capabilities. 55)

2.1.2.5 Economic capability

Economic strength is a vital element of national power. It allows those who possess it to influence others, purchase goods and services and produce much of what is required for own needs, as well as maintain relative control over the future. The collapse of the former Soviet Union's economy during the 1980s lent further evidence to the claim that economic strength is valuable in an assessment of national capability and power. Economic capability will determine the extent to which an actor (nation) is involved in international affairs. 56)

Over and above the Gross National Product (GNP), a nation measures its overall economic capability on the basis of five broad groups of factors, namely, foreign economic relations; industrial strength; agriculture; energy and; minerals. These "standards of power" are generally used as international standards of economic capability. GNP is still perceived as the primary determinant of economic strength, although its value may fluctuate in accordance with strengths and weaknesses in the above-mentioned five groupings. 57) GNP is equal to the total value of all goods and services produced by the national economy during a single year. Figures are reported in a monetary unit and as this unit is convertible into one currency, it becomes possible to compare overall economic capabilities. 58) Unfortunately, GNP comparisons are subject to various shortcomings, such as the exaggeration of the purchasing power of one currency against another and are thus merely a rough indication of national productive capacity. 59)
The economic resources of a nation are divided into four basic groups: (a) real capital, in the form of equipment, raw materials and goods for later sale; (b) the labour force, consisting of skilled workers in all fields; (c) monetary debt owed by foreigners; and (d) a nation’s land with all its water and mineral resources.

Bernholtz points out that a nation’s relative economic strength corresponds roughly to that of its population. This can be attributed to the beginning of the Industrial Revolution when population growth was linked to a rise in per capita incomes. It should also be noted that even a highly developed economy can become vulnerable if there is even vague dependence on foreign sources of energy, food or raw materials. This is especially serious in times of hostilities and war when economic instruments of coercion and persuasion are enforced with increased effectiveness. This situation was experienced by the Central Powers during both World Wars when the British made use of a blockade. This not only led to a severe food shortage in Germany, but also resulted in a shortage of goods needed for military purposes.

A primary factor in the assessment of a nation’s economic capability is the presence of the necessary flexibility in order to confront actual problems and challenges. Economically, this requires a surplus economic production above subsistence needs in order to support covert and conventional forces, as well as foreign aid. Economic capability is thus the most broadly convertible power factor. For this same reason, a nation also requires a population that is skilled, dedicated and obedient, and thus capable of collective action. This capacity can be limited and negative factors in this regard include ignorance, personal independence and political dissidence.

The contemporary system of states has generally been characterised by an uneven distribution of economic capabilities, with certain countries such as the US displaying strong overall economic capacity in the past and thus dominating parts of the globe. It is in part due to impressive economic strength that the US has been able to extend its sphere of influence to all corners of the world. The primary powers concentrate on the protection of the production of strategic materials within their borders, in an attempt to achieve a higher degree of self-sufficiency. Methods utilised during this process include the use of marginal resources, stockpiling scarce materials, and developing substitute materials. Unfortunately, a higher degree of self-sufficiency is expensive to achieve and the above-mentioned methods require a larger percentage of national income if they are to come to fruition. Nations therefore attempt a balanced policy between the extremes of excessive dependence on imports and absolute self-sufficiency. Misuse of resources should also be guarded against in order to prevent exhausted supplies and anti-pollution measures are gaining strength worldwide. Economic capability is thus directly linked to a nation’s strategic position in the international community.

As noted, economic transactions do, however, create vulnerabilities and a blockade is only one example of economic coercion. Disruptions of transaction flows can be disastrous for economies and nations become
sensitive to market fluctuations. The South African Government experienced attempts by the international community to enforce change by means of economic sanctions. Such attempts vary in effectiveness according to the target state’s own economic capability and its capacity to withstand such disruptions, especially over a prolonged period. Techniques of economic warfare include blacklists and pre-emptive buying, all of which have varying degrees of effectiveness. Economic capability and self-sufficiency are therefore of the utmost importance to a nation’s survival and as governments usually place a high value on the achievement of solid economic welfare, all are vulnerable to economic coercion in its various forms.

a. Industrial capacity

Unless industrial capacity is at a high level, natural resources will not have an extensive effect on a nation’s power and status, even if raw materials are available in large quantities. Industrial plants are needed to transform raw materials into industrial products. India, for example, possesses an abundance of certain valuable raw materials, but in the past has lacked the industrial capacity necessary to attain great power status. The development of heavy industries has become an essential component of national power and victory in times of war depends heavily on the quality and quantity of armoured vehicles, roads and weaponry. Innovation, organisation and skill all play an important role in industrial capacity and thus the strategic significance of a nation. It is this level of industrial capacity that marks the difference between the small and great powers of the international system.

Most resources need to be refined and fabricated after removal and for power potential to increase, this refinement and fabrication needs to be completed without delay. A strong industrial capacity is thus vital. A nation must also be able to shift from methods of production used in times of peace to those necessary in times of war. Industrial plants will have to be re-equipped and labour diverted in such a situation. Production quality invariably decreases during such emergencies and this negative factor must be taken into account during an assessment of national capability. India lacked the industrial establishment necessary for the refinement and processing of its abundance of raw materials as a result of the lag between the potentialities (resources) and actualities of power. It is thus inevitable that a nation’s change in industrial rank will be accompanied by a change in its power hierarchy. This point emphasises the dramatic increase in the importance of such aspects as industrial capacity for national power status. Nations of the third and fourth rank also tend to become dependent on nations of the first rank in that these superpowers supply the less advanced states with modern weapons, communications and transportation.

b. Technological capability

An expanding GNP is an indication of national economic growth and results from increased employment labour and improved labour productivity. This is usually preceded by such factors as technological innovation and increased investment in human resources and capital goods. Such economic growth has
particular relevance for the military establishment as it generally contributes to a military build-up. Military capability is discussed at a later stage. A nation needs to be practically self-sufficient on the technological level if it wants to compete with other nations on this same level. Technology has made numerous advances through the ages and many of these advances have resulted in changes worldwide. There has been the development of nuclear and other weapons of modern warfare, a revolution in production methods as regards automation, travel into space, the conquest of certain human afflictions; and numerous other technological developments. The application of scientific technology to the conduct of warfare has been of particular relevance, especially as regards nuclear weapons and the modern nation-state became vulnerable to nuclear destruction as a result. These weapons thus added a new vulnerability to international politics, especially for those who did not possess them.

States are required to maintain pace with these technological advances if they wish to compete in the international arena and if they wish to offer citizens defence against modern weaponry. Modern technology in the form of nuclear weapons has, however, decreased the gap between weaker and stronger states and has resulted in the concept of war being extended to complete annihilation. States which do not possess modern technology are thus disadvantaged on various levels. There also appears to be a link between technological, scientific and economic development and the growth of multilateral diplomacy. It would thus appear that modern political power has become linked to modern technology.

c. Communications infrastructure

Changes in technology have also resulted in revolutionary communications, with the world becoming smaller and more accessible as a result. It is now possible to travel to any part of the globe in a minimum of time or at least communicate with a specific area. Psychological warfare has also become increasingly popular; as has the ability to reach almost all corners of the world with ballistic missiles. It is now possible to apply economic pressures with relative ease and devastating effects. Although this has resulted in an increased sense of unity among mankind, states have also become more vulnerable to both military attack and economic pressures.

There can be no denying the impact of the mass media on patterns of social life. Modern communications now reach a much larger audience and this, in turn, has an effect on international politics, especially in the case of propaganda and the "image" projected by a state. In fact, national preoccupation with such image projection has had an impact on the formulation of foreign policy in that many states wish to adhere to the image projected. Another consequence of the increasing amount of global communication is that requirements are known and actions become predictable. It has become clear that states having access to modern communications do indeed possess a certain advantage over those who do not.
The "globalisation" of international communications, has been defined as: "The way in which, under contemporary conditions especially, relations of power and communication are stretched across the globe, involving compressions of time and space and a re-composition of social relationships". One of the more important functions of globalisation in modern times is the "free flow of information", where images and information have an influence across the world. The result has been that large transnational companies and not states have become key players of the time. The question has thus been asked: "Without the nation, can democracy survive?". International communications also affect world boundaries and influence culture.

As power and politics are linked, the global flow of news is considered political in nature. It has been described as reflecting and determining the international power configuration. International news can thus be considered a powerful tool for those in power. Another key aspect of globalisation has been the application of deregulation policy, where communication technology developed even faster and the transfer of capital no longer recognised national boundaries, thus decreasing the power of the state and diminishing the value of traditional classifications of power. Communications have thus become an important, but often overlooked, element of national capability.

2.1.2.6 Military capability

Military power is one of the most obvious tangible factors of national capability and usually occupies a vital position in a capability assessment. Manpower and equipment are initial concerns and attention is also given to such factors as controlling doctrines and patterns of deployment. Such assessments have, however, been effected by the development of new weapon technology and techniques which can lead to unexpected military superiority and thus a faulty original assessment. When a sovereign state wishes to exert influence on another state, system of states or organisation, it can employ methods of both a coercive and non-coercive nature. Although the geographical size of a country is an indicator of power, this factor is not necessarily a reliable indicator of national military power and there is no strong link between the size of national territory and national military power. Yet states with small territories have rarely featured as primary military powers. Another factor to be considered is that a country can be dissatisfied with a certain situation whether locally or internationally, but if military force is lacking, policy will remain relatively passive, with the emphasis on diplomacy and not force. It should also be noted that a country can enter a crises relatively ill-equipped, but can rapidly develop a stronger military capability in some cases. In other words, it is advisable not to emphasise the "moment", but instead to make a strategic assessment of the possibilities.

a. Uses of military capability

Coercive means would entail threats or actions aimed at depriving the conflicting party of something to which it attaches a certain value, such as peace, territory or independence. Sovereign states, throughout
history, have tended towards the employment of military power, thus emphasising a coercive means of influence. Even though military power can be used in a non-coercive manner, states generally employ military strength in an attempt to force a situation in their favour. 84)

Another important factor of military capability is deterrence. When the enemy or opposing forces perceive the other side’s military capability to be larger, stronger or better equipped, an attack can be effectively deterred. Losses would thus be deemed unacceptably heavy. This is especially relevant as regards second-strike capability. It is, however, not only the size of the military establishment that carries importance in a study of general strategic significance; the quality and type of weapons, quality of military leadership, as well as the systems of combat and standard of military organisation, are all equal factors. Flexibility and adaptability are also vital for survival of the establishment. 85)

In modern world politics, military means is viewed as central to the attainment of goals. The presence or absence, quality and quantity of military means is of primary importance in the calculation of state power. The great world powers in any given state system have generally been great military powers and charismatic leaders of weak states have been able to move from a position of physical weakness to one of strength by means of effective military action. 86) In order for military potential to become actual military capability, a nation must be able to produce certain goods and mobilise certain services. These goods and services include raw materials and a strong labour force. As non-military activities must continue during periods of hostilities, a nation must be able to subsist and deploy only those materials and labour that are necessary for the active employment of its military forces. Technological and economic capacity is thus dependent on such factors as the size of the population, the economic productivity of the population, and natural resources. 87)

b. Types of military capability

In contemporary times, states can possess at least three radically different types of military capability, each demanding different technology and costs. A state strong in one of these types can be weak in others and each type is used for a different purpose.

Recent years have seen an emphasis (and subsequent de-emphasis) on the nuclear capability. This capability can be viewed as the ability to disrupt, if not destroy, the social, economic and political structure of a large area in one “fell swoop”. States must possess both a second-strike as well as a first-strike force for such an attack to be successful and this force is generally viewed as a deterrent; that is, implying that the cost of employing such a force against an enemy who possesses a similar force generally outweighs any possible gains. Credibility is vital in such a situation and it is this same credibility which is expensive to maintain, as the image must be projected to signal that the state concerned is wholly committed to a nuclear attack or counter-attack if necessary. 88)
The second type of military capability is termed *conventional force* and has both an active and a passive role, with forces serving largely as deterrents. Active functions of a conventional force would include a direct assault on enemy states or on foreign territory, while passive functions include actual defence from foreign invasion and defence by deterrence.\(^9^9\) During the Cold War years, with the emphasis on nuclear warfare and its prevention, the role of conventional forces was curtailed to that of a “back-up” force; but the onset of the Gulf War in 1991 emphasised the importance of ground-to-ground and ground-to-air combat. Large conventional capabilities therefore remain essential for the advancement of interests, as well as for the achievement and maintenance of a sense of security.

*Sub-conventional force* represents the third type of military capability and is often referred to as “people’s war”. This basically involves the use of a population (or part of it) against its own government. Leadership is generally held by a local elite with foreign connections. Sub-conventional warfare is cheap, yet effective and is often aimed at exporting revolution or installing regimes abroad similar in nature to one’s own. Such warfare is most effective in situations marked by alienation between elites and masses, and governments can usually only contain guerilla insurgency if numerical superiority is obtained over the insurgents. An alternative to this numerical superiority is to totally destroy the insurgents and any bases they may have built up within the population.\(^9^0\)

A state that is militarily weak will naturally attempt to use non-military instruments in its foreign relations and options for instruments and techniques will thus be curtailed, especially in the contemporary situation where disarmament has gained a certain degree of international popularity.\(^9^1\) Military power, however, remains an essential condition for the continued survival of states, both as a deterrent against aggression and a benefit for future allies. Actual military strength is determined by, amongst other things, technical advancement and the political attitudes of both soldiers and civilians.\(^9^2\) Examples of technological superiority during military conflict would be Germany’s use of the submarine during the First World War and the use of the tank by Britain during the same war. Co-ordination of the air, land and naval forces of both Japan and Germany was also considered an advantage during the Second World War and one cannot neglect the extensive technological advantage of possessing nuclear weapons. The quality of military leadership is yet another important factor.\(^9^3\) A state’s military establishment must thus possess an overall strength in all of its component parts as a “weak link” can eventually lead to the disintegration and ultimate destruction of the military capability.

A nation’s power, however, consists of far more than mere military power and economic capability. Its citizens and leaders are equally important and these and other non-tangible elements of national capability are discussed below.
2.1.3 Non-tangible determinants of national capability

The social determinants of capability are more intangible and thus difficult to measure. Social determinants cannot be ignored in an analysis of strategic significance, as they play a vital role in a state's overall capability. Physical resources alone are insufficient and attention must thus be focused on such factors as national character, national morale, and political leadership.

2.1.3.1 National character and morale

This aspect of national capability has not received much attention in the last few decades, as is evident in the minimal amount of information available on the subject. Yet it should not be underestimated as it remains a component of overall capability. A nation formulates its character by the minds and wills of its members and this character is modifiable over time. There are, however, several aspects which endure through the ages and are identified with certain nations. Language, law and government, religion, and education all play a role in the formulation of national character.\(^4^4\) The concept itself can be described as the characteristics that are common or standard in a society or that make people “want to act as they have to act” in the existing social environment. It is thus a determinant of behaviour.$^{5^5}$ National character has also been formally described as: “The relatively enduring personality characteristics and patterns that are modal among the adult members of a society”.\(^6^6\)

National character is made up of intellectual and moral qualities and cannot do other than influence national power, as all who act for a nation, be it in times of war or peace, experience and reflect these qualities. The supposed initiative of the Americans and common sense of the British are two examples of national character. Differences in national character have made it possible for nations to pursue foreign policies that others cannot. The former Union of Soviet Socialist Republics (USSR) thus had an advantage in the public acceptability of an extensive military establishment, in that national character instilled an obedience to the authority of the government. Governments of militaristic nations are therefore able to commence war whenever it is deemed necessary and can also move to a preventive war at a chosen moment.$^{5^7}$

Pacifist nations, however, have far less freedom of action as they are restrained by national anti-militarism. They pursue foreign relations in a more cautious manner and do not possess sufficient armed force to strengthen their policies. Pacifist nations are thus forced to rely on such factors as industrial capacity and geographical location for ultimate victory.$^{9^5}$ An incorrect assessment of a nation’s national character will result in errors in judgement and ineffective policies, such as the underestimation of German recuperative force after the First World War. German national character is again predominant when their lack of moderation is reviewed. From early time (the Middle Ages) to Hitler, the Germans appear to have failed to restrain goals and actions within the realm of possibility.$^{9^9}$
National morale is less stable than national character and can be defined as the degree of support and determination with which a nation supports the government's foreign policies. National morale is particularly visible in times of crisis and takes the form of public opinion. A government will find it difficult to pursue effective policies without a favourable public opinion and such levels of morale penetrate all national activities. There is no proven theory at present as to how a nation might react and what its morale will be under certain conditions. National morale also has a breaking point which is difficult to pre-empt.

Morale can be broken by tremendous war losses of both men and territory, while other nations may be able to withstand such losses with a mere decline in morale. German morale managed to withstand intensely unfavourable conditions in 1945 and this illustrates the unpredictability of reactions and the resultant effect on morale. Although national character and morale are two elusive factors that are difficult to gauge, their importance cannot be ignored.

2.1.3.2 Political organisation

Power potential is reduced when the internal organisation of a state is either too rigidly stratified or when too many rewards are dispensed to too few recipients. Extreme internal political fractionalisation will also reduce political stability, which will in turn reduce power or at least perceptions of such power. States must thus be effectively organised.

Political organisation and the manner in which it is enforced by a nation's leaders, has a direct bearing on a state's power. Democratic societies encourage economic growth and innovation, but are severely influenced by public opinion. Politicians in democracies are therefore dependent on majorities for election and most of these majorities are basically ignorant as regards foreign policy. Personality changes are common in democracies and further complicate matters by introducing inexperienced politicians into office. Aristocracies lack innovation, but are able to plan and execute long-term goals; while strictly controlled dictatorships stifle initiation and subsequent growth and this leads to a further erosion of power. This often results in the suppression of suitable successors.

A nation's power also depends on the extent to which its political policies, philosophy and institutions are attractive to other nations. Domestic achievements or failures therefore have a direct influence on a nation's international standing and overall power position. During the Cold War, this was especially relevant with the United States (Democratic) and the Soviet Union (Communist), vying for support of their respective political philosophies and governmental systems. South Africa, for example, generally became a pariah state as a direct result of internal racial policies and the nation was subjected to intense pressure as the rest of the international system attempted to enforce change. It has been theorised that the type of government system, ie. democracy or dictatorship, is related to the three aspects of policy flexibility, the propensity to fight wars and, efficiency and discretion. It can also be noted that both democratic and non-democratic systems of
government are subject to bureaucratic pressures. Yet even prosperous, well-armed and well-governed nations cannot function effectively unless there are efficient bureaucracies to implement the necessary policies.

2.1.3.3 Political leadership

A “good government”, perceived as a source of national power, is responsible for maintaining popular support for foreign and local policies and for maintaining a balance between the human and material resources needed for these policies. Roles selected must be neither too elementary nor too excessive, as either of these alternatives can result in the unsuccessful execution of policies. A government must achieve the correct “mix” of resources and this is achieved by possessing sufficient quality and quantity of these resources in order to ensure maximum possibility of success. It is in this context that a large population becomes a weakness rather than a strength when resources offer inadequate support. Popular support for policies must also be secured by a government in order to mobilise elements of national power.

A government must also avoid extending the gap between public preferences and foreign policy requirements and should be willing to compromise on certain non-essential issues. It should not, however, become a “slave to public opinion”, but should take a leadership stance, especially on important issues. A responsible government should aim at influencing public opinion in a responsible manner. It is often difficult for democratic governments to obtain supportive public opinion for their policies and without such support, national power can become largely ineffective.

Idiosyncratic factors also play a role in that it has been argued that single individuals are capable of influencing great events. This has, in fact, been termed, the “great man (or woman) theory” and focuses on individual decision-makers. Individuals can differ in both their world views and personality traits. Thus although objective conditions, such as natural resources, can impose restraints on a state’s capacity, differences in individual leaders can have an important impact on foreign policy and indeed strategic significance.

A “good government” is an essential prerequisite for the motivation of a population and its public opinion. This motivation, in turn, stimulates the use of resources and thus a state’s national capability. A nation’s political leadership should therefore be able to generate effective policies in order to harness a state’s ultimate potential. This concept of policy formulation also stretches to economic policy and this issue is discussed below.
2.1.3.4 Economic policy

Although a state's economic potential and capability are essential components of overall strategic significance, the way in which these elements are combined in an effective economic policy cannot be ignored. When undertaking an analysis of strategic significance, attention must thus also be directed to the way in which a nation is organised economically for both domestic and international action. Matters to be addressed in this regard include an assessment of economic production and efficiency. Governments are also in search of access to markets and sources of supply in order to achieve economic growth. Few nations are sufficiently endowed with natural resources to sustain their own economies. International economic transactions have thus become increasingly important for economic growth and success.

Yet, as has been noted, increased economic opportunities result in certain vulnerabilities. Economies can be devastated by disruptions of transaction flows and nations which rely on a few select markets or commodities are particularly vulnerable. Economic transaction flows can be manipulated for various political purposes, although nations such as the US are better protected against such vulnerabilities than the smaller, developing nations. It is the larger, industrial powers which utilise economic instruments of policy against the latter in order to reward or punish. The ultimate aim of such instruments would be to change behaviour in the target state's domestic and foreign policies.

There is, however, another aspect in this regard which should be emphasised, namely, the importance of being able to adapt the domestic economy to more advanced and successful international practices. Domestic economic policy should therefore be highly variable and continuously changing. Failure to adapt sufficiently or at the right pace could result in a loss of power and an increase in vulnerability. A nation's domestic economy capability (and policy) and the political outlook of its decision-making elite will determine the extent to which it will be involved in the international economy. Economically irrational decisions can, however, be politically motivated and an important issue facing decision-makers in the new era is the correct blend of economic interdependence and economic independence. There can be no denying that interdependence compromises national sovereignty to a certain degree.

The greater a state's national economic capability, the greater its ability to withstand such pressures. Although a capability analysis should not lead to absolute conclusions as to the overall power of any one state, its importance in the determining of strategic significance cannot be ignored. A thorough capability analysis provides an indication of the available resources that a specific state can utilise during various situations and is thus a vital element as regards the state's ability to act effectively in these situations. As mentioned earlier in this chapter, a nation's national capability determines its status and power in the international community. What is also vitally important, is the perception of capability as regards the ability to successfully pursue foreign policy initiatives and to what extent it will be possible to "convince" another nation to follow a particular course of action. These perceptions are termed ego perceptions and are
prevalent in official government statements and policies. Nations commit themselves to actions on the basis of these perceptions.

2.1.4 Ego/role perception

Nation states define their chosen roles in the international system in terms of actions to which they deem themselves committed. These roles provide guidelines for actions within specific situations and reflect government objectives. States generally pursue three major orientations, namely, isolation, nonalignment, and coalition formation; and the choice of any of these orientations reflects domestic attitudes and requirements, as well as external conditions.\(^{116}\)

States play first, second or third party roles, depending on their respective positions in a specific situation. First parties are the more powerful nations that are mostly involved in major contemporary conflicts; while second parties are lesser parties who are allies. Third parties are minor and major powers who are not directly involved in the major conflicts of the day and whose role depends on their relation to such conflicts.\(^{117}\) First parties tend to pursue militant policies aimed at objectives of power and increased prestige and territory. Second and third parties tend more towards policies aimed at mediation or provocation.

The basic structure of the international system affects the choice of roles. The stronger powers generally determine the interests of the other states in the system, irrespective of whether it is a hierarchical, bloc, or multi-bloc system. A "stronger" system therefore results in less freedom of action for weaker members, with the major actors determining power distribution according to their interests and needs. A diffuse system, with a wider distribution of power, usually results from location or from a specific threat. Alliances can result from a common threat perception or common values and ideologies.\(^{118}\)

National roles can thus be attributed to: (a) ideological and attitudinal attributes; (b) external conditions; and (c) national attributes. Ideological and attitudinal factors include public opinion and regional identification; while external conditions refer to threat perceptions or shifts in international conditions. National attributes depend primarily on such factors as economic needs, capability strength and public opinion.\(^{119}\)

Religious ideologies have never quite succeeded in establishing an absolute universal empire. Deeply religious leaders often accept their own roles and that of their nation as fate and concentrate purely on ideological aspects, paying little attention to different courses of action. Statesmen, however, are likely to employ rational calculations in their quest for expanded national power and are thus able to prevent rash and irresponsible actions. States which pursue intense power politics are therefore more capable of moving towards the establishment of a universal empire than those motivated solely by religious or ideological motives. On the other hand, it is not impossible for political leaders to liberate themselves from their
ideological systems and follow rational action, thereby expanding the power of the state.\textsuperscript{120}

External and internal conditions thus determine a state's role perception and lead to objectives, decisions and ultimately, actions. This results in a certain amount of prediction and consistency of policy, although it must also be noted that some governments play inconsistent national roles in accordance with the dictates of the situation. Such nations may be mediators in one situation and allies in another\textsuperscript{121}. It is also possible for two states with similar role conceptions to take entirely different actions when confronted with a similar situation.

Role conceptions can be considered the resultant effect of the attitudes, values and beliefs of those responsible for formulating objectives and ultimately initiating actions; with ego perceptions of strategic importance playing a particularly relevant role. Policy-makers refer to the term "definition of the situation" and it is through reference to such a situation that a nation's role and objectives are formulated. Public opinion, important events abroad, social values and threat perceptions are of considerable importance in such a situational analysis and policy-makers place varying degrees of emphasis on each of these components when defining the situation.\textsuperscript{122}

Developments in the international and local environments have indicated that it is not uncommon for nations to dramatically alter their overall role perception. South Africa, for example, gradually moved from a situation of relative isolation to the position of regional developer and ally. The US appears to be moving away from the role of global protector and this task now appears to have become an important issue for the United Nations (UN). States thus all perceive themselves as playing various roles in the international system, as well as in their national and regional systems.

These perceptions and their sources can be classified as follows:-

\textit{Bastion of revolution, liberator}: Ideological principles; anti-colonial attitudes; desire for ethnic unity.

\textit{Regional leader}: Superior capabilities; traditional position in region.

\textit{Regional protector}: Perception of threat; geographical location; traditional position; needs of threatened states.

\textit{Active independent}: Fear that "bloc" conflicts will spread; need to develop trade with all countries; geographical location.

\textit{Liberator supporter}: Anti-colonial attitudes; ideological principles.

\textit{Anti-imperialist agent}: Perception of threat; anti-colonial attitudes in public opinion; ideological principles.

\textit{Defender of the faith}: Perception of threat; ideological principles; traditional national role.

\textit{Mediator-integrator}: Geographical location; traditional role; cultural-ethnic composition of state; traditional non-involvement in conflicts.

\textit{Regional collaborator}: Economic needs; sense of "belonging" to a region; common political-ideological,
cultural traditions with other states; geographical location.

Developer: Humanitarian concern; anticipated consequences of development “gap”; superior economic
capabilities.

Bridge: Geographical location; multi-ethnic composition of state.

Faithful ally: Perception of threat; weak capabilities; traditional policy; ideological compatibility.

Example: No sources revealed.

Protectee: Perception of threat; weak capabilities. 123)

States often belong to more than one of the above-mentioned categories, depending on the specific situation.
It is therefore not unusual for states to hold conflicting and contradictory perceptions at the same time. It
should also be noted that the concept of ego perception is not merely concerned with role-playing, but also
involves perceptions of the state’s own importance. South Africa, for example, perceived itself as being of
great strategic significance to the rest of the world as a result of geo-strategic positioning and an abundance
of natural resources.

States do not exist in a vacuum and form part of the international system within which they function in a
regulated manner. All states function in this external environment, each filling a unique position in the
system depending on their strategic significance to other members. These positions are known to fluctuate.

2.1.5 The external environment

States can be said to operate in an environment often dominated by each state’s respective power position.
Power in this particular case predominantly refers to the ability to influence or change the behaviour of
others. 124 This power is in turn linked to national capability. It should also be noted that as the international
system is dynamic in nature, changes in perceptions of strategic significance can occur. In much the same
way that nations hold ego perceptions of their own capability and these perceptions manifest themselves in
official statements and policies, the international community also holds perceptions of the capabilities of
other nations and commits itself to certain actions in this regard. The external environment is thus divided
into external perceptions and external actions. As no one state can exist in isolation, these alter perceptions
and the roles played by other states cannot be ignored. The external environment can also influence a
country’s international commercial activities, as all states are subject to various regulations, international
monetary policies, etc. 125

It is thus inevitable that certain nations will begin to affect and influence each other and it has, in fact, been
stated that, generally speaking, the more similar countries are in such aspects as economic, political and
cultural characteristics, the greater the level of communications, trade and general interaction. The level of
interdependence also plays an important role in the way in which states relate to each other. A country’s
external environment thus has a definite affect on behaviour. 126
A state will thus pursue national interests in the international arena in accordance with its national capabilities. This will in turn indicate power positions and strategic significance in comparison to other states in the international system. As regions increase in importance and the nation-state itself loses a certain degree of its previous prestige, these perceptions and actions will also be directed towards certain regions. The end of the Cold War has seen a withdrawal of previous global support from the Third World in favour of the former Eastern European countries. Africa is now being forced to look internally and regionally for other sources of assistance as a result. The increasing marginalisation of Africa will be further discussed at a later stage in this chapter. In addition, the new era that followed the Cold War also had an impact on the actual concept of strategic significance, in that new aspects were emphasised. This is discussed below.

3. The effect of the end of the Cold War on the concept of strategic significance

The Cold War can be assumed to have commenced as early as the late 1940s. In the late 1970s and early 1980s, it became a search for strategic advantage and involved competition for influence in the Third World. Yet it later became clear in the time of Gorbachev that East-West relations were more stable. The Cold War was “unofficially” declared over in 1989 as a result of improvements in Soviet-American relations, as well as “glasnost” and “perestroika” in the Soviet Union. The assumption was that the world would become less bipolar and that restraints on the use of nuclear weapons would result in an increase in the probability of conventional warfare. It eventually became evident that the end of the Cold War would not necessarily end the rivalry among nations, but would instead increase instability and violence in international relations. Yet the Soviet Union became more concerned with domestic problems, as did many countries around the globe and the ideological intensity of the previous years diminished.

Various changes took place in the international system following the end of the Cold War. These included systemic changes such the emergence of a global economy; the global movement towards the concept of democracy; the diminishing importance and power of the nation-state; changes in the distribution of power in the international system, including the decline of Soviet power, the decline in American economic power after the Second World War and the increase in Japanese economic power; and changes in relations among countries to a more unstable nature and a curious fluctuating mixture of co-operation and competition. In the new era, economic measures were likely to overtake military capabilities in importance and it was doubtful that Soviet-American competition in the Third World would be a significant factor in the near future. This era was in fact termed by some as the “New World Order”.

3.1 Effect on national capability

The traditional determinants of national capability have undergone a re-evaluation in the new era. The emphasis on different aspects in this regard can be considered to have had a profound influence on perceptions of national capability for many states. The position of Africa has also been altered by changes
in the external environment. These changes have resulted in what can be termed the marginalisation of Africa, with the former communist-bloc countries now attracting investment and international attention at the expense of Africa. This change in stature has effectively intensified the extensive problems faced by the continent. The issue of human rights violations has come to the fore, with the major industrial powers withholding economic support from countries accused of human rights abuses and there has also been increased support and assistance for nations turning to a democratic system of government. This has been termed “political conditionality” and refers to the insistence by donors that developing countries show evidence of increasing political pluralism, democratisation and respect for human rights if they want to be considered for economic assistance.\(^{131}\)

This can be considered in contrast to the Cold War era where South Africa, for example, was perceived as having a certain degree of strategic significance as a result of such factors as geo-strategic positioning. For the Third World, the post-Cold War era has not, in fact, resulted in a diminishing of the gap between the industrialised and the developing countries.\(^{132}\) The implications of the new era for the concept of strategic significance, especially for the Third World, are discussed in further detail below.

3.2 Effect on perceptions of strategic significance

Factors such as the increasing military disparity between weak and powerful states resulted in increasing external influence in Africa. This in turn led to increasing destabilisation on the African continent and eventual marginalisation. In response, Africa not only sought to diversify international relations, but also emphasised the importance of intra-African unity.\(^{133}\) The continent thus realised the importance of strategic alignment as a unit or at least in regional groupings.

One of the biggest changes in the post-Cold War era has been the so-called “de-ideologizing of external involvement in Africa”. In other words, the superpowers began to co-operate in the resolution of conflicts in parts of sub-Saharan Africa, for example, South Africa and Angola. Another important consequence was the collapse of communism and the resultant economic and political upheaval in the former Soviet-Bloc. Africa’s survival had up until that time been formulated within the Cold War atmosphere and the end of this era removed the continent’s bargaining power and severely dampened the enthusiasm of those who had for decades promoted the communist ideal.\(^{134}\) As Africa was no longer able to align itself with communist countries, hereby maintaining a degree of strategic significance, new measures of national capability would have to be emphasised.

Other issues of importance to be addressed in the new era include political pluralism, the management of national economies, and negotiations as an alternative to armed conflict. Yet for Africa, an immediate concern in the early 1990s was that Eastern Europe would be restructured at the continent’s expense. This was noted by a senior Kenyan official: “Eastern Europe is a pretty girl and Africa is a shabby
woman... everyone is already tired of Africa”. South Africa's return to international favour in fact worsened the situation for the sub-continent as the RSA became an investment rival. As regards the link between economic and other assistance with successful democratic and economic development, it has been noted that similar demands were not made on Eastern Europe.135) Yet in an attempt to resist marginalisation and also partly as a result of the fall of the communist system, certain states in Southern Africa in particular, moved towards a more liberal economic dispensation. In 1990, privatisation was also gaining in favour.136)

The Secretary-General of the UN, Boutros Boutros-Ghali, emphasised the possibility of a new iron curtain between North and South in the era following the end the Cold War. He noted the new security concerns, including the marginalisation of Africa, as Eastern Europe became politically, economically and culturally easier to assimilate into Western European society. The new iron curtain would be an economic and technological one, held in place by any progress made by the North as regards technology, automation, data processing or genetics. In an attempt to inform Third World public opinion of the international changes and their implications for Africa, various initiatives were adopted, including at Organisation of African Unity (OAU) summit meetings.137) Boutros-Ghali also re-affirmed the fact that there would be no expansion of aid to developing countries unless a market economy was developed, along with a democratic political system. Birth rates in several countries would have to be lowered. It was vital for the countries of Africa to co-operate with each other if they were to remain economically viable, as the industrialised nations continued to ignore problems in the Third World. Foreign aid should thus be directed towards sub-regional and regional co-operation. It was also important to establish mechanisms which would deal with military confrontations, political tensions and various natural disasters, as these impeded aid programmes.138)

Ultimately, however, the post-Cold War era and its revised version of strategic significance would point to one major aspect, namely the need for Africa to unite, if not as a continent, at least in regions, in order to increase influence on the international level. “Coalition building” and regional co-operation would thus be vital for survival.139)

The US and NATO allies immediately identified Eastern Europe as a priority for development and resources and the US adopted an African policy that has been termed a “wavering, hypocritical policy of cynical disengagement”. Development assistance was also linked to democratisation and human rights; while the money for democratic endeavours became notoriously difficult to obtain. For Africa at least, the post-Cold War era merely continued to reflect the fact that the continent’s requirements were secondary to the global political and economic system. It had thus become clear that while the old global order had been based on East-West ideological conflict, the new era was based on the economic and political supremacy of the West. The result was not, however, an order anymore peaceful than its predecessor. As a result, there was renewed emphasis on peacekeeping and “peacemaking”, particularly as a role for the UN and other regional organisations. Collective security would assist nations in sharing the burdens of global security and order.140)
Another issue to be faced was that of disarmament, with the developed nations insisting that the Third World no longer needed armaments following the diminishing of superpower conflict. The other reason for urging disarmament would naturally be to prevent a Third World nuclear arsenal from becoming a threat to global security. International development aid, as endorsed by the World Bank and the International Monetary Fund (IMF), would thus be tied to reductions in military expenditure. Disarmament could, however, prove difficult to enforce if Third World countries carried a perception that a threat to their own security would not be taken seriously by the rest of the world. They would thus be motivated to develop or at least maintain their military capability.\textsuperscript{141}

Few African countries can afford to be without IMF and World Bank support and it has been suggested that these institutions have become more powerful than the former colonial rulers. Issues that became important in the post-Cold War era, at least as regards aid provision, included calls for transparency, the rule of law, participation, accountability, and consensus building.\textsuperscript{142} Africa was thus under increasing pressure to perform politically, unlike in the past when development was not linked to political aspects. There would also be an increased emphasis on African peacekeeping activities by an African peacekeeping force, whereby the international community could become less directly involved in the continent. In order to increase or at least retain some degree of strategic significance, African states would need to conform to the aspects noted above.

Although mention has already been made of Africa's increasing marginalisation following the end of the Cold War, a more detailed analysis of this situation is provided below in order to establish its effect on the African continent.

3.2.1 The marginalisation of Africa

Continuing marginalisation of Africa was predicted in the 1990s, particularly as the new order contained few programmes for growth and development in the Third World. It was clear that these countries would be forced to turn to regional co-operation in an attempt to improve their situation as traditional sources of financial support dwindled.\textsuperscript{143} South Africa forms a part of the African continent and as one of the strongest powers cannot be ignored in the long term. Instability was rampant in the era following the Cold War and as noted, the primary consequences for Africa during this period were increasing poverty and marginalisation. It was also anticipated that there would be increasing external intervention as regional conflicts grew and spread.\textsuperscript{144}

3.2.1.1 Economic marginalisation

Africa has lost much of its previous significance to the international community. The end of the Cold War effectively dissolved Soviet interest, which in turn diminished the need for Western counter-influence.
Impoverished by extensive bad debts, militant governments and underdeveloped economies, the Third World holds little attraction to foreign investors. The collapse of communism left a number of Soviet-Bloc states in dire straits, desperately in need of international funds. Considering Africa’s poor economic and political record, these former communist states were widely perceived as being a much safer investment for such funds and Africa has been pushed aside as a result.

The wave of marginalisation that followed the end of the Cold War threatened to push Africa to the periphery of the periphery. The continent’s history had left a global perception of economic crisis, famine, dictatorship, human rights violations, and violence. The 1980s were deemed particular bad for Africa and witnessed stagnant agricultural production, economic decline, negative per capita growth rates, and increasing civil unrest. By the early 1990s, this situation had not improved. At least during the Cold War the African continent had maintained a certain degree of geo-political and strategic relevance, but this was no longer the case. The globalisation of the market also contributed to Africa’s marginalisation and the continent’s currencies have become increasingly devalued, as have labour and natural resources. This results in diminishing freedom to act. It would appear that a so-called “vicious circle” was in operation as the marginalisation of Africa led to increasing poverty and socio-economic crisis. This in turn contributes to marginalisation at the international level.145

Sympathy for Africa has diminished as regionalism and trade blocs gain in importance, and as previous partners turn to their own domestic problems in the face of budgetary constraints. The situation was indeed bleak for the African continent and a fundamental transformation of African economies would ultimately be required. This would involve, amongst other things, increasing national and collective self-reliance and economic integration at the sub-regional and regional levels.146

Effective change would require a long-term transformation process carried out under national leadership. Development would have to be human-centred, and the agricultural and industrial sectors would have to be revitalised. Regional co-operation and integration was vital, as was an improvement in governance on the continent. Considerable effort would also have to be made to mobilise the necessary resources for the financing of development programmes.147 The African continent thus remained in need of assistance, but considering that this assistance was likely to be limited, especially as regards traditional sources, these nations would have little choice but to look to each for support.

Various theories have been put forward as possible instigators of Africa’s economic crisis, for instance the fact that many Third World states were forced by the colonial powers to adopt a monocultural, primary commodity-based economic pattern. These economies are particularly vulnerable to market fluctuations and are maintained by the urban and agricultural elites that emerged when independence was achieved. These elites lack the expertise needed to ensure a successful economy and are primarily orientated towards trade and consumption. This leads to a dependence on foreign capital and ultimately, an increased outflow of
capital. Third World economies thus have an “in-built tendency” towards balance of payments deficits which can only be filled by drawing on loans.¹⁴⁸

By 1992, Africa was, in fact, losing more than $130 billion in annual earnings as foreign assistance was directed to Eastern Europe. The IMF alone had redirected approximately $4 billion in financial aid over a seven-year period.¹⁴⁹ Evidence of the continent’s marginalisation was presented in a North-South Roundtable document: “Africa as a continent has become increasingly marginalised. Its share in the world economy had fallen to under 2 percent by 1985; its terms of trade have fallen by 4 percent since 1980 while its indebtedness to the rest of the world has risen to some $280 billion. Perhaps worst of all, serious poverty has risen while incomes per head in sub-Saharan Africa have fallen by 20 percent over the last decades”.¹⁵⁰

Sub-Saharan Africa’s marginalisation is thus difficult to ignore, when the facts dictate the obvious. This area of the globe accounted for 3.1 percent of global exports in 1955, but this figure had fallen to 1.2 percent by 1990, which implies annual trade losses of approximately $65 billion. This dramatic decline is due to the region’s apparent inability to remain competitive in international markets, something which Africans will have to rectify on their own. Other negative factors have been the high level of dependence on relatively few export products and declining market shares for the continent’s own major exports.¹⁵¹

No matter which theory is ultimately accepted as the cause of Africa’s economic crisis, practically the entire continent has suffered in the midst of extensive economic turmoil. Much of the developing world has consistently proved that it is unable to escape the cycle of poverty, disease and environmental degradation which pervades these countries. This has been duly noted by the governments of the developed world and at the 1981 Cancun Summit, North-South dialogue was “jolted” by the lack of sympathy displayed by the North towards the poorer countries of the world. The result was an inability to agree on the need for concessions to these countries. Even though many Third World nations eventually adopted structural adjustment programmes, interests, aid and investments began to be focused away from the developing world towards Eastern Europe.¹⁵²

Political liberalisation to date has been somewhat erratic and it has been noted that donor conceptions of political and economic transitions could ignore both a recognition of African cultural realities and an idea of how these transitions might accommodate evolving African cultural norms. The most successful transitions appear to have occurred in the smallest countries, while the larger and more heterogenous states are finding political and economic liberalisation a more complicated issue. Domestic political and economic realities thus cannot be ignored. The challenge for African nations in this new era will be to define, obtain consensus on, and implement new strategies for rebuilding their domestic orders while confronting changing international realities.¹⁵³
3.2.1.2 Strategic/military marginalisation

Nations such as the US began to doubt the strategic importance of Africa, as evidenced by a US study: "The US has essentially no serious military/geo-strategic interests in Africa anymore, other than the inescapable fact that its vastness poses an obstacle to deployment to the Middle East and South Asia, whether by sea or air". Armed assistance in Africa's seemingly endless conflicts was now doubtful. Yet no matter how much the developed world continued to assign Africa to the background, there was one factor which could not be ignored, as stated by Robert Kaplan: "Africa may be marginal in terms of conventional late twentieth-century conceptions of strategy, but in an age of cultural and racial clash, when national defence is increasingly local, Africa's distress will exert a destabilising influence on the United States".

In other words, certain aspects of Africa's strategic significance would remain in the post-Cold War era. Although superpower conflict was now a thing of the past, regional conflict and destabilisation held an inherent danger for international security. Aside from the issues already mentioned which have demanded attention in the new era, there are two others which could result from marginalisation and which would undoubtably have an effect on the international community. The first is the flood of immigrants from Africa to the more developed parts of the globe, as the continent becomes less and less able to deal with refugees and disease. Second, is the issue of ecology, especially as regards conflict over fast diminishing natural resources in Africa. Thus although Africa has been removed from superpower strategic calculations, the continent is likely to remain, at least in the short-term, part of the global political and economic environment.

3.2.1.3 Political/diplomatic marginalisation

South Africa faced the full effect of marginalisation in the early 1990s, as evidenced by the fact that in 1992, not a single event in the RSA was considered a top international news event. It would appear that the RSA was no longer distinguishable from the rest of the continent, fading into what has been termed "the general background of disaster", so rife in that section of the globe. In addition, the post-Cold War era had introduced other challenges, namely the democratisation of such areas as the former Soviet empire and the continuing pressures of states in the Gulf. South Africa would thus have to display evidence of economic and political success if the country did not want to be judged on the poor record of the rest of the continent, where interest was definitely lacking.

Africa and the rest of the Third World were thus under increasing pressure to alter their ways and focus on democracy, human rights and economic development. With the former Eastern-Bloc countries also clamouring for financial assistance, the international community was going to focus on the countries which they perceived as being the most needy and following the path to democracy. Africa, with its record of bad debts, corruption and civil violence could be relocated too far down the list for financial assistance. The
path was thus clear for regional organisations such as the OAU and the Southern African Development Community (SADC) to take the lead and attempt to establish the continent as a committed member of the international community. Nations would thus have to support each other in an attempt to survive increasing marginalisation.

4. Conclusion

The concept of strategy has evolved from an emphasis on military strategy to a broader total concept which includes all elements of national capability. These elements are both tangible and intangible. Reference is made to the term total strategy in the indirect "mode" which also involves national capabilities and overall national power in order to produce the desired effect and achieve policy goals. The evolution of the term strategy has, in turn, evoked a similar change in the concept of strategic significance. Factors such as a state's economic policies, national morale and political organisation have indicated that military capability is no longer the sole factor to be considered. In other words, an accurate assessment of a state's strategic significance must include a thorough capability analysis of both tangible and intangible factors.

A state's international strategic position is primarily determined by national capability and the ability to mobilise available resources in support of interests and policies. Capability potential plays a role in this regard and a realistic evaluation of a state's capability must thus be undertaken to determine strategic position. Although power and wealth are linked and the great powers of the past have tended to be great economic powers, the measurement of a state's capabilities is not a complete indication of its power or influence, in that capabilities have to be effectively incorporated into national objectives. Reference is made to both strong and weak states, with the latter's greatest threat to national security being directed from inside the state itself and not from outside threats. In other words, weak states lack a strong domestic political and societal consensus to eliminate the use of excessive force in the domestic political situation.

Examples of tangible elements of national capability include size, location, natural resources, economic capability, population, and military power. Intangible elements are also considered vitally important as regards the fulfilment of objectives and include national character and morale, political organisation and political leadership. The level of public opinion and support is particularly important and both domestic achievements and failures have a direct influence on a nation's international standing and overall power position.

In the post-Cold War era, however, it has become apparent that the concept of strategic significance and the elements which constitute it, have evolved even further to include other aspects such as political stability, involvement in peacekeeping activities, and democratic systems of government. In other words, if a state wishes to maintain a degree of strategic significance, it is vital to display these attributes.
When a state has made an evaluation of its national capability, a perception is developed as regards its importance to the international community (ego perception). This results in the formulation of a foreign policy and national strategy which attempts to include all aspects of national capability. Strategic significance is, however, dependent on recognition by regional and global systems. In other words, other states in a system determine the strategic significance of a particular state in that same system. This is also based on perceptions (alter perceptions) and must be seen against a changing background, that is, what is strategically significant at one point in time is not necessarily important at another point in time.

The contemporary world following the Cold War era is characterised by instability and insecurity, with states entwined in a situation of interdependence involving various relationships ranging from allies to enemies. The end of the Cold War has, in fact, resulted in numerous changes across the globe, such as the decline of Soviet power, as well as the diminishing importance and power of the nation-state. US-Soviet bipolarism has been replaced by what some term US-unipolarism and what others term global multipolarism. Whatever the terminology used, this new era in international relations has profound implications for the African continent, the most important being increasing competition for scarce international assistance. States in the contemporary world are placing increasing emphasis on domestic problems and any available assistance is being directed towards the former Eastern European countries. Whether this is because of Africa’s dismal economic, political and humanitarian record of the past is not the issue at this point. What should, however, be noted, is that African states will increasingly have to turn to each other, either independently or regionally, if the continent is to survive. This is especially relevant as regards the new emphasis on economic concerns.

Strategic significance is thus a dynamic concept which undergoes constant change. It is a concept that must be seen in the overall context of prevailing conditions and perceptions. As mentioned above, national capabilities are a vital aspect of strategic significance. All states, both weak and strong, possess national capabilities to a certain degree and as has been mentioned above, strategic significance is to a large extent determined by how these capabilities can be mobilised in support of national objectives. As this study takes the form of a comparative analysis, the next chapter will deal with South African national capabilities in the period up until the end of 1989, while the subsequent chapter will cover the period from 1990-1993.
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Circumstances usually play a major role in a nation's strategic significance at a specific point in history and the historical circumstances of South Africa were not an exception to the rule. During the Second World War, the Republic of South Africa (RSA) was considered an important ally of the West and although South Africa's internal racial policies were often criticised on the international front, the degree of strategic significance did not fluctuate much during the Cold War era. Not only did South Africa possess valuable minerals, but the country was also well-situated at the tip of the African continent. The latter aspect was considered particularly important to the West in light of attempted Soviet advancement in Africa. There can be little doubt that had South Africa not been considered strategically significant during these years, international condemnation of the RSA's apartheid policies would have been much more severe. South Africa's strategic importance up until the end of 1989 thus played a vital role in the country's qualified acceptance by the international community.

In order to compare the national capabilities of South Africa in the pre-and post-Cold War period, it is necessary to study both periods separately. The more constant factors such as climate, will only be discussed in Chapter 2; while the state of the variable factors will be discussed in both this chapter and Chapter 3.

1. Physical determinants of national capability

As noted in the preceding chapter, the concept of strategic significance is related, amongst other things, to a state's national capabilities. A change in national capabilities can thus have an effect on a particular state's strategic significance. The measurement of a state's capabilities is, however, not always an absolute indication of power, as these capabilities need to be effectively harnessed in support of local and foreign objectives. Physical determinants of national capability include such elements as geographical location, size, population, natural resources, and industrial capacity. As noted, non-tangible elements of capability also play an important role in a state's overall capability and although they are difficult to measure as a result of their intangible state, cannot be ignored in an analysis of strategic significance.

South Africa is generally considered to be one of the largest and most prosperous states on the African continent. The RSA covers a large geographical area and has diverse climatic conditions, as well as a varied topography. South Africa also occupies a significant position at the tip of Africa and therefore has access to vital transport routes. During the Cold War era, control of the Cape Sea Route thus increased South Africa's strategic significance.
1.1 Geography, location and size

The geographical location of a state is a relatively stable factor in that it is unlikely to change and is thus considered to be one of the most stable factors on which the power of a nation is based. A state's geographical positioning is of vital importance to perceptions of strategic significance as it affects vulnerability and accessibility, especially as regards the military establishment and trade relations. Technological advances and other international events, such as the opening of new trade routes, can, however, affect the value attached to a nation's specific geographical location. Factors such as size of the country's territory, climate and topographical features are also important, as they provide an indication of both weak and strong points, for example, mountainous terrain would hinder attacking forces, as would extreme temperatures.

South Africa lies at the Southern tip of the African continent, between the Indian and Atlantic oceans. Although geographically removed from the rest of the world, the RSA thus occupies an important strategic position. The country has a latitudinal span from 22°S to 35°S and reaches longitudinally from 17°E to 33°E. South Africa stretches from the Limpopo River in the North to Cape Agulhas in the South and shares common boundaries with Zimbabwe, Namibia and Botswana. There is little variation between summer and winter daylight periods as a result of low latitude conditions. Separated from Europe by various physical barriers, such as the equatorial forest zone and the Sahara Desert, the RSA was isolated from sources of history and civilisation for many centuries. This had a direct bearing on South Africa's economic and historical development.

1.1.1 Topographical features

South Africa falls into two natural divisions, namely, the interior plateau, with a mean altitude of 1200m, and the marginal lands, which lie between the plateau and the coast. There is, however, a third major topographical feature, namely the great escarpment and this forms the boundary between the plateau and the marginal lands. The escarpment has various mountainous sections and some of the highest points in South Africa are found here. The plateau consists of the interior Kalahari basin and the peripheral highlands. The former is primarily a desert, while the latter consists largely of vast plains. The marginal lands lie between the great escarpment and the coast and consist of at least three major sub-divisions, namely, the Eastern plateau slopes, the Cape folded belt and the Western plateau slopes.

Conditions of periodic drought are complicated by the fact that rivers discharge less water than expected in relation to the level of annual precipitation. There is also a high evaporation rate. Many rivers also flow on a sporadic basis after inconsistent storms and then remain dry for the rest of the season. Even perennial rivers can have variations in flow as a result of the absence of lakes and permanent snowfields which serve to stabilise flow. A heavy silt load is another problem and the Orange River carries more silt to the sea than...
any other African river, including the Nile. 

1.1.2 Climatic conditions

South Africa has a subtropical location which results in warm and often dry conditions. The ocean masses on three sides of the country have an influence on the climate, as do the cold Benguela and warm Agulhas currents. Differences in mean annual temperature between East and West coasts on approximately the same latitude can thus be as much as 6°C. The East coast generally receives extensive rainfall, while drier conditions are experienced on the West coast. Completely different climates are experienced throughout the country, with certain areas receiving winter rain and others receiving summer rain. Although situated in similar latitudes to countries such as Australia and North Africa, South Africa tends to have lower temperatures than these countries. This is primarily the result of the presence of a plateau, with the coldest areas in the RSA coinciding with highest parts of this plateau. Despite this and a latitudinal span of 13°, mean annual temperatures are basically uniform across the country. Whilst the coldest areas of the country are situated in the highest parts of the plateau, the warmest parts are found in the lower-lying areas beyond the plateau.

Summer temperatures are generally hot and temperatures are highest towards the North. Winter temperatures are mild to cold, with certain areas experiencing overnight temperatures of below freezing point. Frost is also experienced in many areas on cold, clear winter nights. The Eastern coast is prone to high humidity in the summer months, while the cool West coast has much low cloud and fog. South Africa is generally considered a dry country and is prone to long periods of drought as a result of unreliable rainfall. These droughts have an important effect on the economy, as they often result in the requirement for certain imports. South Africa can thus be perceived as being fairly dependent on foreign trade relations in this regard. Droughts can also culminate in intense flooding and Port Elizabeth and East London are just two of the towns that have been devastated by such heavy rainfall. One of the highest rainfalls ever measured in the RSA in a single day of 24 hours is the 597 mm that was measured on 31 January 1984 at Lake St. Lucia.

As already noted, South Africa is located at what can be termed “the gateway to the world” and is strategically positioned, especially as regards trade routes. This positioning did, however, succeed in isolating the country, at least until the development of modern communications. The country is also generally open to enemy attack from both the sea and across land borders. Yet despite these factors, a country rich in natural resources can still wield a certain degree of power, especially if these resources are harnessed effectively by a well-developed economy.
1.2 Natural resources

Natural resources play an important role in the assessment of a state's strategic significance. Changes in this regard can result in an altered perception of strategic significance, as the state in question could become more reliant on the external provision of certain resources. Mineral, agricultural and energy resources are thus of vital concern to any state, as an abundance of such resources increases the level of self-sufficiency. When a state is forced to import extensive amounts of certain resources, it tends to become heavily dependent in this regard and is thus open to a certain amount of “economic blackmail”.

1.2.1 Agricultural resources

The volume of agricultural production in South Africa was increasing at a rate of 3.9 percent per year by the early 1980s. Although rapid mechanisation and the declining share of agriculture in the Gross Domestic Product (GDP) resulted in less of the labour force being employed in agriculture, it remained an important employer of labour, with 52 percent of the population employed in the rural sector. Despite unfavourable climatic conditions in South Africa, food production exceeded the demand for food. South Africa was, in fact, one of six net food exporting countries, despite the fact that two thirds of the country was considered dry and thus only suitable for such activities as cattle ranching and sheep farming. Irregular and marginal rainfall was primarily responsible for South Africa’s characteristically unstable agricultural production pattern. 7

As mentioned above, the percentage of arable land in South Africa was considered small (12 percent in 1983). The importance of livestock farming declined relative to crop farming and during the period 1976-1980, arable farming contributed 63 percent of the value of farm output. 9 The number of sheep for agricultural purposes actually declined from the early 1970s until the late 1980s, although the number of cattle showed a slight increase. The result was a decline in wool production during this same period. The amount of maize, wheat, sugarcane, meat and potatoes produced all increased up to the late 1980s and the gross value of agricultural products showed a tremendous increase. 9

South African agriculture comprised a modern White-owned commercial farming sector which was capital intensive and an African subsistence-orientated farming sector. In the latter case, overgrazing was commonplace, with overstocking resulting in extensive soil erosion and diminished soil productivity in various areas. While food production in commercial White agriculture increased at a rate of almost 4 percent per year by approximately 1983, the White population increased at a low annual rate of 1.8 percent. The Black population, however, increased at a rate of 3.1 percent per annum and the productivity gap between subsistence and commercial agriculture widened. The continuation of the tribal system was indicated as the primary cause of low productivity in the subsistence sector. Various reasons have also been given to account for the disparity between the modern and subsistence sectors, including a lack of
1.2.2 Mineral resources

Ironically, it was the international sanctions campaign that forced South Africa to discover and harvest national resources in response to these international economic pressures and the RSA rapidly became a strong exporter on world markets, albeit secretly in many cases. South Africa possessed a wealth of minerals and by 1987, mineral sales were worth an astounding R28 838 million. This represented approximately 56 per cent of total export revenue and approximately 14 percent of GDP. Gold became the dominant mineral, with other important minerals for export being coal, copper, diamonds, iron ore, manganese ore, vanadium, and asbestos. Most of South Africa’s mining production, especially as regards gold, took place in the “Witwatersrand” basin and the mining industry provided employment on a large scale. The RSA rapidly rose through the ranks to become one of the world’s top mineral suppliers, with a supply for both international export and local use. Coal and other energy resources are discussed in further detail below.

South Africa is also renowned for a veritable treasure of gemstones. The first diamond was discovered in the RSA in 1866, with major discoveries made near Kimberley a few years later. Within a relatively short period of time, South Africa was promoted to one of the world’s top producers in this regard. Diamonds were also discovered near Pretoria. It was here that the world’s largest diamond, the Cullinan diamond, was discovered. Although several semi-precious stones have been mined in South Africa (including emeralds), tiger’s eye became the most significant. As this study covers two periods, the figures below only indicate those of the pre-1990 period. More recent figures, i.e. from 1990-1993, pertaining to this particular table are to be found in Chapter 3.
Rand value of minerals sold 1970-1980 and index of physical volume of production

<table>
<thead>
<tr>
<th>Value of minerals sold (R million)</th>
<th>1970</th>
<th>1980</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1 563</td>
<td>14 914</td>
</tr>
<tr>
<td>Gold</td>
<td>830</td>
<td>10 369</td>
</tr>
<tr>
<td>Coal</td>
<td>110</td>
<td>1 471</td>
</tr>
<tr>
<td>Other</td>
<td>623</td>
<td>3 074</td>
</tr>
</tbody>
</table>

Index of physical volume of production 1990=100:

| Total, including gold            | 117.6| 104.3 |
| Total, excluding gold            | 51.1 | 90.1  |
| Gold                             | 167.4| 113.0 |
| Coal                             | 48.2 | 66.2  |


1 The former Republics of Transkei, Bophuthatswana, Venda and Ciskei are excluded

1.2.3 Energy resources

South Africa possesses extensive energy resources, with coal and uranium being the most important. Coal provided approximately 84 percent of the country's primary energy requirements in the late 1980s. Existing reserves were estimated at 115 530 million tons, of which 58 404 million tons was recoverable. In 1986, 126.9 million tons were consumed locally, of which 50 percent was used for electricity generation. South Africa also exported energy in the form of coal and electricity and in 1986, coal to the value of R3 153 million was exported. Coal was only second to gold as regards the earnings of foreign exchange. South Africa also possessed 14 percent of the Western World's uranium reserves.

Although radioactivity was detected in the gold ores of the Witwatersrand in approximately 1915, it was only after the Second World War that attention was paid to this issue. It was discovered that the decay of thorium and uranium was partly responsible for the radioactivity. Research culminated in a uranium production plant in 1952, where uranium was extracted from certain gold ores and following the construction of other plants, uranium production rose to 4 954 tons by 1959. Production was curtailed from 1961 due to a decline in demand, only to be increased again from 1974. The highest production of uranium in South Africa was 6 143 tons and this was attained in 1980. After 1979, the activities of various environmental groups and their anti-nuclear campaigns led, once again, to a decrease in output and several
plants were closed down. Prior to this stage of decreased production, it had been announced that a new process had been developed for uranium enrichment. South Africa’s first nuclear power station, Koeberg, was commissioned in 1984. The RSA’s nuclear programme will be discussed in detail at a later stage.

South Africa provided more than half of the African continent’s electricity and in 1986, 130 000 million kWh was sold in South Africa. Escom supplied most of this amount and the growth rate in Escom’s electricity sales was 4.8 percent over a five-year period. Escom’s installed capacity at the end of 1986 comprised 21 coal-fired power stations, three hydro-electric stations, three gas turbine stations and a nuclear power station. Seasonal rain, however, made it difficult for hydro-electricity on a large scale. Industry became the biggest consumer of electricity.

South Africa thus possessed substantial natural resources and could be considered relatively independent of imports in this regard. An abundance of minerals and coal were of particular significance and as noted, these were exported on a large scale. South Africa became renowned for gold and diamond exports and the country’s reserves in this regard had a tangible effect on the RSA’s strategic significance. As regards agriculture, although South Africa was subject to a relatively dry climate and little arable land, food production did in fact exceed demand. South Africa could thus be considered basically self-sufficient as regards natural resources during the pre-1990 period, except for one vital aspect which the country lacked, namely oil.

Oil or the lack thereof, has been termed the “Achilles heel” of South Africa, as the country does not possess any commercially viable petroleum deposits. Although a small amount was obtained in the South African Oil and Gas Corporation’s (Sasol) coal-to-oil conversion process, most of the necessary supplies had to be imported. The first plant began operations in 1955 and production at a second plant commenced in 1980. A third installation began to produce oil in 1982. The US and West Germany contributed extensive technological assistance as regards the second and third installations. Oil was, in fact, considered vital for several sectors of the RSA’s economy, which in 1989, was approximately 75 percent dependent on coal. South Africa consistently failed to locate significant amounts of oil and as a result, was dependent on external assistance in this regard.

The South African Government commenced gas exploration in an attempt to reduce this dependence and moderate success was achieved in two places, namely, fields near Mossel Bay and Kudu (off Namibia-formerly South West Africa). The aim in this regard was a project to convert gas to other liquid fuels, although costs were prohibitive. The requirement for gas conversion became increasingly important following changed international attitudes towards South Africa and the resultant oil embargo. This will be discussed in later chapters of this study. Suffice as to say that the conversion process was extremely expensive, far more expensive in fact than imported oil. As regards the oil embargo, it can be noted at this point that it was not universally implemented and South Africa thus managed to continue importing oil
supplies, although the financial implications can be considered extensive. The RSA also conducted research to establish other sources of energy, for instance, the development of electric vehicles and the substitution of sunflower oil for diesel fuel. Restrictions were also applied, such as a reduction of speed limits and a limiting of the hours of operation of gasoline stations. Oil was recycled where possible. Ultimately, however, the primary emphasis was on the maintenance of an oil stockpile.\(^{19}\)

As has been noted above, aside from oil, the RSA did not suffer a shortage of natural resources. It will be noted at a later stage that South Africa developed a threat perception as regards USSR control of the country’s strategic minerals. The aim of the USSR in this regard would be to deny the West access to these minerals. Yet South Africa not only possessed substantial mineral reserves, which formed a large portion of export material, but also possessed various other natural resources, as well as a varied climate for the production of a large variety of raw materials and foodstuffs. Another aspect of importance was the availability of a large work force. All of these factors helped to boost the country’s economic capability.

It is not, however, possible to provide an analysis of a state’s national capability without incorporating its citizens into the study. A nation’s population can be a decisive factor as regards strategic significance in that the people form an important part of the strength of the nation.

1.3 Population and manpower

Without an educated, supportive population, it would be extremely difficult for a government to implement any policies, be they domestic or international. Although such aspects as population groups and size are easy to measure, there are other factors such as national morale which are more difficult to gauge, but are not to be underestimated. It is rare to find a population totally unified as regards cultural groupings, language and political affiliations, although this would undoubtedly facilitate the situation for the government. South Africa, however, is inhabited by various cultural groups, with accompanying variations in morale, political groupings and various other aspects. Morale and other intangible aspects will discussed at a later stage of this chapter.

1.3.1 Size and distribution

There are four primary population groups in South Africa, namely, Blacks, Whites, Coloureds and Asians. By far the largest ethnic community in South Africa is the Black community, which represented more than 20 million people in the late 1980s. This community has four primary ethnic divisions, namely, Sotho, Nguni, Shangaan-Tsonga and Venda; as well as four major language group divisions, namely, Nguni, Sotho, Tsonga and Venda; the Nguni group and Sotho group being the largest.\(^{20}\) During the period under discussion in this chapter, the Black community in South Africa appeared to be informally ruled by the Xhosas and the Zulus, each group having support in definite areas. Zulu support was primarily found in
KwaZulu, a self-governing area in Natal. Much Xhosa support, on the other hand, originated in the Cape (the Eastern Cape in particular). Each group also offered support to distinctive political parties, namely Inkatha (Zulu) and the African National Congress or ANC (Xhosa).

Approximately 54 percent of the almost five million Whites in South Africa in the late 1980s were Afrikaans-speaking, with a further 36 percent speaking English. Foreign influences were diverse, with fairly large Greek, Portuguese, Jewish, German, Dutch and Italian communities. The Coloured community, which then consisted of approximately three million people, is primarily resident in the Cape Province. This community has two sub-cultural groups, namely, the Griquas and the Cape Malays. The former is of Hottentot-European descent and the latter descended from the early Muslim community. Most of the Coloured community was originally primarily involved in activities such as fishing and agriculture, especially those who lived in small coastal towns. This community was, however, eventually fully incorporated into South Africa’s industrialised activities.

The Asian community consisted of approximately 900,000 people, mostly of Indian descent. The first Indians came to South Africa from as early as 1860 to work in the Natal sugar plantations. When their contracts expired, they were given the option of staying or returning home. Most opted to stay and became permanent residents when South Africa became a Republic in 1961.

| South African population figures in the 1970-1985 period (mid-year estimates) |
|---------------------------------|-------|-------|-------|
|                                 | 1970  | 1980  | 1985  |
| Total                           | 19,211,000 | 23,994,000 | 27,241,000 |
| Whites                          | 3,864,000   | 4,522,000   | 4,867,000   |
| Coloureds                       | 2,170,000   | 2,695,000   | 2,986,000   |
| Asians                          | 652,000     | 819,000     | 902,000     |
| Blacks                          | 12,525,000  | 15,958,000  | 18,486,000  |


Between the years 1986 and 1989, the total number of immigrants to South Africa showed an increase of 70 percent. Most of these immigrants were citizens of the United Kingdom and Europe, although many also came from the former Eastern Bloc. During this same period, there was a decrease of 60 percent in the total number of emigrants. The emigration of graduates on an annual basis can have serious implications for any nation if these numbers are not counter-balanced by educated immigrants. South Africa's racial policies...
and the resident culture of violence were the primary instigating factors as regards emigration and Australia, with its similar climate and culture, has been a popular choice for emigrants. Emigrants are of particular value when they have achieved high levels of education or are adequately trained in a certain field. In the same way, educated and trained citizens who decide to emigrate are considered a loss to their country of origin.

<table>
<thead>
<tr>
<th>RSA migration (numbers) 1970-1985</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Immigrants</strong></td>
</tr>
<tr>
<td>1970</td>
</tr>
<tr>
<td>1980</td>
</tr>
<tr>
<td>1985</td>
</tr>
</tbody>
</table>


1.3.2 Employment in South Africa

The average growth in the economically active population in South Africa between the years 1980 and 1990 was 2.8 percent per annum. This was expected to decline to 2.7 percent per annum between 1990 and 2005. Corresponding international figures in this regard were 1.9 percent per annum and 1.5 percent per annum respectively. South Africa's economically active population thus grew at a tremendous rate. In contrast, the ratio of supply of lower-skilled to highly-skilled labour in the country was much higher than corresponding figures for other industrial countries. The ratio in this regard was 7.85:1 in 1985 and this was expected to rise to 9.76:1 by the year 2000. Canada, for example, had corresponding figures of 2.25:1 and 2.19:1.

One of the criteria used to assess the performance of a capitalist economy is the level of unemployment and underemployment. The former occurs when an economically active person is unable to find specific employment that he/she is prepared to take; while the latter refers to a situation where the output of the economy could be increased if a specific person was transferred to another job. Underemployment is often prevalent in agriculture, especially subsistence agriculture, as well as in domestic service. In the early 1980s, both unemployment and underemployment were visible in South Africa, particularly in the Black and Coloured population groups. Unemployment was also more prevalent amongst women. Indications were that this situation would worsen over time. Unemployment in South Africa showed a steady increase from the 1970s through to the late 1980s. There were indications that the average annual increase in employment opportunities in the formal sector would be insufficient for the amount of people entering the South African labour market each year.
1.3.3 Technical and educational levels

Educated and trained citizens are the strength of a nation. By 1988, there was an increasing need for skilled workers in South Africa. Many had, however, been recruited abroad and there thus remained a distinct shortage of technically-trained people. The skills shortage in the RSA was attributed, in part, to a past emphasis on academic qualifications. Although there had been some improvement in this situation, the number of people being trained in the technical field remained too low. The economic recession in the country had also resulted in a training output reduction in the industrial sector. Between 1984 and 1986, the total number of registered apprenticeship contracts actually declined by approximately seven thousand. There was, however, increasing recognition that this situation would have to improve rapidly if economic growth was to take place. This would be especially important once the economy improved and the long-term survival of industry began to depend increasingly on local skills.\(^{28}\)

A population must also possess significant communication skills for a nation to successfully utilise its overall resource capability. Unfortunately, there was a large group of citizens in South Africa with little knowledge of even the most basic reading and writing skills. This phenomenon was partially the result of years of apartheid and racial policies which prevented Blacks from attending White schools, universities and Technikons. Whilst much changed to rectify this situation, an overwhelming number of Black adults remained illiterate and their illiteracy only served to make them more vulnerable to manipulation by those who abused their ignorance.

The situation in South Africa in the late 1980s was characterised by township violence, strikes, demonstrations and “stayaways”. This is obviously not the ideal situation for scholastic achievement and the strain on pupils resulted in a lack of concentration and overall poor results. Teachers were often blamed for a lack of control as regards revolutionary students, even though they were also victims of brutal attacks. Teachers were also known to strike periodically and thus deprive students of teaching hours. All of the above-mentioned factors had a negative effect on pupils, who considered education to be of secondary importance to socio-political concerns.

Up until the introduction of multi-racial schooling, Black education was characterised by severe shortages of schools, facilities and equipment and the drop-out rate was high. Teachers were also paid low salaries and many were not properly qualified. Black pupils resented the history syllabus which emphasised the historical defeat of Blacks in earlier times.\(^{30}\) There were also inequalities as regards government expenditure per student.\(^{30}\)

According to statistics obtained from the South African Central Statistical Service, between the years 1970 to 1989, far more pupils attended primary school (to Std 5) than secondary school (Std 6-10). The respective totals in this regard in 1989, across all population groups, were 5 122 934 and 1 995 615.\(^{31}\) This
indicated a lack of emphasis on secondary education, which can ultimately result in a relatively "unschooled" workforce. There were also discrepancies between the four main population groups as regards the pupil:teacher ratio and the pupil:classroom ratio.\textsuperscript{321}

South Africans thus did not all have access to equal educational opportunities and this resulted in a mass of uneducated people who were generally illiterate. These people were particularly vulnerable to manipulation and often perceived revolutionary activities as the sole means of improving their situation. South Africa therefore had a chronic problem as regards education and it was hoped that a decrease in the general unrest situation in the RSA would lead to a marked improvement in the standard of Black education. The requirement for an overall improvement in the standards of education and technical skill cannot be underestimated as this is considered a vital aspect of a nation's economic capability.

As South Africa possessed a population characterised by not only various population groups, but also variations in language and political groupings, a certain amount of conflict was to be expected. This state of affairs was, however, negatively affected by the fact that sections of the South African population were subjected to various levels of discrimination over a number of years. Such discrimination was especially relevant as regards education and employment. Political unrest and a vast number of uneducated citizens were just two of the results. This situation, in turn, led to an increase in the number of educated and trained citizens leaving South Africa, which can be considered a loss to their country of origin.

It has so far been established that the RSA possessed vast amounts of vital natural resources, but these alone are insufficient for economic prosperity. Natural resources must therefore be effectively utilised and transformed from raw materials by a well-developed and functioning economy.

1.4 Economic capability

Economic capability is directly linked to strategic positioning in the international community and is based on foreign economic relations, industrial strength, agricultural, mineral and energy resources. As resources have already been discussed above, attention will now be focused on the other aspects. GNP is considered a primary determinant of a nation's economic performance and will be discussed below, while the importance of a skilled workforce and the ability to confront economic challenges should also not be underestimated. Economic capability is considered the most broadly convertible power factor and even a highly developed economy can become vulnerable as a result of dependence on foreign sources.

GDP can be defined as the total value of goods and services produced by the factors of production over a specific period within a country and economic growth can be measured by studying changes in real GDP from one period to another. The table below indicates South Africa's real GDP and economic growth from 1982 to 1989. A decrease in economic growth is visible in both 1983 and 1985. It should also be noted
that, with the population growing at a rate of more than 2 percent per annum, an annual economic growth rate of 1.5 percent indicates a yearly per capita decrease in the GDP of between 0.5 percent and 1 percent.  

South Africa's real GDP and economic growth 1982-1989

<table>
<thead>
<tr>
<th>Year</th>
<th>Real GDP (Rbn)</th>
<th>Economic Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982</td>
<td>122.9</td>
<td></td>
</tr>
<tr>
<td>1983</td>
<td>120.8</td>
<td>-1.7</td>
</tr>
<tr>
<td>1984</td>
<td>127.0</td>
<td>5.1</td>
</tr>
<tr>
<td>1985</td>
<td>125.9</td>
<td>-0.9</td>
</tr>
<tr>
<td>1986</td>
<td>126.3</td>
<td>0.3</td>
</tr>
<tr>
<td>1987</td>
<td>128.8</td>
<td>2.0</td>
</tr>
<tr>
<td>1988</td>
<td>133.6</td>
<td>3.7</td>
</tr>
<tr>
<td>1989</td>
<td>136.4</td>
<td>2.1</td>
</tr>
<tr>
<td>Average: 1982-1989</td>
<td></td>
<td>1.5</td>
</tr>
</tbody>
</table>


GNP measures the total value of output produced by South African citizens, even if they are located outside of the borders of the country. The GNP therefore takes such factors as interest and dividends on investments held abroad into account. In the late 1980s, the investments of non-residents in the South African economy actually exceeded those of South African investments abroad. GDP, however, remains one of the most commonly used methods of determining total production.

There was an undeniable deterioration in the RSA's growth performance from the end of the 1960s. The real GDP per capita showed no average growth during the seventies and fell by 0.5 percent per annum in the eighties. Up until the early sixties, foreign capital flowed into South Africa, but political factors such as the Sharpville incident resulted in a lack of confidence by both local and foreign investors in the future of the RSA's economy. The economy managed to recover, but then suffered a slump in the seventies and eighties. One of the reasons for the slump was the predominance of South African exports which concentrated on basic materials. When international demand for such products declined, the country could not compensate with other exports. There was also a shortage of skilled labour, an internal unrest situation and the negative effects of drought to contend with.

Although South Africa constituted a large portion of the African continent's total GNP, the country's output was negatively affected during the 1980s by such factors as the impact of trade and financial sanctions,
stagnated labour productivity, and reduced net fixed investment. The potential long-term economic growth rate was estimated at 4.5 percent during the 1960s and 1970s, but then dropped to just 1.8 percent during the 1980s. South Africa's real GDP (average annual percentage change) was 5.7 from 1960 to 1969, 3.3 from 1970 to 1979, and 2.2 from 1980 to 1989. These figures indicated potential long-term problems for the South African economy, especially if the economic growth rate was going to fall below the population growth rate, which was 2.59 from 1960 to 1970, 2.78 from 1970 to 1980, and 2.54 from 1980 to 1990.

The South African economy entered a major recession at the end of 1981. There was a decline in the rate of growth of GDP which resulted in a decrease in demand, a drop in per capita income and a substantial increase in the unemployment rate. By the late 1980s, the South African economy was perceived as being on the verge of collapse as a result of four factors, namely, a general recession in the world economy since the 1970s; a political crisis; a structural problem in the South African economy which was characterised by low productivity growth and investment relative to the 1960s; and a set of government policies which succeeded in worsening the situation. The South African economy was classified by the World Bank as a developing “higher middle-income country” (other examples included South Korea and Brazil), with the most important sector being manufacturing. Manufacturing grew to 23 percent of GDP in 1980, compared to 14 percent in 1946. Agriculture’s contribution, however, dropped from 13 percent in 1946 to 5 percent in 1983. The share of the primary sector in GDP in fact declined from 31.7 percent in 1950 to 18.4 percent in 1984; while the secondary sector increased its share from 14.1 percent to 25.5 percent over the same period of time. Both mining and agricultural exports were considered important aspects of the economy.

Although the issue of international sanctions against South Africa will be dealt with at a later stage, it can be noted at this point that sanctions applied before 1985, primarily the oil and arms embargoes, did not have an extensive impact on the situation in general. These sanctions merely hastened the decline of an already faltering economy.

1.4.1 Industrial capacity

As already noted, an abundance of raw materials is insufficient to earn a nation economic power and status. A nation must also possess the necessary industrial capacity to transform raw materials into manufactured goods and products. A high level of technological development is thus necessary, as is the provision of industrial plants.

In South Africa, efforts were made as early as 1924 to encourage industrialisation in order to escape the dependencies of economic imperialism. Government intervention in the South African market economy eventually became an accepted feature. South African manufacturing was linked to the mining industry and in the initial phases of industrialisation, the products produced were in line with mine requirements. A prosperous minerals market also attracted foreign capital and in 1973, 73 percent of the firms approached...
in a survey stated that over 90 percent of the technology used originated from outside the RSA. The industrial output of South Africa from 1919 to 1976 grew at an annual average rate of 5.9 percent in real terms, with two periods of rapid expansion taking place from 1936 to 1951 and from 1964 to 1975. The expanding industrialisation process was accompanied by changes in the manufacturing sector and more mechanised methods of production were introduced. It should, however, be noted that increases in output were primarily the result of the creation of more employment opportunities.41

There was thus tremendous growth in the South African manufacturing industry between 1919 and the mid-1970s, especially as regards the number of operating establishments. The typical operation at the end of this period also employed more personnel, had more capital investment and produced an output 14 times greater than at the beginning of the period. The manufacturing sector also diversified its activities. The output of this sector was originally focused on the production of goods for the domestic consumer market and the mining industry. By 1976, however, the output from the machinery-making, chemicals, metal product, and electronic equipment sub-sectors had grown considerably. The manufacturing sector had thus progressed to one capable of producing almost all of South Africa's manufacturing requirements and was even looking towards the foreign market.42

South African industry was concentrated in certain parts of the country and it was estimated that in 1975, 81 percent of industrial output was produced in the four major metropolitan regions. Much of industry was concentrated in the Witwatersrand area and there was concern regarding the water supply problem in this area, the strategic vulnerability of the country's industrial capacity, as well as the physical dislocation between capital and labour, which resulted in an extensive amount of migrant labour. There were also vast spatial differences in living standards, thus the need to decentralise industry.43

The 1970s, however, witnessed a period of slow growth and instability in the world economy. The result was a drop in the growth of industrialised countries, a drop in the volume of world trade, and an increase in unemployment and inflation. This was accompanied by a drop in the growth of South African exports and a decline in manufacturing output. The fall in real manufacturing investment was most serious from mid-1980 to late 1984.44

During this period, total fixed investment fell from RM 2 346 to RM 1 408. There was also a decrease in the index of the physical volume of manufacturing production, including a 50 percent drop in the output of motor vehicles and a 30 percent drop in the semi-durable and capital-goods sectors. The decline in output was followed by a decrease in employment and between 1981 and 1985, the manufacturing sector lost approximately 20 000 jobs. Employment growth was, however, visible in the state, financial services and mining sectors.45 The table below indicates figures for foreign trade between 1970 and 1980. Figures for the period following 1980 can be found in Chapter 3 of this study.
RSA foreign trade in Rand million

### Imports:

<table>
<thead>
<tr>
<th></th>
<th>1970</th>
<th>1980</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>102,9</td>
<td>289,7</td>
</tr>
<tr>
<td>Indelible raw materials</td>
<td>245,8</td>
<td>629,1</td>
</tr>
<tr>
<td>Chemicals</td>
<td>199,1</td>
<td>1 226,6</td>
</tr>
<tr>
<td>Textiles</td>
<td>161,9</td>
<td>356,8</td>
</tr>
<tr>
<td>Metals and metal products</td>
<td>193,5</td>
<td>680,1</td>
</tr>
<tr>
<td>Machinery</td>
<td>776,4</td>
<td>3 977,7</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>410,5</td>
<td>1 507,2</td>
</tr>
<tr>
<td>All other manufactured goods</td>
<td>345,8</td>
<td>1 411,8</td>
</tr>
<tr>
<td>Unclassified</td>
<td>104,3</td>
<td>4 302,3</td>
</tr>
<tr>
<td>Total</td>
<td>2 540,2</td>
<td>14 381,3</td>
</tr>
</tbody>
</table>

### Exports (including re-exports):

<table>
<thead>
<tr>
<th></th>
<th>1970</th>
<th>1980</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>302,4</td>
<td>1 641,4</td>
</tr>
<tr>
<td>Metal ores</td>
<td>94,7</td>
<td>593,0</td>
</tr>
<tr>
<td>Chemicals</td>
<td>63,2</td>
<td>443,7</td>
</tr>
<tr>
<td>Diamonds, excluding industrial diamonds</td>
<td>110,0</td>
<td>1 240,5</td>
</tr>
<tr>
<td>Metals and metal products</td>
<td>261,9</td>
<td>1 553,8</td>
</tr>
<tr>
<td>Machinery and transport equipment</td>
<td>110,0</td>
<td>400,2</td>
</tr>
<tr>
<td>Other</td>
<td>589,4</td>
<td>3 902,2</td>
</tr>
<tr>
<td>Total, excluding gold</td>
<td>1 531,6</td>
<td>9 774,8</td>
</tr>
<tr>
<td>Gold: export value</td>
<td>837,1</td>
<td>10 140,7</td>
</tr>
</tbody>
</table>

1.4.2 Technological capability

Strongly linked to a nation’s industrial capacity is the level of technological development achieved. As a result of various circumstances, such as South Africa’s exit from the Commonwealth and in particular the international arms embargo against the country, South Africa placed a great deal of emphasis on self-sufficiency. Efforts were thus made to rapidly develop the country’s technological capacity and although these efforts were originally focused on local military requirements, progress was also made as regards non-military technology. This was especially important considering South Africa’s reliance on foreign technology. It is noted in various Defence White Papers that the development of military technology was considered vital for defence of the RSA and even though this proved to be an expensive endeavour, substantial funds were allocated to research and development in this regard.

Science and technology are vital factors for socio-economic development and affect such aspects as productivity, employment, international competitiveness, and economic growth. Technology is one of the primary factors responsible for an improvement in productivity and is believed to directly impact the creation of wealth.\(^{46}\) By 1989, it had been determined that although South Africa operated, qualitatively, at a First World level, the country’s performance in quantitative terms was actually closer to Third World levels. An indication of this was the fact that South Africa had 3.6 full-time equivalent researchers per 10,000 inhabitants in 1985. This can be compared to the acceptable average for developed countries of approximately 25, and the average for developing countries of 3.5. The South African Government had, however, become aware of this problem and was intent on rapidly increasing the number of researchers.\(^{47}\)

A 1988 assessment determined that South Africa had indeed moved into the so-called “Information Age”, where both old and new information technologies were not only being used, but were also being further developed. It was considered vital that the country maintain competitiveness with First World trading partners as history has proved that accelerated technological progress leads to overall rapid progression. South Africa would thus have to constantly upgrade commodity products and needed an aggressive technology policy to improve industrial competitiveness. Ultimately, education and training are keys to advancement.\(^{48}\)

One of the most important technological developments for the RSA was in the field of nuclear power, where South Africa co-operated with two foreign nations as regards such aspects as the establishment of the country’s first nuclear reactor. One of the primary reasons for this international co-operation was that South Africa provided uranium to certain countries, which formed an essential part of their own nuclear programmes. The accent of South Africa’s nuclear programme was, however, on electricity generation, although there is little doubt that it’s potential military application served as a deterrent and thus increased the country’s strategic significance.
The South African Atomic Energy Board (AEB) was established in 1949 with the aid of Britain and the US. The US Atomic Energy Commission (USAEC) and the UK Atomic Energy Authority (UKAEA, formerly the Ministry of Supply) felt obliged to co-operate with South Africa as regards the development of the RSA’s nuclear capability, as they relied on the AEB for uranium supplies. As noted above, this uranium was needed for British and American weapon programmes.\(^{(49)}\)

In 1957, the US and South Africa signed an agreement concerning nuclear co-operation between the two countries. The agreement was subsequently amended three times, with the last amendment in 1974 extending the agreement until the year 2007. This agreement also provided for the training of South African scientists in the US and the US supply of nuclear fuel and technology (subject to certain conditions). Britain had less of an influence on South Africa’s nuclear development and a co-operation agreement between the AEB and the UKAEA eventually expired. The US later supplied South Africa with a 20 megawatt research reactor known as Safari-1 (an acronym for “South African Fundamental Atomic Research”). The reactor was sited at Pelindaba near Pretoria and went critical in 1965.\(^{(50)}\)

The US also supplied 93 percent enriched uranium to fuel Safari-1 and it was during the construction and operation of this reactor that South Africa gained knowledge and experience in the nuclear field. South Africa was eventually able to build her own reactor, Safari-2, which went critical in 1967. The primary purpose of Safari-2 was an exercise in independent reactor design and construction, but it was eventually dismantled in 1970 on the grounds that it simply could not compete with the relatively cheap power provided by coal-fuelled power stations.\(^{(51)}\)

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The South African enrichment process was also assisted by West German technology. The West German Government was motivated by a desire to sell enrichment technology and receive orders for the manufacturers of components. A further advantage of this technological co-operation was the ability to ensure a secure supply of enriched uranium, which was not subject to non-proliferation conditions. The West Germans later withdrew from the agreement in 1976 when it became apparent that each partner wanted the other to supply the uranium for the plant. South Africa was no longer able to guarantee sufficient natural uranium feed for a commercial enrichment plant.\(^{(52)}\)

As already noted, South Africa’s nuclear capability had been enhanced in 1970, when it was announced that a uranium enrichment process had been developed by local scientists. Development in this field was, however, supposedly directed at peaceful purposes. A pilot plant for the enrichment process went into full production in 1977. The re-direction of the nuclear programme towards a military goal, namely the production of seven nuclear warheads, was made by P.W. Botha, shortly after he took Presidential Office in the late 1970s.\(^{(53)}\) The reason behind this change of focus was given as Soviet expansionism in Southern Africa and regional anti-apartheid sentiment.\(^{(54)}\)
A nuclear test site had already been constructed in the mid-to-late 1970s and was discovered by Soviet satellites in 1977. Although it was widely believed that South Africa had conducted a nuclear test in 1979, this was denied by the South African Government. When oil prices began to escalate and Arab oil producers, as well as other states, imposed an embargo on supplies to South Africa, there was a sense of urgency as regards a reliance on nuclear power for local energy needs.

As a result of these changing circumstances, two pressurised water reactors for nuclear power were constructed at Koeberg, which was situated on the coast approximately 30km North of Cape Town. The contract for the construction was awarded in 1976 to a French consortium comprising three companies. As a result of incidents of sabotage, for which the ANC claimed responsibility, original deadlines for completion could not be met, but Koeberg-1 finally went critical and was connected to the power grid in 1984, with Koeberg-2 following in 1985.

Although South Africa had been considered a major planner in the formation of the International Atomic Energy Agency (IAEA), the country’s domestic policies of apartheid led to political opposition in the IAEA and South Africa was removed from the IAEA Board of Governors in 1977. This and other similar actions were decided by the vote of the Soviet bloc and the non-aligned countries, even though the Western nations wanted to concentrate on technical functions and not international politics. Towards the end of the Cold War, the perceived requirement for a nuclear deterrent began to diminish. It also appeared that the South African Government saw several advantages in joining the Non-Proliferation Treaty (NPT), particularly regarding international relations. By the late 1980s, the termination of the nuclear weapons programme was recommended by a presidentially-appointed Expert Committee.

1.4.3 Communications infrastructure

The economic infrastructure of a country forms the basis of its industrial development and incorporates all man-made structures, such as transport, electricity and communication, which assist in economic activity. Transport plays a vital role in the transfer of raw materials, produce and manufactured goods. The importance of communications should also not be ignored and technical advances have been accompanied by rapid progress as regards computer systems and satellite communications. It would be difficult for a nation to compete internationally if these were not available or were underdeveloped. Investment in transport and communication is therefore essential for the development of the economy, although this can strain scarce economic resources in the short term.

South Africa possesses a relatively well-developed communications and transport infrastructure. Although the RSA only occupies 27.9 percent of the surface area in km² of Southern Africa, by the 1980s, the country possessed 57.9 percent of the proclaimed road network, 65 percent of the rail truckage, and 60 percent of the international harbours in the region. In the first year of that decade, South Africa invested
approximately 17 percent of total gross domestic fixed investment in economic infrastructure. This was a decrease from previous years, where a maximum investment of approximately 28 percent had been made in the early 1970s. Although this figure stabilised slightly after 1980, it once again dropped to approximately 16 percent in 1984. It, in fact, became apparent that there had been a gradual decrease in investment in economic infrastructure from the 1970s.\(^{62}\)

As regards overall water supply and demand in South Africa for domestic, industrial and other use, in 1980 there was a total demand of 16 291 million m\(^3\) and a total supply of 36 057 million m\(^3\). This represented a percentage of 45.2 (demand as percentage of supply) and this figure increased further during the 1980s.\(^{63}\) These statistics demonstrate the ability to provide sufficient water for both domestic and industrial use. Water is one of the most precious natural resources and it was surprising that such an “arid” country could satisfy demand to this extent.

In the three decades prior to 1990, road transport in South Africa increased in importance, accompanied by a rapid increase in vehicles, in particular commercial vehicles, and an improvement in road conditions. Modern motorways were built and South Africa was considered to have excellent roads in comparison with the rest of Africa. Although rail transport declined in importance to the economy as faster and cheaper road transport improved, the railways did expand to a certain extent. Electrification spread, as did containerisation; while the use of steam declined.\(^{64}\)

As regards air transport, the introduction of jet aircraft, especially the jumbo jet, transformed air services to South Africa and resulted in a substantial increase in the number of passengers arriving by air. There was, however, a change in the political situation as the former colonies North of the Limpopo became independent and withdrew overflying rights from South Africa. Yet air services to other countries across the globe increased, as did the freight business. Air travel also reduced the requirement for shipping and rising costs made it difficult for passenger liners to compete. There was, however, an increase in specialised ships to carry primary products for export. The result was an intensive capital investment in South African harbours.\(^{65}\)

Communication indicators, which include mail matter handled, newspaper circulation, telephones in use, and newspapers, showed a general increase from 1970 to the late 1980s.\(^{66}\) As a result of an increase in the number of economically active people, the South African Post Office experienced a substantial increase in business. There were also advances in telecommunications which resulted in new automatic telephone exchanges and satellite transmissions.\(^{67}\)

South Africa thus witnessed a period of growth as regards communications and transport. This can partly be attributed to an increase in the economically active population and their resultant requirements. South Africa possessed a well-developed infrastructure in this regard, which ensured access to foreign markets.
The country's geographical location at the tip of the African continent could also have resulted in isolation from international development had it not been for the local communications network. Compared to much of Africa, South Africa was considered relatively developed as regards transport and communications and was thus in a prime position to service the rest of the continent. This resulted not only in a degree of self-sufficiency for the country, but also led to a certain degree of dependence for the rest of Africa, especially as regards such aspects as the exporting of African products and raw materials through South African ports. The mid-1980s, however, saw political change and the resultant recession end the period of growth for South African transport and communications.

Overall, although the South African economy was considered relatively strong in relation to the rest of Africa, international condemnation of the nation's internal domestic policies and the resultant sanctions had a negative effect on economic growth. This situation was severely aggravated by governmental economic policies which not only failed to achieve the necessary objectives, but also succeeded in raising inflation, limiting investment and increasing unemployment. Yet it was in the military sector where South Africa progressed rapidly, especially as regards the development of arms technology.

1.5 Military capability

Originally, South Africa relied on the support of the Commonwealth and other allies for defence requirements. The threat to the RSA was also relatively limited until approximately the early 1960s. Changes in the international community, however, such as international condemnation of South Africa's apartheid policies, as well a situation of internal unrest, heightened South Africa's threat perception and necessitated the development of the country's military capability. South Africa made impressive progress in this regard and also developed a modern arms industry.

The passing of the Defence Act (Act no 13 of 1912) on 14 June 1912, brought the Union Defence Force into being on 1 July 1912. This resulted from efforts by the South African Government to form a unitary defence organisation following South Africa's unification in 1910. South African troops distinguished themselves during the First World War in East Africa, Palestine and France. The Union Defence Force then underwent considerable reorganisation in 1926 and the forces of the Union entered the Second World War in September 1939.

The South African Defence Force (SADF) came into existence in terms of the 1957 Defence Act (Act 44 of 1957). It consisted of four arms of service, namely, the SA Army, SA Air Force, SA Navy, and SA Medical Service. White males underwent compulsory training in the Defence Force. The sixties witnessed another reorganisation of the SADF and in the seventies, the command-and-control structure of the SADF again underwent major changes in order to adapt to changing circumstances. The first phase of an extensive organisational restructuring of the SADF took place in 1986.
1.5.1 An overview of the defence budget

The SADF was only maintained on a small scale after the Second World War, even though other nations were modernising their respective defence forces. The defence budget in 1961/62 totalled RM 61. Changes in Africa and the loss of international defence ties, however, necessitated increasing self-sufficiency in this regard and the defence budget doubled to RM 120 by 1963, and was once again almost doubled to RM 230 in 1964/65. This represented 21 percent of state expenditure. Considering that the sixties and early seventies were relatively peaceful, defence spending was limited for the following nine years and state expenditure on defence during this time fell to 12 percent (even though there was an increase to RM 472 in 1973). Changes in South Africa’s threat perception in 1974 led to a five-year expansion programme for the Defence Force and defence expenditure increased to RM 700 in 1974/75 and RM 1 043,5 in 1975/76. This latter figure represented 4.1 percent of the GNP and 15 percent of state expenditure. An amount of RM 1 407,6 was then voted in 1976/77, with a further increase up to approximately RM 1 700 expected in 1977/78.\(^{71}\)

Although the financial climate in the RSA during 1982 and 1983 was a limiting factor, technological breakthroughs were still made as regards sophisticated, locally-manufactured armaments. When the defence budget, expressed as a percentage of GDP, decreased from 5.5 percent in 1977 to 4.2 percent in 1982, during a period of increased SADF activities, the result was that operating costs formed a larger part of the total defence budget, ie. 72 percent in 1982/83 from 56.6 percent in 1979/80. This had a negative effect on acquisition, preparedness and modernisation programmes.\(^{72}\)

1.5.2 Manpower and armaments

The SADF was basically a Citizen Force, with soldiers of the Permanent Force forming a small part. National servicemen constituted most of the full-time force, doing two years compulsory military training. Although only White males were liable for this compulsory service, there were also many volunteers from other population groups. Following the two-year training period, an additional twelve years and twenty years was served with the Citizen Force and Commando Force units respectively. The former provided approximately 47 percent of the SADF’s strength in the late 1980s, which was similar to corresponding Western establishments. Women have been accepted into the SADF since 1970 and have been appointed to supporting services in all four arms of service.\(^{73}\)

Prime Minister Malan had noted in the early 1950s, that the difficulties encountered with defence were the result of the RSA’s inability to manufacture arms. By 1960, various African colonial states were being liberated and this added a degree of urgency to South Africa’s defence requirements.\(^{74}\) In the early 1960s, the UN General Assembly and certain states led by the Soviet Union, began to emphasise the requirement for an embargo by member states against the supply of armaments to the RSA. Resolution 181, of August...
1963, requested member states to uphold an arms embargo against the South Africa of their own free will. The country was considered to be a threat to world peace at the time. South Africa’s Minister of Foreign Affairs, Mr Louw, protested the international arms embargo on the grounds that it denied South Africa the right to self-defence, a right that was, in fact, recognised by Article 51 of the UN Charter. The issue of military and other sanctions against South Africa is discussed in further detail in later chapters of this study.

The Minister of Defence stated in 1965 that the RSA was engaging in the local manufacture of armaments as a direct result of external pressures. When the Suez Canal was later closed due to the Israeli-Arab war and shipping was re-routed around the Cape, South Africa requested that Britain authorise the sale of naval vessels and aircraft necessary for defence of the Cape Sea Route. Britain, however, refused to conform to the Simonstown Agreement and South Africa was forced to manufacture these vessels locally. The South African Government also attempted to encourage the growth of the South African shipbuilding industry by providing large amounts of money in subsidies. The first operational naval vessel to be built in the RSA for the South African Navy was a torpedo recovery boat, which was launched in Durban in July 1969.

In May 1968, Botha, the Minister of Defence, revealed to Parliament that South Africa would no longer ignore continual “meddling” in the RSA’s domestic affairs. He introduced the Armaments Amendment Bill, which served to create the Armaments Development and Production Corporation of South Africa (Armscor). Armscor became responsible for effectively and economically meeting the armaments requirements of the RSA. It was also anticipated that South Africa would eventually be able to export arms. South Africa continued to expand the local armaments industry and a missile base was established on the Zululand Coast towards the end of 1968 for experimental tests and launchings. A Decca radar screen was then erected around the coastline, which served to provide South Africa with a protective covering for at least 200 miles out to sea; a move that emphasised the strategic significance of the Cape Sea Route to the RSA and also served as a countermeasure against the threatening stance of certain African states.

Not all of Western Europe, however, supported the imposition of an arms embargo in the 1960s. France became South Africa’s primary supplier of weaponry and delivered arms worth approximately $32 million to South Africa between 1969 and 1973. In 1971, Marcel Dassault, a French aircraft company, signed an agreement with Armscor for the construction of F-1 and Mirage jet fighters. France thus broke the 1963 UN arms embargo and continued to do so for many years, even after the UN Security Council imposed a mandatory arms embargo on weapon supplies to the RSA (see below). The Federal Republic of Germany also supplied arms to South Africa, including the already-mentioned nuclear technology and conventional military armaments and equipment. Technical assistance and vital information were also provided to South African weaponry manufacturers.

A compulsory UN arms embargo was passed in 1977 and will be discussed at a later stage. It was noted at about the same time that the full-time component of the SADF would have to be expanded to meet
necessary requirements, especially as regards the number of Permanent Force members and the national service component.\textsuperscript{82} It had already been announced in 1976, that the Armaments Board and the Armaments Development and Production Corporation would merge to form a single organisation.\textsuperscript{83} Ultimately, the cost of arms procurement that was met by Armscor increased from an amount of RM 32 in 1968 to RM 979 in 1978.\textsuperscript{84}

One of the problems noted in the early 1980s was that certain armaments were becoming obsolete, while more modern armaments were being made available to the RSA’s perceived enemies. Continual emphasis was thus placed on armaments development and manufacture in order to meet the threat of the Soviet arms build-up in neighbouring countries.\textsuperscript{85}

South Africa was perceived as being under threat from many fronts and could not rely on previous allies for defence. Primary areas of concern included the expansionism of Marxism in Southern Africa, the activities of the ANC, and the potential for superpower conflict where South Africa would find it difficult to remain neutral. As opposition to the ruling South African regime increased, the South African Government continued to stress the principles of non-interference in domestic affairs and the right to self-defence. The result was not only an increase in local armaments technology, but also a rise in the defence budget. International condemnation of South African domestic policies and the resultant arms embargo thus contributed directly to the rapid development of South Africa’s armaments industry.

Although this chapter concentrates primarily on South Africa's national capability, a brief study of the military policy environment at the time could provide insight into the perceived requirement for a strong military capability. This is discussed below.

1.5.3 Military objectives

According to the 1977 \textit{White Paper on Defence}, the South African Government’s military objectives were the following:

a. The development of the national defence structure necessary to prevent and/or counter any threat to the RSA.
b. The defence and security of the RSA and its body politic against any form of external aggression or internal revolution, irrespective of its source of origin.
c. The involvement of the entire nation in the maintenance of law and order and in the defence of the RSA.
d. Assistance and support to independent Black homelands, if requested, in developing their own defence forces, for the security of their territories, the maintenance of law and order and the assurance of their independence.\textsuperscript{86}
It was also stated that maintaining the sovereignty of a state’s authority in a conflict situation was no longer a purely military action, but had become an integrated national action. As discussed in Chapter 1, the resolution of a conflict demanded military, economic, political, psychological, sociological, technological, cultural, diplomatic, and ideological efforts. Reference was thus made to a Total National Strategy. The US President stated the following after World War II: “No longer could appropriate military policy on the one hand, or supportable foreign policy on the other, be formulated in isolation, one from the other”.

As noted, although the threat to the RSA was minimal in the late 1960s, a greater self-reliance as regards defence requirements was the ultimate result of such factors as withdrawal from the Commonwealth. Turmoil in some of Africa’s newly independent states was also cause for concern. International anti-South African sentiments and efforts to overthrow the government began in the 1960s.

The USSR’s strive towards world domination was still perceived as the major threat to world peace by the 1980s, especially as regards influence in the Third World. Potential Soviet control of natural resources in Southern Africa and the Middle East was of particular concern, as was the increasing conflict between the USSR and the US, and it was considered unlikely that South Africa would be able to remain neutral should there be large-scale international conflict. USSR President Brezhnev had already in 1977 stated the USSR’s intent to control the strategic minerals located in the Southern African region and deny the West access to these minerals. Revolutionary warfare was utilised to establish Soviet influence in this region. The South African Defence Force was, however, perceived as having created a successful deterrent strategy.

It is clear from the above that South Africa was relatively well-endowed with the necessary tangible elements of national capability, at least sufficient for survival, especially as regards such aspects as natural resources and the ability to become self-sufficient in various fields. Certain elements, however, for example, a well-educated and technically skilled general population, were lacking and would have to be addressed. At some point, South Africa would thus need to move beyond mere survival and become increasingly competitive on international markets.

Although the preceding pages have studied tangible aspects of national capability, intangible elements should also be included in an analysis of strategic significance. These are such aspects as national morale and political leadership, which effect the nation’s population and the ability of government to effectively implement domestic and foreign policies.

2. Non-tangible determinants of national capability

As mentioned above, it is not only the physical aspects of a nation’s capability that are important in the assessment of strategic significance. No matter how strong the technological capability or how abundant the resources, without intangible aspects, a nation will find it difficult to achieve strategic significance.
These factors are, however, notoriously difficult to measure and are based on public perceptions and opinions. It is vital that the public support the government’s efforts and that the international community makes a correct assessment in this regard in order to avoid ineffective policies. Unlike the more static, tangible elements of national capability, the intangible aspects are generally subject to fluctuation and should be monitored on a regular basis.

2.1 National character and morale

As noted in the preceding chapter, national character consists of both intellectual and moral qualities and is reflected by all who act for a nation. It is reflected by the ability of nations to pursue different foreign policy objectives. Domestic public opinion and perceptions have an important impact on the formulation of foreign policy. Public opinion in South Africa during the 1980s, however, appeared to be more concerned with domestic problems than with foreign policy issues. Information obtained during a 1982 survey of the White South African population, indicated that the public was only well informed on foreign policy matters which were either extensively publicised or which were considered to be of direct concern.90)

National morale is formulated as public opinion. A nation can possess the essential natural resources, both tangible and intangible, for the establishment of a strong national capability, but these resources are insufficient without a positive morale amongst the citizens.

At the time of the 1982 survey, South Africans held conflicting opinions as regards an increase in defence expenditure. It should, however, be noted that 71,1 percent of the respondents were in agreement that times of war and internal unrest were in the future of South Africa.91) Other important perceptions of more than 70 percent of respondents were that a revolutionary war, as in Namibia, would eventually develop in South Africa, that Zimbabwe was a threat to the RSA’s security; and that the South African Government was not exaggerating the communist threat. “Hardline” stances were also adopted by most respondents as regards support for military attacks on terrorist bases in neighbouring states; the banning of food exports to Black states harbouring so-called terrorists; the perception that South Africa could emerge victorious in the war against the South West African Peoples Organisation (SWAPO); and that South Africa should not negotiate directly with SWAPO. There were also differences between Afrikaans and English speakers as regards support for government policies, with the Afrikaans-speaking group consistently displaying greater support. This group also registered the greatest threat perceptions.92) Public threat perceptions are relevant in this regard in that if the public believes the threat to be real, government will find it easier to obtain support for foreign policy objectives aimed at counteracting such threats.

Morale is particularly influenced by economic conditions, political unrest and the degree of confidence that citizens have in the nation’s leaders. South Africa featured badly in all three of these fields. The South African economy experienced a severe depression in the 1980s, which was accompanied by high interest
rates, a decrease in both output and investment, as well as substantial foreign debt. High unemployment rates resulted. The situation was further aggravated by intermittent strikes and stayaways and international corporations were hesitant to invest in a nation that was plagued by socio-economic unrest and an unstable workforce.

Another survey conducted in 1988 indicated a slightly more “defiant” attitude by White South Africans and a tougher stance on foreign, regional and domestic policy issues. This survey was, however, conducted after the introduction of a national state of emergency in 1986, which resulted in an additional emphasis on security concerns. The various language groups and party affiliations also caused conflict and division.

It should be noted that one of the reasons for restricting these surveys to the White South African population, was the fact that this population group played a central role in the formulation of foreign policy at the time. There was also a lack of a nationally representative Black sample of respondents. In 1988, South Africa was suffering the effects of disinvestment and sanctions, high inflation, and a drop in the value of the Rand. The Southern African region was also unstable. These factors all had a negative effect on national morale. In contrast to the earlier survey, fewer respondents agreed that a revolutionary war would develop in South Africa, although South Africa's internal threat remained a concern. The communist threat was still a troubling issue and support continued for military attacks on terrorist/guerrilla bases in neighbouring states, although with less support than in the previous survey.

There was, however, less support for an increase in the defence budget. Many also believed that economic sanctions could have a damaging effect on the South African economy, although “hardliners” from the National and Conservative Parties were less intimidated. Slightly fewer respondents supported the granting of equal political rights to Blacks, although most respondents were not of the opinion that Black South Africans had good reason to take up arms against the government. Fewer respondents, in fact, wanted the government to negotiate directly with the ANC.

National morale in South Africa differed between the various political affiliations and language groups. Reference is made in particular to the parties on the left and right of the political spectrum and the differences in the level of government support between Afrikaans and English speakers. The former were more likely to support government foreign policy initiatives and were also more likely to believe in the “Total Onslaught” concept. The English-speakers tended to be slightly more moderate, although both groups were concerned about Soviet encroachment. Supporters of the more right-wing political parties were also more likely to support the government. Yet by the late-1980s, even the English-speaking, left-wing parties had hardened their positions in the face of internal unrest, regional instability and international condemnation. The South African Government thus received a higher level of support from a greater percentage of the White population than in previous years. International pressures had, for many citizens, thus merely resulted in greater support for the ruling government in their struggle against Soviet
expansionism, sanctions and defence of South Africa against a multi-fronted attack.

It was thus obvious that the overall level of national morale in South Africa was extremely low in all sectors. Political violence, low credibility of the security forces, and minority group fears all contributed to this low level. The South African Government was often criticised and the task ahead was considered challenging for even the most popular government. The general public regarded crime as the most serious problem; more serious, in fact, than inflation, health problems or even unemployment. In the mid-1980s, during a survey of data in this regard, it was discovered that murder was the crime most feared by respondents, followed by rape and assault. Crimes of violence were thus an important issue for most South Africans.

It should be noted at this point that individuals who feel unsafe in their environment experience stress, anxiety and a loss of productivity. South African citizens were no exception in this regard. Most respondents gave a low priority to the police, courts and imprisonment as effective crime prevention measures. The police were heavily criticised at this time due to the prevailing unrest and emergency situation. The community had thus lost faith in the ability of the police and state institutions to effectively combat crime. Emphasis was instead placed on community upliftment programmes, such as improved housing and recreational facilities, as well as community and individual security measures for crime prevention.96

According to survey data collected in mid-1986, more than 80 percent of South African citizens anticipated living together in a form of political harmony. Although it was apparent that many issues would be open to consensus politics, various problems were preventing such consensus, including a lack of clarity about the meaning of terms, and disparity between the personal ambitions of political leaders and the interests of those they represented. At that stage, most township residents preferred the army to the police as regards the combatting of violence as the police force was negatively perceived. The perception was, in fact, that of “apartheid-supporting military police personnel in the peacekeeping role”. Preference, was however, given to the establishment of a “normal” police force to secure and maintain law and order.99

Until such time as the economic situation improved and the internal violence abated, South African morale was likely to remain low. Although progress had been made towards a new negotiated Constitution, many obstacles and initial suspicions had to be accommodated. All of these conditions served to severely dampen morale, which in turn rendered the rest of South Africa’s natural resources almost useless until the problem was resolved and the level of national morale raised. National character reflected an emphasis on domestic affairs over foreign policy issues, although the public was generally aware of the dangers of an expansion of Soviet influence. International economic sanctions against the RSA, however, generally hardened the attitudes of those they affected against the international community. In fact, many White South Africans continued to support government foreign policy objectives and were eager to commence negotiations for a peaceful future for all.
2.2 Political organisation

As noted in the preceding chapter, a nation’s power position is also linked to international and local perceptions of domestic failures and achievements. International condemnation regarding South Africa’s internal apartheid policies was severe. The period from 1976 to 1982 witnessed not only a decrease in support for the concept of apartheid, but also saw an increasing Black challenge to White rule. There were also, however, attempts by the ruling class to politically accommodate a Black elite and political reform became an important issue for many South Africans who wanted co-operation and not conflict as regards political reform. The RSA underwent a process of democratisation as regards the political system in order to ensure equal rights and freedoms for all South Africans. The preamble to the 1983 Constitution declared the belief of the legislators that unity was absolutely vital to:

- uphold Christian values and civilised norms, and to recognise and protect freedom of worship;
- safeguard the integrity and freedom of the country;
- uphold the independence of the judiciary and the equality of all before the law;
- maintain law and order;
- promote the happiness and spiritual and material welfare of all;
- respect and protect the human dignity, life, liberty and property of all;
- respect and protect the self-determination of all population groups; and
- promote private enterprise and effective competition.

Apart from the three Houses which constituted Parliament, the Constitution made provision for an executive President, a central Cabinet, a Ministers’ Council for each House, and a President’s Council. Legislation on general affairs was the duty of all three Houses of Parliament; while legislation that was perceived as being in the interest of only one group was handled by the appropriate House. The State President made the decision as to whether the issue was an own or general affair. Bills on general affairs had to be passed by all three Houses; while own affairs were those pertaining to the upholding, maintenance or furtherance of the identity and customs of each population group.

This process of democratisation was considered a turning point for South Africa in that it signified an acceptance of the inevitability of change in the country, where all citizens, no matter what their cultural identity or population group, would be treated equally and would receive the same benefits from the state. Decision-making became more open to consensus, with the result that citizens who had in the past felt excluded from the decision-making process, now perceived that their particular interests were being represented. This can be considered an important step in the diminishing of the unrest situation and the ultimate improvement in the economy as a result of increased local participation and international support for the changes taking place in South Africa. As mentioned above, many South Africans preferred co-operation as regards political reform and this Constitution could be considered a step in this direction.
2.3 Political leadership

In the period under discussion in this chapter, the National Party Government played a pivotal role and it is difficult to discuss this Party without studying the history of their leadership. The National Party dominated the South African political scene from 1948. Originally a political party for White, predominantly Afrikaans-speaking people, the National Party gradually underwent a process of change, especially as regards traditional race relations. These changes were predominant during the leadership of P.W. Botha and that of his successor, F.W. de Klerk.

The last "general" election (for Whites only) was held in May 1987 and was deemed to be an election of crucial importance for the future of South Africa. Five political parties and a number of independent candidates participated. It was the general assumption that Black South Africans and their status was the key issue and State President Botha stated that by calling the election, he was attempting to maintain a mandate from the White electorate to proceed with negotiations with the Black population. Yet the election was widely received as being "irrelevant" by Blacks in that only the White population was involved. A unique feature of the 1987 general election was that it transpired under a general state of emergency. The maintenance of law and order was therefore a prominent feature of the campaign. The National Party entered the election at a time when the economy was characterised by a severe recession, with accompanying high levels of unemployment, disinvestment and sanctions. Circumstances were therefore not favourable, but the South African Government was undeterred and continued to press for a mandate that would direct negotiations towards power sharing with the Black population. Interestingly enough, except for the parties on the right of the political spectrum, all other parties were in favour of power sharing, albeit power sharing in their own respective definitions. An impressive electoral victory was achieved by the National Party and the result was a continuation of the move towards a more broadly representative party and away from the previous "volksparty". The most unexpected event of the election was the fact that many English-speaking voters had given their support to the National Party. The National Party was now viewed as "reformist", which made it more acceptable to those voters who wanted the implementation of reform in South Africa.

The fact that it was the first time that the issue of the future status of Blacks had been brought into the open, left no doubt that the May election marked the beginning of a new era in South Africa's political history. In a nation with a diverse population, it is highly unlikely that a single political group will be able to achieve total support. South Africa was one such nation and the issue was further complicated by the fact that political parties were based on ethnic divisions.

As regards support for the leaders of South Africa, according to a poll conducted in April 1989, approximately one in five respondents had not voted in the previous South African general election. It was
already clear at this point that the reform process determined political allegiance. At that stage, 67 percent of respondents supported parties to the left of government, while the rest supported the National Party. It is to the credit of the leadership of this party that they managed to achieve support for reform, especially in light of such difficult circumstances.

As noted in the previous chapter, a responsible government should aim to influence public opinion as regards domestic and international policies. The fact that the South African Government had received support for their reform policies thus indicates the achievement of this principle. There had been a realisation that full potential of the state, another important aspect of political leadership, could not be attained without political reform. It was clear that in contrast to previous years of a more autocratic style of political leadership, an attempt was now being made to include a larger segment of the general population in the nation’s decision-making process.

There is, however, another non-tangible element of national capability which should be discussed, namely, economic policy. As already noted, the political leadership of a nation must produce effective policies which will ultimately maximise overall potential for the relevant state. Although there are various aspects of concern as regards policy formulation, the most vital for general prosperity is that of economic policy, where capability and potential are combined.

2.4 Economic policy

Manufacturing growth in South Africa resulted from increased domestic demand, import substitution, and export demand. The most significant structural change in this sector occurred during the late 1960s as part of the process of import-substituting industrialisation. The process of industrialisation involved an important role for foreign firms and technology, but the manufacturing sector was never integrated into the rest of the economic structure and only provided sophisticated goods for a minority of the population. The manufacturing sector was, in fact, heavily dependent on imports.

Overall, although the South African economy was considered one of the strongest on the African continent, various factors led to an undeniable deterioration in economic performance from the 1960s. As noted, this drop in performance continued throughout the 1970s and was particularly severe in the 1980s, where factors such as internal political unrest and ineffective government economic policies contributed to poor performance levels. There was also the additional negative effect of international economic sanctions against the RSA. Yet South Africa managed to maintain a relatively high level of industrialisation and technological development, where in the latter case, the aim was to increase the level of self-sufficiency.

South Africa’s economic woes can be traced, in part, to the late 1970s when the government introduced a monetary policy which resulted in high interest rates and in effect, produced a recession. The policy decision
which led to this disastrous state of events was to restrict money supply and limit borrowing. The result was that from 1980 to 1985, bankruptcies increased by 500 percent and there were massive retrenchments in the workforce. There was also an increase in speculative activity, as well as an increase in mergers and takeovers. Monopolies were a basic feature of the South African economy and it was estimated that in 1983, seven companies controlled 80 percent of the value of the R90 billion shares listed on the Johannesburg Stock Exchange. Although the South African Government did not succeed in attempts to decrease expenditure, the result of such attempts was a redistribution of funds away from such areas as social welfare in favour of defence. This in turn changed the pattern of government demand for goods and services. Government economic policy continued to be interventionist, although the introduction of market-orientated policies was lauded in 1979 and there was a move away from the regulation of certain markets to a greater reliance on the private sector and market forces. South African economic policy during the period under discussion was thus in need of change if economic prosperity was to result.

3. Conclusion

A country's national capability potential can be perceived as an important criterion as regards strategic significance. A study of South Africa's national capability in the period under discussion in this chapter has indicated an abundance of natural resources. The RSA was, in fact, relatively self-sufficient in many respects and could thus withstand the damaging effects of economic sanctions which were imposed by the international community as a result of South Africa's internal apartheid policies. Extensive mineral wealth and energy resources were vital in this regard and the RSA not only exported vast amounts of minerals, but also provided much of Africa's electricity. Compared to the rest of the continent, South Africa also possessed a relatively well-developed infrastructure, of which Africa made extensive use. This further influenced the country's strategic significance.

Although the South African economy originally displayed great potential and rapidly developed as regards industrial capacity and technological capability, there was a marked deterioration in growth performance during the 1970s and 1980s. This could partly be attributed to local conditions of political unrest and ineffective economic policies which resulted in a recession. As the country became increasingly isolated on the international front, a move was made towards self-sufficiency, especially as regards defence capabilities. South Africa began a phase of technological development in the face of what was perceived as possible attacks from all fronts. Much success was achieved in this regard and an increase in the defence budget was inevitable. These developments were thus in response to the international sanctions campaign applied against the RSA, with the arms and oil embargoes being the most notable. As noted above, South Africa managed to circumvent the former by developing a strong defence technology system, but the oil embargo caused more concern. The country was dependent on foreign sources of oil and although certain countries ignored the embargo, albeit in a secret fashion, oil became an expensive commodity for the RSA. Oil can thus be considered a vulnerability. Other more general sanctions had little effect on the South African
economy, which was already in a state of decline. In other words, they merely served to worsen an already-weakened economy.

Location is another important tangible element of national capability and South Africa is positioned at an advantageous point on the tip of the African continent, on one of the world’s most important trade routes. This placed South Africa in a position to combat the expansion of Soviet influence and the spread of Marxism on the African continent. The strategic significance of the RSA was thus strongly linked to the country’s national capability, especially as regards strategic location, extensive natural resources, well-developed infrastructure, technological capability, and an economy which, although it suffered a slump, was still relatively strong when compared with the rest of Africa.

The non-tangible aspects of national capability, however, cannot be discounted. The threat perception of South African citizens regarding the security of their country increased during the 1980s and even the “moderates” hardened their stance in the face of international sanctions and internal unrest. Among the ruling White population, there was thus considerable support for government foreign policy objectives. Members of other population groups, however, particularly Black South Africans, felt isolated from the political process and many supported the ANC in the “struggle for freedom”. Yet there was a movement towards political co-operation. The South African society was also divided into various cultural and ethnic groups and the situation was further complicated by the multitude of languages spoken. Conflict was thus to be expected, but the situation deteriorated into one characterised by such factors as discrimination, political unrest, crime, and the resultant immigration of educated citizens. National morale was low and as already mentioned, an abundance of natural resources is insufficient for the execution of foreign and domestic policies if the majority of citizens do not support the government in power or the system that they represent. The National Party clung to its apartheid policies for several decades before a process of reform was initiated. An election was held in 1987 and the now “reformist” National Party swept to victory. The resultant Constitution stressed equality for all and marked a change in direction for South Africa.

Throughout the years of isolation, South Africa relied on her extensive natural resources, economic prowess and strategic location to survive in unfavourable circumstances. There can be no denying that had these factors not been applicable, South Africa would have been forced to relent to international pressures for internal change much sooner. South Africa’s national capability thus had an important influence on the country’s international relations, as expressed in various policy statements made through the years. It is these statements which form the bulk of a nation’s ego perception, which refers to perceptions of own importance to the rest of the world. South Africa’s ego perceptions were predominantly based on national capability and international support and/or condemnation. Ego perceptions in the pre- and immediate post-Cold War period will be discussed in later chapters.
As this study takes the form of a comparative analysis, it is necessary to examine conditions of national capability in the post-1989 period in order to ascertain whether there is a difference in this regard between the two periods. South Africa's national capability in the early 1990s will thus be discussed in the following chapter.
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CHAPTER 3: SOUTH AFRICA'S NATIONAL CAPABILITY IN THE 1990-1993 PERIOD

This chapter deals primarily with the immediate post-Cold War era and more specifically, the period extending from 1990 to 1993. During this period, South Africa not only faced a change in the external environment, but domestic changes within the RSA also had a profound influence on certain national capabilities. South Africa, however, continued to utilise all available resources and became an economic leader on the African continent. The years of isolation had, in fact, served to emphasise the importance of self-reliance and industry had been developed accordingly. Although there is no denying that perceptions regarding strategic significance are never static, it should be noted that South Africa’s relatively strong national capability had a definite effect on ego and alter perceptions of strategic significance.

In this chapter, it is once again noted that South Africa’s natural resources, in particular the country’s extensive mineral and energy resources, continued to have an extensive influence on the RSA’s national capability and resultant strategic significance. Energy resources were considered particularly valuable by certain countries in Africa as South Africa produced much of the electricity on the African continent. Mineral resources were also of considerable interest to various countries around the globe who relied on South Africa to a certain extent for the supply of these minerals. In general, South Africa was considered to be a strong industrial power, particularly in relation to other African countries, although internal problems such as labour strikes and ongoing political violence had a negative effect in this regard. The period under discussion in this chapter was, however, marked by low national morale, crime, high inflation, and increasing unemployment. These factors all affected perceptions of South Africa’s strategic significance and will be discussed in relative detail. The more static elements of national capability, such as geographic location and topographical features, which have already been discussed in Chapter 2 of this study, will thus not be re-addressed in this chapter. A comparative analysis of the two periods under discussion will be presented in Chapter 7, although a brief comparison will be made regarding national capability at the end of this chapter.

1. Physical determinants of national capability

These are tangible resources and are thus relatively easy to measure. As already mentioned, these resources are subject to change and any such change will duly affect perceptions (both ego and alter) of strategic significance. As noted in the preceding chapter, South Africa is considered to be one of the most prosperous states on the African continent and this perception was originally almost exclusively based on the country’s geo-strategic location and vast resources. Yet it must now be established whether these factors were sufficient to maintain South Africa’s strategic significance in the post-Cold War era. Did changes in the local and international environment have an effect on perceptions of strategic significance? This and other relevant issues will be discussed below.
1.1 Natural resources

As mentioned in Chapter 1, a state with an abundance of natural resources is generally perceived as a potentially strong state. These states are often more self-sufficient than their less-endowed neighbours and can thus survive pressures such as international sanctions for longer periods. This was particularly relevant for South Africa as the country endured punitive international sanctions on many fronts. Natural resources are a vital aspect of national capability and as in the previous chapter, can roughly be divided into agricultural, mineral and energy resources.

1.1.1 Agricultural resources

In accordance with world standards, South Africa’s natural resources for agriculture were considered poor. As already established, little of the RSA’s surface is suitable for cultivation, especially when one considers the country’s inadequate supply of water. South Africa is subject to both prolonged droughts and periodic floods, and irrigation farming was thus an essential component of the agricultural industry, with a large variety of crops cultivated under irrigation. The proportion of water resources used for irrigation was one of the highest in the world and agriculture was the largest consumer of surface water. The wide variety of climatic conditions did, however, permit the South African farmer to cultivate various crops, as well as rear cattle, sheep and goats. The contribution of agriculture to the South African economy was, however, eventually surpassed by that of mining and secondary industry. Yet agriculture remained of vital importance to the Southern African region and employed a substantial amount of people. In 1993, the gross value of agricultural products totalled R 26 894 million. The net income of South Africa’s approximately 60 000 farmers increased from R 5 368 million in 1990/91 to R 7 380 million in 1991/92, and this increase in gross value was generally attributed to a rise in producer prices and an increase in production.

As a result of improved farm management and research, agricultural production increased dramatically. The RSA became virtually self-sufficient as regards major agricultural products and also exported several food products. In 1990, food exports totalled 9 percent (R 5 449 million) of South Africa’s total exports. The agricultural industry employed more than a million people at the beginning of the decade.

Maize dominated the early 1990s as the most important South African crop, followed by wheat. Other products of importance included barley, sorghum and sunflower seeds. South Africa was also the world’s tenth largest sugar producer and was internationally renown for superior quality fruit and wines. Deciduous fruit was grown primarily in parts of the Western and Eastern Cape and approximately 100 000 ha. was covered by vineyards. Tomatoes, cabbages and onions were considered important crops as regards gross income to the grower and were cultivated in various parts of the RSA. Cotton and tobacco were also produced. Rooibos tea, a South African tea beverage, generated a certain amount of interest abroad and was exported to approximately 135 countries. Ornamental plants were also produced for both local and
international markets. Important plant exports included roses, proteas and fynbos; the latter being supplied in the form of foliage, cut flowers and dried flowers. Livestock farming (cattle ranching, dairy and sheep farming) was found in most parts of South Africa.

By the early 1990s, the South African fishing industry employed approximately 22 000 people, with 90 percent of the catch taken from the cold waters off the West coast. The industry landed 715 000 tons of fish, shell-fish, guano etc. in 1992 off a coastline of approximately 3000 km. The total value of the catch for 1992 was estimated at R 1 180 million. Considering the value of the fishing industry, it is no surprise that South Africa followed a strict conservation policy in her fisheries zone, which constituted 200 nautical miles.

South Africa’s limited natural forests were protected by a policy of protection as a result of their severe exploitation in the 19th century and by the early 1990s, state forest land covered an area of approximately 1,6 million ha. The RSA was, in fact, practically self-sufficient as regards timber requirements and only imported certain high quality paper, hardwood, and specialised timber products. Primary exports included rayon pulp, sawn timber, and newsprint, with the total annual value of such products estimated at R 2 000 million; while this industry employed approximately 120 000 individuals.

1.1.2 Mineral resources

In the post-1989 period, the production of and demand for South Africa’s minerals continued. The RSA was one of the world’s largest mineral-producing countries and was also a primary exporter and supplier in this regard. Furthermore, as a leading supplier of the energy minerals coal and uranium, South Africa achieved a high level of self-sufficiency as regards energy and became an important exporter of these products. Energy and mineral exports were a valuable source of foreign exchange for South Africa and contributed a significant proportion to the GDP. Mining was a major industry in South Africa and created extensive employment opportunities. This industry was export-orientated and formed a vital sector of the South African economy.

As already noted, South Africa possessed a large portion of the world’s reserves of a number of important minerals. Although lacking oil reserves, the RSA possessed an abundance of coal for the provision of power for industry. As no state can be regarded as self-sufficient as regards resources, trade in minerals is often necessary and this added to perceptions of South Africa’s strategic significance. Although the expansion of the world population was expected to result in increasing demand for these minerals, there was, however, the possibility that the international community would lose interest in the RSA’s expanse of mineral resources as alternative sources became available.
According to official estimates, South Africa possessed approximately 72 percent of the world's chrome ore reserves by the early-to-mid 1990s, as well as large reserves of andalusite and vanadium. In 1993, South Africa's mineral sales earned R 46,673 million, which represented approximately 9.7 percent of GDP. Foreign sales of minerals (to more than 90 countries) during this same period, totalled 47.8 percent of total export earnings. Gold remained South Africa's primary generator of national income and the RSA was the world's largest gold producer (about 600 tons per annum). South Africa was also one of the largest exporters of bituminous (steam) coal and in 1993, approximately 51 million tons of this coal was exported at a value of more than R 4,400 million. Energy resources are further discussed below.

<table>
<thead>
<tr>
<th>Rand value of minerals sold 1990-1993 and index of physical volume of production&lt;sup&gt;1&lt;/sup&gt;</th>
<th>1990</th>
<th>1993&lt;sup&gt;2&lt;/sup&gt;</th>
<th>1970-1993&lt;sup&gt;2&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of minerals sold (R million)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>38,048</td>
<td>46,631</td>
<td>15.9%</td>
</tr>
<tr>
<td>Gold</td>
<td>18,994</td>
<td>23,169</td>
<td>15.6%</td>
</tr>
<tr>
<td>Coal</td>
<td>8,150</td>
<td>9,673</td>
<td>21.5%</td>
</tr>
<tr>
<td>Other</td>
<td>10,904</td>
<td>13,789</td>
<td>14.4%</td>
</tr>
<tr>
<td>Index of physical volume of production 1990=100:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total, including gold</td>
<td>100.0</td>
<td>101.7</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Total, excluding gold</td>
<td>100.0</td>
<td>101.2</td>
<td>3.0%</td>
</tr>
<tr>
<td>Gold</td>
<td>100.0</td>
<td>102.2</td>
<td>-2.1%</td>
</tr>
<tr>
<td>Coal</td>
<td>100.0</td>
<td>103.8</td>
<td>3.4%</td>
</tr>
</tbody>
</table>


<sup>1</sup> The former Republics of Transkei, Bophuthatswana, Venda and Ciskei are excluded

<sup>2</sup> Preliminary

<sup>3</sup> Compound growth rate

1.1.3 Energy resources

South Africa possessed an extremely large and advanced energy industry based primarily on coal and produced more than half of the electricity generated on the African continent. Approximately 149,427 million kWh were utilised in 1992, with the Electricity Supply Commission (Escom) supplying more than 97.9 percent of the electricity used in South Africa, at a price of 9.16c/kWh. Mines, industries and several municipalities which operated their own power stations, were responsible for the rest of the electricity. Industry and mining were the biggest electricity consumers. Although at the time only approximately 12 million (30 percent) of South Africans had electricity in their homes, Escom set a goal of 80 percent before
the turn of the century. Sasol was considered a global leader in the conversion of coal to oil and gas and the company manufactured chemicals, ammonia-based explosives and fertilisers. It also produced ethylene and polypropylene for the plastics industry.\footnote{9}

In 1992, Escom provided electricity to approximately 4000 large users, such as mines and heavy industries, and to approximately 538 000 users who required less than 100 kW. The first group spent R 11.6 thousand million on electricity; while the second group, comprising urban domestic users, light industries and farm owners, spent more than R 1 thousand million. Escom used coal as a primary source of electricity generation and spread the resultant electricity through a national network consisting of over 230 000 km of power lines. Over a period of approximately five years, sales of electricity rose by an average of 2.4 percent a year. As already noted, hydro-electricity is not a viable proposition in South Africa as rain is seasonal and sporadic, with droughts a constant threat. As dams for hydro-electric power need to be as large as possible, this type of power is therefore not always economically viable for the RSA.\footnote{10}

Particular emphasis was placed on coal and uranium as energy resources and it was also predicted that there would be a gradual movement towards the use of nuclear energy in the first half of the 21st century, as soon as available coal reserves were exhausted. There was also research into renewable energy sources which held great potential for South Africa. In the meantime, searches for crude oil continued to be undertaken during 1992 in an attempt to reduce dependency on imported crude oil.\footnote{11} Uranium reserves were located throughout South Africa, but the uranium itself was mined primarily as a by-product of gold and even copper. In 1990, it was estimated that recoverable reserves, at least those that could be recovered at less than $80 per kg, held 304 900 tons of uranium. The Atomic Energy Corporation (AEC) was responsible for all facilities associated with the production of nuclear fuel, including plants for uranium enrichment and conversion.\footnote{12}

The state exploration company, Soekor, spent billions searching for oil in an attempt to reduce import dependence. Yet after three decades all that had been discovered were relatively small gas deposits. Although there was a deposit with more potential, this was in Namibia and Namibian independence effectively ended any hopes South Africa had in this regard. South Africa, however, was in possession of a strategic stockpile of oil, which became the subject of much speculation. In April 1991, President F.W. de Klerk indicated that although sanctions had necessitated a strategic oil reserve, the improvement of international relations had resulted in a decision to reduce this reserve. The chairman of the Central Energy Fund, Danie Vorster, indicated that same year that the balance of payments would benefit by an amount of R1 billion should the strategic reserve be tapped. Imports would also be reduced. He would not comment on the location of the reserve or its size, but estimates of the supply at the time ranged from between six months to two years.\footnote{13}
Mention has already been made of South Africa's lack of oil resources and the international sanctions campaign which attempted to prevent oil exports to the RSA. Yet many countries managed to circumvent the embargo and it was determined that from early 1979 to late 1993, most of South Africa's crude oil import needs were covered by oil deliveries from numerous tankers. The RSA's strategic location also played a role in this regard in that tankers stopped there for repairs and supplies, which made it more difficult to establish whether the tankers had stopped for these purposes or to deliver oil.  

The oil embargo did, however, affect South Africa financially and it has been estimated that measures to evade the embargo cost the South African Government $2 billion a year for approximately ten years.  

An increasing demand for oil products resulted in an expansion of the oil industry's capacity to refine crude oil and by the early 1990s, South Africa possessed four refineries for the processing of imported crude oil and refined petroleum products were exported to neighbouring countries. As noted in the previous chapter, oil was considered vital in the sanctions campaign as South Africa was considered dependent on imports in this regard. Although changes were taking place in the RSA during 1990, the ANC was firm in its resolve that "the oil embargo should remain". By late 1991, the ANC set the requirement for the establishment of a democratic government before the arms and oil embargos could be lifted and in early 1993, international allies were requested to adhere to these embargoes until democratic elections had taken place. When Norway lifted the remaining clauses on oil embargo legislation in accordance with UN decisions, it became apparent that the ANC would have preferred to wait until after the April 1994 democratic elections before such steps were taken. The US was the first country to lift its oil embargo, following the lifting of the Anti-Apartheid Act by President Bush on 10 July 1991. The Israeli Government followed shortly thereafter. The president of the UN General Assembly announced on 9 December 1993 that: "The embargo related to the supply of petroleum and petroleum products to South Africa and investments in the petroleum industry there is now lifted".  

Synthetic fuels, converted from natural gas by Mossgas, were produced from 1992 and it was estimated that there would be sufficient reserves to keep Mossgas in production for another three decades. The Mossgas onshore plant near Mossel Bay achieved full operation in January 1993. Firewood remained the most common source of household heat energy in isolated sectors of the community, but local shortages were experienced and a negative environmental effect resulted. Planning was undertaken for a scheme that would include reafforestation and agro-forestry and which could ultimately solve these problems.  

South Africa thus possessed extensive mineral and energy resources and it was these resources that provided the RSA with valuable exports and reduced the requirement for certain imports. South Africa was basically self-sufficient as regards energy and minerals and this resulted in strong overall national capability, which in turn affected strategic significance. The post-Cold War era, however, resulted in alternative sources of strategic minerals for the rest of the world. On the other hand, South African resources became increasingly important for the rest of Africa, as the entire continent became marginalised. The export of energy and the
use of the country’s modern transport system for goods transportation were particularly vital aspects, especially for the land-locked African nations who did not possess a sophisticated transport system of their own. South Africa’s natural resources thus played an extensive role in the RSA’s ability to withstand sanctions and prosper. Agricultural, mineral and energy resources are, however, not the only aspects of importance. As already mentioned, a country’s population plays a vital role in an assessment of strategic significance. Details of South Africa’s population and manpower are thus discussed below.

1.2 Population and manpower

As noted in the preceding chapter, South Africa has a diverse population, basically comprising a White community (of predominantly Dutch and British descent), a Black community with many ethnic divisions, and a Coloured community. One of the largest Indian communities outside of the Indian subcontinent is also located in the RSA. These four groups result in distinctive minorities and ethnic rivalries and the situation is compounded by the diversity of languages spoken. Ethnic diversity, a factor which has incited grave unrest in parts of Europe and indeed all across the globe, was thus prevalent in South Africa in the early 1990s.

1.2.1 Size and distribution

Estimates for the South African population in 1993 totalled 39 628 600 people. Of this total, Blacks represented the largest population group and constituted 30 055 600 people. Whites represented the second largest group, followed by Coloureds and Asians.23)

| South African population figures in the 1991-93 period (mid-year estimates)¹ |
|-----------------|-------|-------|-------|-------|
| Total           | 31 224 000 | 31 917 000 | 32 589 000 | 2,32%    |
| Whites          | 5 080 000  | 5 115 000  | 5 149 000  | 1,26%    |
| Coloureds       | 3 302 000  | 3 352 000  | 3 402 000  | 1,97%    |
| Asians          | 991 000   | 1 006 000  | 1 022 000  | 1,97%    |
| Blacks          | 21 871 000 | 22 444 000 | 23 016 000 | 2,68%    |


¹ Excludes the Republics of Transkei, Bophuthatswana, Venda and Ciskei with an estimated population of 6 750 700 on 7 March 1991
² Compound growth rate
The number of immigrants to South Africa declined from the late 1980s and this can be partly attributed to negativity regarding the RSA's internal policies, as well as other conditions such as unemployment, crime and political violence. There was, however, a decrease in emigration by 1993, following increases in earlier years. This could in turn be linked to an improvement in local conditions, as well as changes to the domestic political environment.

1.2.2 Employment in South Africa

By 1993, 62.2 percent (20 269 000) of the South African population was not economically active. This left an economically active population of only 12 320 000. In 1985, the figures for the economically active population had been recorded as 10 134 000. Although the figures for 1993 were thus an improvement on those of previous years, there remained cause for concern. Unemployment was a problematic issue for many South Africans and in 1993, the unemployment rate was recorded as 29.0 percent. There was, in fact, a marked increase in unemployment for all population groups from 1991 to 1993. Unemployment was thus increasing in prominence in the South African community and was an issue that any new government would have to confront as it had an important effect on national morale, which will be discussed at a later stage in this chapter.

By the early- to mid-1990s, it was stated that not only did Africa have the highest population growth rate in the world (at 3.1 percent a year), but also had the dubious distinction of having the lowest average rate of economic development. Many Southern Africans viewed South Africa as the proverbial "land of milk and honey" and streamed into the country in search of employment. Not all of these people were necessarily considered to be illegal and more than 1.2 million migrant workers and commuters from neighbouring states were employed in South Africa at any one time.

1.2.3 Technical and educational levels

In the previous chapter, it was established that South Africa was experiencing a lack of skilled workers. By the early 1990s, there was renewed emphasis on the fact that without the applications of new technology, a net loss of employment would result from international competition. At that stage, South Africa was considered to fall into the category of countries with a decentralised science and technology (S&T) policy system "geared" towards sectorial demands. The socio-economic objectives of a country can be negatively affected by the lack of a coherent science policy, and the disparity between educational system products and the manpower actually required in the marketplace was an indication of this phenomenon. It was, however, recognised that technology was in effect competing for funding priority against important socio-economic concerns, such as unemployment and inflation. South Africa was one of the few countries that did not co-ordinate S&T at the executive level of government. This was considered an impediment to the optimum
application and exploitation of science and technology.\textsuperscript{29} The situation would obviously have to be rectified if the country was to improve the local technical skill level.

According to the 1991 census, only 1.3 percent of the South African population held a degree or higher level of education; whilst 2.4 percent possessed a diploma or certificate of some kind. A level of education from Grade 1 to Std 5 was achieved by 32.0 percent; whilst a further 33.6 percent received education from Std 6 to Std 10.\textsuperscript{30} The 1990 annual report of Read (Read, Educate, Develop) stated that approximately 73 percent of the South African population was illiterate. Both the South African Government and the private sector attempted to rectify this problem through adult education programmes aimed specifically at the promotion of literacy and numeracy among adults who had either received insufficient formal schooling or wished to improve their qualifications.\textsuperscript{31}

Examination results for Black students leaving school in 1990 were the worst ever. Approximately 233 411 Black students wrote their matric examinations that year and of these, 150 000 failed. Only 81 746 (36.4 percent) passed and only 17 397 achieved a university entrance. These figures reflected the problems of a lack of adequate resources, low morale amongst teachers and the 1980s theme of: “Liberation now, education later”. It was predicted that by the year 2000, South Africa would have a minimum shortfall of 228 000 professional and technical workers if the situation was not rectified.\textsuperscript{32} Militant Blacks viewed the school system as an instrument for the continuation of apartheid. A reversal in this attitude was drastically required in order to rectify the situation, but this could not be achieved without an increase in expenditure as regards Black education. Expenditure on Black education thus had to be raised to a level comparable with that of White education.\textsuperscript{33}

By 1993, there were 4 130 596 pupils of all population groups receiving education from Std 5 to Std 10. This was a marked improvement from 1991, when 3 653 965 pupils attended these standards. When these figures are compared with those from 1970, where 922 198 pupils were recorded, the improvement shown is even greater. It should, however, be noted that the 1970 statistics did not include the former Republics of Transkei, Bophuthatswana, Venda and Ciskei. The number of teachers also improved from 106 872 in 1970 to 335 541 in 1993.\textsuperscript{34} Yet although there had been an improvement in education in general for all population groups in South Africa during the early 1990s, extensive problems remained. It was difficult for students to concentrate on their schooling during times of domestic conflict and teachers were not always up to standard. The statistics above provide an indication of the seriousness of the situation that the RSA was facing as regards the provision of a future educated workforce. Education thus remained one of South Africa’s primary concerns.

Attention is now focused on the South African economy, which in the previous chapter was referred to as having weakened as a result of various factors, including the international sanctions campaign against the RSA.
13 Economic capability

As already explained, economic capability is based on such aspects as natural resources and industrial strength. In 1992, South African economic activity was concentrated in the “Pretoria-Witwatersrand-Vereeniging” area, which accounted for approximately 40 per cent of the GDP. The result was the concentration of economic development in a few specific areas. Mining was one of the primary industries in this area, although the RSA had a diversified economy which emphasised agriculture, commerce, mining, and secondary industry, amongst others. Special attention was given to the development of secondary industry and the informal sector, the latter receiving attention for its job creation potential.35)

South Africa did not conform to the prescription that developing countries should concentrate on light, labour-intensive, industrial production. Natural resources and not labour constituted a primary source of industrial growth.36) By the early to mid-1990s, foreign trade constituted a much larger portion of the South African GNP than it did in other countries. This is termed an “open” economy and ultimately results in the economy being vulnerable to developments in the economies of important trade partners. In 1993, foreign trade constituted approximately 46,3 percent of GNP. South Africa was in a fairly good position to repay foreign debt, but also faced a soaring inflation rate.37) With the opening of a “global marketplace”, the country’s trade policies would have to be reconsidered in order to render them more consistent with those of the general international community.

South Africa thus remained reliant on the export of primary and intermediary commodities as a means of earning foreign exchange. Merchandise exports (excluding gold) accounted for 72,8 per cent of the RSA’s total exports in 1992 and this amounted to R48 810 million. Base metals, agricultural products, precious and semi-precious stones, and precious metals; as well as minerals, featured prominently in this regard. Gold exports also earned substantial foreign exchange. Capital goods, consumer goods, raw materials, and semi-manufactured goods accounted for most imports.38) The Southern Africa Customs Union between the Governments of South Africa, Botswana, Lesotho, Swaziland and Namibia, resulted in the free interchange of goods grown, produced or manufactured by these countries. South Africa also maintained formal trade relations with several other countries.39) Although real GDP declined from 1989 to 1992, there was an economic improvement in the second half of 1993, and an increase in real GDP of approximately one percent (compared to declines in previous years).40) South Africa’s 1993 GDP in Rand million (at 1990 market prices) was 270 361, which indicated a slight increase compared to that of the previous year, where statistics of 267 257 were recorded.41)

A more restrictive approach to monetary policy was adopted from 1988 as a result of the high inflation rate in South Africa. Yet the inflation rate in 1991 remained at a high 15,3 percent. This was believed to be the result of various factors, including the local drought, the international oil crisis of the time, and the implementation of value-added tax. This high rate dropped in the next few years (9,7 percent in 1993), but
the rate of inflation in South Africa remained higher than that of major trading partners. This had a negative effect on the balance of payments. In fact, during the 1971-1986 period, South Africa's inflation rate rose from approximately 5.75 percent to an astronomical 18.25 percent.

Du Toit and Falkena noted that various factors had an adverse effect on productivity growth in South Africa. These factors included the lack of high-level manpower and management skills, resulting from the already-mentioned poor and inappropriate education standards, increasing obsolete technology (primarily as a result of sanctions and the high cost of replacement), and the lack of awareness and knowledge regarding productivity standards. Political factors such as violence, sanctions, disinvestment, poor labour relations, and strikes; as well as regional conflict, were also noted. Instability often resulted in the unproductive utilisation of scarce resources. Cultural differences and social factors, for example, inadequate housing, transport, health, and social and physical security conditions, also had a negative effect on productivity growth.

Yet even with economic and fiscal problems and constraints, South Africa remained important to the rest of the Southern African region, especially considering that the RSA’s economy was far stronger than the economies of neighbouring states. According to Harbeson and Rothchild, South Africa’s share of economic activity in the region was approximately 75 percent in 1991, which was a substantial increase on the 65 percent achieved in 1960. Exports to South Africa from elsewhere in the region were, however, small as a result of differences in what is called “development profiles”. This refers to the fact that South Africa imported primarily capital goods and manufactured products, while the other countries of the region were mainly exporting raw materials. If the RSA and her African counterparts wanted to increase trade, this situation would have to be addressed.

1.3.1 Industrial capacity

By the early 1990s, South Africa was considered to be a strong industrial power on the African continent and primary fields of investment included mining, metals, industrial products, and physical infrastructure. The Industrial Development and Investment Centre (IDIC) of the Department of Trade and Industry had the primary responsibility of promoting industrial development in South Africa, and various incentives were available to encourage industrialisation. The IDIC identified several factors which made South Africa an attractive investment opportunity. These included such aspects as relatively low energy costs; a developed financial sector; a market-driven economy; and a broad technological base. Other aspects were an abundance of minerals and metals; a strong physical infrastructure; available unskilled, semi-skilled and skilled labour; and a strategic location which ensured easy access to major markets. Access to the markets of Southern and Central Africa was considered especially important.
According to Du Toit and Falkena, international competitiveness: "Is the extent to which conditions in countries are conducive or detrimental to the domestic and global competitiveness of economic sectors, industries and business enterprises in those countries". As already noted, the South African economy was characterised by certain strengths and weaknesses which had a substantial influence on international competitiveness. As regards financial aspects of the economy, a massive outflow of foreign capital since the mid-1980s resulted in a relatively low level of foreign reserves by the 1994/95 period. This had a negative influence on fixed investment. There was also a relatively small tax base for financing government expenditure. High unit labour costs were the result of low productivity in comparison to remuneration levels. In addition to all these factors, were substantial social needs regarding training and education, health services, and housing. 47

It was concluded that in order to improve South Africa's international competitiveness, certain measures would have to be undertaken. These included a reduction in the population growth rate; an increase in foreign investment and socio-political stability; and the encouragement of competition. There would also have to be an improvement in training and education standards, in productivity and motivation; and overall domestic economic performance. A reduction as regards protectionism was recommended. 48

The South African manufacturing industry accounted for 22.5 per cent of the GDP in 1992 and employed 1.4 million people. Consumer, intermediate and capital goods were produced and there was a noticeable increase in the average size of manufacturing establishments. Most of the necessary materials were available from local sources and dependence on foreign sources for industrial raw materials declined. In 1991, the value of manufactured exports totalled R22 610 million, while that of imported manufactured products totalled R40 597 million. In that same year, domestic demand for manufactured goods surpassed R196 000 million. The price of manufactured goods was also seen to rise in the 1980-92 period as a result of such factors as the devaluation of the Rand, the introduction of sales duties, and a rise in the cost of basic goods. 49
### RSA foreign trade in Rand million

**Imports:**

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Food</td>
<td>1 504.5</td>
<td>3 865.1</td>
<td>17.1%</td>
</tr>
<tr>
<td>Inedible raw materials</td>
<td>1 763.4</td>
<td>2 878.7</td>
<td>11.3%</td>
</tr>
<tr>
<td>Chemicals</td>
<td>5 527.2</td>
<td>6 600.4</td>
<td>16.4%</td>
</tr>
<tr>
<td>Textiles</td>
<td>1 456.7</td>
<td>2 661.4</td>
<td>12.9%</td>
</tr>
<tr>
<td>Metals and metal products</td>
<td>2 154.3</td>
<td>2 610.2</td>
<td>12.0%</td>
</tr>
<tr>
<td>Machinery</td>
<td>13 455.9</td>
<td>17 169.3</td>
<td>14.4%</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>4 751.3</td>
<td>8 928.3</td>
<td>14.3%</td>
</tr>
<tr>
<td>All other manufactured goods</td>
<td>7 632.8</td>
<td>9 085.3</td>
<td>15.3%</td>
</tr>
<tr>
<td>Unclassified</td>
<td>5 878.9</td>
<td>5 274.6</td>
<td>18.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>44 125.0</td>
<td>59 073.2</td>
<td>14.7%</td>
</tr>
</tbody>
</table>

**Exports (including re-exports):**

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<tbody>
<tr>
<td>Food</td>
<td>3 866.1</td>
<td>5 419.4</td>
<td>13.4%</td>
</tr>
<tr>
<td>Metal ores</td>
<td>3 272.0</td>
<td>3 699.3</td>
<td>17.3%</td>
</tr>
<tr>
<td>Chemicals</td>
<td>2 174.0</td>
<td>3 373.6</td>
<td>18.9%</td>
</tr>
<tr>
<td>Diamonds, excluding industrial diamonds</td>
<td>5 374.8</td>
<td>10 137.4</td>
<td>21.7%</td>
</tr>
<tr>
<td>Metals and metal products</td>
<td>8 149.1</td>
<td>9 917.9</td>
<td>17.1%</td>
</tr>
<tr>
<td>Machinery and transport equipment</td>
<td>2 514.3</td>
<td>5 503.1</td>
<td>18.5%</td>
</tr>
<tr>
<td>Other</td>
<td>17 508.3</td>
<td>19 205.5</td>
<td>16.4%</td>
</tr>
<tr>
<td>Total, excluding gold</td>
<td>42 858.6</td>
<td>57 256.2</td>
<td>17.1%</td>
</tr>
<tr>
<td>Gold: export value</td>
<td>18 069.9</td>
<td>22 226.2</td>
<td>15.3%</td>
</tr>
</tbody>
</table>


1 Preliminary

2 Compound growth rate
1.3.2 Technological capability

As noted in the previous chapter, South Africa became isolated on many fronts, including the technological field, as a result of the international sanctions campaign. It was especially in the field of military technology where the RSA was compelled to resort to own capability. South Africa also developed a space programme and launched various test rockets, the second launch taking place in late 1990. At that time, it was speculated that the first space launch could take place within as little as three years. South Africa also managed to export technology, including to the Soviet Union where South African businesses were contracted in a resettlement programme for victims of the Chernobyl nuclear disaster.\(^{50}\)

Contrary to the period when survival was an issue and the emphasis had to be placed solely on military technology, by the early 1990s, South Africa was also focusing on a wider range of technologies and the need for an official technology policy. It was recognised that the private sector was a vital element in this regard, as infrastructure and manpower were insufficient if companies were not interested in developing and utilising new technology. The RSA was facing a new situation at the end of the Cold War era and international competition was a primary concern. Unfortunately, South Africa was also facing an uncertain future in the light of political negotiations towards a new political era. To further dampen enthusiasm, the gold price was under increasing pressure and as has been noted, gold was one of the RSA’s most important economic features.\(^{51}\)

South Africa’s policy of import replacement was partly blamed for the country’s lack of technological development in that local companies copied foreign technology under licence, but were not internationally competitive and were able to survive without developing local products or original technology. It became an important issue for scientific activity to keep pace with the requirements of industry and emphasis was also placed on technology transfer. In 1992, the years of emphasis on military technology had clearly taken their toll and South Africa was spending a mere 0.3 percent of the world’s research and development budget. Other reasons for the RSA’s limited international economic role were the lack of competitive advantage and the fact that predominantly raw materials and not manufactured products were exported. There was also other negative effects of international isolation. In an attempt to rectify the situation, the South African Government planned to introduce an official technology policy. The aim of the policy was to ensure a focus on ingenious South African products which could be successfully exported. Expensive, high-risk innovations were therefore to be avoided. The African market was once again emphasised, especially as regards technology transfer. It was, however, noted that local political change had diminished the importance of technology development, although it was realised that technology was a weapon against poverty.\(^{52}\)
The primary difference between the period under discussion and the one preceding it was thus that the emphasis as regards technology development was now moving away from pure military equipment, to technologies that were more financially viable on international markets.

1.3.3 Communications infrastructure

It has already been established that South Africa possessed an advanced and modern transport system. Several Southern African countries, in fact, utilised the RSA’s transport system to move their imports and exports. This indicates the importance of South Africa’s transport infrastructure not only for the RSA’s own economy, but also for the economies of other African states. Yet investment in South Africa’s economic infrastructure continued its downward trend in the early 1990s, where a level of approximately 12 percent of total gross domestic fixed investment was reached. This figure can be compared with the approximate 28 percent of the early 1970s.

The RSA developed an extensive network of roads that linked far-lying urban areas and stretched from the Cape to the country’s Northern borders. These roads were both well-constructed and well-travelled. In 1992, a total of 288 061 new vehicles were registered in South Africa. Although this indicated a decrease from the figures of previous years, the number of total vehicle registrations practically tripled from 1970 to 1992 to 6 339 605. This indicated increasing use of national roads, which in turn had to be continually improved to maintain pace with the increasing amount of vehicles on the road. Transnet was considered the national carrier and consisted of the national railway system (Spoornet), South African Airways (SAA), port support services (Portnet), an extensive road transport service (Autonet), and pipelines for the transportation of petroleum products (Petronet). Transnet was one of the largest business enterprises in the country, providing employment for some 160 000 people in December 1991 and possessing capital assets exceeding R35 000 million. SAA was the largest commercial airline in Africa and operated a complex system of national and international services.

Water supply and demand continued the upward trend in the period under discussion. In 1990, total demand reached 19 043 million m$^3$ and this was an increase on the figures from the previous decade. Total supply was 36 420 million m$^3$ and demand as a percentage of supply reached the 52.3 percent level. It can be noted that although demand had increased steadily over the years, the level of total supply had remained relatively stable. Although water supply was plentiful, the positive gap between supply and demand was closing, which indicated a possible problem in the future.

As regards the local railway system, electrical power was considered to be more economical and most traffic was pulled by electric locomotives. By the early 1990s, there were 2 243 electric locomotives in service and Transnet also possessed 1 407 diesel locomotives, as well as 20 narrow-gauge locomotives. The world-famous Blue Train regularly undertook the trip between Pretoria and Cape Town and became a popular
tourist attraction.\textsuperscript{57} As noted, the South Africa transport system also provided a trade link with the rest of the world for several land-locked countries in the region, including Botswana, Lesotho, Swaziland, Zimbabwe, Zambia and Malawi. Namibia and the Shaba province of the former Zaire also made use of the RSA's transport system. It is particularly the extensive distances between South Africa's harbours and inland urban centres that necessitate such a well-developed transport system. During the period under discussion, there were also twelve major ports located along the coastline of the subcontinent, six of them in South Africa.\textsuperscript{58}

As already mentioned, Escom provided approximately half of the electricity generated on the African continent and electricity was thus a national export. Further progress was made during 1993 as regards the establishment of a Southern African power grid. The Lesotho Highlands Water Project was considered to be the largest water supply scheme ever undertaken in Africa. Lesotho would not only have a source of electricity as a result of the project, but would also obtain income generated through the transfer of its excess water to the RSA.\textsuperscript{59} Communications in South Africa also increased, including the number of telephones, newspapers and the amount of mail handled.\textsuperscript{60} South Africa thus possessed a complex communication network, which was vital for the transport of goods and materials. This network was also essential for keeping pace with developments in the rest of the world, particularly considering the RSA's relatively isolated position at the tip of the African continent.

It is clear that South Africa possessed a relatively strong economy in the years under discussion in this chapter, especially in relation to the rest of the African continent. In light of the increasing marginalisation of Africa, the economic benefits of good relations with South Africa became even more important. Changes in the international environment also affected the need for a strong military capability. As direct threats and challenges diminished, socio-economic problems began to surface and clamour not only for government attention, but also for government funding.

1.4 Military capability

The fall of the former Soviet Union, as well as the policy statements of State President De Klerk on 2 February 1990, had a profound influence on the national security of South Africa. It was clear that the threat situation was perceived to be at a low level and that national funding priorities were to change. This change in priorities was reflected by a substantial decrease in the Defence Force budget. The Defence Force was also faced with the task of becoming credible, cost-effective and legitimate. The internal situation in the RSA in the early 1990s remained characterised by instability and achievement of the above-mentioned aim was thus difficult to attain. The international situation, however, had changed considerably. Africa was slowly becoming marginalised by the developed nations of the world in favour of developing Eastern European states, and the traditional determinants of South African strategic significance, including mineral reserves and the Cape Sea Route, had lost much of their significance as the world became increasingly
interdependent. There was also less emphasis on Soviet expansionism and thus on South Africa’s significance as an anti-communist ally on the African continent.\(^{61}\)

The post-Cold War period and the diminished threat perceptions that followed, led to a decrease in importance for the military establishment. Whereas it was deemed necessary to build and maintain a strong military presence during the Cold War period, attention now turned to more domestic problems, such as the social upliftment of communities and education priorities. This new era was also accompanied by political and economic liberalisation in Africa, as well as a revival of ethnic/nationalist sentiment. The result was increasing instability on the continent. Yet this instability did not necessarily reduce the requirement for force reductions as regards the SADF.\(^{62}\)

The primary role of the SADF, according to the *Defence Force Review* of 1993, remained the countering of external threats, while the provision of assistance as regards internal stability would form a secondary role. This role would be prioritised at certain times, although not at the expense of the primary task. A third role would be the promotion of socio-economic development and the provision of other essential non-military services.\(^{63}\)

1.4.1 An overview of the defence budget

In 1989, following the conflict in Angola and the implementation of the negotiated settlement plan, the SADF began a strategic re-evaluation and replanning process. Changes abroad, such as those in the Soviet Union and Eastern Europe were also taken into account, as was the changing situation in Southern Africa. These factors and the importance of a strong economy which ultimately necessitated a reduction in government spending, eventually resulted in a reduction in the 1990/1991 SADF budget request. The changes mentioned above made it possible to cancel, delay or postpone certain armaments projects, as well as reduce the initial military service period by half (to a year). It was also possible to reduce operating expenditure, although the retention of armaments-related technology was considered vital. Considering the importance of a strong economy, the concepts of cost-effectiveness and productivity would also be applicable to the SADF, although there remained an emphasis on the retention of flexible and balanced capabilities for projection as a regional force “with a credible deterrent and pro-active self-defence capability”.\(^{64}\)

The 1990/91 budget represented a decline of RM 357 compared to the 1989/90 budget (RM 9 937). This figure represented 13.8 percent of the total state budget and 3.7 percent of the estimated GNP. Although this compared favourably with international figures in this regard, this was lower than the 15.4 percent and 4.2 percent of 1989/90.\(^{65}\) An amount of RM 9 187 was then voted for 1991/92, which represented a decrease of RM 884 compared to the previous year’s vote. A comparison in real terms between the 1991/92 allocation and that of 1989/90 indicated a decrease of almost 30 percent. The defence budget for 1991/92
represented 11.0 percent of anticipated State expenditure and 3.0 percent of the estimated GDP. The SADF and Armscor conducted a re-evaluation process in accordance with changes to the South African threat profile and governmental spending priorities. One aspect of importance was that no provision was made in the defence budget for the expansion of troop deployment for the internal unrest situation. Additional funds would have to be requested if any large-scale assistance to the SA Police was to be effected. Although cognisance was taken of new social priorities for the State, it was noted that any further cuts to the defence budget could only be considered once the internal political situation had stabilised.

It was, however, becoming increasingly difficult to spend money on defence. As part of the structural adjustment programmes of the IMF and the World Bank, specific demands were made as regards reductions in military expenditure and the reallocation of resources for socio-economic requirements. It appeared that a conditionality of a maximum of 2 percent of GDP for the armed forces had been agreed upon.

1.4.2 Manpower and armaments

The SADF was suffering a crisis of trust and legitimacy, as well as professionalism in the early 1990s. The idea to revive a Council of Defence (COD) in South Africa, which was first used with the establishment of the Union Defence Force, was tabled by the SADF during negotiations regarding the Code of Conduct for the SADF in terms of the National Peace Accord. According to Cilliers, the purpose of the COD should be: “To serve as an expert commission to investigate and report upon the role, tasks and composition of the armed forces... and associated strategic armaments industry in a post-settlement South Africa”. It should also report to the multi-party sub-council of defence and to a multi-party parliamentary committee. At the time, South Africa was not facing a threat of military invasion from any of its neighbours, although the country’s stability was influenced by that of the region. There was thus an emphasis on regional security.

In 1992, the SADF was composed of 105 000 full-time members and also faced the integration of Transkei, Bophuthatswana, Venda and Ciskei (TBVC) armed forces and Umkhonto we Sizwe (MK) soldiers into a future military force. At that stage, a large number of SADF soldiers were either already involved or earmarked for internal law-and-order tasks and it became apparent that the future SADF would have to have its role and tasks redefined and numbers reduced. Act No 132 of 1992 proposed to amend the Defence Act, No 44 of 1957 and this amendment resulted in weakened civilian and political control over the military, as the Chief of the SADF now possessed statutory powers as regards deployment. The Act also provided for the use of the SADF for law and order duties as part of its primary functions. The SA Police were, however, dependent on the SADF at the time in order to combat crime and political violence in South Africa. The system of White male conscription was likely to be discontinued and the entire National Service function was, in fact, under review. There was general agreement in political circles that the future military manpower procurement policy of the military would involve an increase in the volunteer component. This
would imply that strategic considerations would not be the only determinant of decisions as regards manpower supply.  

The situation was, however, a sensitive one, especially considering the implications of manpower reductions, the integration of the various military forces, and the legitimacy crisis of the SADF. Extensive constitutional changes were likely in the RSA from early 1993 and in November of that same year, the SADF was approached by the Constitutional Development Services for proposals regarding defence-related issues to be addressed in the Interim Constitution.  

South Africa's acquisition policy in the 1990s reflected the requirement for self-sufficiency, in that the emphasis was on the maximum utilisation of the RSA's industrial sector. Imports were restricted to those items which, for technological reasons, could not be manufactured in South Africa or which should not be manufactured due to economic reasons. The acquisition policy was aimed at the exploitation of the total industrial infrastructure of South Africa, while minimising the risk of high-technology, high-quality production and utilising the advantages of the private sector. The assembly of strategic weapons and ammunition was owned and controlled by Armscor manufacturing subsidiaries due to the sensitivity of such weaponry.  

As already noted, the international arms embargo only managed a relatively small degree of success, as the RSA managed to import certain types of military technology. Components and component technologies were acquired from various international sources. There was an emphasis on high-technology items and technological processes as their transfer was easier to conceal than actual weapons transfers. They were also more difficult to define as strictly military goods and applications. Yet there is no denying that attempts to evade arms sanctions did have substantial financial implications for South Africa. Grundy noted in the early 1990s that although there had been a relative degree of improvement in certain technologies as a result of the turn to own capability, other technologies had deteriorated over time. The RSA was considered vulnerable in the areas of high-performance aircraft, helicopters, electronics and computers, and naval vessels. Yet progress had been made as regards ammunition, low-technology equipment, military vehicles, light aircraft, communications equipment, and small and medium weaponry. Success through research had also been achieved in the related fields of energy, materials, chemicals, automotive and commercial vehicles, and metals. The issue of trade with South Africa during the arms embargo is discussed in further detail in Chapter 5.

One aspect of technology where particular emphasis was placed was that of electronic warfare (EW). The Telecommunications and Electronic Warfare Directorate of the SADF was responsible for the overall management of the telecommunication and electronic warfare functions of the South African Defence Force. The South African Communication Security Agency was responsible for the provisioning of all communication security cryptographic material and equipment for all state departments in the RSA; while
the South African Telecommunications and Electrical Power Supply Authority was tasked with the co-
ordination and limiting of all telecommunications and electrical power supply so as to provide for the most
essential services during an emergency.\(^75\)

The SA Air Force was in possession of a modern command-and-control network and other high technology
technical facilities were also available. These facilities were utilised for the repair and modification of
equipment. They were also used for the design and manufacture of replacements for spares and components
should they not be available as a result of the arms embargo. It was considered vital for the SA Air Force
to possess sufficient own capability for the repair and maintenance of operational airfields.\(^76\)

The manufacture of the sophisticated *Rooivalk* helicopter, which was eventually purchased by the South
African Air Force, was one of the results of the RSA's military technology programme. Upgrade
programmes for military equipment and weaponry also included maximum involvement of local
manufacturers. This was perceived as vital not only for creating job opportunities within South Africa, but
also for preventing the large outflow of capital from the country and for keeping the RSA competitive on
international markets.\(^77\) Thus despite restrictions on the transfer of technology to South Africa, the RSA
managed to either gain access to or to locally develop, the necessary technology for civilian and military use.

South Africa thus possessed an abundance of tangible resources, which contributed to the RSA's primary
position on the African continent and to the country's overall position in the international community. South
Africa was rich in strategic minerals, occupied an important strategic position on the Southern tip of the
African continent, and possessed a relatively strong military capability. The country also had considerable
economic potential. Yet a nation's population remains a vital contributor to perceptions of strategic
significance. The size and distribution of a population, their education and unemployment levels, all play
a role in this regard.

The opening of the global marketplace to former Eastern European countries resulted in increased trade with
these countries and to a certain extent, South Africa lost a degree of strategic significance by 1993,
especially as regards such aspects as the provision of strategic minerals which could now be obtained
elsewhere. As communism was perceived as having lost its impact and support of the past, the position of
South Africa as an anti-communist stronghold in Africa was no longer considered essential. Yet there could
be no denying that the RSA was a valuable player, especially economically, on the African continent. In this
regard, African states who were also experiencing post-Cold War marginalisation, were looking to South
Africa for economic support and co-operation, especially in light of internal change towards democracy
within the RSA. In the period under discussion in this chapter, it is thus clear that South Africa still
possessed substantial natural resources and economic potential.
When a broad comparison is made between this period and the one ending in 1989, it is clear that the RSA remained practically self-sufficient as regards food production. There also continued to be a demand for South Africa's minerals, and energy exports were an additional source of national income. Foreign trade in general was vital to the South African economy. Contrary to the preceding period, there was an increase in GDP in 1993. This can be compared to the slump experienced in South Africa's growth performance in the 1960s, 1970s and again in the 1980s.

Yet tangible resources are insufficient in the formulation of a capability analysis unless they are combined with a range of non-tangible elements. These elements include aspects such as national morale and political leadership. In South Africa, it became difficult to perceive how uneducated, politically-motivated students would contribute to the economy when violence and crime were rife, and morale was low. The less tangible characteristics of a nation must thus be examined to determine how they affect strategic significance.

2. Non-tangible determinants of national capability

The post-Cold War period and domestic changes in South Africa held certain implications for the country's non-tangible resources. A nation's overall morale and faith in its leaders also play an extensive and critical role as regards national capability. Without a positive level in these attributes, a nation's natural resources cannot be utilised to their full extent and a true position of strategic significance cannot be achieved. It has been established in the previous chapter that many South Africans were more interested in the resolution of internal problems than they were in international concerns and relations. There was, however, a certain degree of national defiance in the face of international sanctions. Although times were uncertain, many South Africans held the perception that the threat of military attack was minimal and therefore did not support an increase in defence expenditure. National morale was low as a result of such factors as international sanctions, minority group fears and political violence. Yet South Africa was on the road to political reform and a process of democratisation had begun. The question now is whether these intangible elements of national capability changed over the next few years until 1993.

2.1 National character and morale

In the period under discussion, South Africans continued to turn increasingly towards local problems. There was even less interest in the international community than before, as the country slowly began to recover from the years of punitive sanctions. The possibility of a military attack was scarcely considered by the average person and as has been ascertained, the military budget was constantly shrinking. Social concerns now took centre stage. There was also the issue of a future government and how minority rights would be guaranteed. As already noted, major political changes in South Africa began with State President F.W. de Klerk's address to Parliament on 2 February 1990. What followed has been termed a negotiating process, which culminated in the establishment of the Transitional Executive Council (TEC) in September 1993.
These events were viewed positively by many countries and international organisations and in response, any remaining restrictive measures were to be lifted in a phased manner. It was anticipated that should negotiations continue and elections be held in 1994, South Africa would eventually be able to resume full international relations. It was recognised that membership of international and multilateral economic organisations and institutions was vital to the economic welfare and development of the country.\(^7\)

The South African economy was not considered in a positive light by many citizens in 1991. An inflation rate of 15 percent was recorded that year, although unemployment was still considered a greater problem.\(^7\)

After years of isolation and the negative effects of sanctions, South Africa was in dire need of international economic transactions and trade, but local conditions had a negative effect on international perceptions and investors were wary as regards investment opportunities in the RSA. Frequent strikes crippled many businesses, which were forced to close down. This in turn increased the level of unemployment and welfare organisations struggled to cope with the increasing influx of poverty-stricken people.

According to a survey undertaken in the early 1990s, the high level of unemployment, lack of adequate housing, poverty, continuing violence, and other political problems were listed as socio-economic priorities by many citizens. The two major concerns named, however, were "racial attacks" and "violence". Although the issue of survival was of grave concern, for Whites, Asians and Coloureds, this primarily revolved around their positions and rights in a future South Africa, while Blacks linked survival to threats to their lives.\(^8\)

It was also apparent that conflict could result among the various groups as regards socio-economic resources. Three policy issues, namely, legislated affirmative action; Black claims on White land; and higher taxes on Whites to fund additional welfare projects were noted. South Africa's political culture was also recognised as being uneven.\(^8\)

One significant trend towards the latter half of 1991, was that few Africans were positive about a peaceful future in South Africa and more than half of the African respondents in urban areas felt unsafe. This percentage was much higher than for the other population groups (Asians 34 percent, Whites 29 percent and Coloureds 18 percent), as these groups showed a decline in feelings of unsafe. Yet a slight majority of respondents believed that there was enough mutual goodwill to ensure a peaceful future for South Africa. Only 11 percent of respondents were considering emigrating towards the latter half of 1991. As regards cultural identity, many indicated that they perceived themselves to be South Africans first and members of a cultural group second. This was contrary to the popular perception that many citizens were closely linked to their cultural identity.\(^8\)

It should be noted that although much of the violence in the country at the time appeared to be politically motivated, there was also an increase in the level of criminal violence. The majority of respondents were, in fact, of the opinion that violence was not politically justified. There could be no denying that South Africa was in the process of rapid political change and many believed that civil war was indeed a possibility. The
South African State President had also emphasised in Parliament that civil war was likely if the increasing violence was not tempered. These so-called rumblings of civil war had a negative effect on the economy as investors became increasingly sceptical as regards the safety of their investments.

Crime in South Africa rose to such high levels in 1992 that for many citizens, a negotiated settlement was not the only concern. The SA Police recorded a total of 1.7 million serious offences for 1991. The first four months of 1992 witnessed a 6 percent increase in serious crime compared to the same period for 1991. Murder had increased by 39 percent, robbery by 35 percent and rape by 15 percent over a five year period. The perception of crime among ordinary citizens indicated that 52 percent believed it highly probable or probable that they would be victims of serious crime within twelve months. These crime levels had a negative impact on the quality of life of individuals and according to a 1992 survey, approximately 50 percent indicated that they had changed their activities or behaviour as a result of a fear of crime. As many as 32 percent reported that this fear, in fact, affected their enjoyment of life to a "great extent".

South Africa’s voters were recorded as confused and inconsistent. By April 1992, however, there was less support for radical political protest and complete political power. There was also substantial support for ethnic self-determination and devolution. Yet it was clear that the greatest areas for conflict would revolve around such issues as land redistribution and racial quotas in employment.

In 1993, violence and crime merely continued to spiral upwards, partly as a result of rising unemployment, with murder and armed robberies everyday occurrences. Large quantities of weapons were smuggled across the South African border and later used in various criminal acts. The SA Police were powerless and policemen and women became the targets of many brutal attacks. Originally viewed with great suspicion and distrust by the Black population, efforts were made to improve the image of the SA Police from enforcer of apartheid laws, to an emphasis on service and community policing. Yet the SA Police were still not perceived as legitimate by Black communities. This not only impeded police work, but had a negative effect on national morale. SA Police members were accused of involvement in and the instigation of political violence. Criminals took advantage of this political illegitimacy by preventing proper investigations, removing exhibits and even attacking policemen. A complete change of the SA Police thus became necessary in order to make it an apolitical institution.

Unrest in the Black communities was particularly rife between ANC and Inkatha supporters. Violence increased to such a level that even funeral processions of opposing political parties were attacked. Black males living in hostel arrangements were considered an instigating factor in this regard and the South African Government was criticised for its lack of control of the volatile situation. Stayaways and protest marches often resulted in chaos and the loss of life. Intimidation was common and those who attempted to go to work were threatened. Property was also often destroyed. Black policemen and women living in these areas were particularly vulnerable.
According to the Institute of Race Relations, political violence claimed as many as 17,260 lives in nine years and all indications were that this high level of violence was likely to increase. Prior to March 1990, there had never been more than 300 politically-related deaths in one month. After this date, however, such deaths increased dramatically. As already mentioned, policemen were prime targets in certain areas and 1,029 on-duty policemen were killed from the end of June 1983 to October 1993.

Another issue that had a negative effect on national morale was that of minority group rights. The Black majority was now set to take power from the White minority and a certain degree of fear and unease was to be expected. A future South African Government would need to allay the fears of the country’s minority groups, who felt that their existence was being threatened. Experience has shown that a group which perceives itself as being excluded quickly becomes a source of social instability, and minority groups should therefore not be ignored. A spokesman for the Institute of Race Relations believed the central problem in South Africa was the reconciliation of the legitimate rights of the majority with the fears of minorities. Adding to the scenario was the fact that ANC credibility amongst the White population was generally low and any assurances made by party leaders as regards future minority rights were not taken as guarantees.

A primary fear of minority groups (including Whites, Indians and Coloureds) was that the standard of education in South Africa would drop considerably after the Black majority came to power. There was also the fear that a landslide victory for the ANC would increase the chances of the new government ignoring any previous “guarantees” of power sharing and overall minority rights.

The level of crime in South Africa had thus become unacceptably high and this had a significant effect on national morale. Political change was pushed into second place as citizens admitted that crime had indeed altered their quality of life. It became clear that reducing the level of crime would become one of the most important issues that both the government at the time and the future government would have to address. Yet on a more positive note, many South Africans were receptive to the idea of a better future for all. The average citizen wanted an end to the rampant violence and crime, and realised the necessity of a stable internal situation for a successful economy.

National morale in South Africa thus continued to be low in the period under discussion in this chapter, particularly as a result of the on-going violence and crime in the country. The violence had such an effect on the average person, that although many South Africans were in favour of a negotiated settlement, the importance of a political settlement began to slip down the priority list. The importance of non-tangible determinants of national capability should thus not be underestimated as they indeed have an influence on perceptions of strategic significance. An abundance of natural resources will be insufficient if the population and its leadership are either unwilling or unable to utilise them.
2.2 Political organisation

In the years under discussion in this chapter, South Africa experienced profound political change which placed the country even further along the road to democracy. It was during this period that a date was set for a general election and many citizens began to express concern as to who would run the South Africa of the future and how the government of the day was going to handle the transition. In a survey conducted in early 1991, 60.1 percent of respondents were in favour of a unitary state, while 21.2 percent were against and 18.7 percent were undecided. In most of the surveys conducted on various issues, it was the high level of undecided respondents which caused concern. More than 43 percent of Whites were opposed to a unitary state, while almost all Blacks were in favour.\(^99\)

The majority of respondents in 1991, however, supported the incorporation of Black leaders into government. There was also agreement that mass political violence would slow the process of democratisation. By April 1991, 55 percent of respondents agreed with the statement that life in the new South Africa would be an improvement on current conditions.\(^90\) Yet there was no denying the general uncertainty about the political future of the country.

The reform process, however, was not without conflict. There were people on the left and right of the political spectrum who criticised De Klerk’s “illegitimate” government. The rightwing was convinced that the National Party was now removed from its White support base as a result of liaison with the “enemy” ANC-SACP alliance.\(^91\)

The National Peace Accord was signed by various political parties and organisations on 14 September 1991. The aims of the Peace Accord were to assist in the restructuring of communities, and to bring about peace and prosperity in the country. Other aims included the establishment of a multi-party democracy. The Accord accepted the principles of freedom of speech and expression; freedom of association; freedom of movement; peaceful gatherings and peaceful political activity; as well as the principles of freedom of conscience and religion.\(^92\)

Multiparty talks were held in South Africa in December 1991 in the form of CODESA I (Convention for a Democratic South Africa). CODESA II followed, but negotiations ended in June of the following year when the parties continued to disagree about certain fundamental issues, such as the majorities required to set the powers of the regions. The ANC, with Nelson Mandela as its president, suspended talks with the South African Government as a result of the Boipatong incident on 17 June when 39 lives were lost. Demands were set regarding aspects such as the release of political prisoners if negotiations were to continue. Mass action was also planned. In support of the ANC, nine other parties withdrew from CODESA. Eventually, in late September, representatives of both the ANC and the South African Government managed to agree on a Record of Understanding, which made provision for an elected
constitution-making body for the drafting and adoption of a new constitution. This body would also act as an interim government of national unity.93)

By late 1992, multi-party negotiations, which were intended to eventually result in an interim government for South Africa, were in doubt as a result of allegations of destabilisation by South African intelligence services. Chief Buthelezi and the Inkatha Freedom Party were distanced from the negotiations until reassurances were given regarding such aspects as regional powers and a federal constitution. The ANC also insisted on a date for elections for a transitional government prior to the commencement of multi-party negotiations. These and other problems served to heighten the general level of distrust and threaten the continuation of negotiations. There was also a tendency among the parties to take positions which would delay negotiations even further. This was perceived as an indication that not all participants were interested in a joint government. Yet according to a 1992 survey, between 98 and 100 percent of respondents were in favour of negotiations. The situation in 1992 was thus characterised by a general desire for negotiations, but resistance by many to the idea of an interim government. The concept of an interim government was especially unpopular among Whites and Coloureds.94)

Violence was a prominent issue in the minds of many South Africans during the early 1990s and citizens were unhappy with what was perceived as unsuccessful government attempts to reduce political violence. In fact, the two most significant factors retarding the negotiation process were this high level of violence, as well as the ANC’s demand that real negotiations be preceded by a general one-man-one-vote election based on a common voter’s roll. There was, however, consensus among all population groups that the government of the day should continue in its role until the first election under a new constitution had taken place. The South African Government in the meantime continued to move away from its apartheid policies, including the Land Acts of 1913 and 1936, and the Population Registration Act of 1950. The repeal of such legislation and the release of political prisoners were considered prerequisites by the international community for the lifting of sanctions. According to a 1991 survey, most South Africans were in favour of the lifting of sanctions.95)

There were thus various positive attempts made by both the South African Government and the country’s citizens towards reconciliation. Although the structure of a future government was still under debate, many agreed that change was necessary and irreversible. Negotiations with all role-players eventually led to the setting of a date for a general election, namely, 26 to 28 April 1994, and the Constitution of the Republic of South Africa, 1993 (Act 200 of 1993), was adopted on 22 December 1993.96)

The Constitution states the following in the preamble.97)

"- Whereas there is a need to create a new order in which all South Africans will be entitled to a common South African citizenship in a sovereign and democratic constitutional state in which there
is equality between men and woman and people of all races so that citizens shall be able to enjoy
and exercise their fundamental rights and freedoms;

- and whereas in order to secure the achievement of this goal, elected representatives of all the
people of South Africa should be mandated to adopt a new Constitution in accordance with a
solemn pact recorded as Constitutional Principles;

- and whereas it is necessary for such purposes that provision should be made for the promotion of
national unity, and the restructuring and continued governance of South Africa while an elected
Constitutional Assembly draws up a final Constitution.

This Constitution would come into effect on 27 April 1994 and would make provision for, amongst other
things, a President; two Deputy Presidents; and a multi-party Cabinet. Authorities were also established
on the provincial level.

In the period under discussion in this chapter, there was thus increasing emphasis on negotiation and
reconciliation. The rising levels of crime and violence in the country had succeeded in lowering morale
across all population groups and this further motivated support for the peace process. The new
Constitution can be considered an important element in this process in that it stressed national unity.

2.3 Political leadership

President F.W. de Klerk’s speech in early February 1990 was considered a landmark for South Africa and
resulted in a high level of local popularity and support (74 percent agreed with the overall content of the
speech) for De Klerk. Afrikaans-speaking Whites remained the most conservative of all the groups,
especially as regards support for socio-political democratisation. According to a survey conducted in the
early 1990s among a racially-mixed group of South Africans, Nelson Mandela and De Klerk were the two
most acceptable persons to lead the country, although De Klerk’s support base was broader.

Approximately 43 percent of the sample approached in the second quarter of 1991 preferred De Klerk as
national leader, compared to the 18 percent who supported Mandela. It should, however, be noted that this
support was divided into population groups, ie. primarily Black support for Mandela; White, Coloured,
Asian and Black support for De Klerk. Yet 39 percent of all groups refused to commit themselves
politically, thus indicating a high level of political uncertainty and confidence. As regards political party
support, most Whites in the sample supported the National Party; while Black respondents remained
primarily aligned to the ANC.
By mid-1992, Nelson Mandela was supported by 40 percent of respondents, while President de Klerk and Dr. Buthelezi received 25 percent and 9 percent respectively. The “Don’t Know” category was still relatively high and stood at 17 percent. Support for Mandela amongst the White population group was limited to 1 percent; while Black support for de Klerk in turn dropped to 8 percent. Support for Dr. Buthelezi remained centralised in KwaZulu (Natal), and Dr. Treurnicht’s (Conservative Party) 20 percent of White support was generally confined to Afrikaans-speakers. When the general support patterns for 1992 are studied, it is clear that ANC support dropped from a high of 52 percent in February to 37 percent in April; although by July this had increased to the 40 percent mentioned above.  

Interestingly enough, none of the other parties showed any major shifts in support. Generally, according to three surveys conducted in 1992, the ANC had the support of 65 percent of Black South Africans, 6 percent of Coloured, 7 percent of Asians, and 1 percent of Whites. This gave the ANC an overall support base of 48 percent. The NP was in turn supported by 66 percent of Coloured; 58 percent of Asian; 54 percent of White; and 4 percent of Black South Africans. This provided 20 percent of the total support. Support for the Inkatha Freedom Party was estimated to be approximately 10 percent of the total support. This support was limited to 35 percent of all Zulu-speakers (13 percent of Black South Africans) and 1 percent of White South Africans. Support for the Conservative Party was also limited to between 2 and 4 percent of the country’s total support and more specifically, to approximately 26 percent of White support. Approximately 12 percent of the population remained undecided or silent as regards their voting preference. It was thus clear that the ANC and the National Party had the most support and this can partly be attributed to the leadership skills displayed by de Klerk and Mandela.

In 1993, the Nobel Peace Prize was awarded to South African President F.W. de Klerk and ANC President Nelson Mandela, as international recognition of the peace process in South Africa. South Africans also participated in a National Peace Day on 2 September 1993, where millions prayed for an end to the violence that had claimed 10 000 lives in three years. Mention has been made in Chapter 1 of this study of the importance of good leadership and the level of support held by de Klerk and Mandela is an indication of their popularity. The political leadership of a country should be able to harness support for government objectives and both these leaders managed to effect considerable political change in a relatively peaceful manner. They emphasised co-operation over conflict in the reform process, something that was vital in a politically volatile society.

2.4 Economic policy

South Africa possessed the potential for a strong economy, with an abundance of raw materials, strategically-placed ports, a large workforce, and technologically-advanced equipment. Unfortunately, ongoing violence and employee strikes occurred on a regular basis which resulted in caution by foreign
investors, as well as political uncertainty and poor productivity. Until these problems were resolved, South Africa could not claim a place amongst the world's top economies.

In early 1990, the South African economy was primarily based on the principles of a free-market economy, private enterprise and ownership. The South African Government, however, became an entrepreneur on several occasions and various conferences were held in an attempt to foster co-operation between public and private sectors. The primary function of the State was to provide the necessary services (such as infrastructure) and to maintain order, in an attempt to facilitate the production of goods and services by private enterprise. The South African Government later reduced its role in the economy and remained committed to the idea of a market-orientated system. This resulted in the privatisation of several companies and industries.  

The National Economic Forum was initiated in 1992 by trade union and employer bodies. It was later also joined by the South African Government. The primary aim of this forum was to resolve various socio-economic issues and other economic problems. Despite the weak performance of the South African economy since 1975, factors such as a well-developed physical and financial infrastructure, functioning market economy, relatively strong business community, South Africa's position in the region, and immense tourism potential, all signalled the potential for improvement in the economy.

The low price of gold, decline in domestic and foreign investment, and increased spending on unproductive schemes of social engineering or uneconomic ventures, were listed as causes of poor economic performance. Inflation reached double digit figures as early as 1973, job creation was weak and unemployment was on the increase. The economy also faced two major structural changes, namely, a realignment from mining to manufacturing as the major export earner, and a reallocation of resources from defence to socio-economic upliftment. Yet there was a certain degree of optimism for the future of the South African economy and the country appeared poised to take advantage of new trade and investment opportunities in Africa, Asia and the US.

According to Du Toit and Falkena, a combination of various factors would be required to increase the potential economic growth rate of South Africa. These factors included an improvement in the country's terms of trade; the expansion of export-orientated policy measures; and increased efficiency of production processes which would depend on technological, human and organisational development. Also mentioned were an increase in domestic saving and investment; a net inflow of foreign capital; and an increase in the size of the skilled labour force. The population growth rate would also have to be reduced.

In the first quarter of 1993, the Central Economic Advisory Service released a document titled The Restructuring of the South African Economy: a Normative Model Approach. Although there had been
numerous Economic Development Programmes initiated since the 1960s, the new model focused on resolving the structural problems that had gradually developed in the South African economy.\(^{110}\)

3. Conclusion

As one of the strongest and most stable countries on the African continent, emphasis has been placed on the future of South Africa as a regional partner. In later years, pressure would be placed on the RSA not only to uplift the rest of the region, but also to become involved in what was to be known as international peacekeeping. The marginalisation of Africa left the continent in a dangerous position, without allies and more importantly, financial support. South Africa gradually began to feature as a potential ally and saviour for the rest of the continent and old conflicts were pushed into the background to make way for economic concerns. The lifting of the oil embargo was also perceived as a sign of South Africa's re-acceptance into the world community. While previous years had seen an emphasis on survival of the state and government, attention could now be focused on increased economic prosperity at local, regional and international levels.

As noted, in comparison to the previous period discussed, the value of the RSA's physical resources, in particular the country's minerals, began to diminish in importance for the rest of the world as new routes and alternative markets for these resources opened. Although South Africa's economy remained relatively strong, factors such as continuing high inflation rates and poor trade policies in relation to international trading partners, weakened the South African economy on a global scale. This situation would have to be rectified by bringing South Africa in line with international standards. There were also other problems such as political factors, a lack of management skills, as well as a lack of the appropriate education standards, which further worsened the situation and had a negative effect on productivity growth in the country.

South Africa's national capability in general, however, displayed a certain increase in the 1990-1993 period, although the aspects mentioned above, as well as others such as unemployment and a decrease in immigrants, can be viewed as negative factors. Productivity growth was also negatively affected by additional factors such as crime, instability and socio-economic concerns. Following the recession during the 1980s, the South African economy was thus slow to recover, although there was an improvement by late 1993.

To improve South Africa's international competitiveness certain measures, such as a lowering of the population growth rate and an increase in foreign investment, would have to be undertaken. Yet the country still possessed the most modern transportation and communication system in Africa, a fact which did not escape the attention of the rest of the continent. This alone made South Africa an important ally, especially in the face of increasing marginalisation. Africa needed certain imports which South Africa could supply and also required transport routes for export and import purposes.
As regards the RSA’s impressive defence capability, which had been established and maintained in previous years as a result of the arms embargo, this would have to take the proverbial “back-seat” for a while, as the external threat diminished and socio-economic issues began to surface. It was clear that certain government funding would be re-directed from defence to these socio-economic concerns. The defence budget decreased as a result. The defence establishment was also faced with internal transformation and a distinct lack of legitimacy. Ultimately, the emphasis moved to regional security as the importance of stability in the region became clear. South Africa’s relatively strong economy, however, remained the country’s most important hope for international and regional recognition. Yet until the RSA managed to curb internal violence and political conflict, an abundance of natural resources would be insufficient for a successful economy, and international investors would continue to be hesitant until this situation was rectified.

According to an article written in the early 1990s, South Africa would, however, continue to retain much of her strategic significance as a result of a relatively strong national capability, despite changes in the international environment and the end of the Cold War. Emphasis was still placed on the RSA’s strategic location, where the Cape of Good Hope provides a transit route for oil tankers on their way from the Persian Gulf to the West. Mention was also made of South Africa’s Indian Ocean ports and the country’s abundance of minerals which are used by the industries of both Europe and the US.111

Within the international system lie regional sub-systems and it is here that minor actors in the former become key players in the latter. South Africa is a vital regional state as regards the rest of Africa and her importance in this sub-system cannot be underestimated. All states are subjected to international pressures and the success that nations achieve in resisting these pressures depends on their respective positions of strategic significance to other members of the system. External pressures relate directly to alter perceptions of strategic importance. These perceptions are manifested through trade, investment, and diplomatic relations, as well as statements and declarations. In the past few decades, South Africa has had to face an extremely negative international community as a direct result of internal policies. This in turn had an effect on both ego and alter perceptions of strategic importance. No nation is immune to international pressures, but the more favourable the perception of strategic significance, the greater the ability to withstand these negative pressures. It is thus necessary to study ego and alter perceptions pertaining to South Africa’s strategic significance in the periods under discussion in this study. This will be undertaken in the following three chapters.
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