

**HEGEMONY, “COMMON SENSE” AND
COMPROMISE: A NEO-GRAMSCIAN
ANALYSIS OF MULTILATERALISM IN
SOUTH AFRICA’S POST-APARTHEID
FOREIGN POLICY**

IAN TAYLOR

BA (Hons.) (De Montfort), MPhil (Hong Kong)

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Promoter: Professor Philip Nel

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Department of Political Science
University of Stellenbosch
South Africa

DECLARATION

I, the undersigned, hereby declare that the work contained in this dissertation is my own original work and that I have not previously, in its entirety or in part, submitted it to any other university for a degree.

Signature

Date

ABSTRACT

This study attempts to overcome past failings in the analysis of post-*apartheid* South Africa's foreign policy. In contrast to "explanations" offered by most previous analyses, this work demonstrates that the behaviour exhibited by Pretoria is not immutable or simply subject to the global "realities", but is derivative of the specific historic conjuncture of forces that joined together during the transition from *apartheid*, and which remain open-ended. The changes in the African National Congress' economic and political policies during the transition period are seen as the key to any attempt to understand Pretoria's post-1994 foreign policy behaviour. This is intimately connected to the structural changes in the international political economy and the change in the balance of international class forces brought about by the neo-liberal counter revolution.

Deploying a theoretical framework derivative of the work of the Italian Marxist, Antonio Gramsci, this study situates South Africa's foreign policy in a world where the ideology of neo-liberalism has achieved hegemonic status amongst the transnational elite class - fractions of national elites, representing and reflecting the interests of money capital. Such a hegemonic project informs the beliefs of the Government of National Unity and the subsequent foreign policy activities postured by Pretoria. This study attempts to understand how and why the ANC acceded to the dominant discourse of neo-liberalism and why this must be contextualised within the structural constraints brought to bear upon the GNU in an increasingly globalised world.

This accession to neo-liberal beliefs has given rise to contradictions within the domestic polity between contending class fractions and within the ANC's own ranks. This has provoked a fundamental tension in Pretoria's overall foreign policy, where on the one hand South Africa accepts the fundamental normative world order, whilst on the other pushes various reformist initiatives which seek to re-negotiate Pretoria's standing within this framework. Specifically, South Africa's behaviour in multilateral organisations has been marked by a tactical middlepowermanship role, essentially problem-solving,

which seeks to smooth out the international system so that the ongoing world order may function as “efficiently” as possible. Such behaviour has been qualitatively different from the activist role that was expected from an ANC-led administration.

Indeed, the activism exhibited by South Africa has been largely centred around the promotion of the liberalisation of markets and free trade, albeit tempered by an awareness of the need to reconcile its acceptance of the hegemonic order, with that of the appeals of a historically important fraction of its support constituency: the Left and labour. Attempts to reconcile these two positions, of promoting “free” trade whilst at the same time demanding “fair” trade for example, mirror the broader contradictions that have been evident in South African foreign policy. They reflect the historic compromise that saw the ANC come to administrative power, and also the desire by the government to balance its neo-liberal credentials with certain reformist convictions. This has been most evident in Pretoria’s behaviour in multilateral organisations.

Six multilateral initiatives, and Pretoria’s role within each, are examined: the World Trade Organisation, the Cairns Group, the United Nations Conference on Trade and Development, the Non-Aligned Movement, the Commonwealth, and the Nuclear Non-Proliferation Treaty. Implications for future South African foreign policy are drawn out, and a critical eye cast on whether such roles played out by Pretoria are immutable, or subject to change.

OPSOMMING

Hierdie studie poog om vorige tekortkominge in die analise van post-apartheid Suid-Afrika se buitelandse beleid te oorkom. In teenstelling met die “verduidelikings” wat deur meeste vorige analises gebied word, illustreer die werk dat Pretoria se buitelandse gedragpatroon nie onveranderlik is en bloot onderhewig is aan die globale “realiteite” nie, maar voortvloei uit die besondere historiese tydsgewrig van magte wat saamgevoeg is gedurende die oorgang van apartheid na 'n onvoorspelbare era. Die veranderinge binne die African National Congress se ekonomiese en politieke beleid gedurende die oorgang periode word voorgehou as die sleutel tot enige poging om Pretoria se post-1994 buitelandse gedrag te verklaar. Strukturele veranderinge in die internasionale politieke ekonomie en die veranderinge in die magsbalans tussen internasionale klasse as gevolg van neo-liberalisme, het 'n fundamentele impak op die aard van hierdie buitelandse gedrag.

Met behulp van 'n teoretiese raamwerk gedistilleer uit die werk van die Italiaanse Marxis, Antonio Gramsci plaas die studie Suid-Afrika se buitelandse beleid in 'n wêreld waarin die neo-liberale ideologie hoogty vier veral onder die transnasionale elite klas - fraksies van nasionale elites verteenwoordigend van die belange van finansiële kapitaal. Sodanige hegemoniese projek onderlê die oortuiging van die Regering van Nasionale Eenheid (RNE) en voortvloeiende buitelandse beleidsaksies. Die studie probeer vasstel hoe en waarom die ANC toenemend gehoor gegee het aan die oorheersende neo-liberale diskoers en waarom hierdie toetreding gekontekstualiseer moet word in terme van die strukturele beperkinge waaronder die RNE onderhewig is in 'n immer-globaliserende wêreld.

Hierdie toetrede tot neo-liberale oortuiginge het aanleiding gegee tot teenstrydighede intern, tussen strydende klasfraksies asook binne die ANC se eie geledere. Hierdie teenstrydighede word ook weerspieël in Pretoria se buitelandsebeleids aksies in die algemeen. Aan die een kant aanvaar Suid-Afrika fundamenteel die normatiewe basis van wêreldorde, terwyl daar ook aan die ander kant gepoog word om Pretoria se posisie binne hierdie wêreldorde te bowe te kom.

Suid-Afrika se gedrag in multilaterale organisasies in die besonder word gekenmerk deur 'n taktiese intermediêre rol (“middlepower role”) hoofsaaklik van 'n probleem-oplossende aard, wat daarop gemik is om die internasionale

sisteen so glad moontlik te funksioneer en teenstrydighede binne die wêreldorde te oorkom. Hierdie rol konstitueer 'n fundamentele wysiging van die aktivistiese rol wat van 'n ANC-regeerde Suid-Afrika verwag is.

Die aktiwiteite wat wel deur Suid-Afrika geopenbaar is, sentreer hoofsaaklik om die bevordering van vrye en regverdige handel, alhoewel gerigsnoer deur 'n bewustheid van die behoefte om sodanige posisie te versoen met die aanvaarding van die bestaande hegemoniese orde aan die een kant en die eise van arbeid en politieke steun aan die Linkerkant van die politieke spektrum. Pogings om hierdie twee posisies te versoen - om “vrye” sowel as “regverdige” handel te versoen byvoorbeeld, weerkaats die algemene teenstrydighede waardeur Suid-Afrikaanse buitelandse beleid gekenmerk word. Die paradokse is tekenend van die historiese kompromie wat tot die ANC se bewindsoorname aanleiding gegee het asook die regering se behoefte om sy neo-liberale orientasie te balanseer met bepaalde hevormingsoortuiginge. Hierdie patroon is besonder merkbaar in die geval van multilaterale organisasies.

Ses multilaterale inisiatiewe en Pretoria se verhoudinge met elk van die volgende internasionale organisasies word van naderby bekyk, veral ten opsigte van die Wêreldhandelsorganisasie, die Cairns Groep, die Verenigde Nasies Konferensie oor Handel en Ontwikkeling, die Onverbonde Beweging, die Statebond en die Kernspêrverdrag. Daar word gewys op die implikasies vir Suid-Afrika se buitelandse beleid, terwyl daar krities gevra word of sodanige rolle wat deur Pretoria gespeel word, 'n bepaalde onveranderlikheid geniet of ook onderhewig is aan veranderinge.

In memory of my father, Edwin Raymond Taylor (1943-1994)

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ACRONYMS

ANC	African National Congress
CAP	Common Agricultural Policy
COSATU	Congress of South African Trade Unions
DFA	Department of Foreign Affairs
EC	European Community, subsequently EU - European Union
ECOSOC	United Nations Economic and Social Council
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GEAR	Growth, Employment and Redistribution Programme
GNP	Gross national Product
GNU	Government of National Unity
IAEA	International Atomic Energy Agency
IFIs	International Financial Institutions
ILO	International Labour Office
IMF	International Monetary Fund
IOR-ARC	Indian Ocean Rim Association for Regional Co-operation
LDCs	Least Developing Countries
MERG	Macro-economic Research Group
NAM	Non-Aligned Movement
NGOs	Non-Governmental Organisations
NIEO	New International Economic Order
NEM	Normative Economic Model
NPT	Nuclear Non-Proliferation Treaty
OAU	Organisation of African Unity
OECD	Organisation for Economic Co-operation and Development
OPEC	Organisation of Petroleum Exporting Countries
RDP	Reconstruction and Development Programme
SAF	South Africa Foundation
SACP	South African Communist Party
SADC	Southern African Development Community
TRIM	Trade-Related Investment Measure
TRIP	Trade-Related Intellectual Property
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme

UNECA	United Nations Economic Commission for Africa
UNESCO	United Nations Education Scientific and Cultural Organisation
UNGA	United Nations General Assembly
WIPO	World Intellectual Property Organisation
WTO	World Trade Organisation

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INTRODUCTION

The Republic of South Africa has 'moved from being a pariah state and outlaw nation', ostracised by the world community, 'to a respected world citizen'.¹ This return to normalcy has meant that some analyses now see South Africa having become 'just another country' and that 'the business of debating and defining priorities in foreign policy will have to come to a swift conclusion'.² On the other hand, Deputy Foreign Minister Aziz Pahad has asserted that 'our assessment has...changed quite fundamentally...[T]here has been a paradigm shift' in South Africa's foreign policy.³

Debate amongst analysts of Pretoria's post-*apartheid* foreign policy has been heated and controversial, though in general few assert that South Africa's foreign policy has changed to any great extent since the demise of *apartheid*. Whilst David Dunn early on claimed that it was 'overwhelmingly probable' that there would be a radical change in the direction of Pretoria's foreign policy, this has in the main not materialised.⁴ Even earlier, Peter Vale had made an assessment that South Africa's foreign policy reflected 'continuity rather than change'.⁵ Such divergent reflections on South African foreign policy mirror the different analyses that have emerged *vis-à-vis* in the post-*apartheid* era. They can be summed up within six broad groups:

- i. the "internationalists";
- ii. the "pragmatists";
- iii. the "national interest realists";
- iv. the "anti-populists" (an effective sub-section of the realists);

¹ Foreign Affairs Minister Alfred Nzo, quoted in 'South Africa No Longer a Pariah State: Foreign Minister Nzo', *South African Press Association*, December 1, 1997.

² Jack Spence 'On Becoming "Just Another Country"', *World Today*, vol. 53, no. 3, March 1997, p. 69.

³ See interview with Deputy Minister of Foreign Affairs Aziz Pahad by Marlene Kromberg 'SA's Niche in the Global Village', *SA Now*, vol. 1, no. 6, July 1996, p. 3.

⁴ David Dunn 'International Relations and the New South Africa', *South African Journal of International Affairs*, vol. 3, no. 1, Summer 1995, p. 37.

⁵ See Peter Vale 'Continuity Rather Than Change: South Africa's 'New' Foreign Policy', *Indicator SA*, vol. 12, no. 3, Winter 1994.

v. the “critical theorists”;

vi. and “sympathetic critics” (with a certain cross-over with the critical theorists).

Those who argue that there *has* been a palpable change in Pretoria’s foreign policy vary in their analysis, and are divided into two camps: the “internationalists” and the “pragmatists”. For example, though Chris Landsberg is dismissive of the Non-Aligned Movement’s relevance in the post-Cold War era, he does assert that non-racism, anti-colonialism and a pro-South position has been incorporated into South Africa’s new foreign policy.⁶ Indeed, Landsberg argues that “internationalism” has become the guiding light of Pretoria’s post-*apartheid* foreign policy. This analysis however seems to take at face value the internationalist prospectus of the GNU without interrogating its concrete manifestations, nor being aware of the tensions within the ruling party that act as impulses driving much of these policies.

From a “pragmatic” approach, Gerrit Olivier and Deon Geldenhuys have argued that South Africa has changed its foreign policy in a ‘pragmatic and reasoned manner’, and by doing so has supposedly disappointed the (unidentified) ‘ideologues’ who previously argued for a total break from the past.⁷ This ostensible pragmatism however is unreflective of the choices available to the GNU and also accepts at face value a standpoint, in this case the “realities” of the global order in which South Africa is presumed to have minimal agency. Furthermore, such “pragmatists” - and Jack Spence may be included within this camp (see below) - attempts to de-legitimise other opinions whilst claiming for themselves an “objective” (and *authoritative*) voice that is supposedly above and beyond the noise of the ideologically-driven - a specious assertion that will be dealt with below.⁸

Those arguing from a “national interest realist” framework, agree that South Africa’s foreign policy has changed to a limited degree. Their analysis however is

⁶ Chris Landsberg ‘Selling South Africa: New Foreign Policy’, *Indicator SA*, vol. 12, no. 2, Autumn 1995.

⁷ See Gerrit Olivier and Deon Geldenhuys ‘South Africa’s Foreign Policy: From Idealism to Pragmatism’, *Business and the Contemporary World*, vol. IX, no. 2, 1997.

⁸ Although this will be dealt with in detail below, Spence was perhaps the first to start dividing commentators on South African foreign policy into “radicals” and “pragmatists”. The radicals were pictured as being unrealistic and naïve - see Jack Spence ‘The Debate Over South Africa’s Foreign Policy’, *South African Journal of International Affairs*, vol. 4, no. 1,

against specific directions which this foreign policy has taken, namely a more sympathetic position *vis-à-vis* the developing world, for “national interest” is defined in very specific terms. For example, Greg Mills is generally sceptical of the initiatives by the new administration to forge linkages with supposed “pariahs” such as Cuba and Libya, and questions the ostensible commitment to greater interaction with Africa.⁹ Expressions of friendship by the ANC with so-called “pariahs” of the international community before the 1994 election provoked such like-minded scholars to assert that this was ‘not exactly calculated to win respectable friends and...influence important people abroad’ and was put down to ‘merely repaying old debts’.¹⁰

This realism is typical of much of the type of scholarship that promotes the neo-liberal “consensus” and which defines who and what is acceptable, and what is and what is not “in the national interest”. Thus it is asserted that ‘a cogent economic policy is critical for an overall successful foreign policy’ and that there must be ‘improved dialogue and confidence between Government and business’.¹¹ In short, ‘the business of foreign policy is finding business’.¹² As Mills wrote in “welcoming” the new Foreign Minister:

[C]arousing with Muammar Gaddafi, the Libyan leader, and others will not find favour with the international community.

...Nkosazana Dlamini-Zuma, the new foreign minister, will have to carefully balance assertive polemic with the need for close interaction with our key (Western) trade and investment partners.

...[S]he will need to assiduously build a foreign policy alongside with a domestic business constituency.¹³

In this light, allying with states perceived as unfriendly by Washington somehow risks “business” and is ‘strange from the perspective of the pursuit of South Africa’s

Summer 1996.

⁹ Greg Mills ‘Pretoria Discovers that with Greater Diplomatic Authority Comes the Duty of Engaging the Continent’s Problems’, *Sunday Independent* (Johannesburg) May 11, 1997.

¹⁰ Deon Geldenhuys ‘Towards a New South Africa: The Foreign Policy Dimension’, *International Affairs Bulletin*, vol. 15, no. 3, 1991, p. 19.

¹¹ Greg Mills ‘Leaning All Over the Place? The Not-So-New South Africa’s Foreign Policy’ in Hussein Solomon (ed.) *Fairy Godmother, Hegemon or Partner? In Search of a South African Foreign Policy*, Institute of Security Studies Monograph Series no. 3, Halfway House: Institute of Security Studies, 1997, p. 32.

¹² Peter Vale, 1994, p. 82.

¹³ Greg Mills ‘Growth and Stability Top Foreign Agenda’, *Sunday Independent* (Johannesburg) June 27, 1999.

national interest'.¹⁴

Critically cast, this line of analysis is largely "policy-relevant", and fits with the advice given to the GNU by bureaucrats within the DFA who served under the previous regime and who, for example, argued that a shift in favour of Washington's policy towards Cuba was a "necessity".¹⁵ It also purports to "explain" South African foreign policy from a supposedly objective and "scientific" standpoint [see below].¹⁶ Du Plessis' claim to 'revisit' Pretoria's national interest is a good example of this approach.¹⁷ Yet, such analyses embrace 'without criticism, some will say, the ideas around globalisation and the parallel influence within the world of market forces'.¹⁸ Thus cautioning against the development of linkages with "pariah" states that may antagonise the dominant capitalist powers, and the rigorous defining and re-defining of what is "realistic" or "unrealistic" is standard fare of such analysts.¹⁹

Demands that 'first and foremost, South Africa...must present itself as a stable and reliable partner in diplomacy and business' and that its 'foreign policy should in most circumstances be non-confrontational and non-ideological' reflects not good analysis, but the demands of international capital.²⁰ In this light, it is possible to concur with Andrew Linklater that such analyses are really problem-solving activities 'committed to promoting the smooth functioning of the inter-state system [and] has the effect of assisting the reproduction of the very structures which many political actors regard as unjust'.²¹

¹⁴ Adrian Guelke *South Africa in Transition: The Misunderstood Miracle* London: I.B. Tauris, 1999, p. 154.

¹⁵ *Mail and Guardian* (Johannesburg), September 16, 1994.

¹⁶ See Martin Hollis and Steve Smith *Explaining and Understanding International Relations* Oxford: Clarendon Press, 1990.

¹⁷ Anton du Plessis 'Revisiting South Africa's National Interest in an Era of Change and Transition: Theoretical Considerations and Practical Manifestations', *Strategic Review for Southern Africa*, vol. XIX, no. 2, November, 1997.

¹⁸ Peter Vale 'Random Speaking Notes on South Africa's Foreign Policy', paper prepared for submission to ANC Study-Group on Foreign Policy, Cape Town, March 14, 1997.

¹⁹ But as one analysis asked, 'whose "real world" are we purporting to discuss?' - Ken Booth and Peter Vale 'Security in Southern Africa: After *Apartheid*, Beyond Realism', *International Affairs*, vol. 71, no. 2, 1995, p. 291.

²⁰ Greg Mills 'South Africa's Foreign Policy Priorities: A 1996 Update', *CSIS Africa Notes*, no. 180, January 1996, p. 5.

²¹ Andrew Linklater *The Transformation of Political Community* Cambridge: Polity Press, 1998, p. 21.

These type of analyses are nominally anti-ideological. However, calls for a rejection of “ideology” from such quarters is *never* aimed at neo-liberalism (an ideology *par excellence* - see below), but is rather directed against Pretoria having linkages that are not approved of by the dominant global powers. Such false “objective” analysis of the challenges facing South Africa’s foreign relations must be recognised when locating such critiques within the debate. Fortunately, this task is comparatively easy when the same analysts argue that ‘the United States has a special meaning to South Africans and the rest of the world as a symbol of freedom, civil and human rights and democracy’.²²

This being so, it is important to point out that this realist analysis (and it is currently dominant within South African International Relations) often serves as the legitimisation of orthodox norms and practices, and take on the role served by what Gramsci called “organic intellectuals”, who act as “deputies” in organising and promoting the hegemony of the prevailing economic “consensus”.²³ Whilst all intellectuals have a subjective agenda behind their work, it is important to identify the bases from which this is derivative and reject the objectivist epistemological assumptions that characterises most past works on South Africa’s international relations (see below).

Operating from a similar ostensibly “objective” framework, “anti-populists” such as Sombra Saraiva have asserted that ‘South Africa is...an exemplary case of continuity in foreign policy on the African continent’.²⁴ Writing from a wholly uncritical appraisal of Pretoria’s foreign policy and ‘the continuity of a standard of behaviour’ [*sic*] Saraiva is quite explicit in suggesting that ‘the foreign policy of the South African government...does not contain radically new elements in relation to the traditional standards of South African insertion on the international level’.²⁵ Like the national interest realists, Saraiva stresses the need for caution and the necessity to adhere to ‘common assumptions’ of the international community. Where Saraiva however surpasses the realists is in his explicit warning against

²² Greg Mills, 1996, p. 5.

²³ Antonio Gramsci *Selections From the Prison Notebooks* London: Lawrence and Wishart, 1971, p. 60.

²⁴ José Flávio Sombra Saraiva ‘A Comparative Analysis of the Foreign Policies of South Africa and Brazil’, *Unisa Latin American Report*, vol. 13, no. 2, July-December 1997, p. 30.

²⁵ *Ibid.*, p. 30.

what would happen if 'the views of the Black majority...get top billing'.²⁶ Shorn of its racial caricaturing, this analysis sits largely within the realist discourse dominant in South African International Relations in assessing (and in the main defending) a scenario where there has been no radical change in South Africa's foreign policy, due to a "realistic" explanation of the appropriate behaviour that Pretoria should pursue. In such analyses, the 'continuity of South African foreign policy at present should cause no surprise'.²⁷

The "critical theorist" approach has been largely pioneered in South Africa by one individual, namely Peter Vale. Vale has attempted to counter the 'slash and burn realism' prevalent in much of the South African academy.²⁸ Perhaps one of the major accomplishments of Vale is to acknowledge the flaws in posing an objectivist epistemology - as he asserts, 'any analysis begins from the place where the analysts find themselves'.²⁹ He has also challenged the ontological privileging of states so characteristic of past studies in South African International Relations, whilst critiquing the ongoing world order - something which virtually no other analyses do.³⁰ As Vale asserts when commenting on such past analyses:

[T]here is no effort to problematise the world, and certainly no intention to challenge the cultism which holds that states are always the central player in international politics. Such perspectives turn on received notions of control: they re-circulate words, rather than seeking out new explanations or offering alternative understandings of the world. By using them pundits can certainly provide easy answers, but because punditry is rooted in problem-solving theory, its pronouncements are invariably mundane - concerned only with the maintenance of the status quo.³¹

By doing so, Vale has avoided the criticism levelled at problem-solving analyses by people such as Cox and Linklater, and has opened up space *via* critical theory to illustrate how the present has been arrived at and how knowledge about this serves

²⁶ Harvey Tyson 'Straddling the World', *South Africa's New World: Leadership SA*, 1991, p. 13.

²⁷ *Ibid.*

²⁸ Peter Vale 'South Africa's Prospects From a Global Perspective - A View From the South' in Hennie Kotzé (ed.) *A Future South Africa: Prospects for 1999 and Beyond* Stellenbosch: Centre for International and Comparative Politics, 1997, p. 22.

²⁹ *Ibid.*

³⁰ For an example of Vale's work where the *people* - not states - of southern Africa are privileged, see Peter Vale 'Regional Security in Southern Africa', *Alternatives*, vol. 21, no. 3, 1996.

³¹ Peter Vale in Hennie Kotzé (ed.), 1997, p. 23.

the powerful. This helps those studies which wish to move beyond past examinations whose 'economics begin with Margaret Thatcher and [whose] understanding of South Africa's history [begins] with FW de Klerk's famous February 2, 1990 speech'.³² As such, this study is sympathetic to Vale's research agenda.

However, this of course is not to say that Vale's work is problem-free. Though he raises a number of valid theoretical points, Vale has largely failed in applying such insights to empirical studies - raising questions rather than answering them. Concomitant with this, he has also neglected the rich vein of multilateralism in Pretoria's foreign policy - a failing that this study aims in part to rectify. Also, although Vale makes it clear that any attempt to understand Pretoria's foreign policy must be historically situated, he has neglected to concretely link - other than by allusion - current foreign policy with the contradictions and concessions that sprang from the historic compromise. Only by doing so, it is suggested, can a coherent analysis of contemporary South African foreign policy be arrived at and its international relations understood.

For their part, the "sympathetic critics" approach the debate largely from the position that there has been no discernible foreign policy change post-1994. Writing just over a year after the transition, Graham Evans asserted that 'there has been no radical or even distinct ANC input into foreign affairs'.³³ The reasoning behind this is the 'inescapable priority...for domestic reconstruction and economic growth'.³⁴ This directed Pretoria's post-*apartheid* foreign policy into a realist direction that understood that interests not sentiments form the foundations for policy formulation. Indeed, Evans goes to some trouble in outlining the type of world that the GNU found itself operating in as it assumed power. Of particular importance is Evans' appreciation of the change in the structure of the world which at the ideological level reinforced the hegemony of the West's 'universal norms of behaviour' which in practical terms acted as a constraint on any major policy

³² *Ibid.*, p. 25.

³³ Graham Evans 'South Africa in Remission: The Foreign Policy of an Altered State', *Journal of Modern African Studies*, vol. 34, no. 2, 1996, p. 266.

³⁴ *Ibid.* p. 269.

departure by the ANC-led government.³⁵

This study agrees with the importance of situating South Africa and its foreign policy within the wider global structure. However, where this study departs from Evans is in that it firstly asserts the importance of critically examining the historic experience of the ANC and the existence within it of an important fraction who have retained an essentially accommodatory posture towards internal and external capital. This history explains the eventual accession of leading elements within the GNU elite to the hegemonic norms and “realities” of the international community, to the point where critics can assert that South Africa’s ‘newly defined national interest [is] the search for markets’.³⁶ Secondly, it is necessary to situate post-*apartheid* South Africa in the web of contradictions derivative of the politico-economic constraints that the ANC stood to encounter as it emerged from the transition process and acceded to power, as well as the ongoing incorporation of the state, at a critical juncture in the state’s history, into the globalised international political economy.³⁷ Such analyses help in part understand the lack of fundamental change in post-*apartheid* foreign policy.

Other dissatisfied critics have complained of the failure ‘to generate ideas which might have served as the founding principles of a coherent foreign policy’, which have resulted in ‘a hopeless mix of so-called “pragmatism”, so-called “realism” and general ad hocery [*sic*] that prevents us from making our own initiatives and leaves us little choice but to take Uncle Sam’s advice’.³⁸ Such a scenario is seen as a result of complex factors, though the fact that ‘soon after taking power the ANC’s foreign policy makers seemingly disengaged from their academic support base’ is seen by one account as crucially important.³⁹ This is particularly so when this disengagement has meant that criticism has become the

³⁵ *Ibid.*, p. 255.

³⁶ Peter Vale ‘Foreign Policy in the New South Africa’, *Labour Left Briefing*, June 1996 - <http://www.labournet.org.uk/llb/1996/june/int3.html>

³⁷ It hence shares some features of Southall’s earlier notion of the “double whammy” - see Roger Southall ‘The New South Africa in the New World Order: Beyond the Double Whammy’, *Third World Quarterly*, vol. 15, no. 1, 1994.

³⁸ Anthony Holiday ‘Foreign Policy? What Foreign Policy?’, *Mail and Guardian* (Johannesburg), September 4-10, 1998.

³⁹ Anthoni van Nieuwkerk ‘Foreign Policy for the New Millennium: Nice Vehicle - But Who’s the Driver?’, paper presented at IDASA/FGD Foreign Affairs Forum, Cape Town, March 25, 1999, p. 3.

preserve of conservative commentators who largely fit with the “national interest realist” approach. One consequence of this is seen as leading to Pretoria’s foreign policy being led and informed by the ‘so-called “new realism”’,⁴⁰ a scenario that has already been criticised as problematic for South Africa’s overall international relations.

Failures in past analyses

Having sketched the broad terms of the debate on post-*apartheid* foreign policy thus far, problems with these analyses need to be addressed. These can be summarised as follows (obviously the applicability of such criticism is variable according to the analysis under question). In short, past examinations of South African foreign policy have been:

- largely positivist - “objective” - in their epistemology;
- have made spurious claims to non-ideological analysis;
- have neglected the changed international political economy;
- have failed to problematise the ongoing world order;
- have invariably resorted to “problem-solving” approaches;
- have been ignorant of the internal dynamics within the GNU;
- have failed to examine the role of multilateralism in Pretoria’s foreign policy;
- have ontologically privileged the state, ignoring other units;
- and have lacked attention to the role and power of ideologies.

Developing this critique, perhaps one of the main flaws is that in the main past analyses have approached the topic from a positivist epistemology, posturing an “objectivity” which is palpably specious. This is especially, though not exclusively, true of the type of analyses which poses as “realistic” prescriptions on the limits of South Africa’s manoeuvrability. Such analyses frequently attempt to claim supposedly “non-ideological” neutrality - Mills’ assertion that ‘ideology...has all but

⁴⁰ *Ibid.*, p. 4.



disappeared as the key determinant of international relations' is a case in point.⁴¹ This ostensible objectivity then leads to a-theoretical and highly descriptive accounts of South African foreign policy which, empirical information notwithstanding, contribute very little to the analysis of Pretoria's international relations.⁴²

Furthermore, past analyses of post-*apartheid* foreign policy, even when they have noted the changed global environment in which Pretoria's elites must renegotiate their positions, have largely failed to take into account the changes in the international political economy in an era of globalisation. This neglect to engage with the reconfigured global order is then exacerbated by the failure to problematise the ongoing world order within which Pretoria must operate. As a result, past analyses of South Africa's international relations fall back upon "problem-solving" activities concerned with fine-tuning current policies (a deficiency that is developed below).

These flaws in analysing South African foreign policy have been compounded by the ignorance shown by most past analyses *vis-à-vis* the internal dynamics of the ANC, both during the liberation struggle and in particular, during the transition period. Hence when the GNU elite do seem to be acceding to the hegemonic norms, this is pictured as somehow "normal", whilst pro-South impulses, however weak, are seen as aberrations - a reflection of the failure to reflect on the contradictions that are derivative of the historic compromise post-1994.⁴³ The usefulness of multilateral activity to attempt to ostensibly overcome such contradictions (through a reformist agenda) are subsequently ignored - indeed, Pretoria's activity within multilateral bodies has been greatly overlooked in past analyses. Concomitant with this, previous accounts of South Africa's multilateralist engagement fail to take into account the major contradictions within

⁴¹ Greg Mills 'Waiting for the Fig Leaf to Drop' in Greg Mills, Alan Beggs and Anthoni van Nieuwkerk *South Africa in the Global Economy* Johannesburg: South African Institute of International Affairs, 1995, p. 2.

⁴² See for example the chapter 'South Africa's Foreign Policy and International Practice' in the annual *South African Yearbook of International Law* Pretoria: Verloren van Themaat Centre for International Law, various years.

⁴³ See for example Greg Mills' criticism of South Africa's relations with Libya, phrased as not being in line with 'SA's foreign policy imperatives' - *Business Day* (Johannesburg), October 22, 1997.

the tripartite alliance and the desire by the elite to accommodate Leftist pressures whilst being cognisant of the constraints of a globalised world. Such a failure to situate the specificities of South Africa's position is a fundamental flaw in most past analyses of Pretoria's foreign policy, particularly when 'any plausible explanation of foreign...policies in the 1990s has to begin by recognising and evaluating transformations in the global political economy, especially in the South'.⁴⁴

In addition, past explanations of South Africa's post-*apartheid* foreign policy have been largely dependent on a state-as-agent-based explanation of foreign policy that ontologically privileges either the South African state or the individual predilections of the elites. Ontologically, they have failed to address the particular structural constraints surrounding the transnationalisation of capital and the ideological hegemony of neo-liberalism. By posturing a "non-ideological" posture, past analyses have neglected to grapple with the intensely ideological questions surrounding the hegemony of neo-liberalism, instead seeming to accept the immutability of the ongoing world order. Furthermore, they have also failed to engage in any meaningful account of the liberation struggle or the compromise that emerged out of the transition. They have, in short, failed to address what has been termed the "double whammy" of the insertion of South Africa into a globalised international political economy and the historic trajectory of the transition from *apartheid*.⁴⁵

These failings mirror that of realism's deficiency in addressing the "new ontologies" in the current epoch, tending to 'ignore or to obscure the importance of class forces at the transnational level; to undervalue the role of ideas, ideologies and the role of strategic (or organic) intellectuals; and to a lesser extent, to depreciate the importance of transnational networks of interest in the constitution of order and hegemony'.⁴⁶

⁴⁴ Timothy Shaw 'The South in the 'New World (Dis)Order': Towards a Political Economy of Third World Foreign Policy in the 1990s', *Third World Quarterly*, vol. 15, no. 1, 1994, pp. 18-19.

⁴⁵ See Roger Southall, 1994.

⁴⁶ Stephen Gill 'The Emerging Hegemony of Transnational Capital: Trilateralism and Global Order' in David Rapkin (ed.) *World Leadership and Hegemony* Boulder: Westview Press, 1990, pp. 120-121.

A more nuanced understanding of South African foreign policy is hence clearly needed, for only by acknowledging the presence of powerful constraints on the autonomous construction of a nation's external relations can a true understanding of Pretoria's attempts at formalising a "new" foreign policy role be properly contextualised and understood. This is not to say that states have no autonomy *per se* in the making of their foreign policy. Such a reductionism is rejected in this study, echoing the assertion that:

[E]ach state is constrained by its position and its relative power in the world order...States [however] undoubtedly act with a certain autonomy. This autonomy however, is conditioned by both internal and external constraints. State autonomy, in other words, is exercised within a structure created by the state's own history.⁴⁷

Such a conception of agency is qualitatively different from the structural neo-realism of Kenneth Waltz, primarily because a neo-Gramscian approach allows for agents to transform the system within which they find themselves. This allows for a change in world orders which is lacking in the neo-realist account of an immutable and anarchic international system.

Problem statement

The central focus of this study is accounting for the contradictions and ambiguities in post-*apartheid* South African policy. In doing so, such contradictions are traced to the nature and historical situationing of the transition from *apartheid* and the historic compromise that sprang from this. The accession by leading fractions of the ANC to the ongoing discourse of neo-liberalism has, it is suggested, lead to the scenario whereby the policy-making elite must play to two separate audiences: its Leftist-inclined constituency and elements within the GNU who are linked to organised labour and/or the Communist Party; and externally oriented domestic and international capital. This second "audience" is increasingly integrating the GNU elite into a nascent historic bloc, which more and more reflects the concerns, aspirations and demands of a transnational class elite. Such a process mirrors the ongoing incorporation of the South African state into a globalising international

⁴⁷ Robert Cox *Production, Power and World Order: Social Forces in the Making of History* New York: Columbia University Press, 1987, pp. 399-400.

political economy and the movement towards the formation of a transnational class elite who share and propagate the normative principles of what has become the hegemonic ideology in the current epoch *viz.* neo-liberalism.

Only by appreciating the changed global environment in which the GNU elite finds itself (and importantly, has come to perceive itself) operating within, can an accurate account of why Pretoria's international relations seems so paradoxical: on the one hand acceding to the liberalisation narrative favoured by the disciplinary discourse; and on the other performing a reformist multilateral posture which seeks to ameliorate the more deleterious aspects of globalisation and the concomitant loss of sovereignty which goes with the constraints of transnational capital mobility. By doing so, the fundamental structures that form the global order are addressed, taking such architecture not as a given *à la* objectivist epistemological narratives, but as something that needs to be rigorously examined and problematised to gain a more sophisticated account of post-*apartheid*'s insertion into the contemporary world order. This will be an advance on most previous studies of South African foreign policy which have in the main been "objective" in their epistemology, problem-solving in their methodology, and have ontologically privileged the state at the expense of more nuanced, historically-derived explanatory frameworks.

In addition, the theoretical rigour needed in analysing South Africa's change in foreign policy behaviour has yet to be satisfied.⁴⁸ The generally underdeveloped nature of International Relations in South Africa was recently remarked upon by Walter Carlsnaes and Marie Muller, yet little to date has been produced that has broken this pattern in scholarship.⁴⁹ Indeed, such a pattern follows the trajectory crafted long ago by scholars such as James Barber and John Barratt who dealt with the *apartheid* state's foreign policies in a highly descriptive manner that was "objective" and rather ahistorical in its understanding.⁵⁰

⁴⁸ See Walter Carlsnaes and Marie Muller (eds.) *Change and South African External Relations* Halfway House: International Thompson Publishing, 1997.

⁴⁹ David Dunn, 1995.

⁵⁰ James Barber and John Barratt *South Africa's Foreign Policy: The Search for Status and Security, 1945-1988* Cambridge: Cambridge University Press, 1990.

Conceptual framework

This study is more reflective on the constraints and dilemmas that the new state elite faces in the light of both globalisation (in its various guises), and the contradictions that spring from the historic compromise surrounding the transition. It is also more cognisant of the hegemony of the neo-liberal agenda that permeates the work of Mills, Olivier and Geldenhuys *et al* and which has been taken up by the GNU elites. Whilst a certain solidarity with the South does inform South Africa's post-*apartheid* foreign policy, so too does an active promotion of the neo-liberal norms surrounding liberalisation, polyarchy and strict monetary and fiscal discipline. This inherently contradictory position reflects the strains and ambiguities found in the rationalisations of the policy-making elite within the GNU *vis-à-vis* globalisation and the strategic responses that a state in the developing world must make.

As one analysis framed these essential pressures and contradictions in Pretoria's foreign policy, the South African leadership recognises 'that there are beneficiaries of globalisation, and that they are structuring the process to further their interests', but the GNU couples this with 'concerns about the negative effects of globalisation and the resolve to participate in global attempts to reform international institutions and regimes'. By doing so, 'the GNU becomes able to convince its domestic allies to the Left that it has not caved in to the pressures of the global neo-liberal agenda', even if this is, at the final analysis, what has actually occurred.⁵¹

Such an essentially contradictory position reflects the 'strategies of both accommodation and challenge', and resonates from the space afforded to state elites in the international political economy by the varied effects and consequences of deepening integration and the restructuring of global production.⁵² This mixture of constraint and opportunity which the GNU elite faces is summed up in one analysis:

While strategies for disengagement and autarkic national development are

⁵¹ Philip Nel 'Conceptions of Globalisation Among the South African Elite', *Global Dialogue*, vol. 4, no. 1, April 1999a, p. 23.

⁵² Xavier Carim 'International Relations Theory, Global Change and a Post-*Apartheid* Foreign Policy', *Acta Academica*, vol. 26, nos. 2 and 3, 1994, p. 49.

virtually impossible today, the integration of the capitalist economy across national boundaries has not entirely rendered impossible the pursuance of...strategies [...] Nation-states can to some extent “mould and change” events and the recent changes in the world...have opened up opportunities, as well as set limits or constraints.⁵³

These opportunities provide the elite of the ANC with highly useful space by which they can placate a domestic constituency that stands at variance with its acceptance of the neo-liberalist discourse, but also with the manoeuvrability to negotiate with the centres of structural power within the global order in order to maximise benefits for its outwardly-oriented elites *and* ameliorate the more negative outcomes of the globalisation thrusts upon its domestic political economy. Whether such a policy is ultimately able to satisfy all parties remains an open-ended question, though the ongoing controversy within the tripartite alliance and the hostility from working class organisations surrounding the macro-economic policies pursued by the GNU suggest what Gramsci referred to as ‘a rift between popular masses and ruling ideologies’.⁵⁴

However, in the contemporary order ‘the dominant forces of contemporary globalisation are constituted by a neo-liberal historical bloc’, and within this transnational elite class the normative principles of neo-liberalism have achieved hegemonic status as “common sense” prescriptions on how best to configure - indeed restructure - political and economic life.⁵⁵ This hegemony is not territorially-based in the epoch of globalisation - though it remains, due to the *structural power* of American-based elites, a ‘US-centred transnational hegemony’.⁵⁶ Indeed:

Global hegemony is not a matter of single states taking turns as the “hegemon”, but of transnational coalitions of social forces committed to a particular concept of control. Such a concept expresses the power of a concrete configuration of economic and political forces, while leading other forces in the absence of a viable alternative. One of several states will perform certain key functions in the military or monetary fields, but the primary source of the hegemony resides in a “recipe” for handling challenges

⁵³ Vishnu Padayachee *Implications for South Africa of Using IMF and World Bank Loans and Resources: Some General Observations*, paper presented at ‘South Africa’s International Economic Relations in the 1990s’ conference, Mabula Game Lodge, Transvaal, 1993, p. 16.

⁵⁴ Antonio Gramsci, 1971, p. 276.

⁵⁵ Stephen Gill ‘Globalisation, Market Civilisation and Disciplinary Neo-liberalism’, *Millennium: Journal of International Studies*, vol. 24, no. 3, 1995, p. 402.

⁵⁶ Stephen Gill ‘Neo-Liberalism and the Shift Towards a US-Centred Transnational Hegemony’ in Henk Overbeek (ed.) *Restructuring Hegemony in the Global Political Economy* London: Routledge, 1993.

in national and international arenas that emanates from a specific class configuration interacting with, but not expressing state power.⁵⁷

This 'moment of hegemony occurs if and when there is a widespread acceptance of the key principles and political ideas of a leading class fraction or constellation of interests'.⁵⁸ This has occurred, we suggest, amongst the transnational elite whose structural power in a globalised world has increased in epoch-making bounds. Indeed, 'the global synthesis of ideas, institutions, and material capabilities represented in its membership and networks reflects the emergence of what can be termed a transnational historic bloc of social forces'.⁵⁹

In short, this hegemony is expressed as an ideological construct, materially-based, and organised around a global set of institutions which include the transnational corporations who own and manage the world's resources and appropriate its riches; the international financial institutions that impose restructuring along neo-liberalist lines to constitute the environment necessary for global capital accumulation to occur; the states of the North and their secondary counterparts in the South, that craft the global and the local political, administrative and legal environment that allows the hegemonic system to function; and the formal and informal transnational elite forums such as the G-8, the Trilateral Commission, and the World Economic Forum, which evolve tactics for the maintenance and reproduction of the global normative order.⁶⁰

Though formal states remain important, in the epoch of globalisation, their discrete political economies (or what is left of them) are more and more perforated at multiple levels by global and transnational dynamics. As such, questions regarding hegemony and political accountability - indeed agency - need to be re-theorised to take into account the monumental structural changes that have taken/are taking place. State-centric analyses *à la* realism simply can no longer accommodate the complexities that are at play in the contemporary era. Although

⁵⁷ Kees van der Pijl 'Atlantic Rivalries and the Collapse of the USSR' in Stephen Gill (ed.) *Globalisation, Democratisation and Multilateralism* Basingstoke: Macmillan, 1997, pp. 196-197.

⁵⁸ Stephen Gill *American Hegemony and the Trilateral Commission* Cambridge: Cambridge University Press, 1990, p. 118.

⁵⁹ Stephen Gill in David Rapkin (ed.), 1990, p. 144.

⁶⁰ Roger Burbach and William Robinson, 'The Fin De Siecle Debate: Globalisation as Epochal Shift', *Science and Society*, vol. 63, no. 1, Spring, 1999, pp. 36-37.

we shall develop the argument in greater detail below, a critical theory/neo-Gramscian framework is more satisfying in helping to theorise on international relations in the period of globalisation. This is particularly so as such analyses allows us the framework within which it is possible to theorise on questions relating to the ideological dominance of neo-liberalism - an absolute key to understanding why the ANC-led government follows the macro-economic policies that it does, and how this plays out in its overall foreign policy.

It is a central contention of this work that the GNU policy elite have entered the ranks of what is termed the “transnational elite”, whose ongoing formation can be portrayed as a nascent historic bloc. Although this clique does not admit itself as a class *per se*, it has ‘attained a clearly distinctive class consciousness’ with an ‘awareness of a common concern to maintain the system that enables the class to remain dominant’.⁶¹ How this relates to the global power structures and the essentially concomitant dogmatic ascendancy of neo-liberalism (to the point where this has reached hegemonic status amongst the transnational elite) is captured by Robert Cox:

There is something that could be called a nascent historic bloc consisting of the most powerful corporate economic forces, their allies in government, and the variety of networks that evolve policy guidelines and propagate the ideology of globalisation. States now by and large play the role of agencies of the global political economy, with the task of adjusting national economic policies and practices to the perceived exigencies of global economic liberalism. This structure of power is sustained from outside the state through a global policy consensus and the influence of global finance over state policy, and from inside the state from those social forces that benefit from globalisation (the segment of society that is integrated into the world economy)...Neo-liberalism is hegemonic ideologically and in terms of policy.⁶²

This scenario follows on from what may be referred to as the “transnationalisation of the state” whereby under the conditions of globalisation, discrete states are having to transform and restructure themselves, becoming more and more externally-integrated into the international political economy. As such national states are not external to the ongoing process of the transnationalisation of the state system, but are becoming incorporated into it as component parts.⁶³ This has,

⁶¹ Robert Cox, 1987, pp. 358-359.

⁶² Robert Cox ‘Civil Society at the Turn of the Millennium: Prospects for an Alternative’, *Review of International Studies*, vol. 25, no. 1, January 1999, p. 12.

⁶³ William Robinson ‘Capitalist Globalisation and the Transnationalisation of the State’,

and is having, a profound constraining effect on the policy options that are available to state administrations and, at the same time, continues to tilt the balance of power in favour of the transnational elite and the concomitant policies that serve and are inextricably bound up with, the ongoing hegemonic order.

Transformative ambitions that the ANC may have had during the liberation struggle have been tempered by not only an acceptance (*via* a contested educational and socialisation process) of the ongoing ideology of neo-liberalism, but also the structural constraints inherent in a globalising world. This ideological “conversion” of the GNU elite sets the “limits of the possible” and, in combination with the objective constraints of a restructured and globalised international political economy, informs the policy options that the post-*apartheid* administration regards as potentially pursuable.

Of profound importance in this movement is the process of international consensus-building amongst the transnational elite, dialectically in turn responding to fundamental changes in global production and the concomitant class interests that this spawns. In effect, this plays out at the national state level whereby the internal structures of the states are seen to require adjustment so that the global hegemonic “consensus” can be brought to bear onto national policy and practice.⁶⁴

Although this will be developed below, post-*apartheid* South Africa is undergoing the formation of a historic bloc composed of elite fractions of the ANC; a nascent Black bourgeoisie; and “traditional” White business elites whose accumulation patterns are primarily export-oriented and whose gaze is externally-oriented, essentially to the capitalist core. This last fraction is intricately connected to international capital and it is this fraction which has succeeded (in tandem with external actors, for sure) in propagating the ideology of neo-liberalism and “realistic” macro-economic policies to the point where such ideological principles have become internalised by the ANC elite. As the head of the South African Chamber of Business remarked, ‘consensus has been reached regarding the overall

paper presented at workshop ‘Historical Materialism and Globalisation’, University of Warwick, April 15-17, 1998.

⁶⁴ Robert Cox, 1987, p. 254.

economic framework'.⁶⁵ This is part of a wider, global, process whereby the 'Third World bourgeoisies...are becoming significant players on the international scene. What is happening...is a process of transnational class formation, including the emergence of a transnational bourgeoisie out of national bourgeoisies as national circuits of accumulation become integrated at the global level'.⁶⁶

This in turn has resulted in the GNU elite seeing as one of its primary goals the task to make South Africa more and more attractive, essentially accommodatory, to a de-territorialised - if not fetishised - nebula known as "the market". In short, 'in order to serve their own economic interests, the political-economic elites in the semi-periphery [sees as its primary duty to] try to "lock in" the semi-peripheral economy with that of the core'.⁶⁷ Springing from this is a desire by the GNU to 'reshap[e] its foreign policy to give greater importance to its economic interests'.⁶⁸ Specifically, the GNU has acceded to the hegemonic discourse that privileges growth as the engine for development, and this is reflected in its foreign policy where growth is seen as occurring only through 'more equitable trade relations, better market access, better import and export opportunities and more foreign direct investment'.⁶⁹

This shift in thinking by the ANC elite has occurred in an era of deepening inter-penetration of political economies and the ongoing restructuring of global production, which has meant that any counter-hegemonic impulses have been swiftly marginalised by a battery of organic intellectuals *and* the active constraints at force in the contemporary international political economy. This of course is not to say that the South African government is 'undertaking restructuring and serv[ing] the needs of transnational capital simply because they are "powerless" in the face of globalisation'. No, 'a particular historical constellation of social forces

⁶⁵ Interview with Kevin Wakeford, head of the South African Chamber of Commerce, SABC 3 news broadcast, 8.00 p.m., June 2, 1999.

⁶⁶ Roger Burbach and William Robinson, 1999, p. 20.

⁶⁷ Wil Hout 'Theories of International Relations and the New Regionalism' in Jean Grugel and Wil Hout (eds.) *Regionalism Across the North-South Divide: State Strategies and Globalisation* London: Routledge, 1999, p. 24.

⁶⁸ 'Economy to Loom Larger in S. African Foreign Policy', *Reuters Information Service* (Pretoria) August 25, 1997.

⁶⁹ Interview with Aziz Pahad, Deputy Minister of Foreign Affairs, in *Global Dialogue*, vol. 3, no. 1, March 1998, p. 21.

now exists that presents an organic social base for neo-liberal restructuring'.⁷⁰ The grounding for this is in the historic bloc that is forming out of the compromise crafted in 1994.

Yet at the same time, by acceding to the ongoing discourse of neo-liberalism the GNU elite is in danger of alienating its domestic base and its tripartite allies, who may be seen as gathering and "delivering" a large element of the ANC's mass constituency. It is in this contradiction that the stimulus for pursuing - if not maintaining the remnants of a commitment to - the alleviation of the more negative aspects of globalisation can be sourced. For sure, the state elite has expressed a clear perception of the constraints globalisation has wrought on its manoeuvrability regarding autonomous policy-making: President Mandela has spoken of how in the current epoch it is 'impossible for countries...to decide national economic policy without regard to the likely responses of [international] markets', combining this with a need 'to ensure that our country integrates itself within a world community that is evolving under the impact of a process of globalisation'.⁷¹

This acceding to the demands of international capital however is tempered with an ostensible reformist position regarding key international organisations. In the analysis, which will be developed below, this has assumed the form of a "middlepowermanship" role for South Africa which has taken on 'a commitment to orderliness and security on inter-state relations and to facilitating...orderly change in the world system'.⁷² Not only can this be seen as attempt to compensate for the perceived (if not objective) loss of "sovereignty", it also affords the GNU elite the opportunity to be seen by its Leftist constituency to be not wholly submissive before the *diktats* of globalisation. A key way in which this is operationalised is within multilateral organisations, where the GNU postures the need to work in alliance with "the South" to ameliorate the more deleterious effects of the ongoing order: 'the bargaining power which the developing countries need will be greatly enhanced if they are able to present a united front as they seek to make an impact

⁷⁰ Roger Burbach and William Robinson, 1999, p. 31,

⁷¹ Nelson Mandela 'Political Report of the President, Nelson Mandela', Mmabatho, issued by African National Congress, December 16, 1997.

⁷² Robert Cox 'Middlepowermanship, Japan and Future World Order', *International Journal*, vol. 44, no. 4, Autumn 1989, p. 825.

on the process of globalisation'.⁷³

This in part helps in understanding why the GNU has adopted such an activist role in bodies such as the Non-Aligned Movement (NAM) and the United Nations Conference on Trade and Development (UNCTAD). In essence, the reformist multilateralism that lies at the heart of South Africa's multilateralism, springs from a desire to satisfy its Left critics that it has not "sold out" *and* a struggle for a better global environment in which the GNU elite and its allies within the nascent historical bloc can operate.

Indeed, the ANC-led administration is determined to resist those efforts by governments and corporations located in the developed world who try and take advantage of the hegemonic thrust *vis-à-vis* liberalisation and deregulation to benefit themselves, particularly when this is hypocritically accompanied by protectionism for the North's own nationally-based industries and fractions. The best way for this to be pursued is through engagement with multilateral organisations, thus explaining in part Pretoria's activism in bodies such as the World Trade Organisation and the Cairns Group, where the rhetoric of "free trade" is turned around and firmly connected to "fair trade". Even though much of this may be to the essential benefit of externally-oriented fractions within South Africa, it *does* indicate a sensitivity to the uneven process of globalisation by the GNU and casts the administration as a defender of "South African interests" - an important consideration in the light of ongoing criticism from its Left constituency.

Yet, such reformist policies occur within the overarching framework as articulated by the GNU that is well within the ambit of the hegemonic discourse. Indeed, though this will be discussed in depth later, the GNU approaches multilateralism from a technical perspective (or "problem-solving" approach) which fails to address the structural inequalities in the international political economy and rather sees the need 'to approach many international questions from a common perspective'.⁷⁴ By doing so, the GNU elite 'assumes that the major component of the system...are not subject to fundamental change...It is the action, not the limits of the system, that is the analytical focus of problem solving', a

⁷³ Nelson Mandela, 1997.

⁷⁴ African National Congress *Foreign Policy Perspectives in a Democratic South Africa*

position that South Africa's foreign policy in the main adopts.⁷⁵ Hence though Pretoria's multilateralist activity is in parts reformist, *it is reformist within the hegemonic discourse*. This suggests a feature of what Antonio Gramsci recognised in his thinking about hegemony:

The fact of hegemony presupposes that account be taken of the interest and tendencies of the groups over which hegemony is to be exercised, and that a certain compromise equilibrium should be formed - in other words, that the leading group should make sacrifices of an economic-corporate kind. But there is no doubt that such sacrifices and such compromises cannot touch the essential; for though hegemony is ethical-political, it must also be based on the decisive function exercised by the leading group in the decisive nucleus of economic activity.⁷⁶

It is suggested that the GNU elite has noticed this and that they have pursued a reformist stance, acting through multilateral institutions, in an attempt to posture a "new" foreign policy whilst not touching 'the essential' core of the global order. By doing so and within the perceived constraints operating at the structural level, Pretoria exploits the space afforded for a technical role in smoothing out the global order - thus placating Leftist critics - whilst retaining the confidence of the dominant economic and political powers and "the market". This has been primarily operationalised within multilateral fora.

Multilateralism

This concentration on studying Pretoria's multilateral activity is justified as 'multilateral coalition building among state and non-state actors is becoming increasingly important in a world groping for the re-establishment of order'.⁷⁷ Before developing this, a brief discussion of what is meant by multilateralism is embarked upon.

Multilateralism can be viewed either instrumentally or normatively. The differences between the two are important. Robert Keohane for instance defines multilateralism as simply the 'practice of co-ordinating national policies in groups

Johannesburg: African National Congress, December 1994, p. 11.

⁷⁵ Timothy Sinclair 'Beyond International Relations Theory: Robert W. Cox and Approaches to World Order' in Robert Cox with Timothy Sinclair *Approaches to World Order* Cambridge: Cambridge University Press, 1996, p. 5.

⁷⁶ Antonio Gramsci, 1971, p. 161.

of three or more states'.⁷⁸ According to John Ruggie however, multilateralism is 'an institutional form that co-ordinates relations among three or more states on the basis of generalised principles of conduct'.⁷⁹ Keohane's definition emphasises only the *activity* of co-ordinating the behaviour of states interacting with one another. Ruggie's however suggests a more normative perspective, where a set of "rules" are put to use without discrimination and within a multi-faceted regime. Such a meta-norm of non-discrimination applies when there is an:

[I]nstitutionalisation of the recognition that because actors in the world are not only interconnected, but also interdependent...the best way to achieve a...stable order is *via*:

- a) generalised principles of conduct applicable in a non-discriminatory way to all states that want to co-operate, without negating the individuality and autonomy of each actor;
- b) distributing the costs and benefits of interaction across the system (indivisibility);
- c) and developing incentives for actors to suspend the urge for instant gratification on every single issue, and to recognise and pursue joint satisfaction on many issues (diffuse reciprocity).⁸⁰

Ruggie's definition is more rigorous than Keohane's. However, although it acknowledges that multilateralism advances a set of norms, it fails to engage with any critical understanding of what these norms are, and how they may relate to the world order and global power. Cox's work on multilateralism, where he argues that the essential function of international institutions is the justification and defence of the hegemon's politico-economic project is more satisfying. Yet, as will be discussed below, multilateralism not only serves to legitimise particular normative regimes, but can in fact act to *de-legitimise* the hegemon's position at certain temporal moments.

⁷⁷ Paul-Henri Bischoff and Roger Southall in Stephen Wright (ed.), 1999, p. 166.

⁷⁸ Robert Keohane 'Multilateralism: An Agenda for Research', *International Journal*, vol. 45, no. 4, 1990.

⁷⁹ John Ruggie 'Multilateralism: The Anatomy of an Institution', in John Ruggie (ed.) *Multilateralism Matters: The Theory and Praxis of an Institutional Form*, New York: Columbia University Press, 1993, p.11.

⁸⁰ Philip Nel 'In Defence of Multilateralism: The Movement of Non-Aligned Countries in the Current Global Order', paper delivered at a DFA/FGD workshop on "South Africa and the Non-Aligned Movement in an Era of Globalisation", Pretoria, April 29-30, 1998, p. 3. Nel's thoughts are influenced by Ruggie's conceptualisation of multilateralism.

However, as long as such counter-hegemonic “moments” remain within the overall world order, and fail to address structural problems - indulging in problem-solving activity - multilateralism serves to propagate an elaborate set of structures which serve to limit the boundaries around which “realistic” policies may be formulated. This has important implications for the usefulness of multilateral bodies as agents of change.

Indeed, in an increasingly globalised world and in a post-bi-polar international order, multilateralism has seen a palpable resurgence, particularly from “above” in the sense that the disciplinary institutions and core states see multilateralism as a crucial tool in reformulating global governance; and from “below” where elites in the South see multilateralism ‘as the only place where we can challenge the North’s might’, and attempt to ‘try and do away with the negative consequences of globalisation’, even if such elites concur with the broader neo-liberal project.⁸¹ As one analysis put it when discussing such problems and how they relate to multilateral bodies:

In terms of material interests, the accelerated globalisation of the world economy has undermined the capacity of peripheral groups to pursue alternative development strategies. This has been accompanied by the consolidation of neo-liberal ideas and policies, notably the way in which problems of peripheral groups and the appropriate role of [international organisations] in addressing them are defined.⁸²

In short, in terms of engaging with the international community in order to extract maximum benefits, albeit within the remit of the hegemonic project, Southern-based elites have increasingly turned to multilateral institutions. At the same time, the South African elite is highly conscious of the constraints that the external environment places on its agency - in part reflected by the adherence to the hegemonic proscription that there is “no alternative” to neo-liberalism. In an order where states in the periphery are having to cast themselves in competition with others to attract international investors, a “responsible” policy of engagement within multilateral organisations, demonstrating adherence to policies in favour

⁸¹ Jackie Selebi, in response to questions during presentation to Department of Political Science, University of Stellenbosch, February 26, 1999.

⁸² Kelley Lee ‘A Neo-Gramscian Approach to International Organizations: An Expanded Analysis of Current Reforms to UN Development Activities’ in Andrew Linklater and J. Macmillan (eds.) *Boundaries in Question: New Directions in International Relations* Basingstoke: Macmillan, 1995, p. 154.

with transnational capital, affords South Africa space to maximise its material conditions.

This has been referred to by one analyst as “instrumental” or “tactical” multilateralism. Such an approach ‘starts from the conclusion that contemporary multilateral institutions reflect the values of globalised American liberalism’. Accepting this framework however, the “tactical” approach ‘is intent on modifying the worst aspects of it, without getting rid of it altogether’.⁸³ In short, a problem-solving approach (see below) working for reformist outcomes from within the ongoing structures.

Connected with reformist postures to satisfy the Left (and practically, to materially benefit domestic fractions), a “tactical” multilateralism makes sense within what is perceived as a global order where manoeuvrability is deemed bound. As one analyst put it:

South Africa’s reputation in the global arena [can] be enhanced...if the government favours a strategy of external extraction which embraces the principles and norms of the liberal economic order. Such an approach would mean adherence to multilateralism and the rules of the game promoted by the World Trade Organisation...and other pillars of the international economic architecture.⁸⁴

Furthermore, officials from South Africa’s Department of Foreign Affairs (DFA) repeatedly assert that multilateralism is the cornerstone of Pretoria’s “new” foreign policy. Abdul Minty (the Deputy Director-General of the Multilateral Branch at the Department of Foreign Affairs) claimed that ‘one of the most dramatic aspects of...changes (post-1994) has been the return of South Africa to the world of multilateral diplomacy’.⁸⁵ In a later speech on the same topic, the Director-General of the Department of Foreign Affairs, Jackie Selebi, asserted that:

[M]ultilateralism is the corner-stone of this country’s foreign policy. It is our firm conviction that a true reform and renewal...of how our world conducts its business, of how international relations are conducted and international institutions operate and fulfil their mandate.

⁸³ Philip Nel ‘Approaches to Multilateralism’, paper presented at biennial conference of the South African Political Science Association, Saldanha, June 29-July 2, 1999b, p. 6.

⁸⁴ Andrew Cooper ‘The Multiple Faces of South African Foreign Policy’, *International Journal*, vol. 53, no. 4, Autumn 1998, p. 708.

⁸⁵ Abdul Minty in *Department of Foreign Affairs Multilateral Branch Annual Report, 1995*, Pretoria: Department of Foreign Affairs, 1996, p. i.

[M]ultilateralism has enormously increased our...capacity to understand and engage creatively and constructively with the world community.

...[F]or...our government, the strengthening of multilateralism, its rights, obligations, rules and procedures...is not only perhaps the most important distinguishing feature between this Government's foreign policy and the practices of the previous government, but it is at the very heart of new and democratic South Africa's foreign policy.⁸⁶

In short, the policy-makers *themselves* see multilateralism as fundamental to post-*apartheid* South Africa's foreign policy, 'based on a renewed appreciation for the tactical advantages that multilateralism offers'.⁸⁷

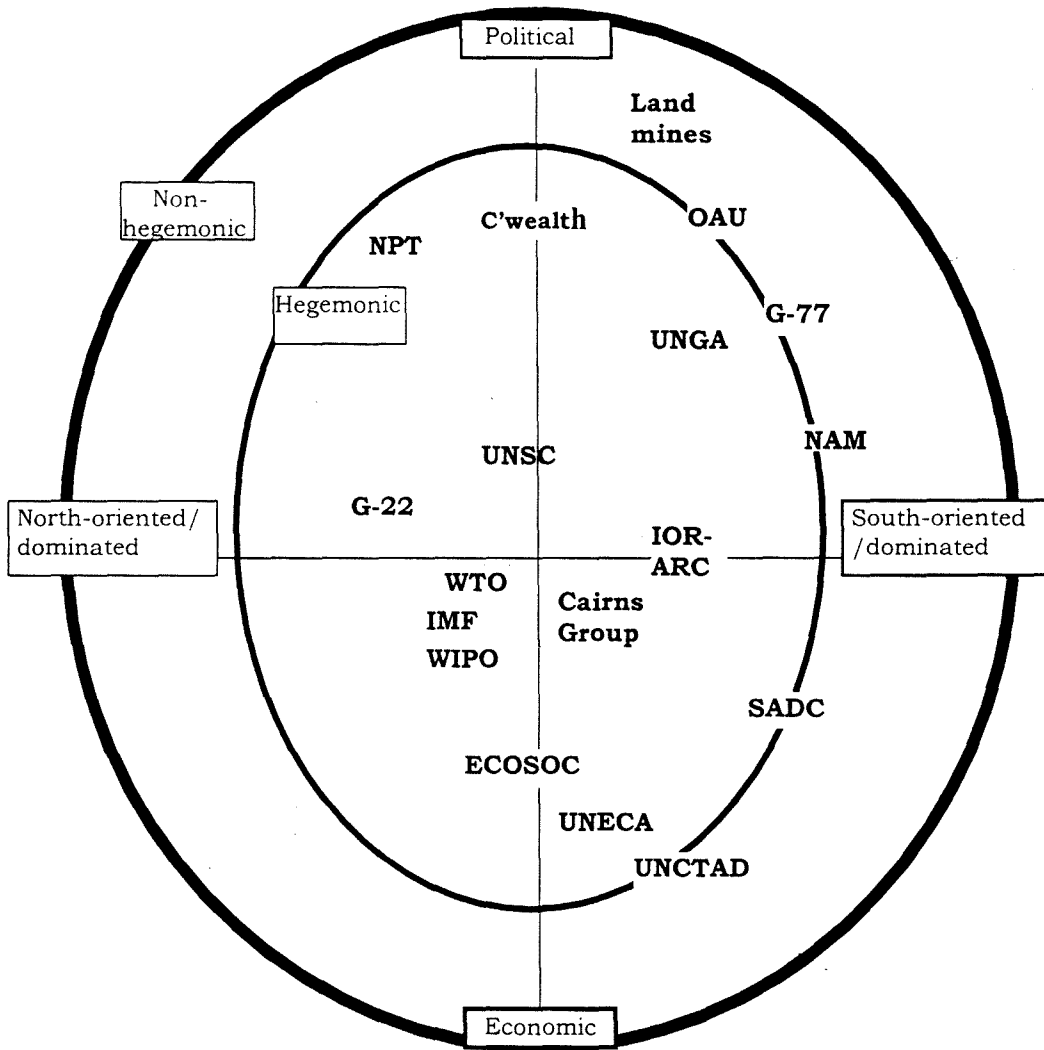
Case study selection

The selection of case studies attempts to provide a broad overview of Pretoria's multilateral behaviour and how these relate to the world order. Selection has been taken from a variety of institutions that South Africa belongs to. It is from these diverse multilateral bodies that this study's selections have been made. In order to make a representative selection of such organisations, a mind-map has been constructed by which multilateral initiatives can be placed *vis-à-vis* the hegemonic world order. This mind-map is replicated below:

⁸⁶ Jackie Selebi 'Multilateralism and South Africa's Foreign Policy', paper presented to Department of Political Science, University of Stellenbosch, February 26, 1999. Selebi went on to link South Africa's multilateral behaviour with the promotion of Pretoria's "national interest". Obviously, who or what defines this national interest is of profound importance in discussing South Africa's involvement in such institutions and the policies it promotes when engaging with these organisations.

⁸⁷ Philip Nel, 1999b, p. 6.

Figure 1: Typologies of Multilateral Initiatives⁸⁸



An explanation of the above diagram is as follows. The inner ring depicts those bodies that are active promoters of the hegemonic political and economic order favoured by the transnational elite, and which reflect the hegemony of neo-liberalism as an organising project. The closer an organisation is to the central

⁸⁸ IOR-ARC: Indian Ocean Rim Association for Regional Co-operation, ECOSOC: United Nations Economic and Social Council, UNECA: United Nations Economic Commission for Africa, UNGA: United Nations General Assembly; UNSC: United Nations Security Council; WIPO: World Intellectual Property Organisation.

axes, the closer the multilateral body is perceived as fitting with the hegemonic order - hence the WTO and IMF are seen as being integral to the neo-liberal project on the Northern-dominated economic side, whilst the Cairns Group is seen as close to the hegemonic project, but from a South-oriented perspective. Naturally, the division between “economic” and “political” is artificial - they are ideal types purely for the purpose of this diagram. Certain organisations saddle the divide between hegemonic and non-hegemonic - NAM, SADC and UNCTAD, whilst the United Nations General Assembly lies close to the dividing line (though still within the hegemonic category). This is because multilateral organisations, as will be detailed below, are not simply reifying agents of the dominant order, but can be used to delegitimise and challenge the extant order (albeit temporarily). Their stance (and position within the diagram) are dependent upon the balance of forces at specific historical junctures, are not immutable, and are subject to change.

Furthermore, these organisations do - although ultimately fitting within the hegemonic project in the contemporary order - reflect tensions within their membership that means that they cannot simply be categorised as organisations promoting neo-liberal prescriptions. But, within the era of globalisation and the dominance of neo-liberalism as the “only” economic and political programme available, the fact that most organisations, even within the South, lie within or close to the hegemonic order, reflects the triumph of the counter-revolution. Even those bodies ostensibly pro-South (and often, formerly counter-hegemonic) lie near to the dominant project in contemporary times. Finally, although not specifically related to neo-liberalism’s hegemony, the NPT and the land mines ban agree/disagree with the favoured order of the dominant global powers and are included.

This study attempts to understand Pretoria’s engagement with a variety of multilateral organisations that represent both economic and political agendas (frequently in reality, both); that can be seen as hegemonic or “non-hegemonic” (though as has been suggested, this division is somewhat problematic in the contemporary era); as well as organisations/initiatives that can be regarded as North- and South-dominated. In doing so, the selection of case studies has been undertaken with an eye for broad representivity.

It is started by chapter 4, an examination of two organisations specifically concerned with global trade and which spring from - and indeed represent - the very essence of the hegemony of neo-liberalism and the discourse of market liberalisation, “good governance”, “sound economic principles” *etc.* Although finance is currently dominant, and the transnational elite reflect the interests of money capital, it is trade which has pushed back many frontiers in global commerce. The reconfiguration of global trade - and the active involvement of state elites in this process - reflect the extent to which neo-liberal precepts have attained hegemony among national leaderships.

Demonstrating this, and the role Pretoria has played/is playing in this process, two organisations are examined. These are the World Trade Organisation and the Cairns Group. As two bodies that emerged out of, and represent the institutionalisation and regularisation of, the neo-liberal counter-revolution, Pretoria’s reaction to and intercourse with such organisations provide powerful examples of the GNU’s essential acceptance of the hegemonic project - as does Pretoria’s attempts to work within such a framework to exact benefits and bring the Northern-based elites into line with their own free trade rhetoric. The Cairns Group of agricultural nations, though largely Southern-dominated/oriented, provides an example of the GNU leadership’s policy of fostering a rules-based trading regime within a trade-related body.

The next three case studies (chapter 5) analyse the United Nations Conference on Trade and Development, the Non-Aligned Movement, and the Commonwealth. These provide examples of Pretoria’s involvement with development-oriented organisations. UNCTAD and the NAM are ostensible counter-hegemonic groupings which in fact have largely acceded to the dominant discourse. Indeed, the change in developmental ideology and the retreat from open confrontation with the developed world over the structural inequalities that characterise the global order shadows to a large part the change in ideology that the ANC underwent before and during its accession to power.

As such, the GNU’s positions within these two organisations provides compelling evidence as to the shift in thinking regarding macro-economic policies that virtually all elites within the South have experienced as they not only take on

board the hegemonic principles shared by the transnational elite, but come to terms with the perceived constraints that globalisation is seen as creating. At the same time, the rhetorical calls for an amelioration of the more negative aspects of globalisation and an attempt to appeal to the “fairer” side of the “free” trade discourse, reflects the need to satisfy its Left constituency, fearful as they are that the GNU leadership has become too overtly enthusiastic about the benefits supposedly offered by liberalisation and the privatisation of the economy.

The Commonwealth is a “traditional” organisation that has developmental concerns within its mandate but legitimises a certain way of behaviour which over time has mirrored that of a core state in the international political economy *viz.* Great Britain. Though of course the Commonwealth is no longer a British organisation, its normative principles are essentially that of the metropole and indeed, the developmental agenda of the organisation has increasingly taken on board the neo-liberalist project so favoured by London. Whilst during the *apartheid* era the Commonwealth was an important de-legitimising body against British policy towards South Africa, in the post-1994 period membership of this body has flagged a return to respectability and normality for Pretoria - with all the implications that this has for the country’s foreign policy.

Chapter 6 is an examination of South Africa’s role during the negotiations of the Nuclear Non-Proliferation Treaty’s Review and Extension and indicates the general line that Pretoria has taken since 1994 as a “bridge-builder” and middle power *vis-à-vis* the dominant powers and the developing world. Whilst it has been argued that hegemonic power in the era of globalisation is not necessarily concomitant with a spatial entity and indeed rests with a transnational historic bloc, the preponderant material and military power of the United States means that an examination of South Africa’s policy with relation to this preponderant power is of profound interest. The Treaty Review has been chosen as it was one of the first major initiatives of the post-*apartheid* government within a multilateral context, and the disappointment voiced by many critics of the new administration’s foreign policy indicates the disquiet shown by a certain quarter regarding Pretoria’s international stance. The middlepowermanship role that South Africa has adopted was also very clearly evidenced during the negotiation process and as such is informative of a general trend that Pretoria has followed under the GNU.

Study plan

This study is divided into three parts: theoretical reflections; the transition from *apartheid*; and South African foreign policy post-1994. All three parts are intimately linked together and should be conceived as forming one whole body of work.

Meta-theory in the discipline of International Relations, and in particular the questioning of the objectivist epistemology that underpins most work on South African foreign policy has been largely absent in previous studies. It is a purpose of Part 1 to move beyond the “explanation”, problem-solving approach of past studies, whilst attempting to provide a greater understanding of examining South Africa’s contemporary foreign policy. In doing so, the chapter is divided into three sections. Section 1 is an examination of the epistemological and ontological issues raised by non-positivist approaches (and particularly by the neo-Gramscian “school” of critical International Relations theory). Such meta-theoretical reflections are vital in order to avoid what has been sardonically referred to as the ‘evasion of philosophy’ - an all too often feature of International Relations scholarship.⁸⁹ Mark Neufeld’s comments on meta-theoretical reflection is informative and worthy of quotation:

Meta-theory is not an unproductive distraction from the ‘real substance’ of the discipline - *i.e.* theoretically informed analysis of empirical evidence. Rather, meta-theory is the indispensable foundation of competent scholarly activity, and vital for ensuring the adequacy of the explanatory accounts which are developed. Indeed, the relative neglect of meta-theoretical questions may go some way in accounting for some of the serious limitations to which the discipline of International Relations has been subject.⁹⁰

Hence exploring the meta-theoretical issues raised by non-positivism and how this relates to International Relations is not a tedious diversion, but an integral and important element of all competent studies in international politics. Having discussed such important meta-theoretical issues, Section 2 will then proceed to examine the notion of hegemony and its applicability in International Relations theory, as well as other Gramscian terms that are deployed in this study, including

⁸⁹ Cornel West *The American Evasion of Philosophy: A Genealogy of Pragmatism* Madison, Wisconsin: University of Wisconsin Press, 1989.

⁹⁰ Mark Neufeld ‘Reflexivity and International Relations Theory’, *Millennium: Journal of*

a discussion of what Cox has termed “middlepowermanship”. The third and last section of this chapter will then discuss how neo-liberalism has achieved hegemony as the organising project currently reconfiguring the international political economy.

Part 2 will then look at the historical circumstances surrounding the transition and the conglomeration of forces, working externally and internally, that impacted upon the trajectory from *apartheid*. In particular, the diffuse pressures that came to bear on the liberation movements and which ultimately saw the elite of the ANC come to accept the orthodox “rules of the game” regarding macro-economic principles *via* a highly contested and controversial transition from *apartheid*. These factors have had, it is suggested, a profound effect on post-*apartheid* South Africa and its foreign policy, and no credible study can afford to ignore such a historical exposition if one wishes to understand the essential contradictions in Pretoria’s foreign policy and the tactical reformism within multilateral organisations that Pretoria postures.

Part 3 (prefaced by an overview of South Africa’s overall foreign policy) will then examine the involvement of Pretoria in selected multilateral bodies in an attempt to draw out the hypotheses that we have crafted regarding post-*apartheid* foreign policy. The rationale for selecting the six case studies has been discussed above. The manner in which Pretoria’s contradictory behaviour *vis-à-vis* multilateral organisations and how this relates to the global order and normative hegemonic framework will be illuminated in these chapters, illustrating how the study addresses the main problem posed in this work. By doing so, South Africa’s pursuance of a middlepowermanship role and the attempt to play to two different constituencies at once will be highlighted, as will the ambiguities surrounding the essential problem-solving and technical interventions that has been characteristic of post-*apartheid* foreign policy.

The study ends with the conclusion to this work, and will gather together the evidence presented in the preceding parts and sum up and evaluate the extent to which South Africa’s foreign policy is reflective of the contradictions and ambiguities emanating from the 1994 historic compromise; the broad acceptance

by the GNU elite of the neo-liberal hegemonic order; and the reformist impulses that Pretoria has tactically pursued in multilateral bodies and the middlepowermanship role that this exemplifies.

Throughout, it will attempt not to “explain” post-*apartheid* foreign policy, but rather, “understand” it, with an appreciation of the rules and meanings within which Pretoria’s elites must operate. Hence in many respects it is an “insiders” account, seeking to understand how and why South Africa’s foreign policy operates as it does. This is in contrast to an “outsiders” analysis which postures a “scientific” viewpoint whereby events are supposedly governed by immutable laws of nature, replicable in similar conditions and explicable *via* appeals to scientific casual explanations.⁹¹ Taken to its logical conclusion, what the actors in any particular situation have in their minds - their understanding of the world - is irrelevant: ‘behaviour is generated by a system of forces or a structure, external not only to the minds of each actor but also external even to the minds of all actors’.⁹²

Obviously, in such a scenario choices and alternatives are limited, and agency can only operate according to a law-like process which can be replicated elsewhere. On the other hand, understanding ‘regard[s] foreign policy decision as the actor’s solutions to problems. These solutions apply policies, for which we can also ask the reasons, to situations as the actors themselves understand them’.⁹³ By attempting to understand South African foreign policy, the process by which the national elite acceded to the hegemonic project may be analysed and, crucially, space for other options and outcomes is present. The adoption of neo-liberalism by the ANC in this account then is not the result of, or “natural” progression from, a fixed set of structures - explicable by reference to such “facts” - but instead spring from choices made at specific historical junctures and from a particular understanding of the scenario - and alternatives available - at the time.

⁹¹ Martin Hollis and Steve Smith, 1990, p. 3 and 6.

⁹² *Ibid.*, p. 3.

⁹³ *Ibid.*, p. 204.

PART ONE

THEORY, HEGEMONY AND NEO-LIBERALISM

This Part attempts to situate the thesis within the wider meta-theoretical debate and within the discipline of International Relations/Political Economy. By doing so, a discussion of the neo-Gramscian underpinnings of this study in relation to the broader field of enquiry *viz.* foreign policy can then be embarked upon. The Part is divided into three sections. Section I discusses meta-theoretical deliberations *vis-à-vis* International Relations and the state of the discipline. This is important in the context of a study conducted in and on South Africa, due to the relatively underdeveloped state of International Relations theorisation in the country (see below). The nature of theory and its uses are then discussed, followed by an appraisal of the neo-Gramscian contribution to the discipline. Throughout, an analysis of the weaknesses of positivism as an approach to social inquiry is conducted.

Section II discusses what is meant by “hegemony” in the Gramscian sense and how this relates to International Relations/international relations.¹ This is important with regard to particular notions of world order and is then developed by an explanation of Robert Cox’s concept of “middlepowermanship” and how it relates to the propagation of a particular hegemonic project/world order. A suggestion is put forward as to why middlepowermanship leads to a heightened interest in multilateral organisations and more specifically, a particular tactical role in such institutions.

Section III builds upon the theoretical understandings discussed in Section II and explores the status of neo-liberalism as the hegemonic politico-economic project in the contemporary international political economy. It is within this hegemonic order that all entities (be they states, firms, transnational classes *etc.*) must operate. By doing so, a firm base is constructed from which to understand South Africa’s post-*apartheid* foreign policy behaviour - the central task of this study.

CHAPTER 1

SECTION I

META-THEORY AND ITS RELATION TO INTERNATIONAL RELATIONS

Reflections on the role and status of theory lie at the heart of International Relations as a credible discipline. All serious scholars within the field believe this to be so, with Robert Cox asserting that 'we cannot define a problem in global politics without presupposing a certain basic structure consisting of the significant kinds of entities involved and the form of significant relationships among them' *i.e.* theory-building.² Yet the discipline of International Relations has been described as 'the last vestige of meta-theoretical ignorance',³ whilst 'theoretical invisibility' and a 'general lack of knowledge regarding the theoretical groundings' within the academy has been deplored.⁴ This failing is particularly acute within the academy in South Africa where meta-theoretical reflection has been absent from much of the work in the field. This absence of reflexivity has resulted in an under-developed approach to the study of International Relations in the country, particularly *vis-à-vis* methodology⁵

At the level of theory-building, there has been little progress within the South African academy. What studies that do work within a critical perspective (be they Frankfurt School-inspired Critical Theory, neo-Gramscian/Coxian or feminist) largely remain at an embryonic stage of development thus far. This being so, before this work embarks on a detailed analysis of South Africa's foreign policy behaviour in the contemporary period (*i.e.* post- *apartheid*), a

¹ Following the conventional distinction between International Relations as an academic discipline, and international relations as the practice of politics across borders.

² Robert Cox 'Towards a Post-Hegemonic Conceptualization of World Order: Reflections on the Relevancy of Ibn Khaldun' in James Rosenau and Ernst-Otto Czempiel (eds.) *Governance Without Government: Order and Change in World Politics* Cambridge: Cambridge University Press, 1992.

³ Philip Nel 'Political Relations and the Analogy of Language', *Theoria*, nos. 81/82, October 1993, p. 56.

⁴ Fred Halliday 'International Relations: Is There a New Agenda?', *Millennium: Journal of International Studies*, vol. 20, no. 1, 1991, 66.

⁵ See Mervyn Frost, Peter Vale and David Weiner (eds.) *International Relations: A Debate on Methodology* Pretoria: Human Sciences Research Council, 1989.

necessary detour or diversion into questions pertaining to meta-theory is deemed essential - and needed - as a contribution to the further development of International Relations in South Africa.

Positivism and International Relations

It is important to acknowledge that positivism has long dominated the academic discipline of International Relations.⁶ Although there has been a growth in non-positivist activity within the academy, it is still the predominant approach and International Relations remains essentially dominated by 'well-funded scholars interested in dismissing post-positivist critiques, avoiding discussions of philosophical issues and getting on with their research'.⁷ Such a situation echoes that found in Economics and the distinction made between "positive economics" and "normative economics", where:

Positive economics pertains to objective value-free enquiry [and] is a statement of what is, not you or anyone else's values or subjective feelings...Normative economics is economic analysis that contains value judgements, either implicitly or explicitly.⁸

Such a claim to value-free "explanations" expresses itself most forcefully in a position of supposed epistemological certainty, yet 'the point is that empirical observations confirmed as facts are necessarily distorted by the particularity of the observer'.⁹ This being so, what are the fundamental assumptions and weaknesses behind positivist theorisations and how do these relate to International Relations?

Perhaps the main flaw in such theorisations is the absence of reflexivity. Within this objectivist epistemology no attention is paid to the unstated presuppositions upon which all scientific inquiries are based.¹⁰ Indeed, such objectivism claims to separate object from observer:

⁶ See William Olson and Nicholas Onuf 'The Growth of a Discipline Reviewed', in Steve Smith (ed.) *International Relations: British and American Perspectives* Oxford: Blackwell, 1985, pp. 1-28.

⁷ Thomas Biersteker 'Critical Reflections on Post-Positivism in International Relations', *International Studies Quarterly*, vol. 33, no. 3, September 1989, p. 265.

⁸ G. Walton *Understanding Economics Today* Homewood, Illinois: Irwin Publishers, 1991, pp. 16-17.

⁹ L. Keita 'Neoclassical Economics and the Last Dogma of Positivism: Is the Normative-Positive Distinction Justified?', *Metaphilosophy*, vol. 28, nos. 1 and 2, January/April 1997, p. 84.

¹⁰ Mark Neufeld, 1993, p. 55.

Scientists often have a naïve faith that if only they could discover enough facts about a problem, these facts would somehow arrange themselves in a compelling and true solution. [However] the problems scientists take up, the way they go about solving them, and even the solutions they are inclined to accept, are conditioned by the intellectual, social, and economic environments in which they live and work.¹¹

The assumption that problems arise only with respect to social enquiry and that science and scientific methodology when applied to natural science is non-problematic, is doubtful:

Research methods, testing techniques and procedures for verifying results are...guided by...interpretative paradigms, [thus] the natural sciences...rests on the same logic of scientific inquiry as the human sciences.¹²

Knowledge therefore is not neutral, as positivists both in the natural and social sciences presume, but represent interests manifested through particular interpretative methodologies and ontological assumptions. In short, science is a social activity conducted by communities of researchers: it is socially constructed and not “objective”, though positivist scientists invariably seek to conceal the social interests at work behind their initial *problematique* by appeals to “objectivity”, “neutrality” and “explanation”. This is of profound importance as within positivist frameworks of enquiry lie the kernel of control and domination.¹³ This is true of the disciplines of International Relations and International Political Economy where those scholars who support the basic structures of the *status quo*:

[R]esist threats to conventional versions by claiming that the constitutive [*i.e.* alternative] version is “biased” and “non-scientific” and that it does not understand the reality of political economy. [Furthermore] they continually and instrumentally use this reality to achieve and maintain control.¹⁴

How this affects the academy as a whole and how this is linked to the promotion of a particular politico-economic model is discussed below. At this point it is sufficient to suggest that by appealing to “reality” and querying and/or rejecting

¹¹ Theodosius Dobzhansky *Mankind Evolving: The Evolution of the Human Species*, New York: 1962, p. 138.

¹² Marvin Stauch ‘Natural Science, Social Science, and Democratic Practice: Some Practical Implications of the Distinction Between the Natural and the Human Science’, *Philosophy of the Social Sciences*, vol. 22, no. 3, September 1992, p. 338.

¹³ Mark Neufeld, *The Restructuring of International Relations* Cambridge: Cambridge University Press, 1995(a), p. 103.

¹⁴ Roger Tooze ‘Constructive Criticism: Threats, Imperatives and Opportunities of a Constitutive IPE’ in Kurt Burch and Robert Denemark (eds.) *Constituting International Political Economy* Boulder: Lynne Rienner, 1997, p. 209.

alternative projects, a particular discourse is promoted and embedded, making criticism of the “accepted” project appear as an illegitimate activity in itself. Indeed, ‘once established as common sense, theories become incredibly powerful since they delineate not simply what can be known but also what it is sensible to talk about or suggest...Defining common sense is therefore the ultimate act of political power’.¹⁵

Theoretical constructions hence should be understood in the light of their specific historical context, the ideology that underpins these theories, and the forms of society that such theories promote, sustain or challenge.¹⁶ Indeed, ‘theory is always for someone and for some purpose. All theories have a perspective. Perspectives derive from a position in time and space, specifically social and political time and space’.¹⁷ This is not to say that such a position leads ultimately to relativism. Jürgen Habermas argues that though knowledge is historically founded and interest bound, knowledge can emerge out of an inter-subjective consensus theory of truth: truth claims are resolved through reasoned discussion culminating in consensus.¹⁸ In his theory of discourse ethics, Habermas avoids the problem of relativism (inherent in post-modernism) and provides a base by which a point of view may be situated.

Habermas examines the relationship between processes of constitution and justification *via* communicative competence, maintaining that all speech is directed towards the notion of a genuine discursively achieved consensus (which is rarely achieved). In short, communicative action outlines a rationality allowing universal norms. The analysis of consensus shows this notion to involve a normative dimension, which is formalised in the concept of what Habermas calls ‘an ideal speech situation’, which he regards as implicit in the communicative act and includes ethical and normative commitments.¹⁹ A

¹⁵ Steve Smith ‘Positivism and Beyond’ in Steve Smith, Ken Booth and Marysia Zalewski (eds.) *International Theory: Positivism and Beyond* Cambridge: Cambridge University Press, 1996, p. 13.

¹⁶ Yosef Lapid ‘The Third Debate: On the Prospects of International Theory in a Post-Positivist Era’, *International Studies Quarterly*, vol. 33, 1989, p. 250.

¹⁷ Robert Cox ‘Social Forces, States, and World Orders: Beyond International Relations Theory’ in Robert Keohane (ed.) *Neo-Realism and its Critics* New York: Columbia University Press, 1986, p. 208.

¹⁸ See ‘What is Universal Pragmatics?’ in Jürgen Habermas *Communication and the Evolution of Society* Boston: Beacon Press, 1979, pp. 1-68.

¹⁹ See Jürgen Habermas ‘On Systematically Distorted Communication’ in Eric Bredo and Walter Feinberg (Eds.) *Knowledge and Values in Social and Educational Research* Philadelphia: Temple University Press, 1970, pp. 370-390.

consensus attained in this situation - a 'rational consensus' - is, according to Habermas, the decisive measure of whether a statement is true or not, or of the correctness of such norms.²⁰ This allows an emancipatory dimension closed by relativism's extremes.

Indeed, Habermas' critical theory makes emancipatory goals its starting point. It is grounded in a normative base that is not arbitrary, but intrinsic in the structures of social activity and language. This can be used as a normative standard for a critique of distorted communication, whose discourse contributes to and formulates contemporary ideology. Such ideologies maintain their "legitimacy" only through coercion and would be invalidated if subjected to rational discourse - to ideal speech. This rational discourse presupposes that statements can be comprehensible, true, right and sincere.²¹

One important process of any emancipatory project therefore entails the transcendence of existing systems of distorted communication so that the force of the better argument prevails.²² Hence, consensus on whether a statement is true and right can be achieved in an environment shorn of power and distortion.²³ This process requires engaging in critical reflection and criticism and it is only through such reflection that domination, in its many forms, can be unmasked. This reflexivity avoids relativism. By doing so, such 'foundations for making judgements between knowledge claims places [such analyses] as...direct descendant[s] of the Kantian enlightenment project...a great source of strength to those who want to link foundational knowledge to emancipation'.²⁴ It overcomes the relativism of post-modernism which, as Habermas points out, is unable or unwilling to account for its normative foundations.²⁵

This is not, of course, to infer that Habermas is a positivist - he does not think that bringing these realities into rational correspondence will demand that we use "scientific" methodologies and seek "objective" knowledge. An "objective" method would claim to get to the truth while disregarding inter-subjectivity as wholly unreliable - as "unscientific": for Habermas, the inner reality of the actor

²⁰ Michael Pusey *Jürgen Habermas* London: Routledge, London, 1987, p. 89.

²¹ William Outhwaite *Habermas: A Critical Introduction* Cambridge: Polity Press, 1994, chapter 3.

²² Jürgen Habermas *Moral Consciousness and Communicative Action* Cambridge: Polity Press, 1990, pp. 66, 89.

²³ William Outhwaite, 1994, p. 40.

²⁴ Steve Smith in Steve Smith, Ken Booth and Marysia Zalewski (eds.), 1996, p. 28.

should not be discounted or overlooked. This is where a Habermasian-influenced approach to International Relations overcomes relativism whilst remaining non-positivist.

As suggested, positivism (and “traditional” theory in general) is characterised by its attempt to privilege natural science and mathematics as its foundational model.²⁶ There are of course precedents to such claims: after all, Spinoza appealed to geometry to prove his ethical claims and much of positivism can be seen in a similar light. This is particularly so when such appeals to “scientific explanations” in International Relations are utilised to produce a particular discourse that claims to be “realistic” and “factual”, when in fact such statements are the product of distorted communication. It is the task of a more reflective theorisation to strip away such claims and expose the particular normative project that is behind the veneer of value-free “objectivity”. In short, to understand the ‘active and vital role played by the community of researchers in the production and validation of knowledge’.²⁷

This is significant not least because it has important politico-normative implications for the direction of study, taking ‘the world as it finds it, with the prevailing social and power relationships and the institutions into which they are organised, as the given framework for action’.²⁸ This enables the acceptance and rejection of “appropriate” research agendas at the expense of excluded alternative modes and subjects of research.

‘[T]he vast majority of scholarship in International Relations...proceeds without conscious reflection on its philosophical bases or premises’,²⁹ having important ramifications for the pursuit of knowledge and acting as a powerful tool (inadvertently or otherwise) in preserving existing power relations at parochial and global levels. In other words, empiricist epistemology ‘reflect[s] more the concerns of hegemons’ within and without the academy.³⁰ Hence, ‘prevailing philosophical and theoretical consensus legitimates some forms of

²⁵ Jürgen Habermas *The Philosophical Discourse of Modernity* Cambridge: Polity Press, 1987, p. 276.

²⁶ Max Horkheimer *Critical Theory* New York: Herder and Herder, 1972, p. 190.

²⁷ Mark Neufeld, 1993, p. 56.

²⁸ Robert Cox in Robert Keohane (ed.), 1986, p. 208.

²⁹ Thomas Biersteker, 1989, p. 265.

³⁰ Roger Tooze ‘The Emergence of a New International Political Economy: A Realist View’, *Millennium: Journal of International Studies: Journal of International Studies*, vol. 16, no. 3, 1987, p. 524.

“theoretical” inquiry and *de-legitimizes* others’.³¹ Noam Chomsky illustrates this point when discussing the state of Economics in the United States:

When [a] Nobel Prize winner in Economics considered the range of possible economic systems, he saw a spectrum with complete *laissez-faire* at one extreme and “totalitarian dictatorship of production” at the other. Assuming this framework, “the relevant choice for policy today” is to determine where along this spectrum our economy should lie....There are other dimensions, however, along which [his] polar opposites fall at the same extreme: for example, the spectrum that places direct democratic control of production at one pole, and autocratic control, whether by state or private capital, at the other. In this case, as so often, the formulation of the range of alternatives narrowly constrains “the relevant choice for policy”.³²

A similar dichotomy of policy choices attempts to create “realistic” options for South African foreign policy, where the NAM and the OAU are dismissed as ‘not...worth the expenditure of the resources involved’, and the debate is caricatured as between ‘realists, who are concerned with getting investment, and radicals, who want us to take the moral high ground’.³³ Notice how the “realists” are paired with “common sense” (see below). After all, who can argue with bringing in finances to a country as poor as South Africa? The “radicals” meanwhile seemingly promote, by implication, an utopian and moral foreign policy that, we are encouraged to assume, will get the country nowhere. Though these “radicals” ‘deserve a hearing’, it is ‘only to assert the importance of moral considerations’ and has little chance of influencing real policy. Thus the illusion of inclusivity is encouraged in order to promote a semblance of legitimacy, but real substantive policy is to be trusted only with those who are “realistic”.

As discussed in the Introduction, those who premise the usefulness of International Relations on its policy relevance invariably privilege their position on a positivist “explanation”, yet this cannot be done justifiably as various fundamental values underpin the different explanations, not the alleged tests through empiricism. Not only this, but claims to “relevancy” and “realism” are dishonest as ‘in practice the problem of competing perspectives is resolved by forces and sentiments not considered part of “scientific” academic knowledge at

³¹ [Italics in the original], Roger Tooze ‘Understanding the Global Political Economy: Applying Gramsci’, *Millennium: Journal of International Studies: Journal of International Studies*, vol. 19, no. 2, 1990, p. 273.

³² Noam Chomsky *Problems of Knowledge and Freedom* London: Barrie and Jenkins, 1972, p. 53.

³³ Jack Spence ‘Realists Wrestle with Radicals’, *Mail and Guardian* (Johannesburg) August 25, 1995.

all. That is, it is resolved and choices made on the basis of the values (social, political, moral) that positivist knowledge claims to banish'.³⁴ Such a process serves the interests of the powerful, predicates "relevance" on its relation to what the dominant interests demand, and reduces inequities in the system to technical questions best served by problem-solving theory.

Those who question such a situation are frequently met within the International Relations academy with the invariably rhetorical retort of "what's the alternative?". In other words, to (temporarily) co-opt Thatcherism, a research agenda is created where "there is no alternative" (TINA) to a particular set of norms. This not only acts as closure on debate, but also as a restriction on the parameters of inquiry by delineating what is "worthy" of investigation and more importantly, what is not.

Parameter-setting forces within International Relations

Within the academy, two forces that set the field of inquiry may be identified. The first is the hegemony of the United States which provides the agenda through a definition of the issues to be discussed and 'in a process of intellectual hegemony within the academic study of International Relations, the methodology and core concepts for "solving" the problems so defined'.³⁵ Secondly, the academic hegemony of Economics 'furnishes the appropriate epistemology and legitimate[s] the form and content of research'.³⁶ In a survey of the teaching of International Political Economy at universities in the United Kingdom and United States, it was found that non-traditional texts were virtually absent from American courses. Accordingly, 'the US texts ha[d] a specifically managerial flavour. Not only [were] traditional issues stressed but the emphasis [was] on the United States' management of the international economy. The maintenance of hegemony...rest[ed] at the core of the top US readings'.³⁷

³⁴ Roger Tooze 'International Political Economy and the National Policy-Maker' in Christopher Hill and Pamela Beshoff (eds.) *Two World of International Relations: Academics, Practitioners and the Trade in Ideas* London: Routledge, 1994, p. 59.

³⁵ Roger Tooze 'International Political Economy and International Relations: From "Enfant Terrible" to Child Prodigy, or Just a Cuckoo in the Nest?', *Millennium: Journal of International Studies*, vol. 16, no. 2, 1987, p. 349.

³⁶ *Ibid.*

³⁷ Robert Denmark and Robert O'Brien 'Contesting the Canon: International Political Economy at UK and US Universities', *Review of International Political Economy*, vol. 4, no.

As American publishers and American academics dominate what has been dubbed 'an American social science', they tend to set the parameters of discourse.³⁸ Not only does this have serious implications for the smaller academies (e.g. in Canada),³⁹ but also has resulted in - as the *British International Studies Association* asserts - 'that some of the most highly rated...journals are simply unavailable to critics of orthodoxy'.⁴⁰ This is particularly problematic when 'U.S. dominance in the social sciences resulted...because of their association with American power' and that this hegemony 'is that of one with the authority, one in charge who speaks but does not listen'.⁴¹

Such a feature of the wider academy leads to scholars such as Cox being marginalised as 'his work does not sit well *vis-à-vis* the prevailing discourse of the powerful and numerous North American academic community'.⁴² The American academy, promoting a particular discourse, becomes *the* academy to be measured against.⁴³ Such dominance, it is suggested, also leads to the type of arrogance exemplified by a leading "name" in the field - Steven Krasner - who opined that 'sure people in Luxemburg have good ideas...but who gives a damn? Luxemburg ain't hegemonic'.⁴⁴ This Americo-centric posturing reaches its zenith

1, Spring 1997, p. 229. See also Kim Richard Nossal 'Tales That Textbooks Tell: Ethnocentricity and Diversity in American Introductions to International Relations', paper presented at biennial meeting of the Association for Canadian Studies in Australia and New Zealand, Macquarie University, North Ryde, New South Wales, Australia, July 9-11, 1998.

³⁸ Stanley Hoffmann 'An American Social Science: International Relations', *Dædalus*, vol. 1, Summer 1977.

³⁹ See Teresa Healey and Mark Neufeld 'Critical Reflections on a Discipline: A View from North of the 49th Parallel' in Robert Crawford and Darryl Jarvis (eds.) *International Relations: Still an American Social Science? Toward Diversity in International Thought* New York: State University of New York Press, 1998.

⁴⁰ British International Studies Association *Response of BISA to Research Assessment: Consultation RAE 2/97* <http://snipe.ukc.ac.uk/international/bisa.dir/raesponse.html>

⁴¹ Frederick Gareau 'The Political Economy of Social Science: Where the Trail Leads', *International Journal of Comparative Sociology*, vol. 31, nos. 1-2, January-April, 1990, p. 62 and p. 61. See also Frederick Gareau 'A Gramscian Analysis of Social Science Disciplines', *International Social Science Journal*, no. 136, May 1993; and Frederick Gareau 'The Increasing Ethnocentrism of American Social Science: An Empirical Study of Social Science Encyclopedias', *International Journal of Comparative Sociology*, vol. 24, nos. 3-4, 1983.

⁴² Stephen Gill 'Two Concepts of International Political Economy', *Review of International Studies*, vol. 16, 1991, p. 379.

⁴³ Nicholas Onuf 'Hegemony's Hegemony in IPE', in Kurt Burch and Robert Denmark (eds.), 1997.

⁴⁴ Quoted in Richard Higgott 'Toward a Non-hegemonic IPE: An Antipodean Perspective', in Craig Murphy and Roger Tooze (eds.) *The New International Political Economy* Boulder: Lynne Rienner, 1991, p. 99.

in people such as Robert Kagan who, in an attack against 'sophisticated whining about U.S. hegemony', asserts that

[T]he truth about America's dominant role in the world is known to most clear-eyed international observers. And the truth is that the benevolent hegemony exercised by the United States is good for a vast portion of the world's population.⁴⁵

Such attitudes not only explicitly benefit a particular set of interests, but also act to establish parameters that invariably serve a particular discourse (in this case American power). After all, how can one's research be taken seriously if one is not from the ranks of the 'clear-eyed'?

Agendas that are outside these parameters, set by hegemonic forces at a variety of levels, are reduced to the fringes of academic discourse. They become "loners", to use Cox's borrowing of Susan Strange's phrase, set against the "groupies" of the established academy.⁴⁶ The whole process, far from being "objective" and "scientific" is unavoidably ideological and tends to serve 'particular national, sectional or class interests, which are comfortable within the given order'.⁴⁷ The respectable intellectuals, those who will be recognised as serious intellectuals, will overwhelmingly tend to be those who are subordinated to power'.⁴⁸

This scenario leads to theorising being limited to what Cox terms "problem solving". This approach accepts the dominant social and power relationships and the organisations by which they are arranged as the given framework for investigation. The essential aim of any problem-solving approach is to make these relationships and institutions operate as smoothly and efficiently as possible by dealing with particular sources of difficulty that threaten the stability of the given order. As the model of institutions and relationships - the overarching normative order - is not disputed, issues can be investigated with regard to the specialised sections of activity in which they are situated. Problem-solving theories are thus segmented along a plurality of spheres and aspects. Statements and regulations can be attained that seem to have universal pertinence, yet such laws involve the institutional and relational

⁴⁵ Robert Kagan 'The Benevolent Empire', *Foreign Policy*, no. 111, Summer 1998, p. 26.

⁴⁶ Robert Cox "'Take Six Eggs": Theory, Finance, and the Real Economy in the Work of Susan Strange', in Robert Cox with Timothy Sinclair, 1996, pp. 177-178.

⁴⁷ Robert Cox in Robert Keohane (ed.), 1986, p. 208.

⁴⁸ Noam Chomsky 'The Cold War and the University' in Noam Chomsky *et al.*, *The Cold War and the University: Toward an Intellectual History of the Post-war Years*, New York: New Press, 1997, p. 189.

parameters taken for granted from the beginning in any problem-solving research agenda.⁴⁹

Such problem-solving methodologies tend to the reification of existing ontologies: within International Relations, the privileging of state behaviour over all other research agendas. To date, this has been the primary ontology in analysing foreign policy, though the usefulness of this in understanding foreign policy is profoundly unsatisfactory. This is particularly so when 'it is generally accepted that the internal construction of the state is an important aspect of explaining its behaviour internationally'.⁵⁰ Whilst this is held to be true, Gramsci's qualifying remarks on the linkages between social relations and international politics are important. Reductionist analysis that ties in international relations to basic class considerations is rejected as economically deterministic. Posing the question whether international relations and foreign policies precede or follow social relations, Gramsci gave a qualified answer:

There can be no doubt that they follow. Any organic innovation in the social structure, through its technical-military expressions, modifies organically absolute and relative relations in the international relations field...However, international relations react both passively and actively on political relations...The more the immediate economic life of a nation is subordinated to international relations, the more a particular party [in power] will come to represent...that country's subordination and economic enslavement to the hegemonic nations or to a certain number [of them].⁵¹

Whilst past literature on foreign policy has in the main ignored the social relations behind state behaviour, it has also passed over Gramsci's concept of the relational aspects of the state to the international hegemonic structure (see below). Studies which assume isolated entities - such as the state as actors - as ontological tools, whilst ignoring structuralist explanations and the specific societal and historical contexts that such actors (states) spring from, are abstractions and unsatisfactory. Unless the historic nature of a given state is established and analysed, the derivative nature of such a focus of analysis and the level of abstraction becomes too speculative.⁵² The same applies to "foreign policy" if it ignores the specific socio-economic context (at both national and

⁴⁹ Robert Cox in Robert Keohane (ed.), 1986, p. 208.

⁵⁰ John Maclean 'Marxist Epistemology, Explanations of 'Change' and the Study of International Relations', in Barry Buzan and R.J. Barry Jones *Change and the Study of International Relations: The Evaded Dimension*, London: Frances Pinter, 1981, p. 62.

⁵¹ Antonio Gramsci, 1971, pp. 176-177.

⁵² Vendulka Kubalkova and Albert Cruickshank *Marxism and International Relations* Oxford: Oxford University Press, 1989, p. 12.

international levels) from which it is inevitably derivative but at the same time helps to create: 'anarchy is what states make of it'.⁵³ Addressing such issues is what this work now turns to.

The agent-structure debate in International Relations

Both neo-realist and liberal accounts approach the political and economic spheres as autonomous, and states as particular and unified entities with the endowment to seek particular objectives. This is problematic, for it does not just present a doubtful view of the world but also its helps, through "problem-solving" positivism, to maintain a world which is both elitist and undemocratic: the 'conservative ideology of the exercise of state power'.⁵⁴

The main alternative to such actor-centred explanations was initially the structuralist perspective of dependency theory which argued that the economic structures of the global capitalist economy were decisive in affecting outcomes in the global economy rather than the intentions of states.⁵⁵ However, the critical approach of Cox *et al.* rejects not only the "billiard ball" model presented by realists but also the rather rigid, structuralist accounts of *dependencia*. Instead it tries to give equal weight to both structure and agency, depending on the given temporal and spatial context. The conception of states as unified actors has been replaced with the conception of a rapidly changing global economic order which shapes economies and livelihoods in all areas of the world. By bridging the gap between agent and structure, such analyses shares with Alexander Wendt the concern to conceptualise 'agents and structures as mutually constitutive yet ontologically distinct units. Each is in some sense an effect of the other'.⁵⁶

However, such a notion of structure is faced with the critique of the empiricists and their assertion based on phenomenalist nominalism that only what is observable is a defensible object to study. With no direct causality

⁵³ Alexander Wendt 'Anarchy is What States Make of It: The Social Construction of Power Politics', *International Organization*, vol. 46, no. 2, 1992.

⁵⁴ Justin Rosenberg *The Empire of Civil Society: A Critique of the Realist Theory of International Relations* London: Verso, 1994, p. 30.

⁵⁵ For the classic *dependencia* approach, see André Gunder Frank *Latin America: Underdevelopment or Revolution?* New York: Monthly Review Press, 1969.

⁵⁶ Alexander Wendt 'The Agent-Structure Problem', *International Organization*, vol. 41, no. 3, Summer 1987, p. 360.

between structure and agent, how can structures be scientifically studied? Any reply hinges on the ontological positions a theorist adopts *i.e.* what is taken to exist. Apart from the fact that social structures require humankind to form and re-form them, basic ontological distinctions between molecular structures in physics and generative structures in international politics can be claimed as real as their outcomes can be viewed.⁵⁷

Precisely the same can be said for the critique of a lack of causality in structural analyses. This criticism adopts a Humean position that rejects the existence of causes and instead asserts that science can only provide empirical generalisations by which events may be related in temporal successions. Thus whilst “law-like” regularities may be discussed, Hume discounts the notion of “cause”.⁵⁸ However, as Wendt demonstrates, the natural sciences would never have advanced if they had not undertaken to comprehend the underlying causal mechanisms that produce the phenomena which make up the natural realm.⁵⁹ Thus the position that demands observable causality fails to address how structural power may impinge on states or other bodies.

To summarise, since the effects of structural power can be perceived, it is appropriate to assume that structural power is real - causality or no causality. In an era of globalisation and the spread of structural hegemonic power, rejecting this thesis is somewhat eccentric.

Cox’s neo-Gramscian perspective seeks to define historically the structures which are expressed through political agency, rather than assuming that structures are fixed, and stresses the importance of the role of ideas in creating a transnational ideological hegemony of neo-liberalism (see below). This approach ‘stands apart from the prevailing order of the world and asks how that order came about...[It] does not take institutions and power relations for granted but calls them into question by concerning itself with their origins and how and whether they might be in the process of changing’.⁶⁰ Only then can a structure be adequately analysed: a temporal ‘snapshot’ (typical of problem-solving) is rejected as ahistorical and negatively parsimonious. Indeed, critical perspectives stress ‘the need to ground all knowledge of social life in human history, culture

⁵⁷ *Ibid.*, p. 353.

⁵⁸ David Hume *A Treatise of Human Nature* Harmondsworth: Penguin, 1969, pp. 121-142.

⁵⁹ Alexander Wendt, 1987, p. 353.

⁶⁰ Robert Cox in Robert Keohane (ed.), p. 208.

and power relations', and not take "reality" at face value.⁶¹ As such, an essential reappraisal of 'images and assumptions about man and society' and about the institutions and structures that man interacts with is carried out.⁶²

By advancing the analysis of South Africa's post-*apartheid* foreign policy beyond purely examining actor-behaviour, and by examining the constraints that remain invisible in actor-orientated explanatory frameworks, this study aims to advance a more sophisticated understanding of Pretoria's foreign policy post-*apartheid*, whilst avoiding the structural determinism of Wallerstein and Gunder Frank. Indeed, as will become clear, there *is* room for agency and choices and alternatives *do* exist - as the deployment of a Gramscian perspective to the study of international politics demonstrates. It is this Gramscian conceptualisation and its relations to the fundamental hypotheses of this work that we now turn to.

⁶¹ Jim George and David Campbell 'Patterns of Dissent and the Celebration of Difference: Critical Social Theory and International Relations', *International Studies Quarterly*, vol. 34, no. 3, September 1990, p. 270.

⁶² R. Walker *Political Theory and the Transformation of World Politics* World Order Studies Program, Occasional Paper No. 8, Princeton, New Jersey: Center for International Studies, 1980, p. 2.

SECTION II

HEGEMONY, MIDDLEPOWERMANSHIP AND MULTILATERALISM

It is a central premise of this work that any redirection of South African post-*apartheid* foreign policy that has occurred has been in a direction that fits Coxian notions of middlepowermanship. This has largely played itself out in a particular enthusiasm for multilateral activity. 'By itself a middle power is unlikely to have overwhelming influence on the international stage', and as a result, 'middle power leadership is, in essence, multilateralist in approach'.⁶³ This being so, the purpose of this section is to outline our understanding of middlepowermanship following a reading of Cox, and also how this analysis throws light on multilateralism and multilateral activity. By doing so, we provide a framework through which an analysis of post-*apartheid* South African foreign policy may be conducted.

The Section is composed of three parts. Firstly, what is meant by "hegemony" in the Gramscian sense and how this relates to International Relations and in particular notions of world order is explored. What this hegemonic world order is in the contemporary period will be elucidated in the following chapter. Secondly, an explanation of Coxian "middlepowermanship" and how this is relates to the propagation of a particular hegemonic project/world order will be sketched. Why Cox's notion of middle powers is seen as the preferable definition will also be briefly discussed. Thirdly, a suggestion is put forward as to why middlepowermanship leads to a heightened interest in multilateral organisations and more specifically, a particular tactical role in such institutions.

Gramsci's understanding of hegemony

According to Robert Cox, the essential function of most international institutions is the justification and defence of the hegemon's politico-economic

⁶³ Hussein Solomon 'South African Foreign Policy and Middle Power Leadership', in Hussein Solomon *Fairy Godmother, Hegemon or Partner? In Search of a South African Foreign Policy* Halfway House: Institute of Strategic Studies Monograph Series no. 13, 1997, p. 54.

project. In short, 'the institutionalisation and regulation of established order'.⁶⁴ How a particular order becomes 'established' and is maintained is central to the Gramscian notion of hegemony:

By hegemony, Gramsci seems to mean a socio-political situation, in his terminology a "moment", in which the philosophy and practice of a society fuse or are in equilibrium; an order in which a certain way of life and thought is dominant, in which one concept of reality is diffused throughout society in all its institutional and private manifestations, informing with its spirit all taste, morality, customs, religious and political principles, all social relations, particularly in their intellectual and moral connotations. An element of direction and control, not necessarily coercion, is implied.⁶⁵

The hegemonic class leads society through its leadership of a complex alliance of social forces and leadership in the sphere of production - a "historic bloc". This is 'the particular configuration of social forces and ideology that gives content to a historical state'.⁶⁶ In this theorisation classes and fractions of classes form alliances in order to construct a specific mode of social relations of production and build a state formation (and world order at the international level) that is favoured by them. This bloc becomes hegemonic if/when it is based on a coherent conjunction or fit between a configuration of material power, the prevalent collective image of world order...and a set of institutions which administer the order with a certain semblance of universality'.⁶⁷

In the Gramscian sense, this hegemonic power is of a different type than that usually associated with pure material dominance, and is intimately linked to 'intellectual and moral leadership' *via* ideology. Indeed, the importance of ideas in Gramscian theorising is explicit, with Gramsci himself asserting that ideologies have the 'same energy as a material force'.⁶⁸ Once these ideas have become hegemonic (see below) in combination with control over the material spheres of production, a historic bloc may be said to have been constructed. Prior to this it is conceivable that a situation may arise where hegemony is absent, hence postponing the creation of an historic bloc:

⁶⁴ Robert Cox 'Multilateralism and World Order', *Review of International Studies*, vol. 18, no. 2, April, 1992, p. 163.

⁶⁵ Gwn Williams 'Hegemony, War of Position and Political Intervention' in Anne Showstock Sassoon (ed.) *Approaches to Gramsci* London: Writers and Readers, 1982, p. 94.

⁶⁶ Robert Cox, 1987, p. 409.

⁶⁷ Robert Cox, 1986, p. 223.

⁶⁸ Antonio Gramsci, 1971, p 377.

A class can in fact organise itself in a State which only barely goes beyond the bounds of an economic-corporative development, but it is only when this state has developed the area of hegemony that it is an extended or integral State, and only then can it represent a fully developed and maximally extended historical bloc.⁶⁹

Hence the notion of ideology is inextricably bound up in Gramscian theory *vis-à-vis* the nature of the state. In the writings of Marx and Engels, we can see a foreshadowing of Gramsci's notions surrounding ideological control:

Insofar...as they rule as a class and determine the extent and compass of an epoch, it is self-evident that they do this in its whole range, hence among other things rule also as thinkers, as producers of ideas, and regulate the production and distribution of the ideas of their age: thus their ideas are the ruling ideas of the epoch.⁷⁰

Gramsci's concept can be seen as an *extension* of the Marxist theories around leadership of society. By bringing into focus an analysis of Machiavelli's Centaur,⁷¹ *viz.* the levels of coercion and consent, force and culture, government and hegemony *etc.*, Gramsci 'posed the question of consent in a way new to Marxism'.⁷² By doing so, Gramsci provides scholars of International Relations with a conceptualisation that also extends traditional theorisations and makes it possible to take a more nuanced understanding of dominance and power in politics.

Following Gramsci, whilst it is true that the dominant economic class can (and does) exercise sheer coercive force *via* state apparatuses, this factor does not solely account for its control over society for alliances are required with other fractions if this is to be achieved on a stable and lasting basis. The ability to exercise this control is made possible by the elite classes establishing hegemony in social, cultural and moral spheres, for a hegemonic class is 'a class which has been able to articulate the interests of other social groups to its own by means of ideological struggle'.⁷³ This has been extended to define a hegemonic system as identifying 'the apparent interests of a subaltern class with those of a fundamental class which is able to exercise political

⁶⁹ Anne Showstock Sassoon *Gramsci's Politics* Minneapolis: University of Minnesota, 1980, p. 123.

⁷⁰ Karl Marx and Friedrich Engels *The German Ideology* London: Lawrence and Wishart, 1970, pp. 64-65.

⁷¹ Antonio Gramsci, 1971, pp. 169-170.

⁷² Christine Buci-Glucksmann 'Hegemony and Consent: A Political Strategy' in Anne Showstock Sassoon (ed.) *Approaches to Gramsci* London: Writers and Readers, 1982, p. 117.

leadership'.⁷⁴ This is done through a combination of both coercion and persuasion, producing 'the possibility of ruling with the consent of the oppressed classes, the iron fist of the state being kept in reserve and rarely in evidence'.⁷⁵ Gramsci himself uses the word *direzione* (leadership) interchangeably with *egemonia* (hegemony) and in contrast with *dominazione* (domination).⁷⁶ Maintaining hegemony in the Gramscian sense is thus dependent not only upon exercising power through coercion, but also by attaining consent by acting as the "moral" leaders of society:

The supremacy of a social group manifests itself in two ways, as "domination" and as "intellectual and moral leadership". A social group dominates antagonistic groups, which it tends to "liquidate" or to subjugate perhaps even by armed force; it leads kindred or allied groups. A social group can, and indeed must, already exercise "leadership" before winning governmental power...[I]t subsequently becomes dominant when it exercises power, but even if it holds it firmly in its grasp, it must continue to "lead" as well.⁷⁷

Hence, 'hegemony is the ability of a social group to exercise a function of 'political and moral direction' in society'.⁷⁸

A hegemonic class then is one which achieves the consent of other classes by manufacturing and fostering a network of alliances by way of both political and ideological encounters. This is derivative of the notion that the dominant class understands that the acquiescence of the subordinate classes in the existing power relations is but conditional. The hegemonic class(es) thus need to broaden and generalise the basis of class power by inducting various interests groups into the states concerns. By constructing what is essentially a superficial coalition *via* a mixture of coercion and consent, the hegemonic class produces (temporary) stability and diverts the subordinated elements within society from realising their own real needs or interests, thus serving to defend the ascendant position of the dominant class elite. At the same time, hegemony is not purely an ideological phenomenon: hegemony cannot be created without

⁷³ Chantal Mouffe 'Hegemony and Ideology in Gramsci' in Chantal Mouffe (ed.) *Gramsci and Marxist Theory* London: Routledge and Kegan Paul, 1979, p. 181.

⁷⁴ James Mittelman 'World Order Studies and International Political Economy', *Alternatives*, vol. 9, no. 3, Winter 1983-84, p. 331.

⁷⁵ Vendulka Kubálková and Albert Cruickshank, 1989, p. 199

⁷⁶ Roger Simon *Gramsci's Political Thought* London: Lawrence and Wishart, 1991, p. 23.

⁷⁷ Antonio Gramsci, 1971, pp. 57-68.

⁷⁸ Enrico Augelli and Craig Murphy 'Gramsci and International Relations: A General Perspective and Example from Recent US Policy Towards the Third World' in Stephen Gill (ed.) *Gramsci, Historical Materialism and International Relations* Cambridge: Cambridge University Press, 1993, p. 130.

the 'decisive nucleus of the economic'. Yet, Gramsci also avoids the economic trap of mechanically connecting control over the productive forces to that of societal domination, for in addition to the economic realm 'the nature of power in the modern world is that it is also constructed in relation to political, moral, intellectual, cultural, ideological, and sexual questions'.⁷⁹

An advantage of Gramsci's analysis then is that it allows us to escape from pure economic determinism and to develop the notion of the state as being integral *i.e.* "dictatorship + hegemony". Gramsci portrayed the nature and role of the state in a famous paragraph worthy of reproduction:

[T]he State is seen as the organ of one particular group, destined to create favourable conditions for the latter's expansion. But the development and expansion of the particular group are conceived of, and presented, as being the motor force of a universal expansion, of a development of all the 'national' energies. In other words the dominant group is co-ordinated concretely with the general interests of the subordinate groups, and the life of the State is conceived as a continuous process of formation and superseding of unstable equilibrium (on the juridical plane) between the interests of the fundamental group and those of the subordinate groups.⁸⁰

If we take the "State" as the world order and the "dominant group" as the dominant hegemonic classes, it is possible to extrapolate this analysis of local society to the international level. Gramsci himself asserted that 'the international situation should be considered in its national aspect',⁸¹ and others have argued that we 'can use Gramsci's concepts to ask to what degree there is a "state" in the wider sense which characterises *world* society'.⁸² Cox has pioneered this international aspect of Gramsci's conceptualisation of hegemony and is worth quoting at length:

"Hegemony" is used...in the Gramscian meaning of a structure of values and understandings about the nature of order that permeates a whole society, in this case a world society composed of states and non-state corporate entities. In a hegemonic order these values and understandings are relatively stable and unquestioned. They appear to most actors as the natural order of things. They are the inter-subjective meanings that constitute the order itself. Such a structure of meanings is underpinned by a structure of power, in which most probably one state is dominant but that state's dominance is not sufficient by itself to create hegemony. Hegemony derives from the ways of doing and thinking of the dominant social strata of the dominant state or states insofar as these ways of

⁷⁹ Stuart Hall *Thatcherism and the Crisis of the Left: The Hard Road to Renewal* London: Verso Press, p. 170.

⁸⁰ Antonio Gramsci, 1971, p. 182.

⁸¹ *Ibid.*, p. 40.

⁸² Enrico Augelli and Craig Murphy in Stephen Gill (ed.), 1993, p. 129.

doing and thinking have inspired emulation or acquired the acquiescence of the dominant social strata of other states. These social practices and the ideologies that explain and legitimise them constitute the foundation of the hegemonic order. Hegemony frames thought and thereby circumscribes action.⁸³

Following on from this, dominance is, as we have mentioned, different to that usually associated with the word and which is utilised within the International Relations discipline by among others, neo-realists. There, dominance and hegemony are inter-linked with the power projections of states within an anarchic world order and characterise various power relations where coercion is overt. Within this anarchical international order, a major theoretical assumption about states is that their prime motivation is to survive as independent, sovereign units.⁸⁴ Within this framework, hegemony is understood to be the ability of one preponderant state to project its power through superior material power resources “over” other states within a Hobbesian conceptualisation of the world. James Mittelman usefully contrasts neo-realist understandings of hegemony with that of the Gramscian approach when he points out that:

What distinguishes the United States as a hegemon from Japan as a contender may be discerned in the realm of ideology. Whereas the United States diffuse[s] liberal values as universal norms, Japanese culture has not yet generated values for export.⁸⁵

Within the broad neo-realist school, this power/hegemon equation understanding has led to “hegemonic stability theory” which suggests that domination by a single country is the most conducive to the promotion of a strong international regime where “rules” within the system regulating order are obeyed under threat from the dominant hegemon.⁸⁶ Co-operation between states is then founded on temporary alliances constructed to maintain global stability. This position adopts a structuralist view of the international system and privileges states as the prime ontological unit of analysis. Within this framework, hegemons construct regimes that perpetuate their international advantage by furnishing global public goods. These public goods profit not only

⁸³ Robert Cox, 1992, p. 178-179.

⁸⁴ Kenneth Waltz *Theory of International Politics* New York: Random House, 1979.

⁸⁵ James Mittelman ‘The End of a Millennium: Changing Structures of World Order and the Post-Cold War Division of Labour’ in Larry Swatuk and Timothy Shaw (ed.) *The South at the End of the Twentieth Century: Rethinking the Political Economy of Foreign Policy in Africa, Asia, the Caribbean and Latin America* New York: St. Martin’s Press, 1994, p. 26.

⁸⁶ Robert Keohane ‘The Theory of Hegemonic Stability Theory and Changes in International Economics Regimes, 1967-77’, in Ole Holsti, Randolph Siverson, and Alexander George (eds.) *Change in the International System* Boulder: Westview Press, 1981.

the hegemon but also the wider international system.⁸⁷ Such a functionalist view of regimes defines the phenomena of international co-operation.

Whilst it is true that this international regime may possess “rules” that tie in with the Gramscian notion of hegemony, the fundamental difference is that hegemonic orders within the neo-realist lens are seen as a product of one state’s preponderance of military and economic power and that this is a prerequisite for a liberal international economy. Viewed *via* Gramsci however, the liberal economic order and hegemony are organically linked and hegemony is a device by which the norms of the economic order are further propagated.⁸⁸ Dominance by a state is not particularly central to this notion of hegemony: it is the promotion of a particular dominant ideology and the construction of an international institutionalisation that underpins the system that is important:

Hegemony is understood to involve not dominance of one state by another, but rather the institution and maintenance of a world order which serves the interests of the dominant class of the dominant state while at the same time it serves the interests of the dominant classes of other states as well.⁸⁹

That is not to say that a dominant power does not exist. Yet the crucial difference from accepted (*i.e.* neo-realist) notions of hegemony is that projecting raw military and economic power is not central to the creation of a hegemonic order - it is the ability to project a particular order as the “common interest” *via* a combination of coercion *and* consent that is central to Gramscian notions of hegemony. Such hegemony is centred around an ideology which ‘wins the consent of very substantial sections of the subordinate and dominated classes [and] which can inscribe...a vast range of different positions and interests in it [making it] seem...to represent a little bit of everybody’.⁹⁰

These shared common interests and ‘the coaxing of public consent’ are achieved ‘through the media (schools, churches, and intellectuals working hand

⁸⁷ Robert Keohane *After Hegemony: Co-operation and Discord in the World Political Economy* Princeton: Princeton University Press, 1984, pp. 31-46. See also Robert Gilpin *The Political Economy of International Relations* Princeton: Princeton University Press, 1987.

⁸⁸For similarities between the “traditional” understanding of international regime theory and Critical Theory understandings, see Fred Gale ‘Cave ‘Cave! Hic Dragones’: A Neo-Gramscian Deconstruction and Reconstruction of International Regime Theory’, *Review of International Political Economy*, vol. 5, no. 2 Summer 1998.

⁸⁹ Mark Neufeld ‘Hegemony and Foreign Policy Analysis: The Case of Canada as a Middle Power’, *Studies in Political Economy*, no. 48, Autumn 1995(b), p. 13.

⁹⁰ Stuart Hall, 1988, p. 165.

in glove with the ruling class), agencies, in other words, that customarily form part of the political socialisation process'.⁹¹ This socialisation process acts to enforce certain dominant ideas that 'exert a pervasive, yet subtle, influence in the making of policy, serving to define the parameters of acceptable policy options'.⁹² Noam Chomsky and Edward Herman's work on "manufacturing consent" through the media in the service of a particular worldview and set of dominant ideas is of profound interest in this respect.⁹³

Furthermore, we have already noted the presence of such socialising agents as the organic intellectuals debating and promoting a particular hegemonic project and who help define what is and what is not "realistic". The importance of such intellectuals in promoting a certain order should not be underestimated:

Central to the promotion of the hegemony of trans-national capital is the development and articulation of theories and ideologies by its 'organic intellectuals'. [This is achieved *via*] a large number of policy-oriented academics and theoreticians drawn from a range of fields.⁹⁴

Such a process acts to facilitate and further deepen the ability of a particular hegemonic norm to be generally accepted as the "correct" order of things and which obtains consent. "Experts in legitimation" act 'in mediating the ideological and political unity of the existing hegemonic structure, rendering it acceptable to allied and subordinate groups, universalising its dominance'.⁹⁵

These intellectuals 'are not merely regarded as cliques pursuing individual interests, but as...representatives of a particular social group or historic bloc generated by the sphere of production'.⁹⁶ As such, they are intimately linked to a clear economic base and promote the interests of the historic bloc - 'exercis[ing] an organisational function in the wide sense' - whilst at the same time transcending this so as to open up space for other social forces

⁹¹ Vendulka Kubálková and Albert Cruickshank, 1989, p. 199.

⁹² Kim Richard Nossal *The Politics of Canadian Foreign Policy* 3rd ed. Scarborough: Prentice Hall, 1997, p.165.

⁹³ Noam Chomsky and Edward Herman *Manufacturing Consent: The Political Economy of the Mass Media* New York: Pantheon Books, 1988.

⁹⁴ Stephen Gill 'Hegemony, Consensus and Trilateralism' *Review of International Studies*, no. 12 July 1986, p. 215.

⁹⁵ John Merrington 'Theory and Practice of Gramsci's Marxism' in *New Left Review Western Marxism: A Critical Reader* London: New Left Review, 1977, p. 153.

⁹⁶ Andreas Bieler 'Neo-Gramscian Approaches to IR Theory and the Role of Ideas: A Response to Open Marxism', paper presented at British International Studies Association annual conference, December 16-18, 1996, p. 4.

to give their consent - an integral component of notions regarding hegemony.⁹⁷ The intellectuals organically tied to the hegemonic class...demonstrate in every field of knowledge that the aspirations of the group they serve coincide with the interests of society as a whole'.⁹⁸

In the realm of world orders this "rationality" becomes so accepted as the "norm" that a 'nation's conception of the world becomes universalised to the point where its own leaders stand by the universal principles when they conflict with particularistic domestic interests'.⁹⁹ In other words, a particular hegemonic project becomes so embedded as the normative order that the national elites view it as essentially inviolable and resist even influential segments of its constituency in seeking to maintain such a programme.

Such a hegemonic order is diffused throughout international society at multiple levels and comes to define what may be "legitimately" expected or demanded. This elaborate set of structures acts to limit the boundaries around which "legitimate" and "realistic" policies may be formulated. In the current world order, where there has been a shift from "embedded liberalism" *à la* Ruggie to hyper-liberalism, this involves:

A transnational process of consensus formation among the official caretakers of the global economy. This process generates consensus guidelines, underpinned by an ideology of globalisation, that are transmitted into the policy-making channels of national governments and big corporations.¹⁰⁰

This has particular implications for the developing world's response to negative outcomes within the global order.¹⁰¹ Though space *does* exist for agency, it has been particularly constrained to a large degree by the massive shift in political and economic relations in the post-Cold War era and can perhaps be seen 'convert[ing] the state into an agency for adjusting national economic practices and policies to the perceived exigencies of the global economy'.¹⁰² This creates in the most perilous states the situation where agency 'represents not so much the vital forces of [their] own country, as [those countries] subordination and economic enslavement to the hegemonic nations or to a certain of their

⁹⁷ Antonio Gramsci, 1971, p. 97.

⁹⁸ Enrico Augelli and Craig Murphy in Stephen Gill (ed.), 1993, p. 131.

⁹⁹ Robert Cox, 1989, p. 829.

¹⁰⁰ Robert Cox 'Global Perestroika' in Robert Cox with Timothy Sinclair, 1996, p. 301.

¹⁰¹ Enrico Augelli and Craig Murphy *America's Quest for Supremacy and the Third World: A Gramscian Analysis* London: Pinter Publishers, 1988.

¹⁰² Robert Cox 'Global Perestroika' in Robert Cox with Timothy Sinclair, 1996, p. 302.

number'.¹⁰³ Though we can perhaps avoid the extreme pessimistic notions of a Foucaultian pan-opticon as pictured by Stephen Gill,¹⁰⁴ (though the disciplinary elements of the WTO may prove Gill correct), it is pertinent to echo warnings of a "new imperialism" where:

[N]ational sovereignty is...readily overridden by a hegemonic power pursuing its own self-defined national interest; and [where] the neo-liberal policy prescription of the 1980s [is] even more single-handedly imposed...with potentially serious consequences for large parts of the developing world.

...A more monolithic world is spinning an even tighter web of constraints through the creation of an increasingly integrated, institutionalised and liberalised global economy...In this new world people have greater political freedom, but their range of choices has narrowed.¹⁰⁵

In other words, in the post-Cold War era where a particular hegemonic project is dominant and where one order defines the choices available, the South is disadvantaged to a large degree by its weakened state capacity and economic vulnerability. This is not to say that this is fixed, and competent investigations require an integrated approach 'by combining parsimonious theories which analyse agency in terms of a conception of rationality with contextual theories which analyse structures institutionally and historically'.¹⁰⁶ 'Making allowance for agency, there is nothing inevitable or pre-determined about outcomes, only opportunities defining the limits of the possible'.¹⁰⁷ Yet constrained by a particular vision of world order that has achieved hegemony, 'states can no longer determine; they can only bargain',¹⁰⁸ and this bargaining takes place within certain constraints. These can take on the form of 'structural constraints which are often taken as the limits of the possible'.¹⁰⁹ However, this is not to say that structure is fixed nor that space does not open up at certain junctures to allow agency: 'agency matters much more than structural realists such as Waltz

¹⁰³ Antonio Gramsci, 1971, p. 177.

¹⁰⁴ Stephen Gill 'The Global Panopticon? The Neoliberal State, Economic Life and Democratic Surveillance', *Alternatives*, vol. 20, no. 1, 1995.

¹⁰⁵ Manfred Bienefeld 'The New World Order: Echoes of a New Imperialism', *Third World Quarterly*, vol. 15, no. 1, 1994, pp. 31 and 43.

¹⁰⁶ Andrew Gamble, Anthony Payne, Ankie Hoogvelt, Michael Kenny, and Michael Dietrich 'Editorial: New Political Economy', *New Political Economy*, vol. 1, no. 1, 1996, pp. 5-6.

¹⁰⁷ James Mittelman 'Coxian Historicism as an Alternative Perspective in International Studies', *Alternatives*, vol. 23, no. 1, January-March, 1998, p. 82.

¹⁰⁸ Richard Higgott 'Issues, Institutions and Middle-Power Diplomacy: Action and Agendas in the Post-Cold War Era' in Andrew Cooper (ed.) *Niche Diplomacy: Middle Powers After the Cold War* Basingstoke: Macmillan, 1997, p. 27.

¹⁰⁹ Stephen Gill 'Epistemology, Ontology and the 'Italian School'' in Stephen Gill (ed.), 1993, p. 36.

are yet prepared to concede'.¹¹⁰ Indeed, 'the notion of structural context...is not to be understood as a cage. It is properly conceived as the source of both opportunities *and* constraints, as being both enabling *and* binding'. 'Care [must] be taken to make sure that a sufficiently political (or agency-oriented) dimension is introduced into [any] framework'.¹¹¹

This study accepts such warnings against a structurally-determinist analysis and, following Gramsci, allows space for agency whilst being aware of structural constraints. It is asserted that 'no countries...are completely autonomous and self-reliant [whilst] no countries...develop (or under-develop) merely as a reflection of what goes on beyond their national borders'.¹¹² Yet in the contemporary period agency must operate within a particular *milieu* that militates against strong opposition to a specific global order which is the hegemony of neo-liberalism and which has led to a 'demise of sovereignty in the South'.¹¹³ Following this, the inherent politico-ideological aspects of such a world order (and the legitimisation process which in turn accompanies such a schema) are central to Gramscian analyses and possess in themselves an ontological commodity. In the contemporary period, this hegemonic concept can be understood whereby 'capitalist norms and practices pervade...everyday life in a more systematic way than in the era of welfare-nationalisms and state capitalism...so that it may be apposite to speak of the emergence of...a "market civilisation"'.¹¹⁴

This being so, the usage of neo-Gramscian analysis (and specifically the notion of hegemony) in International Relations has not proceeded unchallenged and indeed has provoked some criticism - mainly due to the supposed problems arising from attempting to "internationalise" Gramsci's work, and the alleged concentration on ideology.

¹¹⁰ Richard Higgott in Andrew Cooper, (ed.), 1997, p. 30.

¹¹¹ Anthony Payne 'The New Political Economy of Area Studies', *Millennium: Journal of International Studies*, vol. 27, no. 2, 1998, p. 266.

¹¹² Björn Hettne *Development Theory and the Three Worlds: Towards an International Political Economy of Development* Harlow: Longman, 1995, p. 262.

¹¹³ Timothy Shaw 'Conditionalities Without End: Hegemony, Neo-Liberalism and the Demise of Sovereignty in the South', in Mark Denham and Mark Owen Lombardi (eds.) *Perspectives on Third World Sovereignty: The Postmodern Paradox* Basingstoke: Macmillan, 1996.

¹¹⁴ Stephen Gill 'Globalisation, Market Civilization, and Disciplinary Neo-liberalism', *Millennium: Journal of International Studies*, vol. 24, no. 3, 1995, p. 399.

According to Randall Germain and Michael Kenny, Gramsci's notion of hegemony was specific to the national social context within which it was developed and it is problematic to transpose this willy-nilly to the international.¹¹⁵ It is certainly true that Gramsci concentrated his analysis on the local. This however was not a spatial boundary mark, but simply a starting point, providing a foundation from which to understand the relationship between national and international. The historically particular constellations of social forces at the parochial or national level are the *beginning* of any analysis, not the end. Naturally, such local configurations do not simply emerge as an abstraction from the international, but are themselves moulded *via* the global/national dialectic, for as Gramsci wrote, 'it is...necessary to take into account that international relations intertwine with these internal relations of nation-states, creating new, unique and historically concrete combinations'.¹¹⁶

In defence of the Gramscian approach, Mark Rupert argues that Gramsci suggested 'a dialectical understanding of world politics which cannot proceed in abstraction from the specific constellations of factors - global and local - which have shaped the historical production of particular states [and] the emergence of international and transnational relations'.¹¹⁷ This local analysis is fundamental to any neo-Gramscian account (including this study), so it is hard to understand the charge by Germain and Kenny that neo-Gramscian analyses ignore the local and concentrate on the international.

Furthermore, Germain and Kenny's critique misinterprets the neo-Gramscian understanding of a transnational hegemony. Contrary to their assertion that the neo-Gramscian turn in International Relations suggests a one-directional power relationship where hegemony is simply fashioned by an elite transnational class and then imposed upon subaltern classes,¹¹⁸ hegemony is understood to be 'the unstable product of a continuous process of struggle, a "war of position", a "reciprocal siege", hardly a foreclosure of the horizons of

¹¹⁵ Randall Germain and Michael Kenny 'Engaging Gramsci: International Relations Theory and the New Gramscians', *Review of International Studies*, vol. 24, no. 1, 1998, p. 17.

¹¹⁶ Antonio Gramsci, 1971, p. 182.

¹¹⁷ Mark Rupert '(Re-)Engaging Gramsci: A Response to Germain and Kenny', *Review of International Studies*, vol. 24, no. 3, 1998, pp. 432-433.

¹¹⁸ Randall Germain and Michael Kenny, 1998, p. 18.

meaningful political contestation'.¹¹⁹ In other words, the neo-Gramscian approach within International Relations is not as reductionist as Germain and Kenny suggest, but rather is fully aware that any hegemonic project is constructed on contested terrain where it is fought within the realm of ideas (though obviously connected to material bases).

This notion of the importance of ideas leads to another critique of the neo-Gramscian approach, namely that the role of ideology is given too much emphasis, particularly *vis-à-vis* changes in economic policies.¹²⁰ According to one account, this gives the impression that changes in strategies are simply the result of fractional struggles within elite circles.¹²¹ Obviously, when a particular accumulation regime demonstrates that it is inefficient in serving the interests of the bourgeoisie, it is reconfigured and inefficient capitals are sacrificed. Yet, the end of one accumulation regime does not result in an automatic (almost teleological) leap to another, supposedly driven by the vagaries of the demands of "the market". 'On the contrary, there are always various possible courses of action in times of structural change. Which course of action is chosen is not determined by the market, but depends on the outcome of class struggle'.¹²²

The notion of a historic bloc, discussed previously, is vitally important in the selection of a particular strategy to overcome turning points in any accumulation regime. This historic bloc attempts to gain hegemony through a combination of coercion and consent. It is in the realm of the consensual aspect of a reconfigured historic bloc that the role of ideas and organic intellectuals is crucial in striving for the success of a hegemonic project. Despite the criticism of Burnham, a Gramscian understanding of such a project is based on and springs from - the economic sphere: ideas have a material base. However, any hegemonic project also goes 'beyond economic, the structure, into the political and social sphere, the superstructure, incorporating issues such as social reform or moral regeneration, to result in a stable hegemonic political system'.¹²³ To quote Gramsci:

¹¹⁹ Mark Rupert, 1998, p. 428. For another defence of the neo-Gramscian approach, see Craig Murphy 'Understanding IR: Understanding Gramsci', *Review of International Studies*, vol. 24, no. 3, 1998.

¹²⁰ See Peter Burnham 'Neo-Gramscian Hegemony and the International Order', *Capital and Class*, vol. 45, 1991, especially p. 83.

¹²¹ *Ibid.*, p. 88.

¹²² Andreas Bieler, 1996, p. 3.

¹²³ *Ibid.*

Politics becomes permanent action and gives birth to permanent organisations precisely in so far as it identifies itself with the economic. But it is also distinct from it, which is why one may speak separately of economics and politics, and speak of “political passion” as of an immediate impulse to action which is born on the “permanent and organic” terrain of economic life, but which transcends it’.¹²⁴

Ideology therefore is pertinent in the struggle to organise a reconfigured historic bloc. In contrast to what critics have claimed, ideas are not simply imparted top-down but are engaged at a variety of levels and agency is present throughout. Furthermore, such ideas are not independent of the economic sphere but have a material base - something which neo-Gramscian analyses make clear. In doing so, the approach is a valuable theoretical framework by which the international political economy can be examined - as Mark Neufeld forcefully points out:

Gramscian theorising - and in particular the notion of hegemony - is a valuable adjunct to the dominant class approach to foreign policy analysis...Additionally it provides a means of relating the global context to foreign policy-making, as well as space for agency...As such, the Gramscian approach is a viable alternative to realist-theorising, and deserves serious consideration in the search for analytical frameworks adequate to the contemporary world order.¹²⁵

Accepting this, an examination of the world order from the above framework will now be undertaken.

Constitutions of world orders

If the usefulness of Gramscian analysis in International Relations and the concomitant definition of hegemony is embraced, how is this applied to the analysis of world orders? By order it is meant ‘the [common] sense of the way things usually happen’ - *not* “orderliness” or the lack of upheaval in global affairs.¹²⁶ Furthermore, a world order differs from an international order, for a world order is essentially normative, whilst an international order indicates the interactions between states and across borders, that is *inter*-nations. The various organisations that govern this international order do not, in themselves “make” the world order (though as Cox argues, they help legitimise and construct it). According to Cox, three components make up the structure of a hegemonic world order. These are: material capabilities, ideas and institutions. The material capabilities of a world order are composed of:

¹²⁴ Antonio Gramsci, 1971, pp. 139-140.

¹²⁵ Mark Neufeld, 1995 (b), pp. 24-25.

Productive and destructive potentials within a world order that exists as technological and organisational capabilities, and in their accumulated forms as natural resources which technology can transform, stocks of equipment (for example, industries and armaments), and the wealth which can command these.¹²⁷

In Cox's definition, there is no specific location of such material capabilities. Such a theorisation differs from traditional state-centric analyses which seeks to locate such capabilities within specific states and under the control of the elites within such spatially defined entities. Cox's historical sensitivity and the knowledge that the post-Westphalian state system belongs merely to the current modern epoch, shies away from such assertions and avoids any pre-specification of the location of capabilities. Such loci are historically determined and are not temporally omnipresent. However, the interrelated elements of such power capabilities as identified by Susan Strange (security, production, finance and knowledge) within the global political economy, go some way to address those critics who claim that Cox's conceptualisation of hegemony fails to fully separate out all the diverse elements that make up hegemony across divergent structures of power.¹²⁸

Derivative of his Gramscian inspiration, Cox's conceptualisation of world orders privileges the ascendant ideas of a particular era. By doing so, two forms of ideas are distinguished: inter-subjective meanings and collective images. Inter-subjective meanings are made up of shared ideas regarding the nature of social relations and tend to continue behavioural habits and expectations. Cox is again historically sensitive when he asserts that an example of such inter-subjective meanings is the notion 'that people are organised and commanded by states which have defined territories; that states relate to one another through diplomatic agents'.¹²⁹ It is clear that states are not seen as fixed ontological units, but as historically determined, mutable creations conceptualised *via* inter-subjective experience. As another account points out, 'the historical structures of the feudal manor and the fief that confronted serfs and lords in mediaeval times appeared as real and as enduring as do our modern historical structures of the nation-state and the interstate system'.¹³⁰

¹²⁶ Robert Cox in Robert Keohane (ed.), 1986, footnote 2, p. 249.

¹²⁷ *Ibid.*, p. 218.

¹²⁸ Susan Strange in Craig Murphy and Roger Tooze (eds.), 1991, pp. 33-49.

¹²⁹ Robert Cox in Robert Keohane (ed.), 1986, p. 218.

¹³⁰ Fred Gale, 1998, p. 271.

The second form of ideas are the collective images of social order held by various popular groupings. These differ from inter-subjective meanings in that collective images are widely debated over and unlike inter-subjective meanings are not commonly indisputable or survive comparatively unquestioned. For example, within “wider society” the state and state system as inter-subjective meanings pass essentially unscathed as ontological “facts” - with the exception of course of anarchist critics. Yet the actual organisation of the state and the inter-state system (and related questions *vis-à-vis* alternative structures or developmental paths) is the battlefield of a variety of ideological positions that calls into question the very legitimacy of power relations within the existing state and inter-state structure.¹³¹

The third and last constitutive element of Cox’s conceptualisation of a world order are its institutions. This is at both parochial and international levels and act largely in propagating the hegemonic order:

Institutionalisation is a means of stabilising and perpetuating a particular order. Institutions reflect the power relations prevailing at the point of origin and tend, at least initially, to encourage collective images consistent with these power relations. Eventually, institutions take on their own life; they can become a battleground of opposing tendencies, or rival institutions may reflect different tendencies. Institutions are particular amalgams of ideas and material power which in turn influence the development of ideas and material capabilities.¹³²

At the international level, multilateral institutions play a vital role in consolidating hegemony and propagate and ensure the continuance of a particular hegemonic project by the mediating and legitimising function that they perform. It is *via* interventions, negotiations, the making of concessions and the arrival at “consensus” that paramount sectional interests are able to be displayed as the common interest. This role of multilateral institutions and the particular relevance of middlepowermanship in this process will be returned to below.

The three elements outlined above then constitute Cox’s notion of world order. It is when these three components conglomerate in a particular arrangement that it is possible to speak of a hegemonic world order in the Gramscian sense. Broadly speaking, ‘the stronger the position of the ruling

¹³¹ Robert Cox in Robert Keohane (ed.), 1986, p. 219.

¹³² *Ibid.*

group or state, the less the need for the use of force'.¹³³ In short, coercion becomes less and less visible and consent appears paramount. So much so that the very power relations on which such an order depend recede into the background. In its most extreme and perhaps rarest form, it becomes 'impossible to distinguish the "dominant" class from "subordinate" allies to whom concessions have to be made'.¹³⁴ The implications for the salience of agency, particularly in the periphery, are obvious.

This is not to say that agency is wholly absent from such a world order, as has been mentioned previously. Within a Gramscian framework an ideological battleground upon which hegemony is built is apparent and agency is patently also present. As Gramsci himself writes:

A study of how...forces developed, from subaltern groups to hegemonic and dominant groups, must...seek out and identify the phases through which they acquired: *i.* autonomy *vis-à-vis* the enemies they had to defeat, and *ii.* support from the groups which actively or passively assisted them

...It is precisely by these two yardsticks that the level of historical and political consciousness which the innovative forces progressively attained in the various phases can be measured.¹³⁵

In seeking agency, Gramsci's work can be seen to therefore avoid the reductionist tendency of outright structuralism *à la* world-systems theory. The struggle for hegemony is seen as a "war of position" where competing ideological positions contest and where, 'through lived experience and shared cultural codes [people may] learn what constitutes the "possible"'.¹³⁶ The same may be said of states where hegemony has not been achieved domestically or, where the dominant classes within the state reject the normative project of the global hegemonic project. Agency is present within a Gramscian perspective of international politics and this is one of the attractions of such an approach: it was 'as a consequence of the "structuralist" failings of world-systems theory that IR Gramscians were initially attracted to interpretations that stressed the historicist and agency-oriented aspects of Gramsci's political sociology'.¹³⁷ This being so, it is the varying degree to which agency is present and the strategic

¹³³ Anthony Payne and Andrew Gamble 'The Political Economy of Regionalism and World Order' in Andrew Gamble and Anthony Payne (eds.) *Regionalism and World Order*, Basingstoke: Macmillan, 1996, p. 9.

¹³⁴ Craig Murphy *International Organization and Industrial Change: Global Governance since 1850* Cambridge: Polity Press, 1994, p. 45

¹³⁵ Antonio Gramsci, 1971, p. 53.

¹³⁶ Mark Rupert, 1998, p. 429.

¹³⁷ Craig Murphy, 1998, p. 418.

choices that are made by policy-making elites that decides the extent to which a state resists or acquiesces to an ongoing project:

Larger states and macro-regional political associations (like Japan and the EC) generally have greater room for manoeuvre than small states. Thus some are more sovereign than others in the emerging world order.¹³⁸

Middlepowermanship

Of interest to the agent-structure debate is the role of middle powers. Whilst this concept will be developed below, it is pertinent here to examine how middle powers relate to such deliberations. Middle powers occupy an intermediary position in the overall power structure of the international system *and* their behaviour reflects a “meeting point” between the two:

The middle power seems to be the archetypal place for thinking and experimenting with human and state agency in the international system. Unlike the weakest states in the hierarchy of power, the middle power can more clearly manifest a certain form of autonomy relative to the major powers. In addition, the middle power’s freedom of action cannot be confused with the manifestation of structural leadership expected from the major powers.¹³⁹

In other words, the middle power possesses more agency than a small and invariably vulnerable state in the pursuance of its foreign policy, yet lacks the structural position to dominate. Such thinking leads Timothy Shaw to assert that in the African context, it will be those states that may be viewed as middle powers who will have the capacity ‘to maintain continental stability and international visibility’.¹⁴⁰ Obviously, by either choosing not to struggle against or not being in a position to, a nation’s foreign policy coincides more with that of the hegemonic interests than that of a state where the dominant elites actively chose otherwise. This is at the centre of South Africa’s post-*apartheid* foreign policy and its emergence as a middle power and active multilateralist.

In discussing middle powers and the notion of middlepowermanship, stylised ideal types as explanatory models must be resorted to. This being acknowledged, what is a middle power and what is middlepowermanship? Within International Relations, the concept is highly debatable. As Andrew

¹³⁸ Stephen Gill ‘Gramsci and Global Politics: Towards a Post-Hegemonic Research Agenda’ in Stephen Gill (ed.), 1993, p. 11.

¹³⁹ Louis Bélanger and Gordon Mace ‘Middle Powers and Regionalism: The Cases of Argentina and Mexico’ in Andrew Cooper (ed.), p. 165.

¹⁴⁰ Timothy Shaw in Mark Denham and Mark Owen Lombardi (eds.), 1996, p. 110.

Cooper points out, the notion of middle powers 'presents an ambiguous conceptual category in international politics'.¹⁴¹ Though middle powers are generally accepted as possessing a range of capabilities within the middle range of states, how this is measured and crucially, how important this is, is problematic. Indeed, two broad divisions can be made in the approach to middle powers in the literature: one based on the capabilities of the state(s) in question; and another on their position - and crucially - their behaviour, in the international political economy.

Those basing their definition of middle powers on the material capabilities of the state are largely realist in their theoretical approach. In an extensive discussion of what "power" is and how to measure it, Bernard Wood suggested that the Gross National Product of a state is the determining criteria in any attempt to 'measure tangible capabilities'.¹⁴² Using this method, Wood created a list of countries deemed to be of middling GNP and ergo "middle powers". Yet such a taxonomy is (obviously) profoundly flawed, for a listing of middle powers based on their GNP rankings includes generally accepted middle powers such as Canada and Sweden, but so too are states such as Austria, Belgium, Romania and Venezuela - none of whom are usually defined as "middle powers". Carsten Holbraad's definition of middle powers also related strongly to the material capabilities of a state. Holbraad modified this however by reference to geopolitical criteria *i.e.* by qualifying middle power candidates by their position within their respective regions. This gave (in 1975) South Africa and Nigeria in Africa; China, India, Iran and Japan for Asia; France, Italy, Poland, Spain, the United Kingdom, and West Germany for Europe; Canada and Mexico for North America; Argentina and Brazil for South America; and Australia and Indonesia for "Oceania and Indonesia". By doing so, Holbraad's definition "lost" virtually all those states in Europe usually considered middle powers *e.g.* Norway and Sweden. His division into "upper" and "lower" middle powers was also problematic.¹⁴³

¹⁴¹ Andrew Cooper 'Like-Minded Nations and Contrasting Diplomatic Styles: Australian and Canadian Approaches to Agricultural Trade', *Canadian Journal of Political Science*, vol. 25, no. 2, June 1992, p. 350.

¹⁴² Bernard Wood 'The Middle Powers and the General Interest' *Middle Powers and the International System* Ottawa: North South Institute, 1988, p. 17.

¹⁴³ See Carsten Holbraad *Middle Powers in International Politics* New York: St. Martin's Press, 1984.

Perhaps the fundamental problem with both Holbraad and Wood's efforts to define middle powers is the paucity that such capability-oriented approaches give in predicting or at least rationalising the international behaviour of such states. Reliance on the GNP of a state, although not entirely irrelevant in providing the material ability to enact out a role, is devoid of any real explanatory power. In addition, trying to "define" middle powers is highly problematic, not least because there is no readily accepted definition. However, a combination of capabilities *and* the behavioural activities of a state provides a more useful definition of middle powers, particularly as this allows a greater understanding of their role *vis-à-vis* the international political economy, where much of their activities are aimed at helping 'shape and condition the transition of the international system'.¹⁴⁴ Furthermore, a more nuanced approach overcomes realism's state-centric ontology and accommodates state-society complexes and transnational developments. After briefly discussing Pretoria's "candidacy", a discussion of what this more nuanced - and critical - approach is will be embarked upon (see below).

In the South African case, all indicators demonstrate that the country is the preponderant power on a regional basis: its economy is four times bigger than the other eleven members of SADC combined, and nearly twenty times that of the next largest economy (Angola).¹⁴⁵ Indeed, the question arises whether Pretoria is, within the region at least, 'partner or hegemon?'.¹⁴⁶ This pre-eminence within a semi-peripheral region of the global economy, combined with South Africa's increased tendency to act out its foreign policy as a conciliator and "bridge-builder" - particularly within multilateral forums - as well as Pretoria's enthusiasm for promoting a particular politico-economic model on a pan-continental basis and in line with the hegemonic project, supports the thesis that South Africa has emerged post-1994 as a middle power. This emergent role in Pretoria's foreign policy has emerged from the kind of economic and political choices made by the African National Congress and by the changes in the international system at the time of the transition from *apartheid* to a form of liberal democracy in South Africa. In short, the 'transformation in the nature

¹⁴⁴ Andrew Cooper 'In Search of Niches: Saying "Yes" and Saying "No" in Canada's International Relations', *Canadian Foreign Policy*, vol. 3, no. 3 Winter 1995, pp. 12-13.

¹⁴⁵ Figures taken from *South Africa in Figures, 1996* Pretoria: Standard Bank, 1996.

¹⁴⁶ See Fred Ahwireng-Obeng and Patrick McGowan 'Partner or Hegemon? South Africa in Africa', Part One, *Journal of Contemporary African Studies*, vol. 16, no. 1, January 1998.

of world order, as well as the asymmetric diffusion of power among domestic political stakeholders...fundamentally influenced South Africa's emergence as a middle power'.¹⁴⁷ This, as will be shown, has been generally supportive of the ongoing politico-economic hegemonic project and will be discussed later.

Yet it is important to note at this stage that the role of middlepowermanship has been stimulated by an array of forces playing themselves out at both domestic and international levels:

As a regulative ideal, "middle power" must be understood in terms of both levels of the global order. In terms of the international level, middlepowermanship direct[s] the...state to play a prominent role in multilateral fora...In this way, the notion of "middle power" orient[ates] the...state to a role supportive of the hegemonic global order...[and]...by fulfilling an important role of facilitator and mediator, [the middle power] help[s] defuse potential conflicts which, if not addressed, might...undermine...the stability of the global order.¹⁴⁸

This is also revealed at the domestic level where the adoption of a middle-power role also serves highly important legitimising functions that should not be ignored:

In terms of the construction of hegemony at the domestic level the notion of "middle power" play[s] an important function as well. First, in the stability-reinforcing role of facilitator at the international level...the [middle-power] help[s] to create an environment conducive to economic growth...upon which the compromise of the liberal...state [is founded]. Secondly, the image of the "middle power", with its attendant emphasis on [the state] as a responsible member of the international community, [is] crucial in creating a domestic consensus in support of extensive involvement in the support of the international order. Finally, in representing [the state's] selfless activism in the international realm as the natural expression of...society as a whole, middlepowermanship reinforce[s] the notion that the social order within [the state's] borders [is] essentially a just one, and deserving of widespread public support.¹⁴⁹

Whilst accepting the capability-dependent taxonomic definition of middle powers, Cox goes further and links the role to the support of a particular hegemonic world order. As such, he is worthy of quoting at some length:

In the middle rank of material capabilities, but...also stand[ing] in the middle of situations of conflict [the middle power] seeks to expand the area of common ground which will make it possible to curtail risk in the management of conflict. Possessing middle range capability (military and economic) is a necessary condition of the ability to play this role, but it is

¹⁴⁷ Janis van der Westhuizen 'South Africa's Emergence as a Middle Power', *Third World Quarterly*, vol. 19, no. 3, 1998, p. 429.

¹⁴⁸ Mark Neufeld, 1995(b), pp. 16-17.

¹⁴⁹ Mark Neufeld 'Democratization in/of Foreign Policy: Critical Reflections on the Canadian Case', unpublished paper, 1998.

not an adequate predictor of a disposition to play it. An ability to stand a certain distance from direct involvement in major conflicts, a commitment to orderliness and security in interstate relations and to the facilitation of orderly change in the world system are the critical elements of the middle power role.¹⁵⁰

Following the Gramscian analysis discussed above, the type of “orderliness” that a middle power promotes is intimately tied up with the ongoing project. Cox is quite explicit in this understanding of the middle power’s role when he asserts that though the hegemonic order ‘does not usually need to be enforced by direct violence...[m]iddle powers may play a supporting role in such a hegemonic order’.¹⁵¹ In short, the middle power in general acts as a facilitating agent of the ongoing project in helping to manage the global order on behalf of a specific politic-economic model (in this study, neo-liberalism). This model is buttressed and consolidated by particular behavioural norms and rules that support the hegemonic order. The role of middle powers is ‘to affirm the principle of adherence to acceptable rules of conduct by all powers, great or small’.¹⁵² This has important implications for such middle power states, as such a role directs the particular country to serve the interests in a broad sense of the ongoing hegemonic order: ‘middle powers’...concern with stability and order in the international system often results in their being supportive of the hegemonic *status quo*’.¹⁵³ This role (as is the world order) is in continual movement and ‘is not a fixed universal but something that has to be rethought continually in the context of the changing state or the international system’. Hence, ‘the middle power’s [role] is to support this process...in the context of a hegemonic world order’.¹⁵⁴

Middlepowermanship therefore denotes a style of foreign policy *behaviour*. This is typically practised by states that are neither great powers nor small powers. Yet middle powers are not simply middle powers because of their tendency to involve themselves in mediatory diplomacy, or because of their propensity to multilateral activity, or their ability to develop techno-functionalist roles within the international system. Rather, ‘some middle-sized states have engaged in these forms of international behaviour, or “roles”, because it has suited their long-term interests *vis-à-vis* world order, the world economy and the

¹⁵⁰ Robert Cox, 1989, p. 827.

¹⁵¹ *Ibid.*, p. 826.

¹⁵² *Ibid.*, p. 834.

¹⁵³ Hussein Solomon in Hussein Solomon (ed.), 1997, p. 57.

¹⁵⁴ Robert Cox, 1989, pp. 825 and 826.

dominant societal values and interests'.¹⁵⁵ Though multilateral fora are the natural arena of operations for middle powers (see below), simply predicating middlepowermanship around an expanded interest in multilateralism can lead to confusion. Hence whilst Willie Breytenbach points out that South Africa's 'greatest disqualification' as a middle power has been its at times willingness to act without multilateral backing, the point is, is that Pretoria's behaviour served the ongoing project's wider interests - the lack of multilateral activity notwithstanding.¹⁵⁶

Accepting this, Kim Nossal and Richard Stubbs' conceptualisation of five essential characteristics of middlepowermanship's diplomatic profile is valuable. These are: scope, style, focus, form, and forum.¹⁵⁷ A discussion of these five characteristics will be conducted before concentrating on the notion of forum *i.e.* multilateralism, and how this relates to hegemony. This being so, what characteristics of a middle power's behavioural activities can be identified?

i. Scope

States that practice a middlepowermanship role tend to be characterised by the extended scope of the diplomatic concerns of such nations. Great powers have interests that are global in scope and that the great power has an active role in; whereas small states generally confine their interests (and hence their diplomatic energy) to their own particular geographical regional entity. Middle powers however tend to be actively involved in a diffuse variety of diplomatic undertakings, invariably projecting beyond their immediate regional location.

Such behaviour is driven by a conviction that 'diplomatic activities which are directed towards the interests of the international community as a whole should not be the exclusive preserve of the great powers alone'.¹⁵⁸ According to this philosophy of praxis, it is desirable that the lesser states within the international system actively involve themselves in the global community's affairs. Stemming from such a normative position, notions such as acting in the "common interest of humanity" or playing the "good global citizen" follow.

¹⁵⁵ David Black 'Addressing Apartheid: Lessons from Australian, Canadian and Swedish Policies in Southern Africa' in Andrew Cooper (ed.), 1997, p. 103.

¹⁵⁶ Willie Breytenbach 'South Africa and Egypt: The Foreign Policies of Regional Powers in Search of African Security', *Africa Insight*, vol. 27, no. 4, 1997, p. 277.

¹⁵⁷ The following discussion is adapted from Kim Richard Nossal and Richard Stubbs 'Mahathir's Malaysia: An Emerging Middle Power?' in Andrew Cooper (ed.), 1997, pp. 149-151.

¹⁵⁸ Kim Richard Nossal and Richard Stubbs in Andrew Cooper (ed.), 1997, p. 149.

ii. *Style*

The style of middle-power diplomacy is a necessary concomitant to the global interests of middle powers'.¹⁵⁹ This is played out in an activist demeanour that a middlepowermanship role demands. Such a state involves itself in issues where its interests are not directly effected. More importantly, the activist approach drives the middle power to make usage of the diplomatic initiative as a typical mark of its diplomacy. Such initiatives involve the middle power in concentrating on ways to solve international problems; formulating a plan of action (often based on expert advice); garnering support for the middle power's ideas from as many like-minded states as possible; and then presenting the international community (lead by the great powers) with a workable compromise that may result in an acceptable solution.¹⁶⁰

The middle power's tendency to involve itself in the construction of consensus is highlighted by the diplomatic activity of middle powers who 'fix on mediatory and consensus-building activities, especially such activities as building reformist coalitions'.¹⁶¹ An example of such a process *vis-à-vis* South Africa's own middlepowermanship role is Pretoria's "facilitating" part played at the 1995 Nuclear Non-proliferation Treaty Review (see below).

iii. *Focus*

Middlepowermanship also lends itself to the state concerned focusing on conflict resolution as a primary goal of its foreign policy. By doing so the stability of the ongoing international order is protected, thus satisfying both the ambitions of the hegemonic project and the aspirations of the middle power to be seen as a "good" international citizen. South Africa's role in trying to solve the Lesotho crisis in August 1998 as well as tentative involvement in attempts at resolving the crisis in the Great Lakes region in the same month, all point to Pretoria playing such a middlepowermanship role. However, this activity 'goes well beyond attempting to defuse and settle local wars. It extends to developing confidence-building measures between adversaries so that conflicts of interests do not develop into "hot" conflicts'.¹⁶² That is, the active insertion of the middle

¹⁵⁹ *Ibid.*, p. 150.

¹⁶⁰ *Ibid.*

¹⁶¹ Andrew Cooper, Richard Higgott and Kim Richard Nossal *Relocating Middle Powers: Australia and Canada in a Changing World Order* Vancouver: University of British Columbia, 1993, p. 174.

¹⁶² Kim Richard Nossal and Richard Stubbs in Andrew Cooper (ed.), 1997, pp. 150-151.

power in a peace-keeping initiative *à la* South Africa and the Eritrean-Ethiopian border dispute. The mediation of disputes between mutual friends is also practised by the middle power. South Africa attempting to resolve the East Timor conflict is a case in point, as is Pretoria's on-off involvement with the Israeli-Palestinian conflict.

iv. Forms and forums

It has already been noted that middlepowermanship leads a state to have a particular preference for engaging in multilateral activity. This is a function of their size and capacity:

Middle powers, almost by definition, probably lack sufficient resources - relative to the resources of great powers - to be able to count on 'buying' an agreement between disputants...The side payments of middle-power diplomacy simply might not be enough to accomplish the psychological and physical results desired, or, even if they do seem initially to be effective, to remain so, should a great power decide to make another, 'better' offer.

For this reason...middle powers often rely for influence on their roles in international institutions. Membership, participation and leadership within international organisations can provide the bargaining power which they themselves may lack.¹⁶³

Furthermore, the diplomatic endeavours of middle power states are informed by a conviction that in the contemporary era where interdependence and political economies have become increasingly internationalised, bilateralism has lost its effectiveness in solving global controversies. In addition, multilateral institutions provide the smaller states (and middle powers are to be counted in this) with a platform where their voices can be heard. In summary:

[Middle powers have an abiding attachment to international institutions as the most appropriate forum for multilateral negotiations, and an equally abiding attachment to the creation of international institutions to 'house' new negotiations, and the maintenance of old institutions to encourage the continuation of dialogue.¹⁶⁴

If this is accepted, then it is pertinent to examine just what is meant by references to multilateralism and its attraction to middle power activity.

¹⁶³ Alan Henrikson 'Middle Powers as Managers: International Mediation Within, Across and Outside Institutions', in *ibid.*, p. 47.

¹⁶⁴ Kim Richard Nossal and Richard Stubbs in *ibid.*, p. 151.

Multilateralism as the natural forum of middlepowermanship

Cox took a Gramscian understanding of hegemony as the starting point for his analysis of multilateral organisations. In his view, international institutions are an important instrument through which the values of a global hegemony are stated. According to this position, the main function of these associations is to articulate the hegemonic ideology.¹⁶⁵ Within this framework, such institutions are legitimising agents of the hegemonic order from which they are born out of and act as the embodiment (indeed codification) of the central norms around which the hegemonic order is constructed. These multilateral organisations are in themselves sustained by ‘universal norms, institutions, and mechanisms which lay down general rules of behaviour for states’.¹⁶⁶ The spread and enlargement of this hegemonic ideology is facilitated by these multilateral organisations, which whilst co-opting national elites in the periphery also possess the strength to assimilate opposing (counter-hegemonic) positions. Following this, ‘the precondition for the achievement of a hegemonic world order is the construction of strong international regimes’, which is facilitated by the regulative effect of international organisations.¹⁶⁷

Such a notion of multilateral organisations can however be problematic to a degree. By restricting international institutions’ role as merely serving as agents of the hegemonic project, a fixed conceptual framework is applied that allows no movement nor any active dialectical inter-relationship between the hegemonic order, multilateral organisations, or their constituent members. It is asserted that there is more to international institutions than simply a legitimisation function. Yet by admitting this, we need not embark on an abandonment of Cox’s Gramscian analysis. It is here that we turn to Frederick Gareau’s work and his efforts in rescuing the valid aspects of Cox’s understanding of multilateral organisations. By doing so, a coherent framework through which to examine South Africa’s role in multilateralist organisations as a middle power is provided.

Gareau’s position is that despite what Cox asserts, anti-hegemonic elements, invariably anchored in the South, have (at times) taken control of leading multilateral fora, including the United Nations General Assembly. This

¹⁶⁵ Robert Cox, 1983, p. 172.

¹⁶⁶ Robert Cox, 1987, p. 172.

¹⁶⁷ Fred Gale, 1998, p. 274.

was then used to promote a particularistic anti-hegemonic vision (e.g. the New International Economic Order).¹⁶⁸ By temporarily “capturing” the United Nations, the South was able to agitate and build pressure up leading to the founding of the United Nations Conference on Trade and Development (UNCTAD) which has at times postured an alternative vision at variance to the hegemonic order (though as will be seen this has largely faded in the contemporary period). Multilateral organisations can also be founded to explicitly challenge (or at least posture a challenge) to the hegemonic order. Hence multilateral organisations are seen not simply as agents of the hegemon or mere legitimisers of the accepted “standard of behaviour” but can, at specific junctures in history, attempt to challenge the hegemonic discourse.

That this project invariably fails can be traced ‘to the weakness and derivative nature of IGOs’ and *not* simply the legitimisation function of these institutions as proffered by Cox.¹⁶⁹ Such an understanding serves to qualify Cox’s statement that anti-hegemonic forces do not control international institutions and ‘even if they did, they could achieve nothing by it’.¹⁷⁰ It is certainly true that multilateral organisations in their historically current form do not have an adequate connection with any popular political base within civil society (see below). This is the root cause of the dismissal of such institutions as “talking shops” based on rhetoric and nothing else. Yet, multilateral organisations can have a certain potential in de-legitimising to a degree the ongoing world order. The active re-assertion of the hegemonic discourse over institutions deemed to have strayed from “acceptable” behaviour (e.g. the General Assembly, UNESCO, etc.) serves as a reminder that the hegemon can feel threatened if it is perceived that a nascent anti-hegemonic project is developing.¹⁷¹

However, such an attempt at de-legitimising the orthodox hegemonic norms are embarked upon at specific periods and act to challenge the established ethos. Furthermore, the actions of the institutions themselves, far

¹⁶⁸ Frederick Gareau ‘International Institutions and the Gramscian Legacy: Its Modification, Expansion, and Reaffirmation’, *Social Science Journal*, vol. 33, no. 2, 1996, p. 227.

¹⁶⁹ *Ibid.*

¹⁷⁰ Robert Cox, 1983, p. 174.

¹⁷¹ See Frederick Gareau ‘The Reassertion of United States Hegemony: Evidence From the United Nations General Assembly’, *International Journal of Comparative Sociology*, vol. 35, nos. 1-2, January-April, 1994.

from legitimising the hegemon's project may serve to de-legitimise the organisation itself. This is an important addition to the Coxian understanding of multilateral organisations. As Gareau points out, the UN General Assembly's expressed position over continued systematic oppression against Palestinians has served to de-legitimise the body in the eyes of many Israelis. A large amount of White South Africans also saw the UN as a de-legitimised organisation taken over by "Third World radicals" and hence viewed with hostility pronouncements coming out of the Assembly.¹⁷² From another angle, the legitimacy of the Organisation of American States (OAS) was seriously undermined by the usage made of it by the hegemon in occupying the Dominican Republic in 1965, and legitimisation of the hegemon's behaviour could not be counted on from the OAS when Washington decided to remove its 'long-time US ally and CIA informant' in Panama in 1989.¹⁷³ Furthermore, British reluctance to implement sanctions against Pretoria in the 1980s led to massive frustration amongst many members of the Commonwealth and at one point even led to talk of Britain being expelled from the organisation. As one Commonwealth writer noted 'Britain [lost] her moral authority to lead the organisation, because on several issues, she [*sic*] stood on the wrong side of the majority position'.¹⁷⁴ Such an outcome is a serious reversal of the legitimising notion regarding international organisations.

This being so, it is important not to see legitimisation as a static concept *vis-à-vis* multilateral organisations. The concept 'should be viewed dynamically, dialectically, as a relationship between organisation and audience, and [as] a relationship which varies over time'.¹⁷⁵ Hence multilateral organisations have the capacity of not only legitimising the hegemonic norms established at historic junctures but also of de-legitimising these same values - however temporarily. The temporary nature of this process is important and lies closer to Cox's understanding of multilateralism. We have already noted that Cox asserts that international institutions as they are currently formed have no chance of overturning the existing hegemon because of their fragile (non-existent?) foundations in any social space. Invariably, problems affecting the elites are tabled for discussion and the concerns of the ordinary citizen are rarely put

¹⁷² Frederick Gareau 1996, p. 231.

¹⁷³ Carter Findley and John Rothney *Twentieth Century World*, 3rd. ed. (Boston: Houghton Mifflin, 1994), p. 282.

¹⁷⁴ Prakash Chandra *International Relations: Foreign Policies of Major Powers and Regional Systems*, 2nd. ed. New Delhi: Vikas Publishing, 1994, p. 110.

¹⁷⁵ Frederick Gareau, 1996, p. 231.

forward. Hence whilst it is true that de-legitimisation of the ongoing hegemon may occur within multilateral organisations, this process will be temporary and fleeting as long as international organisations remain divorced from social bases. Nonetheless, multilateral organisations are more than just agents of the hegemon serving to legitimise the existing world order: 'non-hegemonic economic diplomacy' is possible and that we 'should take more seriously the prospects of...more innovative processes of coalition building than we may have been used to under hegemony'.¹⁷⁶

It is this legitimisation of an ongoing hegemon's values that is central to Cox's adaptation of a Gramscian understanding of multilateral organisations. According to this understanding, 'values and understandings are relatively stable and unquestioned. They are apparent to most actors as the natural order of things...Hegemony derives from the ways of doing and thinking...insofar as these ways of doing and thinking [inspire] emulation'.¹⁷⁷ The middle power's role as has been sketched is to facilitate the systematic management of this hegemonic order whilst at the same time performing the (de-legitimising) role of a "loyal opposition".¹⁷⁸ Disputes and disagreements with the ongoing hegemonic project are integral to this middlepowermanship role within multilateral organisations. Indeed, such disputes serve the interests of the ongoing world order in that it is seen as not simply the preserve of a narrow nationalistic interest, but instead represents the "common interest" of international society.

Following on from this, there has been an increasing 'importance of issue-specific, mission-orientated diplomacy' being tactically played out in the contemporary period.¹⁷⁹ The de-legitimising aspects of this and the activities of various members in diverse multilateral institutions in occasionally seeming to challenge the hegemonic order, serve to project the illusory image that the world order is under serious attack. As Cox asserts, 'the rules and practices and ideologies of a hegemonic order conform to the interests of the dominant power while having the *appearance* [italics added] of a universal natural order of things which give at least a certain measure of satisfaction and security to lesser

¹⁷⁶ Richard Higgott in Craig Murphy and Roger Tooze (eds.), 1991, p. 122

¹⁷⁷ Robert Cox, 1992, p. 179.

¹⁷⁸ Mark Neufeld, 1995 (b), p. 19.

¹⁷⁹ Richard Higgott 'Issues, Institutions and Middle-Power Diplomacy: Action and Agendas in the Post-Cold War Era' in Andrew Cooper (ed.), 1997, p. 37.

powers'.¹⁸⁰ It is the role of the middle powers to regulate this activity and facilitate the continued promotion of a particular world order.

In looking toward the future of the middlepowermanship concept, David Black predicted that 'new, emerging centres of power in world affairs [may] increasingly adopt internationalist, order building roles of the middle power type...These are likely to emerge out of Asia, possibly Latin America and perhaps even Africa (from the "new" South Africa)'.¹⁸¹ It is suggested that this has indeed begun to emerge within the South African context and informs post-*apartheid* foreign policy. Why the elites of South Africa should have chosen this role for its post-*apartheid* foreign policy is contingent on the convergence of external and internal factors - that has directed Pretoria's socio-economic policies. This has necessarily influenced the type of international role and attitudinal position of the governing elite. Before discussing how and why the ANC came to accept the precepts of neo-liberalism, the next section will attempt to understand how neo-liberalism has become the contemporary hegemonic ideology.

¹⁸⁰ Robert Cox, 1989, p. 825.

¹⁸¹ David Black in Andrew Cooper (ed.), 1997, p. 122.

SECTION III

NEO-LIBERALISM AS A HEGEMONIC PROJECT

Neo-liberalism has been described as ‘an owner’s revolt against the class and international compromises of corporate liberalism’.¹⁸² By doing so, ‘neo-liberalism [has] lent a politically reactionary quality to the technologically highly innovative round of capital accumulation [via globalisation] which made the re-imposition of capitalist discipline possible in the first place’.¹⁸³ In short, ‘neo-liberalism has become the predominant ideology legitimating the privatisation of the state-controlled economy and the substitution of the market for the social provision of basic welfare’.¹⁸⁴

The construction of this hegemonic order has had profound implications for South African foreign policy as will be illustrated in the remaining chapters of this work. Yet to contextualise this phenomena a brief overview of the contemporary international political economy must be undertaken. Three questions will be focussed upon:

- i How did neo-liberalism come to represent the ongoing hegemonic discourse?
- ii. Whose interest does this project serve?
- iii. How can an understanding of this process shed light upon the question: “who benefits from South Africa’s post-*apartheid* foreign policy”?

The crisis of the “Golden Age”

By the late 1970s, the capitalist order under the leadership of Washington was in a state of evolution. Whilst the global economy expanded and the portability of international capital was restricted, the ideological underpinnings within the capitalist world order were essentially hegemonic. A post-war “Golden Age” compromise between capital and labour *via* various Keynesian welfare

¹⁸² Kees van der Pijl *Transnational Classes and International Relations* London: Routledge, 1998, p. 130

¹⁸³ *Ibid.*

¹⁸⁴ Henk Overbeek and Kees van der Pijl ‘Restructuring Capital and Restructuring Hegemony: Neo-Liberalism and the Unmaking of the Post-War Order’ in Henk Overbeek (ed.), 1993, p. 1.

nationalist schemes (originally associated with the New Deal) had established a tacit consensus by which the capitalist system was managed.¹⁸⁵ “Extremists” on either the Left or Right were marginalised and centrist impulses (always favourable to capitalism for sure) were dominant. At the same time, labour was granted a junior role *via* trade union representation in a hegemonic global vision aimed at securing a liberal capitalist world order. This had been facilitated by the way mass production was institutionalised (initially in the United States) under a Fordist mechanisation of the labour process.¹⁸⁶

Under the aegis of the Bretton Woods institutions, “mixed economies” and a liberalising international economy became central to this arrangement. The value of co-operating currencies was secured to the dollar whilst the American bank of issue promised to exchange dollars for gold. Concurrently, dealing in currencies was regulated by official exchange controls, thus fostering currency stability and allowing states to effectively plan their economies in the furtherance of the post-war capital-labour compromises. Keynes was quite explicit in this regard, saying that ‘the whole management of the domestic economy depends upon being free to have the appropriate rate of interest without reference to the rates prevailing elsewhere in the world. Capital control is a corollary to this’.¹⁸⁷ Keynes and the other founders of Bretton Woods were more than aware that speculative capital flows had led to the instability that had marked the inter-war years. Thus Bretton Woods ‘was seen as an answer to the chaotic developments of the 1920s and 1930s which had led to wild national defensive reactions, protectionism and finally war’.¹⁸⁸

During a period of unprecedented stability and growth, the ideas and institutions that fostered this order remained essentially harmonious and in the ongoing conditions of the Cold War acted to bind together a strong working alliance between the elites in Washington, the NATO states, and Tokyo - a trilateral co-operation. This alliance emanated from the core state, the United States, and can in Gramscian terms be seen as an international historic bloc

¹⁸⁵ See Stephen Marglin and J. Schor *The Golden Age of Capitalism: Reinterpreting the Post-war Experience* Oxford: Clarendon, 1990.

¹⁸⁶ Mark Rupert *Producing Hegemony: The Politics of Mass Production and American Global Power* Cambridge: Cambridge University Press, 1995.

¹⁸⁷ John Maynard Keynes in Donald Moggridge (ed.) *Collected Writings of John Maynard Keynes, vol. 25: Activities 1940-44: Shaping the Post-war World, The Clearing Union* London: Cambridge University Press, 1980, p. 149.

which in turn cemented the post-war international economic order that became known as *Pax Americana*.¹⁸⁹

However, dependent as it was on American largesse, this hegemonic order began to unravel once Washington sought to stem the growing negative effects on its economy brought about by a decline in productivity growth and its competitiveness on the global economic stage. Furthermore, an increasingly transnationalised capital began to see such restrictions as a dampening device on their profitability and “freedom” (in contrast to the domestic-oriented fraction) and began pushing for a re-negotiation of the post-war consensus. Richard Nixon’s suspension of the convertibility of the dollar into gold and the setting of exchange rates based on market valuations under the Smithsonian Agreement of 1971, plus the imposition of import surcharges by Washington, rapidly forced an adaptation by the rest of the capitalist trading states. As a result, with fixed exchange rates no longer providing a marker for currencies, the world monetary system relied on a dollar (not gold) standard. At the same time, there was an appreciable growth in offshore Eurodollar markets that remained outside of any formal political management, but which acted to offset (and internationalise) the costs of Washington’s policies at home and abroad. This was further helped by an inflationary macro-economic policy that served to share the costs of America’s disastrous (and massively expensive) adventurism in Vietnam as well as financing the Johnsonian-inspired “Great Society” through a devaluation of the dollar and hence a depreciation of external dollar-denominated holdings.¹⁹⁰

These policies brought on a profound recessionary wave throughout the capitalist world that lasted into the 1980s and a crisis in the consensus that had characterised the global order. All previous assumptions about the organising precepts of society were questioned and ‘the post-war compromise [was attacked] in both senses of the term: the domestic compromise which tied in labour and welfare interests; and the international compromise of mediating between national interests and the global order’.¹⁹¹ Such a scenario resulted in an ongoing attempt to reconstruct hegemony. These efforts were formative and

¹⁸⁸ Hans-Peter Martin and Harald Schumann *The Global Trap: Globalization and the Assault on Democracy and Prosperity* London: Zed Books, 1997, p. 47.

¹⁸⁹ Stephen Gill, 1991, p. 97.

¹⁹⁰ Stephen Gill in Henk Overbeek (ed.), 1993, p. 250.

aimed at 'a new balance of forces, the emergence of new elements, the attempt to put together a new 'historic bloc', new political configurations and "philosophies" [and] a new profound restructuring of the state and the ideological discourses' which underpin it.¹⁹² This remains an ongoing process:

There is something that could be called a nascent global historic bloc consisting of the most powerful corporate economic forces, their allies in government, and the variety of networks that evolve policy guidelines and propagate the ideology of globalisation. States now by and large play the role of agencies of the global economy, with the task of adjusting national economic policies and practices to the perceived exigencies of global economic liberalisation. This structure of power is sustained from outside the state through a global policy consensus and the influence of global finance over state policy, and from inside the state from those social forces that benefit from globalisation (the segment of society that is integrated into the world economy). Competitiveness in the world market has become the ultimate criterion of state policy which justifies the gradual removal of the measures of social protection built up in the era of the welfare state. Neo-liberalism is hegemonic ideologically and in terms of policy.¹⁹³

This scenario has been formulated by increasingly transnationalised ruling elites as an intense reappraisal 'of the role of the public sector and the appropriate "mix" of intervention and market in a capitalist economy'.¹⁹⁴ Under such conditions, the power of labour has been severely compromised as capital has gone on the offensive in a neo-liberal reconstructing of domestic social structures of accumulation designed to protect its own interests whilst appealing to populist concerns *à la* Reagan and Thatcher over tax cuts, deregulation and privatisation.¹⁹⁵

'Led by Thatcher and Reagan [neo-liberalism] aimed at breaking the power of organised labour, expanding the scope for capital accumulation through privatisation, and replacing collective welfare by entrepreneurship and individualism as the legitimating values of liberal democracy'.¹⁹⁶ Indeed, neo-liberalism was/is 'a project to engage, to contest [the Keynesian] project and,

¹⁹¹ Leo Panitch 'Globalisation and the State', in Ralph Miliband and Leo Panitch (eds.) *The Socialist Register, 1994* London: Merlin Press, 1994, p. 74.

¹⁹² Stuart Hall 'The Great Moving Right Show' in Stuart Hall and Martin Jacques (eds.) *The Politics of Thatcherism* London: Lawrence and Wishart, 1983, p. 23.

¹⁹³ Robert Cox 'Civil Society at the Turn of the Millenium: Prospects for an Alternative World Order', *Review of International Studies*, vol. 25, no. 1, January 1999, p. 12.

¹⁹⁴ Stephen Gill in Henk Overbeek (ed.), 1993, p. 251.

¹⁹⁵ See Edward Herman *Triumph of the Market: Essays on Economics, Politics and the Media* Boston: South End Press, 1995.

¹⁹⁶ Colin Leys and Leo Panitch 'The Political Legacy of the Manifesto' in Colin Leys and Leo Panitch (eds.), *The Socialist Register, 1998* London: Merlin Press, 1998, p. 20.

wherever possible, to dismantle it and put something new in place. It entered the political field in a historic contest, not just for power, but for popular authority, for hegemony'.¹⁹⁷ Such 'changes voiced in the 1980s [represented] the victory of new hegemonies' and a new era that is still unfolding.¹⁹⁸

In popular folklore and in an inversion of reality, trade unions came to be seen as the villains who had precipitated the ongoing crisis through their "unreasonable" behaviour:

Governments were made to understand that a revival of economic growth depended on business confidence to invest and that this confidence depended on "discipline" directed at trade unions and government fiscal management. The investment strike and capital flight [were] too powerful weapons that no government [could] ignore with impunity.¹⁹⁹

A 'transnational process of consensus formation among the official caretakers of the global economy...generat[ing] guidelines that are transmitted into the policy-making channels of national governments and big corporations' thus began to reformulate a hegemonic global order.²⁰⁰ This not only stemmed from the ongoing crisis that had originally sparked a re-evaluation of the consensus of the Golden Age, but was also sparked by the rapidly globalising world economy:

Since capitalism encompasses the entire globe, its architects require a universal vision, a picture of a globally conceived society, to join classes in different countries...[in order] to institutionalise global capital accumulation by setting general rules of behaviour and disseminating a developmentalist ideology to facilitate the process.²⁰¹

This 'vision' can be formulated as a comprehensive concept of control which Henk Overbeek defines as transcending 'narrowly defined fractional interests and which combine mutually compatible strategies in the field of labour relations, socio-economic policy and foreign policy on the basis of a class compromise'.²⁰² It was neo-liberalism that emerged as the new hegemonic concept of control and that led it to becoming 'the dominant perspective and

¹⁹⁷ Stuart Hall, 1990, p. 165.

¹⁹⁸ Pablo González Casanova 'Globalism, Neo-Liberalism and Democracy', *Social Justice*, vol. 23, nos. 1-2, 1996, p. 39.

¹⁹⁹ Robert Cox 'Global Restructuring: Making Sense of the Changing International Political Economy', in Richard Stubbs and Geoffrey Underhill (eds.) *Political Economy and the Changing Global Order* Basingstoke: Macmillan, 1994, p. 46.

²⁰⁰ *Ibid.*, p. 49.

²⁰¹ James Mittelman and Mustapha Kamal Pasha *Out From Underdevelopment Revisited: Changing Global Structures and the Remaking of World Order* Basingstoke: Macmillan, 1997, p. 51.

²⁰² Henk Overbeek *Global Capitalism and National Decline: The Thatcher Decade in Perspective* London: Unwin Hyman, 1990, p. 26.

ideology of the contemporary period'.²⁰³ This was essentially centred on an idealised notion of the market 'in which progress is defined in terms of the subordination of labour to capital [whilst] the state role is limited to a Lockean night watch'.²⁰⁴ Far from being a vulgar "end of history", this phenomena is not an event but an ongoing and open-ended process both spatially and temporally. Thus it can be asserted that:

A relatively cohesive transnational hyper-liberal power bloc is in formation within [the] interacting ideological and material developments [of globalisation and neo-liberalism]. Its cohesion is articulated through private-informal, as well as public-formal fora...This formation has been instrumental in efforts to create a mode of international economic policy co-ordination which is intended to ensure the coherence and stability of a new transnational accumulation regime'.²⁰⁵

Neo-liberalism defined

Neo-liberalism represents an ostensible return to the classical economics of Adam Smith - though this project has 'gone much further than...Adam Smith, or one of the main early exponents of the neo-classical school'.²⁰⁶ However, it is an order adapted to an age of increased globalisation and first rose to prominence with the "Chicago School" and the theories of Milton Friedman.²⁰⁷ Based on the quantity theory of money, which balanced the economy and secured the durability of prices, stability was seen as only being realised if the market was allowed to function freely and without the monetary interventions of the state, tempted by populist pressures. In essence, the welfare-nationalist architecture of the post-war era had to be demolished if capitalism was to recover from the recessionary crises of post-1971 and regain its growth track. The main points of the neo-liberalist project can be summarised as including:

- i. The rule of the market" and the liberalisation and de-regulation of the economy so as to facilitate unfettered private enterprises to develop and - in

²⁰³ Stephen Gill 'Knowledge, Politics, and Neo-Liberal Political Economy' in Richard Stubbs and Geoffrey Underhill (eds.), 1994, p. 85.

²⁰⁴ Kees van der Pijl 'Ruling Classes, Hegemony and the State System: Theoretical and Historical Considerations', *International Journal of Political Economy*, vol. 19, no. 3, Fall, 1989, p. 30.

²⁰⁵ Magnus Ryner 'Nordic Welfare Capitalism in the Emerging Global Political Economy' in Stephen Gill (ed.), 1997, pp. 22-23.

²⁰⁶ Gerd Nonneman 'Economic Liberalization: The Debate' in Gerd Nonneman (ed.) *Political and Economic Liberalization: Dynamics and Linkages in Comparative Perspective* Boulder: Lynne Rienner, 1996, p. 4.

²⁰⁷ See the "manifesto" of neo-liberalism - Milton Friedman's *Capitalism and Freedom* Chicago: University of Chicago Press, 1962.

theory - grow, thus allowing a “trickle down” effect to the less advantaged. In order to do so, a reduction in labour costs is envisioned whilst greater openness to international trade and investment is privileged.

- ii. Swinging cuts in social welfare services e.g. health and education, and the “roll-back” of the state in order to cut government expenditure and further take the state out of interfering with the “natural” mechanisms of “the market” - the state being the “enemy of freedom”.
- iii. Privatisation of state-owned enterprises, good and services to private investors, thus freeing government from having to expend on services that can - in theory - be better managed by private concerns whilst at the same time justifying a reduction in taxation that had formerly been collected to operate such enterprises.²⁰⁸

Initially revolutionary and beyond the pale of the Keynesian consensus, neo-liberalist thinking came to be seen as the way out of the ongoing crisis of the 1970s and as a device which could reconstruct an order that defended the position of an increasingly transnational capital in an era of restructured capitalism. In short, neo-liberalism emerged ‘as a hegemonic ideology that under[lay] the emergence of a new mode of regulation’.²⁰⁹ Such a process was not teleological but was conducted by a ‘powerful phalanx of social forces...arrayed...behind the agenda of intensified market-led globalisation’ who sought to actively promote the post-Keynesian counter-revolution.²¹⁰ This complex and ongoing procedure sought to form a consensus around the norms of neo-liberalism:

Part of [the] consensus-formation process [took] place through unofficial forums like the Trilateral Commission, the Bilderberg conference, or the more esoteric Mont Pelerin Society. Part of it [went] through official bodies like the Organisation for Economic Co-operation and Development (OECD), the Bank for International Settlements, the IMF, and the G-7. These shape the discourse within which policies are defined, the terms and concepts

²⁰⁸ Adapted from Elizabeth Martinez and Arnolando Garcia ‘What is “Neo-Liberalism?”: A Brief Guide for Activists’ http://aidc.org.za/archives/what_is_neo-lib.html. See also Colin Crouch ‘The Terms of the Neo-Liberal Consensus’, *Political Quarterly*, vol. 68, no. 4, October-December 1997.

²⁰⁹ Thomas Brown ‘Ideological Hegemony and Global Governance’, *Journal of World-Systems Research*, vol. 3, no. 2, Spring 1997, p. 251.

²¹⁰ Mark Rupert ‘Contesting Hegemony: Americanism and Far-Right Ideologies of Globalization’ in Kurt Burch and Robert Denemark (eds.) *Constituting International Political Economy* Boulder: Lynne Rienner, 1997, p. 117.

that circumscribe what can be thought and done [and] also tighten the transnational networks that link policy-making from country to country.²¹¹

This occurred in the context of an epoch where it is possible to talk of the transnationalisation of capital, where markets are increasingly global and organically integrated, allowing an internationalised ownership of capital and the transit of capital in and out of any number of corporations and territories.²¹² This has been massively facilitated by profound technological change which not only has driven change in the structure of power but has ‘changed the productive structure by shifting power over trade and production from governments to firms’.²¹³ Such a scenario *a.k.a.* “globalisation”, has led to states effectively losing most of their the ability to plan and regulate their national social and economic policies. In a decentralised global system of finance and production, with US\$ 1 trillion circulating at light speed every day on the foreign exchange markets, even short-term planning is nigh-on impossible. This in itself confirms Marx’s assertion that ‘the necessary tendency of capital is...circulation without circulation time’.²¹⁴

Neo-liberalism as the hegemonic order is not simply a political project, it is at the same time economic. Indeed, this ‘new normalcy which a newly hegemonic concept of control expresses is not a political ploy, but the objective “general interest” as delineated by the current parameters of the prevailing mode of production and its class order’.²¹⁵ This being so, it is fundamentally correct to assert that ‘any plausible explanation of foreign and strategic...policies in the 1990s has to begin by recognising and evaluating transformations in the global political economy, especially in the South’.²¹⁶

This is particularly so when, in an era of ‘disciplinary neo-liberalism’, those that err from the hegemonic project and its prescriptions face capital flight, disinvestment and economic ruin as “mad money” flits from one territory to another whilst states are compelled to follow highly prescriptive agendas

²¹¹ Robert Cox in Richard Stubbs and Geoffrey Underhill (eds.), 1994, p. 49.

²¹² For one account of this, see Ali El-Agraa (ed.) *Economic Integration World-wide* Basingstoke: Macmillan, 1997.

²¹³ Susan Strange ‘What Theory? The Theory in *Mad Money*’, Centre for the Study of Globalisation and Regionalisation Working Paper, University of Warwick, no. 18/98, December 1998, p. 14.

²¹⁴ Karl Marx *The Grundrisse* Harmondsworth: Penguin, 1973, p. 359.

²¹⁵ Henk Overbeek and Kees van der Pijl in Henk Overbeek (ed.), 1993, p. 5.

²¹⁶ Timothy Shaw, 1994, p. 18.

within the hegemonic project.²¹⁷ Such a process entails ‘subordination of domestic economies to the perceived exigencies of a global economy. States willy nilly become more effectively accountable to a nebeleuse personified as the global economy’,²¹⁸ reflecting a fractionalisation of capital and its elite classes into domestic and international fractions. The former favours long-term political stability in order to facilitate accumulation strategies based on long-term planning; whilst the latter favours a more short-term speculative strategy based on (and dependent upon) “open markets” in order to facilitate lightning-quick profiteering. It is this latter fraction that is currently dominant and assumed a transnational class identity. It is this fraction that are the active agents of the globalisation thrust. It is also this immensely powerful fraction which demands the adoption of neo-liberal projects throughout the globe.²¹⁹

As Marx and Engels foretold, capital now ‘compels all nations, on pain of extinction, to adopt the bourgeois mode a production; it compels them to introduce what it calls civilisation into their midst’.²²⁰ As will be shown below, the ideological discourse of neo-liberalism does indeed assign to itself the common sense of a “realistic” civilisation in its organising principles. Such a scenario puts governments at the mercy of capital and accountable not to their electorate but to faceless speculators in New York, London, Frankfurt *etc.* This has profound implications for state governments when:

The more dependent countries become on the goodwill of investors, the more ruthless must governments be in favouring the already privileged minority who have sizeable assets. Their interests are always the same: low inflation, stable external value of their currency, and minimum taxation of their investment income...

[Yet the] financial short-circuit between different countries forces them into a competition to lower taxes, to reduce public expenditure, and to renounce the aim of social equality’.²²¹

In short, spatial territories have had to (re-)structure themselves as “competition states”, attracting capital whilst competing with rival territories for investment.²²² To do so requires an almost complete break from any

²¹⁷ Susan Strange *Mad Money* Manchester: Manchester University Press, 1998.

²¹⁸ Robert Cox ‘Global Perestroika’ in Robert Cox with Timothy Sinclair, 1996, p. 298.

²¹⁹ See Kees van der Pijl ‘The International Level’ in Tom Bottomore and Robert Bryan (eds.) *The Capitalist Class: An International Study* Hemel Hempstead: Wheatsheaf, 1989.

²²⁰ Karl Marx and Friedrich Engels ‘The Communist Manifesto’ in *A Handbook of Marxism* London: Victor Gollancz, 1935 [1888], p. 27.

²²¹ Hans-Peter Martin and Harald Schumann, 1997, p. 61.

²²² See Philip Cerny ‘Paradoxes of the Competition State: The Dynamics of Political Globalisation’, *Government and Opposition*, vol. 32, no. 2, Spring 1997.

redistributive aspirations regarding social equity, which is subordinated to the imperatives of monetary stability, even though neo-liberalism *by its very nature* contributes to monetary instability *e.g.* extreme exchange rate fluctuations, through its demand for freedom of movement of speculative capital. This has obviously intense implications for nations such as South Africa with deep structural inequalities.

At this point it can be asserted that a project based on liberalisation, privatisation and representing the dislocating effects of globalisation has little chance of becoming hegemonic, particularly as the effects on the disadvantaged have been so crippling - as a recent UNCTAD report readily admits.²²³ For sure, a hegemonic project in the Gramscian sense needs a “politics of support” as well as a “politics of power”, however mighty transnational capital and its state allies may be.²²⁴ This consensual element in the neo-liberalist project is “polyarchy”, which shall be turned to below. At this juncture, it is sufficient to say that ‘the transnational agenda of neo-liberalism and polyarchy take hold as the hegemonic project under the guidance of transnationalised fractions of local elites’.²²⁵ Polyarchy aims to soothe the social and political pressures that are created by the transnational elite-based neo-liberal order and creates a state of ‘low intensity democracy’.²²⁶ Such an analysis echoes the assertion that ‘the construction of a corporate-dominant order would...require the neutralisation of social forces precipitating persistent and effective questioning of the established order’.²²⁷ By its very nature, polyarchy dissipates the energies of those marginalised by the ongoing order into parliamentary procedures that in themselves are acted out by political fractions whose power and prestige are dependant on the polyarchical model.

²²³ See *UNCTAD Trade and Development Report, 1997* New York and Geneva: United Nations Press, 1997.

²²⁴ Andrew Gamble *The Free Economy and the Strong State: The Politics of Thatcherism* London: Macmillan, 1988, pp. 208-41.

²²⁵ William Robinson ‘Neo-liberalism, the Global Elite and the Guatemalan Transition: A Critical Macrostructural Analysis’, prepared for seminar on ‘Guatemalan Development and Democratisation: Proactive Responses to Globalisation’, Universidad del Valle de Guatemala, March 26-28, 1998, p. 3.

²²⁶ Barry Gills, Joel Rocamora and Richard Wilson *Low Intensity Democracy: Political Power in the New World Order* London: Pluto Press, 1993.

²²⁷ Jeffrey Harrod ‘Social Forces and International Political Economy: Joining the Two IRs’ in Stephen Gill and James Mittelman (eds.) *Innovation and Transformation in International Studies* Cambridge: Cambridge University Press, 1997, p. 108.

Furthermore, polyarchy is based on a conscious divorce of “economics” from “politics” (at a time when neo-liberalist impulses push for a greater inter-penetration of the two, if not a domination of the former over the latter). By doing so, the polyarchical process limits itself to the “purely political” except on assenting or dissenting over trivial modifications to macro-economic policy. This movement however serves to socialise the wider population into a consensual organisation of society that contributes to the construction of hegemony. Such a process has itself played out in South Africa and has subsequently strongly influenced Pretoria’s foreign policy - to the extent that South Africa is itself now an enforcer of the discipline of neo-liberalism and “democracy” (polyarchy) within Africa.

Neo-liberalism as an ideology

In discussing neo-liberalism, it is useful to look at it as an evolving ideology. In doing so, Gramsci’s notions of ideology and what he refers to as “common sense” are particularly insightful casting greater clarity on the thesis put forward here. Gramsci’s ideas regarding ideology differ from the somewhat crude notions of “false consciousness” that can be found in some readings of Marx and Engels. According to Gramsci, ideologies are not illusions but are “real” in the sense that when they obtain the status of widely-held beliefs they play a distinct component in social history: ‘popular beliefs...are themselves material forces’.²²⁸ They do not exist in some sort of space above the political, but have material existence in the practical activities surrounding this arena. Their material existence is manifested in the social practices of individuals and in the institutions within which social practices play out.

Furthermore, ideologies possess their own agents *i.e.* intellectuals who specialise in the development of organic ideologies and in the duty of moral and intellectual movement. The promotion of a particular ideology hence is not a teleological process but is based in material activities and processes. Indeed, following Gramsci, hegemony is not simply an ideological phenomenon: ‘there can be no hegemony without “the decisive nucleus of the economic”’.²²⁹

²²⁸ Antonio Gramsci, 1971, p. 165.

²²⁹ Stuart Hall, 1990, p. 170.

Having accepted that ideology does have a material basis, a brief discussion of what is meant by “ideology” and “common sense” is now conducted, as this is pertinent to our discussion of how neo-liberalism became the “accepted wisdom” of the ANC and its implication for South Africa’s foreign policy. In brief, ideology refers to the ‘mental frameworks - the languages, the concepts, categories, imagery of thought, and the systems of representation - which different classes and social groups deploy in order to make sense of, define, figure out and render intelligible the way society works’.²³⁰ According to Gramsci, ideology can either appear as seemingly abstract theorisations derived from individualist activities - “philosophy” - or it can appear in its most basest and popular form as “folklore”. Common sense is a mediating position, taking on attributes of both. As such it is fragmentary, often logically inconsistent, and is the conception of the world which has been uncritically adopted by the masses.²³¹ It is not the obtuse theorisations of philosophers (which indeed may be more coherent and satisfactory), but is the philosophy of ‘real men, formed in specific historical relations, with specific feelings, outlooks [and] fragmentary conceptions of the world’.²³² This common sense is the result of a specific historical scenario *vis-à-vis* material production combined with the ‘agglomeration within it of disparate social elements’.²³³

Though this common sense may be contradictory, it nonetheless is a conception of the world and has a material basis in presenting the world as “natural” and “the way of doing things” to those who share in this common sense. Common sense facilitates a situation where ‘we rarely question why we think and act in a certain way, but rather, regard our ways of thinking and acting as absolutely objective and eternal and, as such, as needing no deep study into their origins or consequence’.²³⁴ To wit, ‘common sense shapes our ordinary, practical, everyday calculation and appears as natural as the air we breathe. It is simply “taken for granted” in practice and thought, and forms the starting-point (never examined or questioned) from which every conversation begins’.²³⁵

²³⁰ Stuart Hall ‘The Problem of Ideology - Marxism Without Guarantees’, in Betty Matthews *Marx: A Hundred Years On* London: Lawrence and Wishart, 1983, p. 59.

²³¹ Antonio Gramsci, 1971, p. 419.

²³² *Ibid.*

²³³ *Ibid.*, p. 198.

²³⁴ Enrico Augelli and Craig Murphy, 1988, p. 18.

²³⁵ Stuart Hall, 1990, p. 9.

So how does this relate to the notion of hegemony as previously discussed? It is surely not argued that the elite class gains hegemony by spreading its ideology throughout society until all succumb to it. Such a totalitarian project can never fully succeed, even in an Orwellian nightmare. For Gramsci, the degree of hegemony is not simply equivalent to the ability of its philosophy to displace common sense (actually *transform* as common sense is made up of a synthesis of previous generations' historical relationships that continue to perpetually form and reformulate a society's common sense). No, the ideology promoted by the elites and its intellectuals operate in a manner to thwart the development of common sense into "good sense" (the positive empirical nuclei of common sense). Hegemony 'implies the struggle to contest and disorganise an existing political formation'.²³⁶ It is this disorganising of alternatives that lies at the core of common sense and the ongoing construction of hegemony.

In short, that the potential for critical reason against the elite ideology is cut off and a scenario of Thatcherite "TINA" is realised. This has been asserted in a discussion of how this has affected Africa, claiming that 'liberalism...is not an ideology; it is *the* ideology'.²³⁷ Such a process does not and cannot shape common sense. This is not the aim. Rather as Gramsci points out, a limitation of 'the original thought of the masses in a negative direction [is attempted], without having the positive effect of a vital ferment of interior transformation of what the masses think...about the world and life', *i.e.* common sense.²³⁸ In short, things appear as self-evident:

Untrammelled international competition, the celebration of the market, of wealth and self, anti-communism and anti-unionism; all these are no longer propagated as "revolutionary" in the sense of challenging a prevailing consensus of a different content, but they are now part of normal every day discourse; self-evident, near impossible to contradict or even doubt.²³⁹

Yet, in the early days of the neo-liberal renaissance, the monetarist ideology was perceived as beyond the pale of the welfare nationalist consensus that had been constructed post-1945. For sure, "capitalism does not just happen", and the assertion of neo-liberalism as the hegemonic discourse similarly did not simply

²³⁶ *Ibid.*, p. 7.

²³⁷ Tom Young 'A Project to be Realised': Global Liberalism and Contemporary Africa', *Millennium: Journal of International Studies*, vol. 24, no. 3, 1995, p. 529.

²³⁸ Antonio Gramsci, 1971, p. 420.

²³⁹ Henk Overbeek and Kees van der Pijl in Henk Overbeek (ed.), 1993, p. 2.

“occur”. It is a social system that has to struggle to create and reproduce its hegemonic order globally, and to do this large numbers of local, national, international and global organisations [were] established’ to promote the new organising norms,²⁴⁰ imposing ‘a uniform conception of the world on an increasingly transnational society’.²⁴¹ The power of neo-liberalism was that its proponents recognised the ideological *as well* as material effort that was needed to establish its hegemony and ‘understood that to transform the economic, political and social landscape they first had to change the intellectual and psychological one’.²⁴² As one account of the neo-liberalist counter-revolution frames it:

Margaret Thatcher, reflecting on the magnitude of changes brought about by the “Thatcher revolution”: “It started with Sir Keith [Joseph] and me, with the Centre for Policy Studies, and Lord Harris at the Institute for Economic Affairs. Yes, it started with ideas, with beliefs...That’s it. You must start with beliefs. Yes, always with beliefs”.²⁴³

The ultimate result of this process (which remains ongoing) was ‘a sea change in the intellectual *zeitgeist*: the almost universal acceptance by governments and markets alike, of a new view about what it takes to develop’.²⁴⁴ This development has

[S]et free-market ideas up as the only sensible response which political leaders and policy-makers [can] possibly make to a wide range of economic problems. [It is implied] that the rise of Keynesianism (and nationalist-populism in Latin America and elsewhere) was the result of a particular historical conjuncture, but the rise of neo-liberalism was akin to the discovery of a universal truth.²⁴⁵

This was accomplished by a strategy aimed at constructing a new common sense based on neo-liberal norms. These agents included the IMF, the World Bank, WTO, OECD and regional development banks; transnational organisations such as the Bilderberg Group and Trilateral Commission; and a

²⁴⁰ Leslie Sklair ‘Social Movements for Global Capitalism: The Transnational Capitalist Class in Action’, *Review of International Political Economy*, vol. 4, no. 3, Autumn 1997, pp. 514-515.

²⁴¹ Otto Holman ‘Transnational Class Strategy and the New Europe’, *International Journal of Political Economy*, vol. 22, no. 1, Spring 1992, p. 13.

²⁴² Susan George ‘How to Win the War of Ideas: Lessons from the Gramscian Right’, *Dissent*, vol. 44, no. 3, Summer 1997.

²⁴³ Margaret Thatcher quoted in Daniel Yergin and J. Stanislaw *The Commanding Heights: The Battle Between Government and the Marketplace That is Remaking the Modern World* New York: Simon and Schuster, 1998, p. 124.

²⁴⁴ Paul Krugman ‘Dutch Tulips and Emerging Markets’, *Foreign Affairs*, July-August 1994, p. 28.

number of highly influential think-tanks and foundations (an arena examined below in the context of South Africa). Among perhaps the most important of these are the American Enterprise Institute, the Ford, Heritage and Rockefeller Foundations and the Cato Institute (all based in the United States); the Adam Smith Institute, Institute of Economic Affairs, and Centre for Policy Studies (based in the United Kingdom); and the Mont Pelerin Society, founded in 1947 by Friedrich Hayek as an “International Academy of Political Philosophy” to promote neo-liberalism.²⁴⁶

These lavishly funded think tanks and their associated coterie of organic intellectuals, crafted, over a period of time, the terms of debate that promoted the neo-liberal discourse until it became the hegemonic ideology within a transnationalised elite class.²⁴⁷ The dissemination of this ideology occurred through a variety of funding mechanisms such as foundations, endowments and granting agencies, wealthy “philanthropic” individuals, university centres, think-tanks *etc.*²⁴⁸ The ideological ingredient of this process was carried out by a relatively small number of organic intellectuals (based in think-tanks) in a concerted ‘economic counter-revolution’ against the welfare nationalism consensus and in favour of the neo-liberalist discourse.²⁴⁹ These policy-formulating bodies act as the ‘central co-ordinating points in the entire elite policy-making process’.²⁵⁰

This is not to say that such a process was simply “top-down” imparting of the received wisdom. The process was dialectical where certain groups of intellectuals ‘inspired by the promise or actual achievements of global capitalism, articulate[d] what they perceive[d] to be its essential purposes and strategies’ as the material conditions of globalised capitalism underwent a

²⁴⁵ Mark Berger ‘Up From Neo-Liberalism: Free Market Mythologies and the Coming Crisis of Global Capitalism’, *Third World Quarterly*, vol. 20, no. 2, 1999, p. 454.

²⁴⁶ Friedrich Hayek *Studies in Philosophy, Politics and Economics* Chicago: University of Chicago Press, 1967, p. 149.

²⁴⁷ For an account of how this process was underwent, albeit not in Gramscian terms, see John Kelley *Bringing the Market Back In: The Political Resuscitation of Market Liberalism* Basingstoke: Macmillan, 1997.

²⁴⁸ See Kees van der Pijl ‘The Cadre Class and Public Multilateralism’, in Yoshikazu Sakamoto (ed.) *Global Transformation: Challenge to the State System* Tokyo: United Nations University Press, 1994.

²⁴⁹ Richard Cockett *Thinking the Unthinkable: Think-Tanks and the Economic Counter Revolution, 1931-1983* London: Harper Collins, 1995.

²⁵⁰ Thomas Dye *Who’s Running America? The Conservative Years*, 4th ed., Englewood Cliffs: Prentice Hall, 1986, p. 246.

transformation.²⁵¹ For sure, they were supported with moral and financial largesse from the already established transnationalised hegemonic elite and this was frequently manifested *via* the agents of the corporate foundations and think-tanks. These were particularly active in the South and East where the state and non-state elites were 'lectured and advised...insistently...on the virtues of the free market, privatisation, and foreign investment'.²⁵² Any remaining *dirigiste* impulses and their institutional apparatus became *passé* and gradually projected as the loci of all that was wrong with the developing world.

This (ongoing) re-educative project has been remarkably successful. By doing so, Gramsci's and Marx's assertion that ideology is materially grounded is vindicated, for these think tanks were all financed by big capital's "philanthropic" institutions such as the Ford Foundation, Coors, Mellon and the John M. Olin Foundation. These like-minded and similarly endowed think-tanks and foundations invariably promote a particular ideology. In the current ongoing order, this ideology is within the remits of neo-liberalism and has inextricably defined the terms and terrain of the debate. Susan George gives an example of this process that is most worthy of citation:

In 1988, Allan Bloom, director of the University of Chicago's Olin Center for Inquiry into the Theory and Practice of Democracy (\$ 3.6 million grant from Olin) invite[d] a State Department official to give a paper. The speaker proclaim[ed] total victory for the West and for neo-liberal values in the Cold War. His paper [was] immediately published in the *National Interest* (\$ 1 million Olin subsidy) edited by Irving Kristol (\$ 376,000 grant as Olin Distinguished Professor at New York Graduate School of Business).

Kristol simultaneously publishe[d] "responses" to the paper: one by himself, one by Bloom, one by Samuel Huntington (\$ 1.4 million for the Olin Institute for Strategic Studies at Harvard). This completely artificial, engineered "debate" [was] then picked up by the *New York Times*, the *Washington Post* and *Time* magazine. Today everyone has heard of Francis Fukuyama and *The End of History and the Last Man*, a best-seller in several languages.²⁵³

As this account suggests, much of the "debate" around which neo-liberal norms are promoted is in fact constructed and propagated by those with a distinct material interest in pursuing this agenda. By doing so, the "natural" and "superior" explanations that neo-liberalism provides are advanced. After all, the

²⁵¹ Leslie Sklair, 1997, p. 515.

²⁵² Albert Hirschmann 'The Political Economy of Latin American Development: Seven Exercises in Retrospect', *Latin American Research Review*, March 22, 1987, pp. 30-31.

²⁵³ Susan George, 1997.

superiority of the neo-liberalist ideology and its evident common sense has emerged from an ostensibly free debate, where alternative viewpoints must surely have been proffered and shown to be lacking upon inspection. This process in fact has seen the elevation of neo-liberalism as *la pensee unique* and the market as the ultimate arbiter of what is or what is not acceptable, both economically, politically, and increasingly, socially.

In this context Kees van der Pijl's discussion of fetishism and neo-liberalism may be usefully deployed. Fetishism is the ascription of vital spirit and mysterious powers to dead objects - the animation of the inanimate. According to this view, neo-liberalism and "the market" has increasingly become fetishised, creating a scenario whereby:

Professional economists serve to keep alive the idea that the workings of the market economy are only interfered with at one's peril. Even obviously inhuman conditions of production, such as child labour, are declared beyond regulation in the name of the free market.²⁵⁴

This fetishisation of "the market" is invariably externalised, hanging like the sword of Damocles over any administration that, in Margaret Thatcher's phrase, dare 'buck the markets'. This can act as a useful alibi to be deployed in defence of administrations that intend to embark on neo-liberal restructuring and can serve to bolster the consensual element of hegemony. As a Bank for International Settlements report put it, 'in many countries, explaining monetary policy decisions in terms of external constraints has been helpful in securing public acceptance'.²⁵⁵ This fetishisation has not yet reached the level of common sense, but the incantations sounded by the organic intellectuals tied to this project whenever criticism is raised make its almost hallowed status quite clear.²⁵⁶ The rise of religious motivational speakers who explicitly link religion with "entrepreneurship" (increasingly a feature of popular South African life) or the characterisation of neo-liberalist populisers such as Clem Sunter as preaching the 'hottest gospel' serve as a testament to this actuality.²⁵⁷

²⁵⁴ Kees van der Pijl, 1998, p. 13.

²⁵⁵ *Bank for International Settlements Annual Report, 1992* Basle: Bank for International Settlements, 1992, p. 124.

²⁵⁶ Thus provoking John Mihevc to refer to 'The Fundamentalist Ideology of Neo-liberalism', <http://www.alternatives.ca/docs/colloque/anglais/neolib.html>

²⁵⁷ See Josey Ballenger 'Divining the Righteous Path to Eternal Worth', *Sunday Independent* (Johannesburg), November 1, 1998 and the profile on Clem Sunter in *The Hottest Gospel*, *Leadership*, vol. 6, no. 3, 1987.

At the same time, this fetishisation of the market acts, as Gramsci suggests, to stifle debate. Thus in spite of the hardships that neo-liberalism has created in the developing world, no coherent alternative counter-hegemonic project has yet emerged for the ideology of neo-liberalism at least at the elite level appears as “natural”. For sure, neo-liberal ‘beliefs and the policy agenda that they yield, embody deep ideological premises. Most important, they take the existing economic and political structures as given and defining a “natural order” to which policy must adapt’. This is so because the transnational elites ‘are able to fix the political boundaries by their economic and political power, an economics that limits itself to considering options within this system of domination’.²⁵⁸

Essentially, discussion has been limited *à la* Gramsci’s notion into discussions as to how best to ameliorate such outcomes or “ride through” the crises *i.e.* the discussion becomes exclusively preoccupied with “problem solving”. But the fundamentals of “the market” dare not be tampered with, lest “the market” punish such transgressors - a neat tautology that heads off counter-hegemonic impulses at birth. In the South African context there has been an extensive rubbishing of any alternatives to neo-liberalism. For example, in a recent seminar Rudolph Gouws, chief economist of the Rand Merchant Bank, characterised those who oppose neo-liberalism as “extremists” who advocate “bad policies” in the face of “reality” where there is “no option”.²⁵⁹ Such language is reminiscent of how business interests characterised Ben Turok when he was appointed to implement the RDP, describing him as “controversial” and holding “extreme views”,²⁶⁰ whilst neo-liberalism is posited as self-evident ‘to reasonable men who understand the workings of an economy’.²⁶¹

Opposition to this ideology implies that one is an “extremist” who is economically illiterate. In the South African context, the business press now promotes the idea that adhering to neo-liberalist policies makes one belong to ‘the middle of the political continuum’, with ‘all [who] subscribe to capitalism’

²⁵⁸ Herman also comments on the fetishisation of neo-liberalism when he comments on the ‘faith in markets’ that has developed and the almost religious belief that ‘government actions not serving the profit motive are unnatural’ and hence heretical - Edward S. Herman ‘The Economics of the Rich’, *Z Magazine*, July 1997.

²⁵⁹ Rudolph Gouws, chief economist of Rand Merchant Bank, at the seminar ‘Globalisation and the South African Economy: A Medium-term Perspective’, Bellville, November 13, 1998.

²⁶⁰ *Sunday Times* (Johannesburg), March 13, 1994.

²⁶¹ Nigel Bruce ‘No Easy Road’, *Leadership*, vol. 11, no. 3, 1992, p. 18.

being in 'the centre', whilst all who dispute the tenets of the counter-revolution being labelled as 'radicals'.²⁶² Yet as has been pointed out previously, the type of policies that neo-liberalism espouses were originally way beyond the pale of "normal" economic thinking, be it Keynesianism or socialist - indeed, Hayek's theories were seen as 'stupid' and leading down the 'road to reaction' when they were first publicised.²⁶³ It is a reflection of the immense success that this ideology has had in achieving hegemony that it is now put forward as the common sense "centre", from which all other policy prescriptions must be judged accordingly and in the light of their compatibility with its prescriptions.

Indeed, the fixed certainties that surround neo-liberalism have achieved the status of an ideology against which only economic illiterates may venture. This dogmatism and presentation of subjective opinion as objective truth permeated the South African business press during the transition (and continues today). A typical example was the *Financial Mail* glibly asserting that 'private property and freedom of contract...are values that are absolutely necessary to peace, prosperity and liberty. That is not a theory. It is a matter of observable fact'.²⁶⁴ This type of rhetoric has continued after 1994, with one commentator complaining that:

[It] has become quite common in South Africa today [to be] asked to accept certain economic realities, and so on. The word "reality" seems to stop any further argument. In fact, if you insist otherwise, you are made to feel guilty of either ignorance or stupidity...

It...makes me sad that when people fail to transform the economy of the country, they blame it on reality and it is often made to look even more formidable or fierce when it is qualified as "harsh economic reality".²⁶⁵

As has been suggested, cutting the ground from under the terrain of debate and denigrating alternative viewpoints whilst promoting opinions as "facts" is integral to promoting a particular ideology, as Gramsci correctly theorises.

In short, it is the emasculation of alternatives alongside the promotion of a particular discourse that is at the core of a dominant ideology and which helps construct a negotiated hegemony. This is particularly so when such emasculation (among other factors) conditions those intellectuals who would normally side with an alternative project to join with the ongoing ideology or at

²⁶² *Financial Mail*, June 11, 1999.

²⁶³ Herman Finer *Road to Reaction* Chicago: Quadrangle Books, 1963, p. 67.

²⁶⁴ *Financial Mail*, December 14, 1990.

²⁶⁵ *The Sowetan* (Johannesburg), April 20, 1999.

least abandon their activities in the face of such seemingly compelling forces. Whilst opposition to the dominant ideology will of course remain in a culturally autonomous space, the neutering of the potency of such niches *via* assimilation is fundamental to the construction of a hegemonic project. The marginalisation of South African intellectuals on the Left as being “irrelevant” and “unrealistic” in the face of the logic of neo-liberalism is one such occurrence:

[T]he consciousness of the oppressed can be thwarted when the intellectuals who would normally be allied with them are wooed away by the intellectuals of the dominant classes. This, and not the production of some unlikely society-wide consensus, is the essence of Gramsci’s notion of domination through ideology.²⁶⁶

It is suggested that such a scenario helps us analyse the situation that developed in South Africa around the time of the transition and that facilitated, among other important factors, the acceding of an ANC-led government to the ongoing project of neo-liberalism. It is this story that Part Two focuses upon.

²⁶⁶ Enrico Augelli and Craig Murphy, 1988, p. 23.

PART TWO

NEO-LIBERALISM, HEGEMONY AND POST-APARTHEID SOUTH AFRICA

When Nelson Mandela was released from prison in 1990, he declared that ‘the nationalisation of the mines, banks and monopoly industry is the policy of the ANC and a change or modification of our views in this regard is inconceivable’.¹ However, four years later and two days after the elections in which the ANC had swept to power, Nelson Mandela was to declare that ‘in our economic policies ... there is not a single reference to things like nationalisation, and this is not accidental. There is not a single slogan that will connect us with any Marxist ideology’.² Four years after that, with the ANC pursuing an aggressively neo-liberalist economic model, Mandela was urging the South African people to ‘respect the business sector’ and adamant that ‘he wanted to dispel the notion that the African National Congress government wanted to introduce socialism to South Africa’.³ Big business celebrated this *volte-face*, enthusiastically asserting that ‘far from the dreaded threat of nationalisation, the present government is playing a real free market hand’.⁴

The next two chapters aim to demonstrate how the ANC moved its politico-economic policies from a populist and vaguely socialist platform that held out a tacit promise for nationalising the means of production and which would have helped to facilitate the construction of a historic bloc that at least held out the *potential* for redressing the inequalities of the past, to that of a fiercely pro-capitalist framework (*via* a modest and short-lived reformist programme) that sits well within the remit of the ongoing hegemonic order. This evolution of the ANC’s economic policies culminated in the government’s macro-economic plan, the Growth, Employment and Redistribution (GEAR) strategy, which was released in June 1996.

By broadly aligning itself politically and economically with the hegemonic order, the ANC’s post-*apartheid* foreign policy has been inextricably drawn into

¹ *The Sowetan* (Johannesburg), March 5, 1990.

² *Sunday Times* (Johannesburg), May 1, 1994.

³ *Business Day* (Johannesburg) October 14, 1998.

⁴ J. Drake, chairman of Shell S.A., London, December 10, 1996, cited on SA Foundation

support for the current discourse, though the contradictions that this engenders and how the GNU attempts to navigate these tends to obscure this premise somewhat. In short, the decisions taken by the ANC elite during the transition and then within the GNU once in power over broad politico-economic policies have led to South Africa pursuing an essentially supportive role to the ongoing world order, what is essentially a US-centred transnational hegemony based around the organising principles of neo-liberalism.

This actuality has spurred Pretoria into playing the character of facilitator and consensus-builder - a “middle power” - for the GNU sees itself as located in between North and South and recognises that it has to balance an intricate aggregate of forces. In the final analysis however, the playing of such a role serves to legitimise the broad normative order that is current in the international political economy, wrapped up as it is within the hegemonic discourse. In examples of where Pretoria postures a reformist platform at multilateral fora - by emphasising *fair* as well as free trade; or even positing an ostensibly “anti-hegemonic” position at odds with the North’s established position *e.g.* relations with Cuba, Iran or Libya, these are manifestations of the contradictions that the ANC elite has had to deal with in its negotiated position *vis-à-vis* the hegemonic discourse and a recognition of the contradictions that this has engendered within the tripartite alliance, and do not threaten the “real business” of its support for the tenets of neo-liberalism and its accession to the broader global order.

CHAPTER 2

**THE TRANSITION PROCESS: EPISTEMIC COMMUNITIES,
POLYARCHY AND HEGEMONY**

The specifics of the negotiation process have been dealt with in detail elsewhere and need not be covered in depth here.⁵ The reasons why the process was entered into by the elites of both the National Party and the ANC however, help explain the outcome whereby the post-*apartheid* government so seemingly identified with the ongoing global order. Indeed the further involved in the negotiations the elites of the ANC became, the greater they began to identify with the hegemonic project that was being pushed by a multiplicity of actors. In short, the transition process led to a historic compromise whereby the African National Congress and its alliance partners essentially abandoned much of their radical pretensions in exchange for accession to political power and access to the nascent historic bloc that is still in formation and remains an ongoing project.

Crucial to this scenario were the forces at both the national and international level that propelled the two broad parties into the negotiation process and which came into play during and after. Moving beyond the agent-structure dichotomy and avoiding reductionist tendencies inherent in focusing on one constituent, this study moves beyond the debate as to which factor was the most important in leading to the negotiation process.⁶ FW de Klerk himself asserted that the decision to un-ban the liberation movements stemmed from a combination of national and extra-national conditions.⁷

As will be seen, the two elements are inter-linked and support the notion of an *ensemble* of forces at the domestic and international levels that serve to

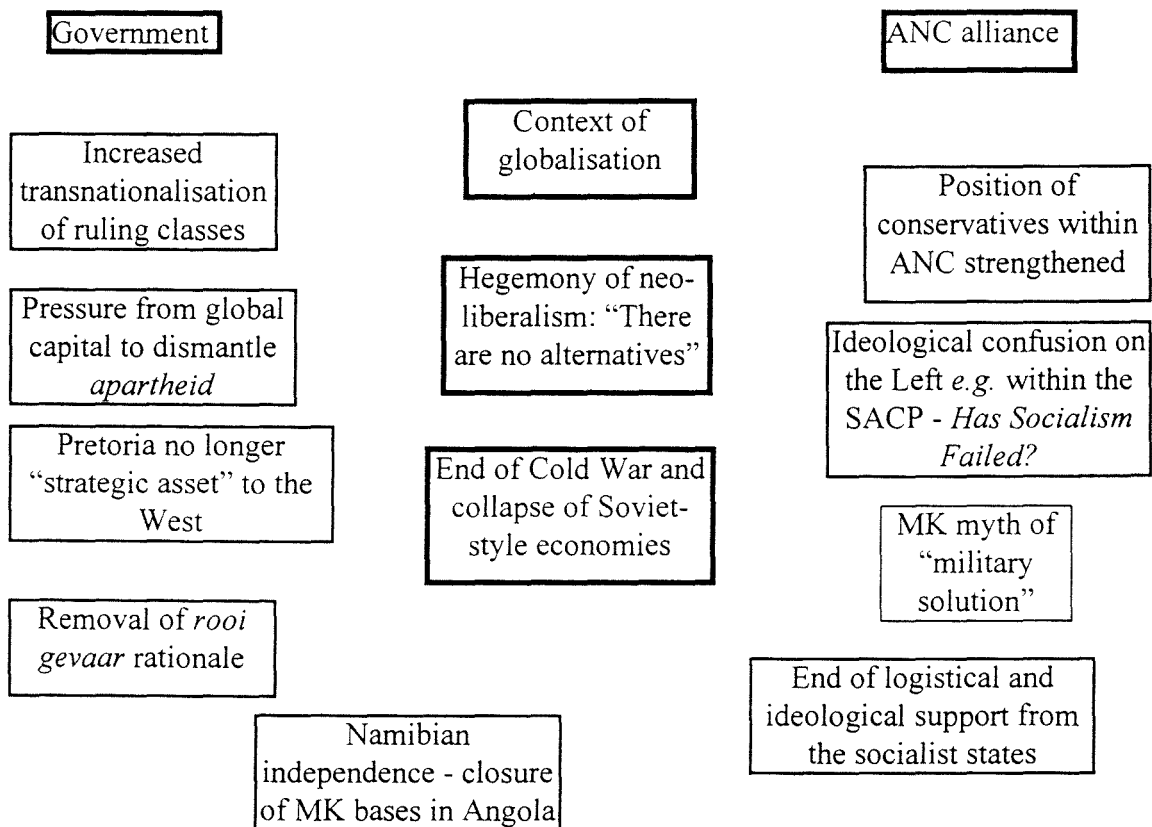
⁵ See for example Steven Friedman (ed.) *The Long Journey: South Africa's Quest for a Negotiated Settlement* Johannesburg: Ravan Press, 1993; Allister Sparks *Tomorrow is Another Country: The Inside Story of South Africa's Negotiated Settlement* Johannesburg: Struik, 1994; and Patti Waldmeir *Anatomy of a Miracle: The End of Apartheid and the Birth of the New South Africa* Harmondsworth: Penguin, 1997.

⁶ For the "external" thesis, see for example Hermann Gilliomee 'Democratisation in South Africa', *Political Science Quarterly*, vol. 110, no. 1, Spring 1995. For a rather unconvincing refutation of this, see Adrian Guelke 'The Impact of the End of the Cold War on the South African Transition', *Journal of Contemporary African Studies*, vol. 14, no. 1, 1996.

⁷ FW de Klerk in 'Proceedings of Joint Sitting, 2 February 1990', *Debates of Parliament, Second Session - Ninth Parliament* Pretoria: Government Printer, 1990.

reconcile the agent-structure problem. How these coalesced to craft a scenario where the pro-capitalist fraction within the ANC was bolstered and the counter-hegemonic impulses within the main liberation movement were neutered is what this study turns to first. To organise our thoughts on this a “mind map” is provided, indicating the main elements regarded as crucial in propelling the transitional moment and in influencing the ANC’s stance:

Figure 2: Selected structural factors propelling negotiations and some of their effects on the main protagonists



As observed, at the global level a variety of factors coalesced to propel the move towards negotiations forward. Whilst it is difficult to provide a ranking of importance *vis-à-vis* these factors, of perhaps profound - even fundamental - importance was the ending of the formal Cold War between the capitalist West and “really existing socialism”. Warnings against the *rooi gevaar* had long been a staple ingredient of the *apartheid* regime’s ideological underpinnings and served to justify the banning of the SACP (and by extension the ANC) but also Pretoria’s adventurist policies throughout the region and particularly in Angola and Namibia. That this anti-communist fixation was an exaggerated threat is not as important as the perceptive power it had in socialising generations of South

Africans into a collective common sense demonisation of the “communist” ANC as a threat to their religious (and this was heavily accentuated), economic and political freedom.⁸

The changes in Eastern Europe were hence viewed by the *apartheid* regime as having profound implications for South Africa and the region as a whole and ‘eased Pretoria’s phobia that the Black struggle against *apartheid* was a conspiracy directed from Moscow’.⁹ The *rooi gevaar* evaporated as the Soviet Union’s political economy went into terminal crisis thereby necessitating a massive reduction in commitments overseas. Thus ‘because of the economic and political crises in the USSR and Eastern Europe, abundant and cheap socialist support for progressive governments [and movements] overseas no longer exist[ed]’.¹⁰ At the same time, the relevance of Pretoria as a strategic Western bastion against the “Soviet threat” also disappeared, undercutting Western interest in propping up an increasingly unpopular regime (expressed in the transnational anti-*apartheid* movement and the concomitant sanctions against Pretoria).¹¹

The South African elite were very quick to realise this - FW de Klerk later commented that ‘within the scope of a few months, one of our main strategic concerns for decades - the Soviet Union’s role in southern Africa and its strong influence on the ANC and the SACP - had all but disappeared. A window had suddenly opened which created an opportunity for a much more adventurous approach’ regarding negotiations over a future South Africa.¹² More critical commentaries have also argued that ‘the “end of the Cold War”...suggest[ed] the existence of a new window of opportunity’, but this was ‘for a successful liberal reformism, one crafted, precisely, to pre-empt revolution’.¹³ In either case, a scenario rapidly led to conditions acceptable to Pretoria for a settlement of the Namibian issue (culminating in independence for Windhoek in March 1990).

⁸ For examples of this point of view/propaganda, see D.J. Kotzé *Communism and South Africa* Cape Town: Tafelberg, 1979; and Henry Pike *A History of Communism in South Africa* 2nd. ed., Germiston: Christian Mission International of South Africa, 1988.

⁹ Allister Sparks, 1994, p. 98.

¹⁰ Carlos Vilas ‘Is Socialism Still an Alternative for the Third World?’, *Monthly Review*, vol. 42, no. 3, July-August 1990, p. 99.

¹¹ See Audie Klotz *Norms in International Relations: The Struggle Against Apartheid* Ithaca: Cornell University Press, 1992.

¹² FW de Klerk *The Autobiography: The Last Trek - A New Beginning* Basingstoke: Macmillan, 1998, p. 161.

¹³ John Saul *Recolonization and Resistance in Southern Africa in the 1990s* Trenton: Africa World Press, 1993, 49.

Concomitant with this, the ANC lost its base camps in Angola. Combined with the playing out of the (however flawed) Nkomati Accord with Mozambique and the “positive neutrality” of Botswana and Zimbabwe, the ANC had no location where its military camps could be re-established anywhere near South Africa. The realisation that any military solution to the South African situation by the ANC’s armed wing *Umkhonto we Sizwe* was not possible (if it had ever been) therefore had to be faced. This realisation was further conditioned by the cessation of military aid from the Warsaw Pact. It can be briefly said then that the ending of the Cold War in short ‘allowed the security establishment to recalculate the strategic balance in South Africa’.¹⁴ From the point of view of the *apartheid* government:

In the last months of 1989, the external environment improved dramatically from the government’s point of view. For the first time it considered negotiations a viable option. The crucial development was the severe internal troubles experienced by the Soviet Union. Moscow told the ANC that it was up to South Africans themselves to reach a political accommodation. At the same time Pretoria believed that without Soviet backing it had a much better chance to contain a legalised ANC.¹⁵

The collapse of the socialist economies deprived ‘progressive forces throughout the world of an important pillar of support’, in terms not only of material aid but also in terms of solidarity and ideological support.¹⁶ Such an actuality bolstered the position of transnational capital and its allies and in the context of South Africa was of profound importance:

We should not underestimate the extent to which the South African transition was shaped...by the fact that it gathered momentum just when alternative visions...were becoming utterly tarnished by experiences in the Eastern bloc. Nothing could have played more into the hands of those Western powers anxious to shape the outcome of the transition in [South Africa], than the ability to pass off Stalinist-style “democracy” as the only alternative to the version they wanted on the agenda.¹⁷

How this played out *vis-à-vis* the particular democratic arrangements that were constructed for the post-*apartheid* society will be detailed below. What can be said at this juncture is that the end of the state socialist regimes also unleashed forces within the ANC that propelled a move away from socialism and the politics of confrontation to the *apartheid* elite, and towards a negotiated

¹⁴ Robert Lee and Lawrence Sclimmer *Transition to Democracy: Policy Perspectives 1991* Cape Town: Oxford University Press, 1991, pp. 15-16.

¹⁵ Herman Giliomee, 1995, p. 91.

¹⁶ Rob Davies ‘The International Context’, *African Communist*, no. 139/140, First Quarter, 1995, p. 58.

¹⁷ David Ginsburg ‘The Democratisation of South Africa: Transition Theory Tested’, *Transformation*, no. 29, 1996, pp. 96-97.

compromise:

The late 1980s represented a watershed. [The ANC] had long favoured the nationalisation of large sectors of the economy, but it was now confronted with mounting evidence of the malperformance of economies under central control in Eastern Europe and Africa...[T]he leadership saw a need for negotiating functional political and economic structures that could deliver.

Extending from this, the collapse of the state socialist nations bolstered the non-socialist elements within the liberation movement. Space does not permit a detailed examination of this, suffice to say that the ANC has always been a broad church. Mandela himself admitted that the ANC was 'united solely by [its] determination to oppose racial oppression' and that it was 'the only thing that unites us...there is no question of ideology as far as the odysseys of the ANC is concerned, because any question approaching ideology would split the organisation from top to bottom'.¹⁸ This was reflected within the organisation by two broad fractions - socialist and Africanist - who have historically struggled for supremacy, though the long years of exile tended to camouflage the degree to which this was the case.

In the modern era, this Africanist element originally centred around the original ANC Youth League (formed 1943-44) and the figures of Nelson Mandela, Walter Sisulu and Oliver Tambo, and were joined by later generations of ANC leaders, such as Thabo Mbeki, Donald Mkhwanazi, Peter Mokaba and Joel Netshitenze. These figures and the fraction they come from have always been somewhat uneasy with the ANC-SACP nexus. This has been based on an aversion to the socialist implications that such an alliance had - Mandela himself has repeatedly claimed that the Freedom Charter was simply a blueprint for 'African-style capitalism'.¹⁹ At the extremist level, it has as well resonated from a deep-seated racial prejudice against the "disproportionate" number of Indians and Whites involved from the SACP side, threatening to snap the 'unbreakable thread' of non-racialism that the liberation movement was based around.²⁰

This antipathy to the role of non-Blacks in the struggle against *apartheid* has long represented a strong strand in the liberation forces, though the

¹⁸ Quoted in Allister Sparks 'The ANC Pulls Together', *Africa South*, no. 13, 1991.

¹⁹ Nelson Mandela *Long Walk to Freedom: The Autobiography of Nelson Mandela* London: Little, Brown and Company, 1994, p. 527.

²⁰ For an excellent account of the role of non-Africans in the liberation struggle, see Julie Frederikse *The Unbreakable Thread: Non-Racialism in South Africa* London: Zed Books, 1990.

attitude towards the position (and acceptability) of Indians and Coloureds in the struggle has been ambivalent. It was these impulses that led to the formation of the Pan-Africanist Congress (as well as defections to the tribalist Inkatha Freedom Party by such ANC luminaries as Sipho Mzimela).²¹ Though the PAC was to collapse into chaotic mismanagement and corruption, the stimulus behind its formation represented a trend that has been omnipresent. From a class analysis, the Africanist element within the liberation forces represented a nascent congregation of Africans who saw themselves as the heir-apparents to a new post-*apartheid* Black bourgeoisie. Even the Black Consciousness movement of Steve Biko *et al* was grounded in the Black middle class and had its support base in the Black intelligentsia and university students (and hence never developed a mass base).²² As Blade Nzimande and Jeremy Cronin correctly summarise, ‘the cause of an aspirant Black elite, and a discomfort with socialism and the “undue left-wing influence” of non-Africans are the hallmarks of this tendency’ within the ANC.²³

Typically, prominent Africanist - Minister of Public Services and Administration, Zola Skweyiya - asserted that ‘the ANC shouldn’t shy away from Blacks becoming capitalist. The only question is - how do we achieve it?’,²⁴ whilst Deputy Minister of Trade and Industry Phumzile Mlambo-Nguka stated that Black businessmen should not be shy to say that they wanted to become ‘filthy rich’.²⁵ This fraction within the ANC was greatly strengthened by the conditions *i.e.* the demise of “really existing socialism”, that developed around the time of the beginning of the end of *apartheid* and reasserted itself in the transition process.

In short, the structural conditions surrounding the lead-up to the immediate transition process (and the process itself) suited the strategic choices and predilections of a particular fraction within the ANC elite (as well as the existing elite within the National Party and large-scale capital). This elite within the ANC was wary of any radical restructuring of South African society, and

²¹ For his account and the blatantly racist reasons behind it (including an appendix listing the supposed cabal of Whites and Indians who would ‘control the country’ if the ANC took over), see Sipho Mzimela *Marching to Slavery* Atlanta: Soundview, 1993.

²² Tom Lodge *Black Politics in South Africa Since 1945* Johannesburg: Ravan Press, 1983, pp. 322-324.

²³ Blade Nzimande and Jeremy Cronin ‘ANC Thatcherites Want Black Bosses’, *Weekly Mail and Guardian* (Johannesburg), October 10, 1997.

²⁴ *Weekly Mail and Guardian* (Johannesburg) December 15, 1995.

²⁵ Quoted in Heribert Adam, Frederik Van Zyl Slabbert and Kogila Moodley *Comrades in*

instead pinned its aspirations to that of developing an indigenous bourgeoisie alongside and in partnership with the existing patterns of societal structures that have developed within the country, whilst at the same time capturing nominal political power. A bigger slice of the cake and not a new cake altogether is the main goal of this fraction, dressed up as it is in rhetorical calls to arms centring on “empowerment” and the promotion of Africanism. Whilst unsettling to those classes/ethnic groups that feel threatened by such rhetoric, the project that this elite fraction advances is explicitly tied to the promotion of capitalism and is well within the ongoing order. Indeed, such a scenario suits admirably the local managerial classes, giving the current economic dispensation a legitimacy (through the admission into its managerial ranks of Blacks) that could not be sustained under *apartheid*.

At the extra-national level, the same process of legitimisation is apparent and the incorporation of an additional Black South African fraction into the wider transnational class alliance in support of the hegemonic project gives the ongoing global order greater legitimacy. As one analysis asserts, ‘the private sector has [tried] to create a few extremely wealthy and powerful Black individuals who would provide a bulwark against accusations that South Africa’s most powerful companies are all-White. So White business is financing and advising a line-up of instant millionaires’.²⁶ This, in combination with a socialised political elite who accept the basic tenets of neo-liberalism, is the perfect scenario for the continuation of the status quo in South Africa. To wit:

From the point of view of sophisticated business, what better government could be in power to deal with militant unions and the impossible tasks of satisfying an impoverished half of the population than a liberation movement under a moderate charismatic leader with universal legitimacy, yet also bound to work within the parameters of the economically feasible?²⁷

The impulses behind this process are particularly strong given that this emergent newly-recruited fraction comes as it does from such a high-profile nation state as South Africa which still possesses widespread international goodwill. Yet this fraction and the contradictions that this engendered within the ANC was long masked by the alliance between that organisation and the SACP. It is to this that this study now turns to in helping to explain the demise of any coherent socialist counter-hegemonic impulses in the transition process.

Business: Post-Liberation Politics in South Africa Cape Town: Tafelberg, 1997, p. 201.

²⁶ *Weekly Mail and Guardian* (Johannesburg) April 21, 1995.

²⁷ Heribert Adam, Frederik van Zyl Slabbert and Kogila Moodley, 1997, p.173.

The cross-over in ANC-SACP membership was a result of a specific historical juncture, and did not necessarily represent a convergence of ideology, despite the assertions of crude anti-ANC “academic” work.²⁸ In essence, the alliance was a strategic decision by the ANC in the anti-*apartheid* struggle, allowing it to access the patronage (be it financial, organisational or military) linkages that the SACP had access to.²⁹ Indeed, membership of the SACP was often seen as a tactical exercise for advancement within the ANC, particularly for those Black nationalists who wished to demonstrate their non-racial credentials.

Yet the ready way in which many ostensible “communists” in the ANC leadership (such as Thabo Mbeki) shed their SACP membership after 1990 is ready testament to the fact that much of their commitment to the ideals of the SACP was perfunctory. Indeed, the expedient usage of socialist slogans by this nationalist elite was openly admitted by Mbeki in an interview when he remarked that it was ‘very easy to say the people will share the wealth of the country. That is sufficient for the purposes of mobilisation and getting them engaged’.³⁰ Mbeki of course was also the main opponent against, in 1979, having the ANC declared a “Marxist-Leninist movement” *à la* FRELIMO, arguing that it ‘was wrong, the notion, that the ANC was a party of socialism’ - a strange position to take for an ostensible communist.³¹

It can be said that the alliance between the ANC and the SACP was largely an uneasy one, sitting as it did within a movement consisting of an elite whose aspirations centred around nationalism and not socialism. Yet at the same time, this linkage *did* have a radicalising effect on the support base of the ANC, raising their expectations *vis-à-vis* a socialist reorganisation of society. One cannot simply dismiss the fact that surveys in 1985 found that between 74 and 77 per cent of Blacks favoured socialism as the organising principle in a post-*apartheid* South Africa;³² or that in 1991 67 per cent of COSATU shop stewards wanted the nationalisation of key industries whilst only 17 per cent

²⁸ See for example Michael Radu ‘African National Congress: Cadres and Credo’, *Problems of Communism*, July-August 1987.

²⁹ See Philip Nel ‘The ANC and “Communism”’, in Willie Esterhuyse and Philip Nel (eds.) *The ANC and its Leaders* Cape Town: Tafelberg, 1990; and Vladimir Shubin *ANC: A View From Moscow* Bellville: Mayibuye Books, 1999..

³⁰ Thabo Mbeki, interviewed by Hugh Murray ‘The Long Journey of Thabo Mbeki’, *Leadership*, vol. 12, no. 4, 1993, p. 32.

³¹ Quoted in *Sunday Times* (Johannesburg) June 6, 1999.

³² Survey information cited in Fatima Meer ‘South Africa’s Tomorrow’, *Third World*

favoured privatisation.³³ Yet the leadership of the ANC was extremely wary of such impulses - Oliver Tambo, against all received opinion, went so far as to claim that 'our people will decide [on a post-*apartheid* dispensation] and they're not very interested in a socialist state'.³⁴ The ANC-SACP linkage thus had a set of dialectical contradictions inherent in it and that was reflected in the different agendas of the elites (itself subject to intra-elite disputes *vis-à-vis* policies) and their mass support base.

The constraints of globalisation and the collapse of communism in the Eastern bloc however resolved much of the potential for a split within the liberation forces, particularly after the SACP found itself affected by the global uncertainties that affected all socialists at the time which, seemed to suggest that there were no apparent alternatives to capitalist democracy.³⁵ This served the interests of those fractions advocating the neo-liberalist project. As one analysis asserted:

[T]he principal ideological resource available to actors' advocating a neo-liberal economic programme was the rise to hegemony of market ideology. This resulted from the collapse of the communist bloc in eastern Europe and the Soviet Union. This collapse of communism ensured that there was no alternative economic discourse to that of the market [and the] market was celebrated as the only rational mechanism for the efficient production and allocation of goods within and among societies. The legitimisation of market discourse [was] clearly evident in South Africa.³⁶

Such a playing out of the collapse of communism and the ensuing compromise by ostensible socialist forces with the hegemonic discourse was reflected by the intervention of Joe Slovo in 1990 in his paper entitled *Has Socialism Failed?*³⁷ Though this rightly critiqued the tendency to bureaucratism and the lack of tangible democracy in the Soviet-style centrally planned economies, the practical effects were to undermine confidence in the socialist movement and promote a rightward shift of the SACP towards Eurocommunism and even social democracy (thus leading David Kitson to question whether the SACP was any

Quarterly, April vol. 9, no. 2, 1987, p. 399.

³³ Siphon Pityana and Mark Orkin *Beyond the Factory Floor: A Survey of Cosatu Shop-Stewards* Johannesburg: Ravan Press, 1992, p. 67.

³⁴ Oliver Tambo in conversation with Anthony Sampson, January 21, 1987 quoted in Anthony Sampson *Nelson Mandela: The Authorised Biography* Johannesburg: Jonathan Ball, 1999, p. 362.

³⁵ See Kathryn Manzo (ed.) *Domination, Resistance, and Social Change in South Africa: The Local Effects of Global Power* Westport: Praeger, 1992.

³⁶ Adam Habib *Structural Constraints, Resources, and Decision-Making: A Study of South Africa's Transition to Democracy* unpublished PhD thesis, City University of New York, 1998, p. 225.

³⁷ Joe Slovo 'Has Socialism Failed?', *African Communist*, Second Quarter, 1990.

longer 'really communist').³⁸ Though Slovo's thesis was heavily critiqued by Leftist elements within and without the SACP, the support it elucidated from leading lights such as Jeremy Cronin tends to suggest that it was the accepted "line" within the SACP hierarchy.³⁹ Whether Slovo's thesis was correct or not is irrelevant for this discussion though. What is important is that it demonstrated the disorientation that the Leftist project in South Africa faced in the aftermath of the collapse of the Soviet bloc.

This of course occurred within the global structural context of the hegemony of neo-liberalism. As one journalist for the London *Financial Times* put it, the disorientation of the Left 'took shape in a world where there was suddenly overwhelming consensus on what constituted sensible economic policies'.⁴⁰ As has been suggested, this ideological dominance had profound implications for any future working out of a coherent alternative politico-economic project. Perhaps demoralised by the ongoing crises in the former socialist states, many ANC leaders such as Thabo Mbeki, Mac Maharaj, Gill Marcus, Joel Netshitenze, Aziz Pahad *etc.* resigned from the SACP - though in Mbeki's case doubts have been raised regarding his commitment to communism.⁴¹ At the same time, even leading luminaries who remained loyal to the Party such as Joe Slovo underwent a metamorphosis until, as one colleague put it, 'the only things that were red about Joe were his socks'.⁴²

That Joe Slovo rapidly emerged as one of the chief accomodatory forces to capital and the interests of the privileged minority within South Africa, culminating in the "sunset clauses" (though this strategy was originally Thabo Mbeki's) should not be overlooked. The de-demonisation of the former "KGB colonel" to being the toast of local capital (and it should be remembered that the government initially wanted to exclude Slovo from the ANC negotiating team on

³⁸ David Kitson 'Is the SACP Really Communist?', *Work in Progress*, no. 73, March-April 1991.

³⁹ See Jeremy Cronin 'Is the SACP Travelling in the Right Direction?', *Work in Progress*, no. 74, May 1991; and 'Lenin is not a Statue', *African Communist*, no. 127, Fourth Quarter, 1991.

⁴⁰ Patti Waldmeir, 1997, p. 255.

⁴¹ Mbeki's close friend Willie Esterhuyse has asserted that Mbeki 'was [Oliver] Tambo's ears and eyes on the central committee [of the SACP]' and left the Party 'when there was no threat [from communism within the liberation movement] any more' - *Weekly Mail and Guardian* (Johannesburg), June 18-24, 1999. A CIA report in 1988 supports this thesis, arguing that Tambo had 'long been subtly curbing and channelling SACP influence' - cited in Anthony Sampson, 1999, p. 388.

⁴² Cited in John Matisson 'How the ANC Battled to Balance the Ideological Books', *Weekly Mail and Guardian* (Johannesburg), November 6-12, 1998.

account of his communism) was a graphic reflection of the forces that played out in the transition process. Mass media that was supportive of the interests of big business gradually sought out Slovo for reassurances and were rarely disappointed. For instance, the *Financial Times* reported to its readers that 'building socialism...is not the immediate goal of the ANC, Mr. Slovo [said]' and that Slovo went on to assert that 'the economy of South Africa the day after the ANC flag flies over the Union Buildings in Pretoria will be exactly the same as the day before'.⁴³ Such utterances served to soothe nervousness on the part of capital and the entrenched elite who, at the beginning of the transition process were somewhat apprehensive of the playing out of any negotiations with the ANC and its allies. This of course was at a time when the organisation was publicly committed (at least) to a far less conservative economic programme. Why the National Party and the ANC initially began this process is to what this work now addresses.

Strategic stalemate, globalisation, and the push for negotiations

The reasons why this occurred stemmed from the realisation by both the National Party and the liberation movements that the balance of forces in South Africa in the late 1980s meant that neither side could defeat the other. As has been suggested above, the withdrawal of Soviet aid to the ANC profoundly affected this equation. As a result, the liberation forces came to realise that an effective stalemate had ensued and that a negotiated compromise was thus the only route to pursue. It was realised by many township and unionist leaders that the essential defeat of the mid-1980s insurrection by the state forces (with great violence) and the collapse of armed support from the socialist community meant that a popular revolution was certainly no longer possible (if it had ever been). Alternatives to ending *apartheid* had to be thus sought elsewhere. To put it in Gramscian terms, the 'war of movement' was ruled out by the liberation movement. Instead, a favourable disposition towards negotiations emerged *and* an alternative reorganisation of the economy was no longer on the agenda:

The Black working class and its allies could not defeat a regime possessing not only the allegiance of the bourgeoisie, but also the political resources of an effective security apparatus and a functioning bureaucracy. Thus the ANC and the SACP [were] condemned by the balance of political forces to conduct institutional (not revolutionary) politics with (as well as against) political (not explicitly class) actors in

⁴³ *Financial Times* (London) February 27, 1990.

enduring state institutions, which ruin[ed] the prospects for socialism, [and] distort[ed] the democratic demand.⁴⁴ Furthermore, this scenario proved to be deeply problematic for it reified the two-stage theory of the ANC-SACP which had long underpinned the ideological strategy of the main liberation movement. This was dependent on a theoretical separation of the struggle against *apartheid* (characterised as “colonialism of a special type”) and that of capitalism and propelled the initial goal of the liberation movement to be restricted to the winning of “national liberation” *via* a broad class alliance of the oppressed (*i.e.* non-White) population, plus those Whites committed to the overthrow of the regime.⁴⁵ The struggle hence had two stages: firstly, for a national democratic state, and secondly for socialism. This second stage was, it is to be assumed, to take on the form of a Gramscian ‘war of position’ whereby the working class were to continue the battle for the hegemony of socialism in a post-national liberation South Africa.⁴⁶ In the local South African context, such a theory aimed for a broad class coalition which obviously (and as subsequently occurred) opened the process up to the influence of forces within the liberation struggle and the wider population at large that were not at all in favour of a socialist reorganisation of South African society.

Such an outcome vindicates Gramsci’s warning that any war of position ‘is concentrated, difficult, and requires exceptional qualities of patience and inventiveness’.⁴⁷ Yet these qualities were consistently undermined by the ANC’s desire for “inclusiveness” within the movement, a predilection in itself stemming from:

An ageless tradition within the ANC alliance and particularly its leadership [of] holding the firm belief that accommodating the widest possible spectrum of ideological and class interests, and attempting to suppress difference between such interests [would] present the surest and shortest route to national liberation.⁴⁸

As a result the ANC elite sought to partake in the negotiation process from a premise where a wholesale reorganisation of the state was simply not on the agenda of the negotiating briefs of the ANC and its partners, (even if this had

⁴⁴ Michael Macdonald and Wilmot James ‘The Hand on the Tiller: The Politics of State and Class in South Africa’, *Journal of Modern African Studies*, vol. 31, no. 3, September 1993, p. 394.

⁴⁵ See *South African Communists Speak* London: Inkululeko Publications, 1981, pp. 284-320.

⁴⁶ Antonio Gramsci, 1971, p. 239.

⁴⁷ *Ibid.*

⁴⁸ Dale McKinley *The ANC and the Liberation Struggle: A Critical Political Biography*

been possible within the constraints of the globalised economy) and where the search for “consensus” was paramount. At the same time, the two-stage theory necessarily pre-empted and hence abandoned even the attempt (however feasible) to strive for the ‘war of movement’ in South Africa. Its effect was to ‘divide artificially the democratic and socialist aspects of the struggle into two separate compartments’.⁴⁹

This deliberate detachment of the liberation struggle from that of the accompanying struggle for social and material liberation lead to the isolation and denigration of those who opposed such a divorcing of the two goals. Joe Slovo’s attempt to paint revolutionary socialists as potential mass-murderers, saying that ‘it can only be an indigenous representative of the disastrous Pol Pot philosophy who can project a pole-vault into socialism and communism the day after the overthrow of White rule’, is characteristic of such a position.⁵⁰ If this was the attitude of the leadership of the SACP, it can be of no surprise therefore that socialism was largely absent from the negotiations process and this disorientation suggests why counter-hegemonic impulses were largely lacking from the ANC’s side in the transition process. Indeed, ‘the closer the end of *apartheid* approached, the further the objective of socialism receded in the minds of the leaders of the...ANC, SACP and COSATU’.⁵¹

On the other side, the mass uprisings in 1984-86 and the growth of an organised Black resistance centred around the UDF (particularly the trade unions and civic organisations) during the State of Emergency, combined with a deepening financial crisis in the “racial Fordist” accumulation regime, finally convinced crucial figures within the National Party that negotiations with the ANC were inevitable. Pressure from internal and external capital to move the National Party in this direction had been long-standing and ‘a good proportion of change in state rhetoric [was] linked to the coincidence between massive international economic and political pressure’.⁵² This pressure in itself was an outcome of the conjuncture of forces of increased globalisation *and* the

London: Pluto Press, 1997, p. 11.

⁴⁹ Robert Fine and Dennis Davis *Beyond Apartheid: Labour and Liberation in South Africa* Johannesburg: Ravan Press, 1990, p. 113.

⁵⁰ Joe Slovo *Speech by Joe Slovo at the 65th Anniversary Meeting of the South African Communist Party in London on 30 July, 1986* London: Inkululeko Publications, 1986.

⁵¹ Alex Callinicos ‘South Africa After Apartheid’, *International Socialism*, no. 70, Spring 1996, p. 11.

⁵² Philip Frankel ‘Beyond Apartheid: Pathways for Transition’ in Philip Frankel, Noam Pines and Mark Swilling (eds.) *State, Resistance and Change in South Africa* Johannesburg: Southern Books, 1988, p. 278.

processes that had been stimulated by the forty years of National Party rule.

The National Party had originally found its support base rooted in the Afrikaner working class. The nationalisation project which it had embarked upon post-1948 had cemented this linkage, providing employment for a massive amount of previously impoverished Afrikaners. At the same time, National Party rule facilitated the entry of Afrikaners into the ranks of corporate South Africa - an area previously totally dominated by English-speaking Whites. As a result of this process, South African capitalism became more Afrikanerised and the Afrikaner became more urbanised and prosperous. In short, the class basis of the National Party began to change until the National Party became 'the organising and structuring political mechanism for capital'.⁵³

At the elite level this progressively came to reflect the views of an increasingly internationalised Afrikaner bourgeoisie. This class rapidly came to identify itself and its material interests not with its ethnic brethren on the *platteland* but with the already existing transnationalised class elite within South Africa. As such, they came to share the neo-liberalist convictions of transnational capital. Such an identification for sure militated against the nationalist and statist tradition of the Party and in part accounts for the painful splits rightwards that the National Party endured throughout the 1980s, as the Afrikaans elite sought to ditch narrow ethnic self-interest predicated on a form of national socialism for that of a broader class-based perspective based on neo-liberalism. In short:

The NP's economic vision...underwent a dramatic transformation in the late 1970s. Afrikaner firms, benefiting from three decades of government contracts and contacts, developed into large conglomerates with a significant stake in all sectors of the country's economy...Afrikaner businessmen, like their English counterparts, felt confident enough to advocate both political and economic liberalisation and socio-economic reform. They also pushed for the gradual liberalisation of the South African financial system and (eyeing future markets abroad) for the country's further integration into the world economy.⁵⁴

As a result, 'the National Party...jettisoned almost every last element of its own, decades-old ethnic programme and world view. Yet it fought tooth and nail for the retention of a "colour-blind" free market economy and the class privileges of

⁵³ Mike Morris 'State, Capital and Growth: The Political Economy of the National Question', in Stephen Gelb (ed.) *South Africa's Economic Crisis* Cape Town: Philip, 1991, pp. 54-55.

⁵⁴ Adam Habib and Vishnu Padayachee 'Economic Policy and Power Relations in South Africa's Transition to Democracy', unpublished paper, 1999, p. 6.

its leadership'.⁵⁵

In short, the pull of greater capital accumulation that active intercourse with globalising impulses and the concomitant transnational linkages so visibly witnessed in the Anglophone companies of South Africa was too much to resist for aspiring Afrikaner elites. Centred around De Beers Consolidated, Anglo-American Corporation, Gencor and Barlow Rand, the Anglophone corporations typified the transnationalisation *par excellence* of South African capital. The elites within these conglomerates represented a transnational class that established South Africa as the *entree* for the rest of the region and were of immense importance to the global capitalist system.

It was to this fraction that the emergent and highly influential Afrikaner capitalists aspired to. In alliance with their English-speaking counterparts, it was this group in particular that came to push the National Party towards negotiations. This process was spurred on by the deepening contradictions that *apartheid* dialectically spawned and the resistance that this engendered in the Black working class, first in 1976 and then in the resurgent township revolts of the early 1980s. Such crises convinced the South African capitalist elite, with the urging of their class allies based in the core, that a political solution that involved the preservation of the vital interests of capitalism within the framework of a non-racial democracy was of great urgency:

The White minority capitalist elite was forced to consider political change because it was dependent on Black labour, in conditions where *apartheid* oppression made Black unrest inevitable. All of the reform strategies since the Seventies have been designed to stabilise South African society in order to contain this threat.⁵⁶

This realisation was compounded by international pressure. To wit, capital's 'resolve...was brought into even clearer focus by international reaction to South Africa's crisis: both politically-willed sanctions and those market "sanctions" that sprang from global business misgivings about South Africa's investment climate'.⁵⁷ Furthermore, 'capitalism and *apartheid* were seen [by many Blacks] as two sides of the same coin [encouraging] a hostility to economic ideologies which assumed the necessity of "free" markets'.⁵⁸ In short, *apartheid* became

⁵⁵ Dan O'Meara *Forty Lost Years: The Apartheid State and the Politics of the National Party, 1948-1994* Randburg: Ravan Press, 1996, p. 421.

⁵⁶ Charles Longford 'Does the Vote Mean Freedom?', *Living Marxism*, issue 68, June 1994.

⁵⁷ John Saul, 1993, p. 94.

⁵⁸ David Lazar 'Competing Economic Ideologies in South Africa's Economic Debate', *British Journal of Sociology*, vol. 47, no. 1, December 1996, p. 613.

bad for business and the elites at both the national and international level realised this.

Pressure was thus intensified on the National Party to open up the political process. This pressure had been long-standing (as far back as John Vorster's rule) and had gathered impetus under the tenure of P.W. Botha as the structural crises in South Africa became apparent to all. Certainly, by 1984 the Afrikaner establishment had accepted that change was inevitable.⁵⁹ However, Botha's tentative approach and his reluctance to go beyond merely cosmetic changes (the Tricameral Parliament, abolition of the Mixed Marriages Act *etc.*) made his removal from office imperative. This was particularly so after the disastrous internal and external reaction to his "Rubicon speech" of August 1985.

This realisation was centred around an "elite cartel", which in itself was made up of five smaller power blocs. These were namely, the Afrikaner-dominated state bureaucracy; the English-dominated capitalist class (with a strong Afrikaner presence); the powerful media (closely tied to corporate capital); well-organised professional groups within civil society; and the National Party establishment.⁶⁰ As forces coalesced that required such dramatic changes gathered impetus, a reforming *verligte* fraction within the ruling party centred around F.W. de Klerk (despite his earlier *verkrampte* pedigree) who replaced Botha in 1989, was identified by the various power blocs within the White elite as being able to perform the task that was set before it. This task was to oversee changes to the political structure of South Africa without endangering the economic base of the entrenched elites - 'to make South Africa safe for capitalism'.⁶¹ As one analysis asserts:

The aim of large-scale corporate interests was to define South Africa's prevailing inequalities as welfare problems that could be addressed through redistribution of social surplus rather than as a problem linked with the logic of capitalist production itself.⁶²

Concomitant with this task was to bring on board elements within the liberation movement and the wider Black population. Not in the sense of co-option into

⁵⁹ Allister Sparks, 1994, p. 74.

⁶⁰ Sampie Terreblanche 'The Political Economy and Democratisation During the Period of Transition' in Ursula van Beek (ed.) *South Africa and Poland in Transition: A Comparative Perspective* Pretoria: Human Sciences Research Council, 1995, p. 352.

⁶¹ Moeletsi Mbeki 'FW: The Choirmaster of Capitalism', *Weekly Mail* (Johannesburg) March 8-14, 1991.

⁶² Martin Murray, *Revolution Deferred: The Painful Birth of Post-Apartheid South Africa* London: Verso, 1994, p. 16.

the National Party (of course), but in performing the negotiating role in a two-pronged strategy of promoting a particular understanding of democracy and in promoting the neo-liberalist economic project. This strategy was driven by hegemonic interests, that aimed to secure the class privileges and well-being of the local White elite and crucially international capital within South Africa, whilst also appealing to the class aspirations of the fractions within the ANC that had always aspired to join the ranks of the bourgeoisie. As one Black businessman put it, 'the survival of the free enterprise system will only be ensured by the extent to which Blacks perceive themselves to be beneficiaries of the system'.⁶³ This tactic has essentially succeeded, with a 'new multi-racial Right [during the transition period] South Africanising the...conservatism...preached by the Major government, the Bush administration, and the World Bank'.⁶⁴

Secret contact between the ANC elites in exile and big capital had started in 1985 with Anglo-American's tentative discussions (though the ANC had long used Anglo's headquarters in Lusaka as a post box) and was followed up by others from the business and Afrikaner establishments. The purpose of these talks was to break down mistrust of the ANC by the Afrikaans elite and business (and *vice versa*) and to persuade the ANC of the need to share power: in essence, to lay the groundwork for a future historic compromise.⁶⁵ Such talks aimed to facilitate a working partnership. As one business representative commented on such *ad hoc* dialogues, 'there is no doubt in my mind that we made an important contribution in narrowing the gap between their [ANC] position and people in business and administration back home'.⁶⁶

Initially outside the programme of the National Party government, under Botha business and the state gradually came to share a closer fitting agenda based around the premises of neo-liberalism. Gradually, South Africa's economic crisis was seen as a result of market imperfections introduced by external actors, most notably the national socialist - "*volkskapitalisme*" - policies of the National Party.⁶⁷ An abandonment of such distorting impulses and the call for a move towards "the market" as the regulator of the economy had been

⁶³ Sam Motsuenyane, NAFCOC president, *Financial Mail* February 3, 1989.

⁶⁴ Craig Charney 'Convergence', *Leadership*, vol. 10, no. 4, 1991, p. 26.

⁶⁵ Patti Waldmeir, 1997, p. 79.

⁶⁶ Ronnie Bethlehem, chief economics consultant with Johannesburg Consolidated Investments, *Financial Mail* July 7, 1989.

⁶⁷ On this, see Dan O'Meara *Volkskapitalisme: Class, Capital and Ideology in the*

articulated since the mid-1970s *e.g.* the “O’Dowd Thesis”, but an acceptance of this at the elite levels only really began to be articulated in the 1980s.⁶⁸ This in itself reflected the change in the balance of power in South Africa at the elite level - an echoing of an actuality that had occurred throughout the world - from domestic-oriented economic nationalists (upon which *apartheid* was predicated) to an increasingly transnationalised globally-oriented neo-liberalist fraction. A key point in the evolution of this trend was the publication of the *White Paper on Privatisation and Deregulation in the Republic of South Africa*, in 1987.⁶⁹

The document committed the government to a series of ‘radical measures, including systematic privatisation and deregulation’ and to a process of opening up the economy more fully to ‘market forces’.⁷⁰ Although this process was stalled somewhat first by the deepening crises of the mid-1980s and then by the negotiating process surrounding the transition, such commitments represented a fundamental shift in the economic ideas underpinning the formerly statist National Party and a broad fit between capital and government over economic policy. Indeed, ‘by the time the government’s Normative Economic Model was on the table, government and (most factions of) big business were at one in respect of policy issues related to liberalising external economic relations’, and shared an agenda for the future.⁷¹

The essential result of this agenda, once dialogue with the opposition forces was conceded, was to forge a working compromise that would preserve the process of accumulation and production within South Africa whilst de-racialising and deconstructing the more odious aspects of *apartheid*. Conscious of the hegemony of neo-liberalism on a world order scale, the National Party attempted to “lock-in” any new ANC administration into the norms of world capitalism, thus enabling ‘one hand on the tiller’ of economic policy ‘for a very long time’.⁷² As previously mentioned, the National Party in the late 1980s had already begun to implement economic policies in line with the neo-liberalist

Development of Afrikaner Nationalism, 1934-1948 Johannesburg: Ravan Press, 1983.

⁶⁸ See Michael O’Dowd ‘South Africa in the Light of the Stages of Economic Growth’ in Adrian Leftwich (ed.) *South Africa: Economic Growth and Political Change with Comparative Studies of Chile, Sri Lanka and Malaysia* New York: St. Martin’s Press, 1974.

⁶⁹ Republic of South Africa *White Paper on Privatisation and Deregulation in the Republic of South Africa* Pretoria: Government Printer, 1987.

⁷⁰ David Lazar, 1996, p. 618.

⁷¹ Vishnu Padayachee ‘The Evolution of South Africa’s International Financial Relations and Policy: 1985-1995’ in Jonathan Michie and Vishnu Padayachee (eds.) *The Political Economy of South Africa’s Transition* London: Dryden Press, 1997, p. 41.

⁷² FW de Klerk cited in *Financial Times* (London), May 7, 1991.

project. The rand was devalued, public expenditure and the budget cut, and privatisation of publicly-owned assets was embarked upon. As such corporations were the cornerstone of *apartheid* and the provider of employment for thousands of White working-class South Africans, the fact that De Klerk was willing to envisage such a move is a testament to the changing class interests that acted to influence National Party policies (see below). Furthermore, in line with GATT prescriptions tariffs were slashed. These have been characterised as ‘pre-emptive actions of the De Klerk government to keep the economy in the hands of Whites before an ANC dominated government took power’.⁷³

It can be further added that such policies served to strengthen the hand of those elements within the elite classes, particularly those with linkages to transnational capital, for the cost of de-linking from an insertion into the norms of the world economy would be severe for any incoming administration. For sure, the National Party and its allies in capital worked hard to circumscribe efforts by the ANC to forge a different path:

After 1990 the De Klerk government, private local capital and the international financial institutions came to form an informal “triple alliance”, and...honed in whenever the occasion presented itself to attack and disparage any “business unfriendly” ANC economic ideas and proposals (which they portrayed as naïve and indicative of a dangerous commitment to socialism, nationalisation, state intervention and other similar outdated pathologies).⁷⁴

By doing so, the hands of the ANC were tied as the reforms had ‘created a new largely irreversible reality that [the National Party’s] successors dared not touch, out of fear of alienating “the market”’.⁷⁵ Hence emboldened by their informal alliance with domestic and international capital, the transition was embarked upon by the National Party with considerable confidence:

The strategic calculation was...to manage the transition in such a way as to de-radicalise the ANC and to moderate it to such an extent that it could be accommodated in the newly restructured and de-racialised state, which in turn was to be firmly re-embedded in the international system of states. This system of states...had become so strongly geared to the rules of a capitalist, private enterprises political economy that the NP felt secure about the inability of the ANC to realign a future South African state away from this systemic momentum.⁷⁶

Whilst this is certainly accurate, such a position does emasculate the ANC and

⁷³ Fantu Cheru ‘Civil Society and Political Economy in South and Southern Africa’ in Stephen Gill (ed.), 1997, p. 224.

⁷⁴ Vishnu Padayachee in Jonathan Michie and Vishnu Padayachee (eds.), 1997, p. 41.

⁷⁵ D. Rodrik ‘Understanding Economic Policy Reform’, *Journal of Economic Literature*, vol. 34, no. 1, March 1996, p. 37.

⁷⁶ Pierre du Toit *State-Building and Democracy in Southern Africa: A Comparative Study of Botswana, South Africa and Zimbabwe* Pretoria: HSRC, 1995, p. 386.

its allies of any agency during the transition process and posits a rather passive role for the opposition. Yet the process of courting the ANC leadership - first initially at locations such as at Mells Park in England, and then later during the negotiations phase - held within it major difficulties for the government and its capitalist allies and which went beyond simple structural constraints.

Firstly, the National Party was for a variety of reasons not in complete control over the negotiating process, particularly towards the end of the process.⁷⁷ Such a scenario had the potential of allowing the ANC to increasingly dictate terms - with the concomitant danger that their economic agenda - under pressure from their mass base - might be out of synch with common sense "realities".

Secondly, because the mass base of the ANC within the country favoured a project that was qualitatively different from that of the leadership in exile. This always held within it the inherent danger that the ANC elite could be drawn downwards into the possibility of articulating the voices of the marginalised - promoting the interests of 'Black families whose expectations have perhaps been allowed to run far too high', as the director-general of the South African Chamber of Business Raymond Parsons famously put it, going on to add that 'because business stands to gain or lose so much in this process, it simply has to become involved and make its interests known', for 'as businessmen we are concerned...that models of a broad type necessary to safeguard certain principles are promoted'.⁷⁸ The connection of such certain principles to class relations and power is clear. As Marx wrote, 'the same men who establish their social relations in conformity with their material productivity, produce also principles, ideas and categories, in conformity with their social relations'.⁷⁹

It was the purpose of the organic intellectuals within the "change industry" therefore to attempt to reconcile the contradiction of an elite ANC leadership with an expectant mass base by drawing in further and further the moderate elites within the ANC into the hegemonic project of liberal democracy and neo-liberal macro-economic thinking, and by convincing them (or confirming already held beliefs) that the masses were being "unrealistic" and "impatient". Thus:

⁷⁷ Philip Nel 'Transition Through Erosion: Comparing South Africa's Democratisation', *Aussenpolitik*, vol. 46, no. 1, 1995.

⁷⁸ *The Star* (Johannesburg), November 12, 1990.

⁷⁹ Karl Marx 'The Poverty of Philosophy' *Handbook of Marxism* London: Victor Gollancz, 1935, p. 355.

Ingratiating themselves with the potential new rulers, strengthening their “sensible” forces against radical elements and engineering a smooth transition from embarrassing racial capitalism to non-racial stability, guided the policy of all Western governments [who] channelled their funds to ANC-supporting NGOs. [Such policies] constituted relatively risk-free investment [and] paid off handsomely.⁸⁰

By doing so, the socialising of this fraction within a Braudelian “limits of the possible” was conducted - a ‘battle for the heart and soul of the ANC’.⁸¹ By making such elites “see sense” and converting or consolidating their positions to “realistic” policies, the hegemony of the ongoing order was realised. As this has had profound implications for South Africa’s foreign policy, an analysis of how this developed, within the overarching Gramscian perspective that underpins this work will now be embarked upon, before analysing in depth the process by which neo-liberalism was adopted as the ANC’s (and hence the post-1994 GNU’s) macro-economic framework.

The “change industry”, the socialisation of hegemonic norms and polyarchy

The structural and behavioural factors that have been outlined above coalesced to create an environment that was conducive to negotiations. As suggested, the ensemble of internal and external forces was also antithetical to the promotion of socialism and/or a radical restructuring of South Africa and this has continued to play itself out in the policies - including foreign - that the post-*apartheid* government has pursued post-1994. However, if this proposition is accepted, it is imperative that a teleological leap that jumps from the structural actualities around the transition to the inculcation of the norms surrounding this hegemony is avoided. In a Gramscian analysis agency is present alongside structural conditionalities and the terrain leading to the establishment of hegemony is a site upon which an ideological battle is fought. This being so, an analysis of what Mark Swilling called the “change industry” and how it helped shape the discourse around which the ANC’s policies were formulated is turned to.⁸² This change industry can be said to have taken on the form (if not

⁸⁰ Heribert Adam, Frederik van Zyl Slabbert and Kogila Moodley, 1997, p. 162.

⁸¹ Quoted in ‘Socialists in SA Struggle to Rev it Up’, *Weekly Mail* (Johannesburg), May 14-20, 1993.

⁸² ‘The Dynamics of Reform: Mark Swilling’, interview with Mark Swilling by Alex Callinicos in Alex Callinicos *Between Apartheid and Capitalism* London: Bookmarks, 1992. For a coverage of how capital organised itself into influential pressure groups during the transition, see Loet Douwes Dekker ‘Business Interest Groups’, *Industrial Democracy Review*, vol. 5, no. 2, 1996.

appearance) of an epistemic community - 'a network of professionals with recognised expertise and competence in a particular domain and an authoritative claim to policy-relevant knowledge within that domain or issue-area'.⁸³

The importance of such a community is 'that the consensus forged by these experts over the identification [and solution] of problems shapes the way that interests of states are defined'.⁸⁴ By acting thus, and in the absence of any strong alternative socialist epistemic community, the business-aligned "change industry" - along with its international cohorts - helped bolster and reinforce the conservative fraction within the ANC that has already been highlighted and so contributed to the further marginalisation of any counter-hegemonic impulses within the liberation movement.

In investigating this further and in avoiding simply the coverage of economic debates in the transition, the work of William Robinson is deployed to give the analysis theoretical coherence. In his work *Promoting Polyarchy: Globalisation, US Intervention and Hegemony*, Robinson crafts a convincing thesis surrounding the promotion of liberal democracy in the developing world by Washington and its various agencies.⁸⁵ In providing his work with empirical support, Robinson examines the promotion of a particular form of "democracy" in the Philippines, Chile, Nicaragua and Haiti. This political project, which is within the ongoing hegemonic order, has profound socio-economic implication for the host country and has resonance in this study. Indeed, Robinson does touch on the "change industry" in South Africa but does not develop this as a case study. By doing so therefore, this work can valuably build on Robinson's work within the remit of its own project. Whilst the bulk of the rest of this chapter will deal with the economic terrain of the "change industry" and how neo-liberalism achieved Gramscian hegemony through a mixture of coercion and consent, this study will briefly turn to the other element of the two-pronged strategy mentioned above and that was instrumental in shaping post-*apartheid* South Africa: the promotion of polyarchy.

Robinson is fundamentally correct in asserting that 'struggles for popular

⁸³ Peter Haas 'Introduction: Epistemic Communities and Internal Policy Co-ordination', *International Organization*, vol. 46, no. 1, Winter 1992, p. 3.

⁸⁴ James Mittelman 'Rethinking Innovation in International Studies: Global Transformation at the Turn of the Millennium' in Stephen Gill and James Mittelman (eds.), 1997, p. 255.

⁸⁵ William Robinson *Promoting Polyarchy: Globalisation, US Intervention and Hegemony*

democracy around the world are profound threats to the privileges of US-led Northern elites and their junior counterparts in the South'.⁸⁶ The mass uprisings against the *apartheid* state during the 1980s was predicated at the grassroots level around a form of democracy that was such a threat to the ongoing capitalist dispensation. As a United Democratic Front statement made clear:

Not only are we opposed to the present parliament because we are excluded, but because parliamentary type of representation in itself represents a limited and narrow idea of democracy. The rudimentary organs of people's power that have begun to emerge in South Africa...represent in many ways the beginnings of the kind of democracy we are striving for.⁸⁷

As a result of such aspirations, a means by which such struggles can be undermined and privileged interests defended is imperative for the global elite. Under the current epochal conditions, where globalisation continues its push for greater integration and inter-penetration of economies across formal state boundaries, the promotion of polyarchy in the South has developed as a structural feature of the "new world order".⁸⁸ The 1970s-1980s had seen a ground-swell of popular movements mobilising against repressive governments and exploitative socio-economic orders. Very often, as in the case of South Africa, the opposition was at the same time attempting to construct alternative grass-roots forms of popular democracy. Whilst dictatorships began to crumble and 'a general crisis of elite rule began to develop in the South...the "elective affinity" between authoritarianism and [capitalist] domination unravelled [and] "democracy promotion" substituted "national security" in the language of the West and its relations with the South'.⁸⁹ This process was exacerbated by the decline of the state-socialist economies which meant that direct coercive intervention to stem the "communist threat" of popular action could no longer be mobilised by the West as legitimising motives to restore or maintain the

Cambridge: Cambridge University Press, 1996.

⁸⁶ William Robinson 'Pushing Polyarchy: The US-Cuba Case and the Third World', *Third World Quarterly*, vol. 16, no. 4, 1995, p. 649. Robinson goes on to say, and we share this view, that 'the USA, in the age of globalisation, [is] not acting on behalf of a US elite, but...[plays] a leadership role on behalf of a transnational hegemonic configuration representing transnational capital'.

⁸⁷ United Democratic Front, quoted in Tom Lodge 'South Africa: Democracy and Development in a Post-Apartheid Society, unpublished manuscript, Department of Political Studies, University of the Witwatersrand, , 1994, p. 24 cited in David Ginsburg, 1996, p. 79..

⁸⁸ For how it particularly affected Africa, see Todd Moss 'US Policy and Democratisation in Africa: The Limits of Liberal Universalism', *Journal of Modern African Studies*, vol. 33, no. 2, June 1995.

status quo. Central America was (perhaps) the last example of such justificatory rhetoric.

With the decline in utility of sheer coercion (though as Gramsci asserts, the “armour of coercion” is always held in reserve as the ultimate guarantor of the *status quo*), authoritarian regimes are no longer “acceptable” to international society and nor can they be openly propped up *à la* a Mobutu or Somoza as in the past. In the context of neo-liberalism whereby the state is “rolled back”, traditional forms of social control need to be re-invented and consent secured *alongside* coercion. This consensual mechanism of social control is part and parcel of the neo-liberal economic project, adding crucial legitimacy *via* polyarchic political systems to a specific economic model that cannot be achieved under authoritarian regimes. Hence:

Formal democratic structures are...seen as more disposed to diffusing the sharpest social tensions and to incorporating sufficient social bases with which to sustain more stable environments under the conflict-ridden and fluid conditions of emergent global society.⁹⁰

American elite representatives have been quite explicit in this. Paul Dobriansky, who served under Reagan in the State Department, asserted that ‘democracy engenders an international environment most conducive to US political, economic and cultural interests’,⁹¹ whilst another ex-government employee stated that ‘consolidation of democracy abroad [is] a means to secure stable governments friendly to the United States in a manner that would directly increase American national security’.⁹² As one analysis suggests, ‘democratisation nowadays has become...a hegemonic discourse allowing the North to define the South in its own image’.⁹³ This is supported by the argument that ‘support for [democratisation] efforts in Africa is part of a global strategy to promote “Western” values and institutionalise political regimes that are likely to be non-belligerent and generally positive towards the realisation of the [neo-] liberal paradigm’.⁹⁴

Yet the reductionist tendency to see this simply as a manufactured

⁸⁹ William Robinson, 1996, p. 16.

⁹⁰ William Robinson, 1995, p. 652.

⁹¹ Paul Dobriansky ‘Human Rights and US Foreign Policy’, *Washington Quarterly*, vol. 12, no. 2, Spring 1989, p. 166.

⁹² Tony Smith ‘Making the World Safe for Democracy’, *Washington Quarterly*, Autumn, vol. 16, no. 4, 1993, p. 203.

⁹³ William Graf ‘Democratisation “For” the Third World: Critique of a Hegemonic Project’, *Canadian Journal of Development Studies*, Special Issue, 1996, p. 41.

⁹⁴ Goran Hyden ‘Foreign Aid and Democratisation in Africa’, *Africa Insight*, vol. 27, no. 4, 1997, p. 236.

conspiracy emanating from the North must be avoided: 'by a project [we] don't mean (as Gramsci warned) a conspiracy. [We] mean the construction of a new agenda, the constitution of a new force'.⁹⁵ Indeed, the process is more accurately a 'complex convergence of interests among an increasingly cohesive transnational elite headed by a US-led Northern bloc' but also 'incorporating elite constituencies in the South'.⁹⁶ This process explicitly aims to thwart the demands and aspirations of the popular classes but within a historical juncture where mere coercion is unacceptable and uneconomical. In the context of South Africa, the existence of the 'nationalist element within the ANC, arguably dominant, who increasingly found common cause with those proponents of Western-type democracy' can be pointed to.⁹⁷

By pushing polyarchy, the energies of the marginalised are 'diverted into the plural channels of liberal democracy and hence diffused',⁹⁸ not by direct repression but through ideological mechanisms that co-opt and serve to limit the terrain of struggle in a negative sense - as suggested above. These institutions 'insulates the government from the broad mass of people, thereby allowing existing power-holders to retain much of their control over the levers of power in society'.⁹⁹ Indeed, 'the framing and circumscribing of democratic thought and discourse in terms of the precepts of polyarchy can be understood as an effort by core-state elites to solidify and stabilise the hegemony which safeguards their positions of power and privilege'.¹⁰⁰

This occurs within a Gramscian ideological hegemony that is in itself within the parameters of a particular order. In short, democratic "participation"...is the velvet glove shrouding the iron fist'.¹⁰¹ By doing so the current politico-economic arrangements are legitimised - after all, suffrage has been universalised and hence grievances are remedied *via* the ballot box not mass action, whilst capitalism is seen as the "common sense" outcome of democracy:

[T]he combination of economic and political liberalism [in polyarchy]

⁹⁵ Stuart Hall, 1990, p. 163.

⁹⁶ William Robinson, 1995, p. 653.

⁹⁷ David Ginsburg, 1996, p. 96.

⁹⁸ William Graf, 1996, p. 49.

⁹⁹ David Ginsburg, 1996, p. 76.

¹⁰⁰ Mark Neufeld 'Globalization: Five Theses', paper presented at the conference 'Globalization and Problems of Development', Havana, Cuba, January 18-22, 1999.

¹⁰¹ David Moore 'Reading Americans on Democracy in Africa: From the CIA to "Good Governance"', *European Journal of Development Research*, vol. 8, no. 1, June 1996, p. 140.

is...not democracy *per se*...but that is not the point; the point is that the dominant discourse has determined that it is. And of course economic liberalism is but another term for capitalism, so that capitalism appears as the economic face of democracy, thus downplaying the negative associations, in the South, between capitalism and imperialism and collapsing the elite ideological construct into [an] amorphous but demagogically effective concept of democracy'.¹⁰²

This process acts to bolster the structural position of those political elites that enjoy the status and trappings of power through involvement in this arrangement. Their activities are shifted away from active democratic intercourse with their constituencies and further and further towards identification and solidarity with the ongoing order, as embraced by the elites of the party. Such a scenario is particularly evidenced in South Africa where proportional representation has removed the possible mediating effect of constituencies. The members of South Africa's parliament represent no constituencies and are selected along party lines. Not only does this divorce the parliamentarians from the grass-roots, it also gives massive leverage to the elites within the party to select, deploy and/or re-deploy the politicians who ostensibly represent the South African people. The constitutional ban on crossing the floor of the House further acts to "lock-in" the parliamentarians, enforces party discipline and prevents any maverick displays of independent thinking from the party line. This process acts in a similar fashion to the co-option of intellectuals and the concomitant effective emasculation of alternatives to the dominant ideology. Such a process of course also serves to strengthen the position of those political elites who aspired to such a societal status all along and this energy develops a dynamism of its own. In the South African context as John Saul argued:

The pressures upon the ANC to identify "upwards" within the world-wide and local class systems are strong...That there should be those within the movement who will be inclined to so identify should not surprise us. After all, it [was] well-known that some within the ANC-in-exile had all along harboured aspirations that were quite petty-bourgeois...in character...[T]hey have been joined by others of similar stripe...[in] an accelerating band-wagon effect.¹⁰³

Within South Africa, the promotion of polyarchy (very often alongside economic neo-liberalism) was underwent by a bewildering variety of actors loosely termed the "change industry" and who, despite various differences amongst themselves, formed an identifiable epistemic community. These agents were identified by

¹⁰² William Graf, 1996, p. 44.

¹⁰³ John Saul *Globalism, Socialism and Democracy in the South African Transition*, http://aidc.org.za/archives/jsaul_1.html

Swilling as, among others, the Van Zyl Slabberts, the IDASAs, the Five Freedoms Forum *etc.*' As he goes on to say, 'there [was] a phenomenal number of workshops, seminars, discussions, conferences, talks rights across the country in boardrooms, in industrial relations seminars, in local-level negotiations, in universities, all over the place. Basically, it [was] a winning hearts-and-minds campaign'. This campaign was funded by local capitalist interest, with 'a massive amount of American money being pumped into IDASA and other organisations'. Swilling correctly summarised this process as 'critically important for creating and socialising people'.¹⁰⁴ Such an analysis echoes the view that 'various think-tanks, intellectual groupings, as well as other organised interest blocs attempted to influence official ANC economic policy' during the transition.¹⁰⁵

This analysis of the South African situation correlates with Robinson's own assertions when he summarised that 'specialists, operating out of policy groups, foundations, think-tanks, university research institutes, and government agencies, bring long-range political considerations and issues concerning social stability to the attention of the dominant classes and their inner core in the corporate community'.¹⁰⁶ By doing so, such activities constitute 'the crucial mediating link between agency and structure in the development of policy and the construction of hegemony'.¹⁰⁷ By acting within the realm of civil society, these activities are engaging the territory where hegemony is contested and (eventually) achieved: 'in times of crisis the institutions of civil society remain as the primary site of the cohesion of new political forces that may create a new order'.¹⁰⁸

The role of this "change industry" or epistemic community then is 'not to suppress but to penetrate and conquer civil society' *i.e.* various political groupings, the mass media, civic organisations *etc.* and so forth, and from therein, harmonise secondary classes and national groups into a hegemonic social order.¹⁰⁹ Not that civil society becomes a monolithic entity pursuing one

¹⁰⁴ Mark Swilling in Alex Callinicos, 1992, pp. 43-44.

¹⁰⁵ Barry Munslow and Patrick FitzGerald 'Search for Development Strategy: The RDP and Beyond', in Patrick FitzGerald, Anne McLennan and Barry Munslow (eds.) *Managing Sustainable Development in South Africa*, 2nd ed., Cape Town: Oxford University Press, 1997, 41.

¹⁰⁶ William Robinson, 1996, p. 27.

¹⁰⁷ *Ibid.*

¹⁰⁸ Craig Murphy *International Organization and Industrial Change* Cambridge: Polity Press, 1994, p. 31.

¹⁰⁹ William Robinson, 1996, p. 29.

common goal but, by promoting a strong civil society amenable to polyarchy, local actors and representatives of the productive sector, such as business associations will be strengthened. This understanding tends to undermine the naïve belief that civil society is in itself a “good thing” which mechanically enhances democracy. Instead, such a scenario can actually strengthen the position of the economic/political elites whilst providing a useful façade of legitimacy in the form of “civil society”. As one analysis comments on the tactic by the West of strengthening civil society in Africa:

Assisting [elements within civil society] will lead to better economic decisions as well as strengthen governance: letting a hundred flowers bloom on the capitalist side of the civil society will help establish the rule and norms enabling societies to run themselves along the lines required by capital.¹¹⁰

By doing so, the “limits of the possible” are defined in a negative fashion. Such a task in the South African context, where the mass media was overwhelmingly sympathetic to the hegemonic project and where many political groupings were as well (including significant fractions within the ANC) was conducted by a range of actors as suggested. This task [was], of course, not taken on directly by the regime itself. It [was] left to a range of commentators and political actors, some of whom cynically or sincerely present themselves as “friends of the ANC”.¹¹¹

These ‘commentators and political actors’ were essentially organic intellectuals and were active throughout the world in facilitating hegemony among the increasingly transnationalised elite classes. Such personalities and groups are not simply cliques pursuing individual concerns but are representatives of a particular group or historic bloc generated by the sphere of production.¹¹² In the context of South Africa, these organic intellectuals ultimately sprung from or were sponsored by corporate capital and its transnational class allies. As Gramsci points out, such intellectuals are:

Naturally “condensed” by the organic nature of their relation to the social groups whose expression they [are]’. [In short, they are] a real, organic vanguard of the upper classes, to which economically they belong...They [are] intellectuals and political organisers, and at the same time company bosses, rich farmers or estate managers, commercial and industrial

¹¹⁰ David Moore, 1996, p. 141.

¹¹¹ Ben Molapo ‘Manufacturing a Reformist ANC’, *African Communist*, no. 125, Second Quarter, 1991, p. 15.

¹¹² Andreas Bieler ‘Neo-Gramscian Approaches to IR Theory and the Role of Ideas: A Response to Open Marxism’, paper presented at the Twenty-first Conference of British International Studies Association, Durham, December 16-18, 1996, p. 4.

entrepreneurs, *etc.*¹¹³

To achieve hegemony, a class must obtain intellectual and moral leadership by fashioning the ideological conditions for its construction. This role is fulfilled by a technical intervention within civil society by such intellectuals, invariably working within the remit of advocacy-type “think tanks”. Such think tanks have seen a massive growth in their activity in recent years. A recent interview with Philip Truluck, executive vice-president of the Heritage Foundation, on think tanks as ‘advocates of change’ is worth quoting to get some flavour of how these think tanks perceive themselves:

...Think tanks have become much more important to policy-making in the last two or three decades...

...Today a whole world of ideas is coming from the think tank community. Two years ago *The Economist* noted the growth of think tanks and their increasing influence...Today its difficult to think of an issue...that hasn't in some way been formed or shaped or developed in the think tank community...

...We...spend as much money on marketing our ideas as we do on research...As far as we are concerned, finishing a research project just kicks off a whole new level of activity. *Our aim is to change public policy - not merely comment on it...*[emphasis added]

...When we publish a paper...we identify movers and shakers on that issue. If you're one of them, our papers...will be hand-delivered to you - and someone will try and arrange a meeting with you to talk about the issue and present our arguments...

...We never produce a paper that doesn't have recommendations in it.¹¹⁴

These think tanks and other actors theorise on the optimal environment for any future social order and propose policies as to how this may be achieved. In South Africa, as Murray comments, ‘futuristic forecasts about where the “new” South Africa might be heading’ sprung up from this cadre of intellectuals and ‘scenario planning became a veritable cottage industry’.¹¹⁵ This activity sought to negotiate between the material conditions of South Africa within the global economy and the aspirations of particular target actors. As Robinson asserts, ‘the activity of organic intellectuals constitutes a key element of mediation between the structural and behavioural levels of analysis’.¹¹⁶ These organic intellectuals therefore operate to facilitate “consensus” on the fundamentals surrounding the organisational principles of a given society and serve to guide perceptions on “reality”.

In the context of South Africa, as Lawrence Harris asserted ‘big

¹¹³ Antonio Gramsci, 1971, p. 60.

¹¹⁴ Think Tanks as Advocates of Change: An Interview with Philip Truluck by the Center for International Private Enterprise’, <http://www.cipe.org/e21/truE21.html>

¹¹⁵ Martin Murray, 1994, p. 21.

business...launched an exemplary campaign of persuasion and education to hoist its conceptions of reality and change to pre-eminence'.¹¹⁷ Members of the business community were quite conscious of this and promoted their 'willingness to become agents of change',¹¹⁸ as large-scale capital 'became increasingly aware that if a market-orientated democracy was not established soon in SA [their] future...was inescapably bleak'.¹¹⁹ Perhaps a catalyst for this was Mandela's reaffirmation of the ANC's commitment to nationalisation upon release from prison. As one analysis put it:

The speech brought an immediate intensification of pressure on the ANC from an alarmed South African business community and from Western governments who, both publicly and privately, urged the movement to eschew a "statist" economic approach. This can only be described as a propaganda blitz and it gradually found its target.¹²⁰

As will be shown below, by doing so the ideological conditions and fit between power, ideas and institutions for the construction of hegemony were established.¹²¹

Such activities need not stem from a restricted intellectual base - indeed diversity is important as a self-legitimising device, for 'narrow orthodoxy or exclusiveness would be a self-defeating criterion'. Thus the ideas within the ranks of the organic intellectuals activators 'reach the outer boundaries of what might be ultimately acceptable'.¹²² In many respects, it is the quantity of advice and the message that is given within a particular remit from a particular epistemic community that counts, as well as the negative shaping of what is *not* possible. This was understood during the South African transition, where representatives of the ANC lamented that the 'liberation movement...receiv[ed] a barrage of patronising and unsolicited advice'.¹²³

Yet if the above is accepted, it is important to avoid the conclusion that such activity amounts to a grand conspiracy by a cabal of organic intellectuals in the service of "the hegemonic project". To be sure, a good number of South

¹¹⁶ William Robinson, 1996, p. 42.

¹¹⁷ Laurence Harris 'One Step Forward', *Work in Progress*, no. 89, June 1992, p. 22.

¹¹⁸ Murray Hofmeyr, South African Breweries and Johannesburg Consolidated Investments chairperson, *The Star* (Johannesburg) June 30, 1990.

¹¹⁹ *Financial Mail*, April 29, 1994.

¹²⁰ James Hamill 'The ANC Perspective: Meeting Expectations?', in Francis Toase and Edmund Yorke (eds.) *The New South Africa: Prospects for Domestic and International Security* Basingstoke: Macmillan, 1998, p. 64.

¹²¹ Stephen Gill and David Law 'Global Hegemony and the Structural Power of Capital', *International Studies Quarterly*, 33, 1989, p. 488.

¹²² Robert Cox, 'Ideologies and the New International Economic Order: Reflections on Some Recent Literature', *International Organization*, vol. 33, no. 2, 1979, p. 260.

African intellectuals were quite conscious of their activities and whose interests it was aimed to serve. However, 'what is pertinent is not the subjective status or conscious intent of intellectuals but the objective significance of the scholarship in question'.¹²⁴ Space preclude an exhaustive account of this in the South African context, but the example of IDASA is sufficient to give us a broad picture of the activities and persuasions of one prominent component of the "change industry".

IDASA

One of the most active groups within the change industry and one that struggled at a diverse array of levels in pushing certain views in South Africa (which coincided with the global "common sense"), was the *Institute for a Democratic Alternative South Africa* (later *Institute for Democracy in South Africa*), commonly known as "IDASA". This organisation was founded in 1987 by Frederik Van Zyl Slabbert and Alex Boraine, both of the corporate-funded Progressive Federal Party - which 'bore the Oppenheimer imprint from the start'.¹²⁵ This fraction within White politics had long represented essentially two strands. One was the compassionate face of liberalism, militating against racial oppression, symbolised in the persons of Alex Boraine and Helen Suzman and bodies such as the Black Sash.¹²⁶ The other strand however tended to support the interests of capital (hence the substantial funding from big business) and can be seen in the persons and institutions of Zac de Beer and Tony Leon of the Democratic Party and John Kane-Berman of the South African Institute of Race Relations. This process reflected a playing out of processes at a global level - as the neo-liberalist counter-revolution began to spread outwards from the core into the semi-periphery, 'increasingly liberalism came to be identified with individual rights and the ideology of the free market', a tendency encouraged by corporate interests.¹²⁷ Indeed, the Democratic Party underwent a progressively rightward shift and 'became infused with Thatcherite ideas'.¹²⁸

¹²³ Ben Molapo, 1991, p. 14.

¹²⁴ William Robinson, 1996, p. 43.

¹²⁵ David Pallister, Sarah Stewart and Ian Lepper *South Africa Inc. - The Oppenheimer Empire* London: Corgi Books, 1988, p. 89.

¹²⁶ Though of course Alex Boraine was a former labour consultant to Anglo-American, whilst Helen Suzman was a close friend and received sustained financing from Harry Oppenheimer.

¹²⁷ Allister Sparks 'DP Chose Wrong Option, Paid Bitter Price', *The Star* (Johannesburg), June 15, 1994.

¹²⁸ *Ibid.*

This process was mirrored in IDASA's own history as the organisation grew from a liberal body facilitating constructive dialogue between opposing poles within South Africa (and without, as in the 1987 Dakar meeting between the ANC and Afrikaner intellectuals) to that of an institution increasingly pushing essentially a neo-liberalist agenda. For sure, the organisation was funded by a large coterie of agents that can be viewed as part of a wider epistemic community, in the terms already discussed. By 1998 IDASA was receiving funds from and collaborating with in the form of conferences and seminars (among other activities): the American embassy; BP South Africa; the European Union; the Ford Foundation; the Johannesburg Chamber of Industries; Kelloggs; the Rockefeller Foundation; Shell South Africa; Unilever; Lonhro Management; SA Breweries; the Standard Bank Foundation; and the United States Agency for International Development (USAID).¹²⁹

By funding IDASA, such elements were following the suggestion of Robert Charlick, a 'Senior Governance Expert' of the World Bank, that aid agencies should strengthen 'the advocacy and analytic capabilities of non-governmental organisations...associated with production'.¹³⁰ Certainly, USAID's own 'description of services' for its interventions in Africa includes technical and advisory services in areas such as 'macro-economic, fiscal, and monetary policy...public-sector-private-sector roles; and international trade and finance'.¹³¹ USAID itself had been extremely active in the former socialist states 'educat[ing] the public about the issues that will shape their well-being, such as how market-driven economies and democratic governance function effectively and efficiently to everyone's benefit' (according to USAID's representative in Hungary). This was important, the representative went on because 'the average citizen of the [former socialist] region still believes many *myths* about the old system' [emphasis added].¹³²

IDASA's most prominent member - Frederick van Zyl Slabbert - had long been an advocate of "elite consensus" and the desirability of "closed door" negotiations to solve South Africa's problems. Such tactics explicitly aimed to

¹²⁹ IDASA Funders <http://www.idasa.org.za/funders.htm>

¹³⁰ Robert Charlick 'The Concept of Governance and its Implications for AID's Development Assistance Program in Africa', prepared for the AID Africa Research Bureau under the Africa Bureau Democracy and Governance Program Washington DC: Associates in Rural Development Inc., 1992., p. 16.

¹³¹ USAID magazine *Governance in Africa*, vol. 4, no. 1, Spring, 1995.

¹³² 'Ideas into Action: Think Tanks and Democracy', keynote address to USAID conference in Budapest, May 1996 by Thomas Cornell, USAID's representative in

avoid involving the wider population, who may have questioned Slabbert's and those he was working with's desire to head off any threats to the ongoing economic dispensation within the country. Whilst an alternative viewpoint could posture the view that Slabbert *et al.* contributed, *via* their push for elite compact, to lessening conflict and avoiding an ethnic civil war, such tactics nonetheless do correspond to the Gramscian notion of the "passive revolution" and supports Jean-François Bayart's thesis that African states are prone to such processes.¹³³ This is when in times of crisis the national bourgeoisie are too weak to (re-)establish hegemony in the sense of an ideological compact between itself and the popular masses. An "organic crisis" then ensues. The process of re-organisation is then framed as a "revolution" without a "revolution", a process of change presided over and directed by established elites in alliance with aspiring elites but not the masses. Such 'modifications are...introduced into the country's economic structure...to develop the productive forces under the direction of the traditional ruling classes'.¹³⁴ As Simon asserts (and this can be applied to the South African transition), 'social reforms which have been demanded by the opposing forces may be carried out, but in such a way as to disorganise these forces and damp down any popular struggles'.¹³⁵ A central feature of this is what Gramsci called *transformismo* (the main aim of the "change industry"), whereby 'the actual or potential leaders of potential group or subordinate classes are incorporated into elite networks, a practice that can be regarded as a political tool to prevent the formation of counter-hegemony'.¹³⁶

As a prominent advocate of polyarchy within South Africa, Slabbert confirms Robinson's thesis regarding the inextricable linkages between liberal democracy and neo-liberal economics - one report characterised him as 'above all the political creature of Big Business. He was helped into politics by Big Business, sustained in it, supported and sponsored by Big Business'.¹³⁷ Slabbert's later incarnation as regional facilitator of George Soros' Open Society

Hungary, <http://www.cipe.org/e21/corE21.html>

¹³³ Jean-François Bayart *The State in Africa: The Politics of the Belly* London: Longman, 1993.

¹³⁴ Antonio Gramsci, 1971, pp. 119-120.

¹³⁵ Roger Simon, 1982, p. 26.

¹³⁶ Rita Abrahamsen 'The Victory of Popular Forces or Passive Revolution? A Neo-Gramscian Perspective on Democratisation', *Journal of Modern African Studies*, vol. 35, no. 1, March 1997, p. 149.

¹³⁷ Ken Owen cited in Anthony Sampson *Black and Gold: Tycoons, Revolutionaries and Apartheid* London: Coronet, 1987, p. 301.

Foundation and his chairmanship of Adcorp Holdings (market capitalisation of 560 million rand) tends to support this assessment.¹³⁸ Slabbert himself later admitted that ‘the “victory” of liberal democracy and capitalism...was essentially an ideological victory about the “best” way to be democratic and bring about economic development’.¹³⁹ Defending capitalism whilst pushing polyarchy is an integrated tactic of those favourable to the ongoing hegemonic order and as Robinson asserts, ‘promoting polyarchy and promoting neo-liberal restructuring [is] a singular process’.¹⁴⁰

IDASA was one of the organisations favoured by funding from the National Endowment for Democracy (NED), an American government-funded institute which was active in shaping the political and economic debate and in diverting popular struggles in countries as diverse as Haiti, Nicaragua and the Philippines. This organisation ‘has financed advised and supported in many ways political parties, election campaigns, union, student groups, book publishers, newspapers, other media...and in general organisations and individuals which are pro-capitalist and anti-socialist’.¹⁴¹ Its intervention in South Africa in supporting, among others, IDASA was a part of American foreign policy and was ‘an integral part of the US government’s attempts to propagandise the benefits of “free enterprise”’.¹⁴² Its objectives in South Africa can be summarised, as Robinson suggests, into promoting three main aims:

- i. to identify and support an emergent Black bourgeoisie who could be incorporated into a post-*apartheid* hegemonic bloc;
- ii. to develop a national network of “moderate” Black community leaders who could compete with “radicals”;
- iii. to cultivate a Black bourgeoisie among small and mid-level enterprises that would identify themselves as having a stake in a stable capitalist dispensation, develop their economic power, and crucially, view the White transnationalised fraction of South African capital as class allies and leaders.¹⁴³

Slabbert’s initiative in establishing *Khula* - a pioneering Black empowerment

¹³⁸ ‘Slabbert Gets Down to Some Real Business’, *Business Times*, (Johannesburg) August 11, 1998.

¹³⁹ Heribert Adam, Frederik van Zyl Slabbert and Kogila Moodley, 1997, p. 188.

¹⁴⁰ William Robinson, 1996, p. 55.

¹⁴¹ From William Blum The National Endowment for Democracy’, <http://members.aol.com/bblum6/ned.htm>

¹⁴² Dale McKinley, 1997, p. 92.

¹⁴³ William Robinson, 1996, p. 331.

company is a vivid example of this process. The company was set up in partnership with leading elements within the aspiring Black bourgeoisie with links to the liberation movement. For example Mzi Khumalo, a former political prisoner who spent thirteen years on Robben Island, was a leading partner. Khumalo typified the Africanist pro-capitalist wing of the ANC, confessing that 'everyone else on [Robben] Island wanted to be a politician. I wanted to be a stinking rich businessman'.¹⁴⁴ The greatest desire of the fraction that Khumalo represents is indeed to become part of a re-constructed hegemonic bloc - Slabbert's initiative served to provide this and give direction and example to others following in *Khula's* wake.

Returning to the NED, recipients of its largesse were almost all moderate and conservative groups in contention with the ANC and UDF. For example, funds were disbursed to Inkatha-linked fronts or the reactionary *South African Black Taxi Association*. At the same time, NED provided funding to IDASA in return for it to fulfil its role as an ensemble of organic intellectuals promoting the hegemonic discourse. In tandem with a wide variety of other funding agencies IDASA fulfilled this role in a variety of ways - holding a wide variety of conferences on themes such as the promotion of liberal democracy and "realistic" economic policies (e.g. in Constance, Germany in 1991), and establishing a "training centre for democracy" in Johannesburg in 1992.¹⁴⁵ According to Kotzé and Greyling, 'IDASA...focused less on the main actors in politics, such as the government, than on...support groups and opinion-makers, in order to force them towards a more democratic approach'. This was because Slabbert and Boraine viewed the popular aspirations of the majority as having 'a total misconception about the content and character of the notion of "democracy"'.¹⁴⁶ The role of IDASA then was to "educate" and socialise important elements of society into an understanding of polyarchy, and at the same time help construct the economic "limits of the possible".

One can see this graphically for example in the conference that was held in 1993 in partnership with the Aspen Institute. According to reports, 'the conference's common thread was that SA's best objective would be growth and

¹⁴⁴ *Siyaya!*, issue 2, Winter 1998, p. 34.

¹⁴⁵ Alex Boraine 'A Democratic Alternative: A Brief History of IDASA' in Ian Liebenberg, Fiona Lortan, Bobby Nel and Gert van der Westhuizen (eds.) *The Long March: The Story of the Struggle for Liberation in South Africa* Pretoria: HAUM, 1994, pp. 210-211.

¹⁴⁶ Hennie Kotzé and Anneke Greyling *Political Organisations in South Africa A-Z* Cape Town: Tafelberg, 1994, p. 181.

employment creation through international trade', that a post-*apartheid* Pretoria must 'show SA to be an attractive base for multi-nationals', and that 'instant gratification is neither possible nor wise'.¹⁴⁷ The headquarters of the Aspen Institute of course was where George Bush delivered his "New World Order" speech in 1990 and the organisation lists among its 'Great Moments' the occasion when it awarded Bush a Distinguished Leadership Award and Margaret Thatcher a Statesman Award.¹⁴⁸ The Institute itself claims to 'enhance the quality of leadership through informed dialogue about the timeless ideas and values of the world's great cultures',¹⁴⁹ and 'aims to define issues', 'propose agendas' and 'develop policy options'.¹⁵⁰ As pointed out in the discussion on common sense, defining issues and dressing them up as "normal" - 'timeless ideas' - is an integral part of the construction of hegemony and the emasculation of alternative viewpoints. The Aspen's ideological agenda was graphically exposed during its 1997 conference on the world economy, where it 'focused on how to more effectively manage the process of closer economic and financial integration on a national, regional and global scale' and 'the tasks necessary for establishing the sound policy regimes on which the global economy must be based'.¹⁵¹ In short, the Aspen Institute is one of many socialising agents of the transnational neo-liberal hegemonic project. Working in tandem with IDASA, the Institute was one such international interventionist that helped to promote the ongoing order to the emerging elite during the transition period in South Africa.

This process was to continue post-1994, only now advocacy for social change (within a particular order) was largely abandoned, confirming James Petras' observation that 'economic development compatible with the "free market" rather than social organisation for social change becomes the dominant item on the funding agenda' once the immediate crisis is over.¹⁵² Indeed, this strategy can be identified as continuing to construct constituencies and exert influence within civil society on a long-term basis as part of a project to build up a hegemonic social order in South Africa. Only by doing so will the historic bloc

¹⁴⁷ *Business Day* (Johannesburg) May 3, 1993.

¹⁴⁸ 'Great Moments at the Aspen Institute', www.aspeninst.org/dir/general/timeline.html

¹⁴⁹ 'The Aspen Institute's Mission Statement', www.aspeninst.org/dir/general/mission.html

¹⁵⁰ 'Aspen Institute's Policy Programmes', www.aspeninst.org/dir/polrpo/index.polpro.html

¹⁵¹ 'The Aspen Institute: Change and Prosperity: The World Economy', www.aspeninst.org/dir/polpro/PWE/PWE1.html

¹⁵² James Petras 'A Marxist Critique of Post-Marxists', *Links: International Journal of Socialist Renewal*, no. 9, November 1997-February 1998, p. 47.

that is currently in formation be consolidated. Thus the dissemination of ideology in favour of the neo-liberal project has continued unabated in the post-*apartheid* era. Indeed, in this period IDASA has continued to propagate the idea that keeping the people away from the real levers of power *i.e.* the economy, is a “good thing”. The opening issue of its glossy magazine *Sibaya!* (which solicits corporate advertising whilst claiming to be non-partisan),¹⁵³ demanded that ‘power over the economy [be invested] in non-elected bodies’ in order to ‘insulate total public spending and deficit levels from public pressure’ and that, following the classically Gramscian notion regarding the emasculation of alternative voices, the government should consider ‘bringing potential critics and opponents on board [as this] could lower the probability of policy reversal’.¹⁵⁴ At this point, Pretoria was firmly committed to neo-liberalism: IDASA’s advice on this is quite explicit and reveals the role the organisation plays and played as an organic intellectual grouping. The call for a detachment of economic policy-making from democratic input indeed closely shadows a line of thinking within the hegemonic discourse - a point highlighted by Jac Laubscher, group economist at Gensec Asset Management, when he claimed that South Africa was ‘too democratic for the economy’s good’.¹⁵⁵ The fact that IDASA’s chief executive - Wilmot James - is a trustee of the Ford Foundation and a non-executive director of the National Business Initiative may hence come as no surprise.¹⁵⁶

Previously, Slabbert had frequently intervened in the transition period to define the “limits of the possible” and promote what he termed “the consensus”. For example, in his book *The Quest for Democracy: South African in Transition*, Slabbert pushed the ongoing project’s political agenda by claiming that a hegemonic consensus existed at the elite level around two principles namely “contingent consent” and “bounded uncertainty” *i.e.* liberal democracy and constitutionality. The purpose of his book was to establish the “rules of the game” and then assert that negotiations must be left to the elites of the National Party and the ANC and its partners. The reasoning behind such an agenda however was exposed by Slabbert himself when he suggested that ‘one of the

¹⁵³ In classic positivist and polyarchical thinking, Wilmot James (IDASA’s chief executive) says that ‘the publication expects to attract corporate advertising [but] is unlikely to carry party political advertising as it intends to retain a high degree of editorial independence’, quoted in *Business Day* (Johannesburg) February 18, 1997.

¹⁵⁴ Stephen Gelb and Lael Bethlehem ‘Macro-Economics for the Masses’, *Siyaya!*, no. 1, Autumn, 1998, pp. 16 and 17.

¹⁵⁵ *Cape Times* (Cape Town), October 30, 1998.

¹⁵⁶ *The Star* (Johannesburg) September 26, 1996.

most daunting challenges facing [a future interim government] is to protect the new political space created by negotiations from being used to contest the historical imbalances that precipitated negotiations in the first place'.¹⁵⁷ Now, if what 'precipitated negotiations' were the social, economic and political 'historical imbalances' that *apartheid* exacerbated/created, Slabbert is clearly advocating the defence and isolation of the 'new political space' (occupied by both the old and new elite) from the influence of the masses. In short, Slabbert was pushing an extremely elitist agenda that aimed to secure and defend the hegemonic norms of polyarchy and neo-liberalism.

Thus 'the establishment - with their arms, and their economists - ensures status quo policies with a little redistribution here and there, but no attack upon the fundamental contradictions and constraints in the society'.¹⁵⁸ Such activity, and Slabbert was but one of hundreds of "change gurus" operating around the time of the transition, helped stifle ideological debate and steer the ANC elites into accepting and advancing the particular norms of democracy that polyarchy promotes. As a result, 'the transition in the 1990s...witnessed a fundamental revision in the ANC's conception of democracy' and 'its earlier commitment to economic egalitarianism receded in the face of pressure from international and domestic business interests'.¹⁵⁹ It is to this ideological shift, 'the quietest and most profound revolution of our time',¹⁶⁰ and that is fundamental to our understanding of post-*apartheid* foreign policy, that this study now turns to in the next chapter.

¹⁵⁷ Frederick Van Zyl Slabbert *The Quest for Democracy: South Africa in Transition* London: Penguin, 1992, p. 90.

¹⁵⁸ Fantu Cheru 'Debt, Development and Democracy - The IMF/World Bank in Africa', *Work in Progress*, no. 82, June 1992, p. 33.

¹⁵⁹ Adam Habib, Devan Pillay and Ashwin Desai 'South Africa and the Global: The Structural Conditioning of a Transition to Democracy', *Journal of Contemporary African Studies*, vol. 16, no. 1, January 1998, p. 104.

¹⁶⁰ *Sunday Independent* (Johannesburg), February 2, 1997.

CHAPTER 3

**FROM REDISTRIBUTION TO HEGEMONIC NORMS:
CONSTRAINTS AND CONTRADICTIONS**

At the time of the ANC's un-banning in February 1990, the organisation had no clearly formulated political and economic policies.¹⁶¹ This was as a consequence of the fact that 'the ANC in exile never articulated a clear program for economic change',¹⁶² though as a 'movement whose *raison d'être* before 1990 was liberation from *apartheid*, it was perhaps not surprising that formulating [an] economic strategy was not a priority'.¹⁶³ Instead, the organisation had relied on an emotional - almost mystical - attachment to the principles of the 1955 *Freedom Charter* with its vague but suggestively redistributionist slogans such as:

The People shall share in the country's wealth!
The national wealth of our country, the heritage of all South Africans shall be restored to the people;
The mineral wealth beneath the soil, the banks and monopoly industry shall be transferred to the ownership of the people as a whole;
All other industries and trade shall be controlled to assist the well-being of the people;
All people shall have equal rights to trade where they choose, to manufacture and to enter all trades, crafts and professions.
The land shall be shared among those who work it!¹⁶⁴

The Charter committed the ANC to what it later (at the Morogoro Conference in 1969) referred to as "national democracy". This was essentially conceptualised as competitive elections, profound economic restructuring and large-scale improvements in the situation and the standard of living for South Africa's working class. The post-*apartheid* "national democracy" as viewed by large segments of the national liberation movement was seen as social-democratic democracy combined with economic egalitarianism. For most of the struggle period, it was the *Freedom Charter* that enquirers were referred to when the question of how a post-*apartheid* economy was to be structured was asked. Hence on paper and for many (most?) of the ANC's grassroots membership the

¹⁶¹ Fatima Meer, 1987, p. 398.

¹⁶² Patti Waldmeir, 1997, p. 253.

¹⁶³ Alan Ward 'Changes in the Political Economy of the New South Africa', in Francis Toase and Edmund Yorke (eds.), 1998, p. 38.

¹⁶⁴ Cited in 'The Freedom Charter', *Third World Quarterly*, vol. 9, no. 2, April 1987, p. 673.

organisation was apparently committed to a mixture of state intervention and a socialist (or at least social-democratic) reform of the underpinnings of the economy *via* nationalisation. As suggested above, this socialist orientation was spurred on by the ANC's close linkages with the SACP.

Yet the exact manner by which the ANC was to pursue this and exactly what economic policies an ANC government would implement was never formally enunciated. Instead a 'pleasant abstraction from class antagonisms [and a] sentimental equalisation of contradictory class interests' was postured.¹⁶⁵ The reasons behind this lay in the diverse membership profile of the movement. Essentially:

Its purposefully vague anti-capitalist rhetoric gave the ANC leadership considerable ideological leeway successfully to stitch together a loosely defined coalition of interest groups that included workers an aspirant entrepreneurs, Christians and communists, and the unemployed and middle class, around a shared objective of dismantling *apartheid*.¹⁶⁶

This situation was to lead to considerable difficulty for any coherent socialist-oriented redistributive project, for its un-banning 'presented the ANC with a new national terrain which demanded new strategies and tactical adjustments' but this was to lead to 'a great deal of confusion' *vis-à-vis* economic policies.¹⁶⁷ This in itself sprang from the gap between the ANC as a liberation movement and the ANC as a government-in-waiting.

The first concerted effort to resolve this gap in ANC policy was found in the prescriptions of the Harare Conference in April-May 1990, which followed the un-banning of the liberation organisations. This document, the product of a joint ANC/COSATU workshop, reserved for the state a 'leading role in the reconstruction of the economy in order to facilitate the realisation of...developmental objectives. This necessitates some form of overall macro-economic planning and co-ordination'.¹⁶⁸ Indeed, in a post-*apartheid* state *dirigiste* impulses would be manifested by an extension of public ownership, the restriction on the exportation of capital, the closer regulation of the mining conglomerates, and an emphasis on domestic savings as the main source of investment.

¹⁶⁵ Karl Marx's comments on the slogans of the revolutionaries in France in 1848 - 'The Class Struggle in France (1848-50)' in *A Handbook of Marxism* London: Victor Gollancz, 1935, p. 107.

¹⁶⁶ Martin Murray, 1994, p. 18.

¹⁶⁷ *New Nation* (Johannesburg), June 18-24, 1993.

¹⁶⁸ African National Congress 'Recommendations on Post-Apartheid Economic Policy', *Transformation*, 1990, p. 12.

Such a seemingly strongly pro-state position was followed by a draft ANC Economic Manifesto (prepared for but not adopted by the 1991 National Conference), and the ANC's *Ready to Govern* document of May 1992. According to Hein Marais, the Harare document 'in its main themes (and several other respects)...echoed policy work done by COSATU's Economic Trends group which, until then, had been responsible for the most substantial efforts to develop a coherent yet progressive economic strategy'.¹⁶⁹ At the core of the Discussion Document was a basic commitment to the restructuring of the economy. However, just as previous ANC statements on economics were vague and imprecise, so too was the Document and different readings could deduct 'anything from extensive state intervention to conventional market-driven structural adjustment'.¹⁷⁰ The document gave a deliberately active part to state bodies in the planning of future industrial strategy and also emphasised the necessity to restructure the financial sector.¹⁷¹ Such a programme 'would include funnelling foreign investment into targeted areas of the economy [and] basic needs would not be met through "inflationary financing" but by marshalling domestic savings and raising corporate tax rates'.¹⁷² In a seemingly direct challenge to big capital, the document also argued for the unbundling of the massive corporations that dominated (and effectively controlled) the South Africa economy whilst capital's familiar demands for low labour costs were rejected. At the same time, and further challenging capital the hegemonic common sense of neo-liberalism, a pivotal role for labour was envisioned in the originating and execution of industrial policy.¹⁷³

Essentially rejecting the "trickle-down" underpinnings of neo-liberalism, the document's basic message centred around "growth through redistribution", 'in which redistribution acted as a spur to growth and in which the fruits of growth are redistributed to satisfy basic needs'.¹⁷⁴ The premise behind this position was that growth would be promoted first by meeting 'the basic needs of the majority through a redistribution of income, which would increase

¹⁶⁹ Hein Marais *South Africa: Limits to Change - The Political Economy of Transformation* London: Zed Press, 1998, p. 148.

¹⁷⁰ Nicoli Nattrass, 'Politics and Economics in ANC Economic Policy', *African Affairs*, vol. 93, no: 372, July 1994, p. 6

¹⁷¹ ANC Department of Economic Policy, 1990, 'Discussion Document on Economic Policy' Johannesburg: ANC, 1990.

¹⁷² Hein Marais, 1998, p. 148.

¹⁷³ *Ibid.*

¹⁷⁴ ANC Department of Economic Policy, 1990.

employment, demand and production'.¹⁷⁵ That such an economic programme, essentially antithetical to neo-liberalism, could be promoted by the ANC reflected, 'the influence of the Left (mainly SACP and COSATU-aligned) within the ANC at the time'.¹⁷⁶ Furthermore, the document came out very early on in the transition process and before the ideological onslaught from the neo-liberalist epistemic community was to work its effect on the decision-making elites within the ANC. This breathing space for ideas outside of the ongoing common sense was not to last for long, as will be seen below.

Indeed, the prescriptions of the document and in particular its "growth through redistribution" agenda were immediately attacked by a disparate array of pro-business elements in the media and "independent" policy think-tanks as well as by various conservative economists. These attacks 'ranged from consternation about the "socialist" undertones of the document to a more sophisticated set of objections to its alleged overtones of macro-economic populism'.¹⁷⁷ For sure, the more sophisticated critics grounded their analysis on the supposed negative effects the prescriptions would have on foreign investment whilst at the same time arguing that the deficit that would be spurred by such policies would have an inflationary impact.¹⁷⁸ Such an effect would be very much out of step with the normative programme of neo-liberalism. Essentially, the thesis put forward by those opposed to the growth through redistribution approach was that an increase in state expenditure aimed at redistribution would 'overheat the economy [and] bog it down in a morass of foreign exchange shortages, currency devaluations, rampant inflation, severe indebtedness and cuts in real wages'.¹⁷⁹ At the same time, the pro-business media ran a string of hysterical articles warning about the "foolishness" of redistributing some wealth from the massively privileged to the chronically disadvantaged *via* such policies. For example, the *Financial Mail* warned that:

There will be a massive loss of jobs, shops will empty of goods, housing will fall into ruin, disease and misery will predominate - Comrade Nelson, like Comrade Nyerere of Tanzania will say: 'Sorry, we made a mistake.

¹⁷⁵ Matthew Krentz *Turning the Tanker: The Economic Debate in South Africa* Johannesburg: Centre for Policy Studies, 1993, p. 6.

¹⁷⁶ Hein Marais, 1998, p. 148.

¹⁷⁷ *Ibid.*

¹⁷⁸ For a collection of influential conservative analyses of the South African economy, see Merle Lipton and Charles Simkins (eds.) *State and Market in Post-Apartheid South Africa* Johannesburg: Witwatersrand University Press, 1993

¹⁷⁹ Hein Marais, 1998, p. 49.

We've redistributed all we have'.¹⁸⁰ Such criticism however was not based on any insightful analysis of what "growth through redistribution" could mean and instead, in closely following Gramscian understanding of how common sense is promoted, simply rubbished alternatives. At the same time, a remarkable project to convince the ANC elite and the public of the foolishness of such a non-neo-liberal approach to the economy was embarked upon. As one pro-business paper put it, 'the ANC is muddled and confused. It needs to be guided and educated - taught to face harsh economic reality and the need to modify the expectations of its cadres'.¹⁸¹ This process of "education" will be drawn out below, but the mass of anti-interventionist thought caught the ANC off-guard, precipitating a 'back-peddalling on its commitment to some form of socialism' from then on.¹⁸² As early as 1991 Mandela was anxiously placating Washington that the ANC had ditched any "radical" notions regarding nationalisation, asserting that 'nationalisation is like the sword of Damocles hanging over those who want to invest. So long as nationalisation is our policy, we will not attract investors'.¹⁸³

Thabo Mbeki was pushing the same accomodatory line, stressing that 'on face value the positions the NP is elaborating now are not very different really from the position the movement has been advancing'.¹⁸⁴ Certainly, the ANC's May 1992 policy guidelines made no allusion to the "growth through redistribution" formula, and 'over the next two years, the party's economic thinking would increasingly bear the imprints of neo-liberal thinking, as the need for macro-economic stability became interpreted as demanding fiscal and monetary stringency and calls for deregulation, privatisation and export-led growth gained favour among ANC leaders and their economic advisors'.¹⁸⁵

Why this occurred sprang from a variety of factors militating against a viable non-neo-liberal approach. As suggested, the collapse of the Soviet economies threw socialist intellectuals into a state of disorganisation and strengthened the hand of those who argued Fukuyama-style that there was "no alternative" to Western capitalism. As also suggested, the lack of a coherent

¹⁸⁰ *Financial Mail* October 18, 1991.

¹⁸¹ *Financial Mail* cited in Patrick Bond *Commanding Heights and Community Control: New Economics for a New South Africa* Johannesburg: Ravan Press, 1991, p. 60.

¹⁸² Thomas Koelble *The Global Economy and Democracy in South Africa* New Brunswick, New Jersey: Rutgers University Press, 1999, p. 104.

¹⁸³ *Financial Times* (London) November 1991.

¹⁸⁴ Interview with Thabo Mbeki in 'Not Yet Out of the Woods', *Mayibuye: Journal of the ANC* March 1991, p. 12.

macro-economic policy by the ANC (due to historic reasons) as the organisation went into the transition process, and the susceptibility that this opened up to the neo-liberalist-inclined epistemic community, also had an important effect. As one analyst remarked:

How big is the ANC Economics Department? Very, very small and very new in a lot of ways. And yet you've got the captains of industry, with their think tanks that have got a whole lot of policy studies coming out. That can be quite seductive.¹⁸⁶

Indeed, the ANC's Economics Department has subsequently been critiqued as 'understaffed, poorly organised, and its leadership appeared to have made little or no effort to mobilise the sources of relevant experience available at some of the universities'.¹⁸⁷ This situation was not helped by the delay in transferring the DEP from Lusaka to South Africa after the ANC was un-banned in February 1990 - a scenario 'that meant that there was a disjuncture between the political structures and the research departments'.¹⁸⁸

At the same time a "charm offensive" was launched on the ANC's elites by big capital and its class allies, particularly in the business press and various think-tanks, to "correct" any remaining heresy in the movement's economic policies. This created a scenario whereby 'the business sector [came] to play a part in national affairs that is surely without parallel in the world'.¹⁸⁹ As one analysis observed, 'the close-knit circle of associates together with their coterie of supporters in the media and academia now pride themselves on having "weaned off" the ANC of its past economic fantasies [and] thwarted experiments'.¹⁹⁰ This process was aimed particularly at Mandela and Mbeki, key figures in shifting the ANC's policies, and was tactically the construction of hegemony at both the coercive and consensual levels. Coercively, essentially scare tactics over the economy were the order of the day. For example, the then Finance Minister Derek Keys:

[G]ave ANC economics head Trevor Manuel a briefing on the economy, and Manuel repeated it to Mandela. "And I got frightened", Mandela recalls. "Before Trevor finished, I said to him, 'Now what does this mean

¹⁸⁵ Hein Marais, 1998, pp. 149-150.

¹⁸⁶ Karl von Holdt quoted in 'Strategy and Tactics: Karl von Holdt and Devan Pillay' in Alex Callinocos, 1992, p. 57.

¹⁸⁷ Vishnu Padayachee 'Progressive Academic Economists and the Challenge of Development in South Africa's Decade of Liberation', *Review of African Political Economy*, no. 77, 1998, p. 433.

¹⁸⁸ Moses Ngoasheng 'Policy Research Inside the African National Congress', *Transformation*, 18, 1992, p. 116.

¹⁸⁹ *Financial Mail*, April 29, 1994.

¹⁹⁰ Heribert Adam, Frederik van Zyl Slabbert and Kogila Moodley, 1997, p. 171.

as far as negotiations are concerned? Because it appears to me that if we allow the situation to continue...the economy is going to be destroyed'.¹⁹¹ The ANC's Mac Maharaj concurred, describing Keys' lecture as 'truly devastating'.¹⁹² At the same time, the pro-business media ran numerous articles along the line that 'a mixed economy [would] place the country's economic interests in much the same sort of jeopardy that *apartheid* ha[d] done'.¹⁹³ These factors convinced many within the ANC leadership that there was no alternative to the common sense of neo-liberalist policies and that globalisation had constrained their manoeuvrability. As a result, 'the ANC leaders [were] prepared to ditch old ideas and embrace new ones in the interests of what they consider[ed] to be their own power'.¹⁹⁴

Such constraints were real, particularly because the National Party government had increased the country's budget deficit from 0.9 per cent of GDP in 1989-90 to 10.8 per cent in 1993-94 through a 'reckless spending spree' that had its roots in the emergencies of the 1980s.¹⁹⁵ During this period, massive amounts were expended on defence and other security measures, whilst corruption became endemic.¹⁹⁶ Combined with a profligate policy towards the end of the National Party tenure to pump extra finances into civil servant pension funds, the stock of government debt rose roughly from R 100 billion to R 250 billion.¹⁹⁷

It should be borne in mind that this increase in debt of R 150 billion could have covered expenditure for essential services in South Africa for nearly twenty years.¹⁹⁸ Criminally, in its *last year of power alone*, the National Party government increased the national debt by R 60 billion.¹⁹⁹ By doing so, the regime circumscribed any future ANC government's room for manoeuvre, as further spending in order to redistribute wealth for example, would lead to inflation and massive debt. This allowed Finance Minister Chris Liebenberg to argue that the debt 'crowd[ed] out other expenditure items and increas[ed] the

¹⁹¹ Patti Waldmeir, 1997, p. 213.

¹⁹² Quoted in Dan O'Meara, 1996, p. 412.p. 412.

¹⁹³ *Financial Mail*, October 11, 1991.

¹⁹⁴ *Sunday Independent* (Johannesburg) June 6, 1999.

¹⁹⁵ Interview with Sampie Terreblanche, Professor of Economics, Department of Economics, University of Stellenbosch, Stellenbosch, July 15, 1999.

¹⁹⁶ *Ibid.*

¹⁹⁷ Anglo-American's Gavan Duffy, quoted in 'On Macro-economic Policy', http://aidc.org.za/themba/on_macro_eco_pol.html

¹⁹⁸ An estimated R 90 billion was reported necessary to provide essential services over the next ten years - *Business Day* (Johannesburg) September 15, 1998.

¹⁹⁹ *Sunday Times* (Johannesburg), May 15, 1994.

lack of fiscal manoeuvring'.²⁰⁰ Certainly, the ANC concurred with this view, asserting later that 'the spendthrift National party government left us a structural legacy of debt', having 'ran its finances like there was no tomorrow' in the last few years of its rule.²⁰¹ It was a clever move by strategists in Pretoria and further helped the promotion of the ongoing hegemonic discourse.

The consensual aspects of the construction of hegemony *vis-à-vis* the ANC leadership was also helped by Mandela's seeming eagerness to mix with the privileged elite - 'he seemed more at ease with bankers than trade unionists'.²⁰² This was a reflection perhaps of the petit bourgeois aspirations that many ANC leaders had long held to. As one analysis puts it:

[Mandela] constantly sought the views of international businessmen and bankers on South Africa's future. And he cultivated close relationships with top local businessmen - he spent holidays with the head of one of the country's leading mining families [and] entertained at the home of one of Johannesburg's most ostentatious businessmen...where guests were met in the driveway with champagne on silver salvers. [He also] dined regularly with Anglo patriarch Harry Oppenheimer.²⁰³

In short, 'the leadership core of the ANC were wined and dined from morning to night by the captains of industry'.²⁰⁴ This had results, as a satisfied Oppenheimer asserted regarding this period: 'when you talked about the future of the country, particularly on the economic side [to Mandela] he said a great many things that seemed to me very silly, but he says many of them less now'.²⁰⁵ This personal one-to-one attention on the ANC leadership was combined with a plethora of corporate scenario planning exercises released and aggressively promoted after 1990.²⁰⁶ These scenario exercises were derived from a technique originally pioneered by Pierre Wack and Edward Newland at Shell International in the early 1970s. As one report asserts, 'it was through Wack and Newland that Anglo American was exposed to the process of scenario planning in the early 1980s [and] when Sunter's exercise was launched, they

²⁰⁰ Quoted in *1996 Budget Speech* Cape Town: Legi-Link, 1996, p. 22.

²⁰¹ Finance Minister Trevor Manuel on *Face the Nation* television programme, SABC 3, 8.30 p.m., May 2, 1999.

²⁰² Anthony Sampson, 1999, p. 434.

²⁰³ Patti Waldmeir, 1997, p.256.

²⁰⁴ Interview with Sampie Terreblanche, Professor of Economics, Department of Economics, University of Stellenbosch, Stellenbosch, July 15, 1999.

²⁰⁵ Patti Waldmeir, 1997, p. 256.

²⁰⁶ See Patrick Bond 'The Making of South Africa's Macro-economic Compromise: Scenario Planning and the Narrowing of Development Strategies' in Ernest Maganya and R. Houghton (eds.) *Transformation in South Africa? Policy Debates in the 1990s* Johannesburg: Institute for African Alternatives, 1996a.

were both involved'.²⁰⁷ The objective of shaping common sense by these scenarios was quite explicit, the aim being to 'significantly alter the mind-sets or paradigms through which decision makers see the world'.²⁰⁸

The first was Nedcor/Old Mutual's *Prospects for a Successful Transition*, launched in 1990. Between January 1991 and June 1992, over 45,000 hand-picked South Africans, invariably from the decision-making levels of society and the ANC attended the presentation of the *Prospects*.²⁰⁹ This was quickly followed by the insurance conglomerate Sanlam's *Platform for Investment* scenario and the social-democratic *Mont Fleur Scenarios*. At the same time, other documents such as the South African Chamber of Business' Economic Options for South Africa were brandished about as offering "realistic" scenarios. The process by which these scenario exercises were introduced to the public was conducted so as to maximise publicity and impact, as one analysis pointed out:

Beginning in late 1990 successive generations of scenario plans have typically been brought to the public's attention first by excited rumours of the planners' arduous, behind-close-doors bull sessions; then by selected leakage to the business press (often by hushed reference to the confidential, highly sensitive nature of the process); next by reference to the impressive and diverse collection of new South African elites who enthusiastically received early viewings of the scenario results; then through more presentations to sundry audiences in the corporate network; and finally through the ubiquitous video package and in print.²¹⁰

Perhaps the most high-profile of these at this juncture in the transition was the "Mont Fleur Scenario" of August 1992, a scenario that claimed to have input from a wide variety of opinions and was supposedly "social-democratic".

Funded by the Frederick Ebert Stiftung and the Swiss Development Agency, with a facilitator from Shell International, the Mont Fleur scenario was 'in retrospect...an important factor in the march of orthodoxy - less for its content details than for its theme song and the range of progressive (including ANC) economists and union figures it drew into the exercise'.²¹¹ Like many other scenarios of its kind, Mont Fleur revelled in simplistic caricature - in this case derived from ornithological sketches. In particular was its characterisation of a 'popularly elected government which tries to achieve too much too quickly' and

²⁰⁷ Robin Lee 'Choosing Our Future', *Leadership*, vol. 12, no. 3, 1993, p. 72

²⁰⁸ *Ibid.*

²⁰⁹ 'Foreword', Nedcor-Old Mutual Scenarios *South Africa: Prospects for Successful Transition* Kenwyn: Juta, 1992.

²¹⁰ Patrick Bond 'Scenario Plundering', *Southern African Review of Books*, vol. 5, issue 26, July/August 1993, p. 3.

²¹¹ 'Foreword', Nedcor-Old Mutual Scenarios, 1992.

in the familiar language of those pushing the orthodox line, succumbed to 'macro-economic populism'.²¹² Such an economic programme was termed "Icarus" and the disastrous course of the Greek figure's own flight was mirrored in the apocalyptic language of the Mont Fleur team with 'the country experienc[ing] an unprecedented economic crisis, resulting in social collapse and political chaos'.²¹³ This characterisation appeared to have made a deep impression of the ANC elites - as it was intended. Indeed, not long after the Mont Fleur presentation Tito Mboweni, chief spokesman on economic affairs for the ANC, stressed that his movement would avoid 'crowding out the private sector and over time destroy a whole set of macro-economic balances, leading up to sharp economic decline and collapse - a kind of Icarus now, crash later'.²¹⁴

In contrast to such disaster was the "Flight of the Flamingoes" which consciously echoed Clem Sunter's advocacy of the "High Road".²¹⁵ This had been the central point of an elaborate and well-funded attempt by Anglo-American to furnish the (White) public with "acceptable" future scenarios by which they could be reconciled to a non-racial yet capitalist post-*apartheid* South Africa - 'spinning the future' as it has since been called.²¹⁶ As one analysis pointed out, it was 'the perception of the nature of the choice faced by South Africa itself [that] became a significant factor in influencing opinion'. Indeed, because of 'the free-enterprise populist ideology that underpinned his presentations, Sunter found a receptive audience in the White community for his scenarios'.²¹⁷ Echoing Sunter's own prescriptions, the "Flight of the Flamingoes" entailed adopting 'sound policies and observ[ing] macro-economic constraints' within a 'market-oriented economic system' whilst promoting 'business confidence'.²¹⁸ As events have developed, the comment that "Flamingo" has subsequently informed the economics approach of the GNU' appears remarkably accurate.²¹⁹

²¹² Philip Mohr 'Flight Paths', *Leadership*, vol. 11, no. 5, 1992, p. 34.

²¹³ *Ibid.*

²¹⁴ Tito Mboweni interviewed in 'Grand Plan', *Leadership*, vol. 11, no. 3, 1992, p. 42.

²¹⁵ Clem Sunter *The World and South Africa in the 1990s* Cape Town: Human and Rousseau and Tafelberg, 1987. Sunter, an Anglo-American executive, was one of the first to popularise the scenario approach to shaping the debate in South Africa with a series of highly popular paperbacks defining the "rules of the game" and the "sensible" solutions to South Africa's problems. Like the other scenarios, Sunter's work was given maximum publicity - his first book saw him presenting the main points to over 30,000 people on about 250 different occasions - see profile and interview in 'The Hottest Gospel', *Leadership*, vol. 6, no. 3, 1987.

²¹⁶ Joe Flower 'Spinning the Future', <http://www.well.com/user/bbear/change12.html>

²¹⁷ Adrian Guelke, 1999, p. 13.

²¹⁸ Philip Mohr, 1992, p. 35.

²¹⁹ James Hamill in Francis Toase and Edmund Yorke (eds.), 1998, p. 66.

What was particularly notable about the Mont Fleur Scenarios was the participation of ostensibly Left academics which 'tended to boost the credibility of the whole exercise'.²²⁰ Yet such inclusion was purposeful in promoting a particular agenda ostensibly stemming from consensus by including ideas that somehow fit within the limits of what may be acceptable. Such tactics had been first practiced by the Nedcor/Old Mutual scenario which:

[A]ssembled an eminent group of economists and political thinkers (including several from the ranks of the Democratic Movement) [combined with] rather stereotypical views expressed by 40 bank executives...[This] managed to weld a few progressive positions onto an utterly orthodox framework...[permitting it] to present scenario planning to groups as diverse as the cabinet, the ANC national executive, Anglo American, COSATU leadership and its 'Economic Trends' group, the ANC Department of Economic Planning, and the like'.²²¹

Such efforts continued the rightward drift of the ANC: 'a political retreat, paved with consensus-formation in cosy seminars sponsored by business-oriented think-tanks, of which Anglo American, Nedcor/Old Mutual and Sanlam stand out'.²²²

When discussing the plethora of scenario exercises released onto the South African public during the transition, it is helpful 'to distinguish between their form and content',²²³ for 'the process was more important than the product'.²²⁴ Indeed, 'increasingly the scenario exercises reflected the desire of the masters and carefully hand-picked participants to come up with a deal - rather than with good analysis'.²²⁵ With regard to the content of the scenarios, there were some differences for sure on the policies being promoted (although all worked within the broad remit of liberal capitalism). Yet perhaps most importantly, there was a consistent call demanding that macro-economic policy be 'grounded in relationships of "trust", "negotiation" and "consensus-building"'.²²⁶ In short, 'a kind of "coerced harmony", analogous to the central dynamic applied in the political negotiations' was crafted.²²⁷ That this harmony was perhaps coerced is suggested by the very close-knit circle of facilitators who arranged the "diverse" scenarios. Both Wack and Newland were both part of the

²²⁰ Philip Mohr, 1992, p. 34.

²²¹ Patrick Bond, 1996a, p. 20.

²²² *Ibid.*, p. 16.

²²³ Hein Marais, 1998, p. 150.

²²⁴ Patrick Bond, 1996a, p. 29.

²²⁵ Patrick Bond, 1993, p. 3

²²⁶ Hein Marais, 1998, p. 150.

²²⁷ Patrick Bond 'An International Perspective on the "People-driven" Character of the RDP', *African Communist*, no. 144, 1996b, p. 2.

Sunter exercise, while Wack was also a member of the Nedcor/Old Mutual team - and the present scenario planner at Shell, Adam Kahane, was the facilitator of Mont Fleur'.²²⁸ Such a limited array of organisers of the scenarios suggests a vindication of an assertion regarding the concocted "debates" over neo-liberalism and the way the terms of the debate are carefully - and artificially - constructed by selected representatives:

There has been a concerted effort, an extremely well-funded ideological effort, to make [neo-liberalism] and all that goes with it seem beneficent and necessary. You fund people to create an ideological climate which becomes the life support system for the doctrine...You create the colloquia and the symposia, open to the press that you sponsor.

And they all write [in] journals that you also fund, and from there they get on the editorial pages and on the air. Pretty soon you have those three-man...pseudo debates on television between the raving radical right, the extreme right and the right of centre [and] [a]nyone who thinks differently...must make apologies for his or her beliefs.²²⁹

Though it is correct that most of the scenarios were cognisant of the constraints that globalisation placed on formulating South Africa economic policy, the activities of the scenarios were also aimed at limiting the terms of the debate within certain normative remits and in constructing a common sense view of the options available, dismissing alternatives (such as "growth through redistribution") as nonsensical "economic populism" and hence dismissible as non-serious intrusions into the economic debate.

The ideological bombardment from advocates of a neo-liberalist future was incessant. This in turn was 'amplified by the corporate-owned media which gleefully attacked any signs of heterodoxy and dissonance in ANC thinking',²³⁰ and a stream of interventions from various international financial institutions - in particular the World Bank and the International Monetary Fund. It is to this that this study briefly turns to next.

Interventions by the hegemonic guardians: the World Bank and the IMF

The involvement in South Africa of the two most powerful international financial institutions was remarkable for their extensive activity around the transition and into the first post-*apartheid* government. Throughout the transition period, 'the ANC leadership came under relentless pressure from the International Monetary Fund [and] the World Bank...to abandon its proposed inward

²²⁸ Robin Lee, 1993, p. 73.

²²⁹ Susan George *The Debt Boomerang: How Third World Debt Harms Us All* London: Pluto Press, 1992, p. 109.

²³⁰ Hein Marais, 1998, p. 150.

investment programme in favour of a more “realistic” investment-led, export-oriented growth strategy’.²³¹ Though Left elements within the ANC warned about getting too close to such agents of ‘surveillance and control’,²³² significant ‘ANC officials were sent to Washington DC for a familiarisation course at the World Bank and returned without some of [their] baggage of suspicion’.²³³

This occurred within a context where the then head of the Johannesburg Stock Exchange had cynically remarked that the ANC ‘must talk to people like competent economists from the IMF. If they go to Washington, they’ll find all of a sudden that they’ll be doing what everyone else is doing, which is privatising and reducing the state’s share of the economy’.²³⁴ Of course, advice from the World Bank and the IMF at this stage was offered - and accepted. It was not imposed upon a pliant liberation movement but was sought out by the leadership of the ANC. Such an understanding indicates that the World Bank and IMF were preaching to at best the wavering, and at worst converted - even if this conversion was not yet out in the open and space was open for alternatives or moderated versions of the hegemonic discourse. Yet ultimately an intimate relationship between the ANC elites and the various international financial institutions was arrived at.

Throughout this period, a plethora of research projects funded by the IMF and World Bank corresponded with and refined the same hegemonic project. While the IMF delivered sharp injunctions about what was “reasonable” and “realistic”, early on in the transition process the World Bank began discussions with the ANC and its liberation partners, creating a scenario where ‘big business, the IMF and the World Bank [were] increasingly influential in the top ranks of the ANC leadership’.²³⁵ According to one analyst, ‘even by World Bank standards’, the Bank’s presence in South Africa during this period represented ‘an unusually large...effort’ by the body, and it is true that the Bank enjoyed considerable access to the ANC elites.²³⁶ Indeed, one World Bank representative later boasted that ‘this is the only country in the world where we speak to the

²³¹ Martin Murray, 1994, p. 21.

²³² Louis Pauly *Who Elected the Bankers? Surveillance and Control in the World Economy* Ithaca: Cornell University Press, 1997.

²³³ Patti Waldmeier, 1997, p. 255.

²³⁴ Quoted in ‘The World Bank: Beggaring South Africa?’, *South African Labour Bulletin*, vol. 20, no. 6, December 1996, p. 23.

²³⁵ Karl von Holdt ‘What is the Future for Labour?’, *Southern African Labour Bulletin*, vol. 16, no. 8, November-December 1992, p. 34.

²³⁶ *Economic Trends*, internal memorandum, 1991 cited in Vishnu Padayachee, in Jonathan Michie and Vishnu Padayachee (eds.), 1997, p. 30.

opposition'.²³⁷ This confirms Bank officials' assertions that one of the Bank's main tactics is to 'win access to the most senior policy-makers, thereby permitting the Bank staff to accelerate reform and to influence its character [by securing] a place at the policy table'.²³⁸ Such aims were realised in early 1996 when two World Bank economists were employed to help draw up the neo-liberalist GEAR programme (see below).

Yet it must be said that linkages with the World Bank and the IMF were of some considerable controversy within the ANC, reflecting the dynamic debates that the organisation was undergoing *vis-à-vis* political and economic policies throughout the transition. Antagonism towards the international institutions was perhaps strongest amongst the rank-and-file ANC, COSATU and a disparate group of non-governmental organisations situated within civil society, particularly as the 'question whether South Africa [could] obtain...financial assistance [from the IFIs] without surrendering control over key aspects of its development strategy and economic policies' was uppermost in the minds of many within the progressive movements.²³⁹ Indeed, though World Bank staff had 'been involved in making policy on a broad front since the 1990 un-banning of the liberation movements', tensions about such a relationship within the ANC and its partners had meant that it was long-standing policy not to approach either the Bank or the IMF for loans.²⁴⁰

When this policy was reversed in late 1996 under the rubric of GEAR, it elicited strong reaction from Leftist elements within the liberation movement. Thus whilst evidence suggest that the relationship with the 'surveillance' institutions served to help shift the ANC rightwards on economic policy towards neo-liberalism, this process was non-linear and infused with controversy - mirroring the internal debates that such a relationship provoked and reflective of the ongoing tensions within the liberation movement over socio-economic policies. That being said though, the Bank's efforts to influence the ANC were overt, frequently working in tandem with the pro-business epistemic community and leading one briefing paper to declare that

²³⁷ Isaac Sam, *Business Day* (Johannesburg), 15 August 1994.

²³⁸ Elliot Berg and A. Batchelder *Structural Adjustment Lending a Critical View* Washington DC: World Bank Country Policy Department, 1985.

²³⁹ Vishnu Padayachee 'Development Implications for South Africa of Using IMF and World Bank Loans and Resources' in Pauline Baker, Alex Boraine and Warren Krafchik (eds.) *South Africa and the World Economy in the 1990s* Cape Town: David Philips, 1993, p. 185.

²⁴⁰ *Weekly Mail and Guardian* (Johannesburg), October 11, 1996.

[S]ince the late 1980s, South Africa has been awash with the views of business, academics and international institutions, particularly the IMF and the World Bank, which have sought to influence politicians in a debate about the future of the country's economic and society.²⁴¹

This process included an influential report that contributed to the debate over the eventual adoption of orthodox policies by the organisation. The World Bank's *Reducing Poverty* became the constituent of a profound process of coercion and consent - pressurising and "trust-building" - with the ANC. The Report combined elaborate probes of Pretoria's economic situation 'with somewhat restrained neo-liberal directives that were often offset by incorporating aspects of progressive thinking'.²⁴² Indeed, the Bank ironically leaned to a more progressive viewpoint than many of the South African "captains of industry" and their scenarios did, arguing that 'South Africa's unequal legacy cannot be reversed solely by market reforms because those disenfranchised by *apartheid* will be unable to obtain the resources necessary to exploit market opportunities'.²⁴³

Such an ostensibly moderate position, even within the remit of the broader hegemonic project was too far for some South African elites who urged on the orthodoxy. For example, the National Manpower Commission's chair demanded that 'employers and unions negotiate wages in the face of the cold winds of international competition'.²⁴⁴ This, despite the structural inequalities that labour had historically faced in South Africa. Such passion for the norms of neo-liberalism pervaded the business press, with some analysts openly recommending the swift implementation of IMF-style structural adjustment programmes on South Africa, appealing to over the heads of the government. As an editorial in the *Business Day* reminded readers:

The IMF will want measures such as currency liberalisation, reducing government spending, cutting subsidies to blue chip companies, privatising state assets and busting the cartels in labour and other markets. Some will complain about a loss of sovereignty, but we would have undertaken these reforms years ago had we not be thwarted by vested interests ... we've been unable to make the reforms that will give us 6% growth. Perhaps the IMF will help.²⁴⁵

Such demands were realised in March 1993 when the National Party government released its last ever economic programme, the Normative Economic

²⁴¹ Overseas Development Institute Briefing Paper 4/94, 'Economic Policies in the New South Africa', http://www.oneworld.org/odi/odi_economy.html

²⁴² Elliot Berg and A. Batchelder, 1985.

²⁴³ *Business Day* (Johannesburg), August 15, 1994.

²⁴⁴ *Sunday Times* (Johannesburg), July 17, 1994.

²⁴⁵ Editorial, *Business Times* (Johannesburg), August 21, 1994.

Model (NEM).

The Normative Economic Model and the continued shift rightwards of the ANC

As already indicated, from the late 1980s the National Party had increasingly tilted towards the neo-liberalist project. The NEM was a culmination of this process, with its programme for privatising state assets, embarking on a concerted liberalisation policy and stringent monetary discipline: changes were predicated around and were dependent upon growth, with wage competition a key component.²⁴⁶ Such a posture was reflective of the influence that the neo-liberalist hegemony had worked on the National Party, a topic already covered. Indeed, 'the NEM bore the hallmark of a January 1992 IMF "occasional paper" which reversed the "growth through redistribution" formula, and proceeded by way of elimination to argue for adjustments that were in step with its standard directives to the South'.²⁴⁷

For example, the NEM echoed the IMF's prescriptions that economic growth would be facilitated by policies such as corporate tax cuts with revenue being recouped *via* an increase in indirect taxation; low inflation; the restriction of trade union power and a requirement that labour restrain its wage demands. This in turn would be partnered by a cutting of the fiscal deficit; stemming the outflow of capital and boosting the export sector (reflecting the hand of the outward-oriented transnational classes) with supply-side economics. Such policies were seen as stimulating growth from which the benefits would spread through society by 'redistribut[ing] a tiny percentage of income to the poorest 40% of South Africans'.²⁴⁸ In short, the NEM remained 'firmly in the jargon of the "growth school"',²⁴⁹ was 'clearly in line with the basic interests of the establishment',²⁵⁰ and was 'a trickle-down model with government providing some support (through welfare and public works projects) to the "short-term" victims of adjustments'.²⁵¹ The fundamental philosophy behind such an approach was summed up in the document's words that 'market-oriented

²⁴⁶ Kally Forrest 'Government Policy for Economic Growth: Deregulation, Weaker Unions, Lower Wages', *South African Labour Bulletin*, vol. 17, no. 2, 1993, p. 13.

²⁴⁷ Hein Marais, 1998, p. 153.

²⁴⁸ Hein Marais 'All Geared Up', *African Communist*, no. 145, Third Quarter, 1996.

²⁴⁹ Stef Coetzee 'Structural Adjustment or Transformation or Both?', *Africa Insight*, vol. 23, no. 2, 1993, p. 63.

²⁵⁰ Johan van Zyl and Elwil Beukes 'Human-centred Development: The Key to Social Stability in South Africa', *Africa Insight*, vol. 23, no. 3, 1993, p. 122.

economic systems do better than centrally planned ones, and...participants in market systems do better when their freedom of decision is not directly curtailed, but at most indirectly guided'.²⁵²

Whilst elements within the ANC and its partners heavily critiqued the NEM, even some business journals at this point shied away from such excessively neo-liberalist prescriptions and the NEM's prominence in the economic debate declined.²⁵³ Yet, the fact that such an agenda should be confronted indicated that the economic debate was far from over and that space *did* exist for progressive elements within the ANC to operate. This of course is not to say that the prescriptions of the NEM were wholly abandoned. Many observers remarked on the uncanny similarity between elements of the NEM and GEAR (much to the later approval of the National Party),²⁵⁴ and for sure, the promoter of the NEM, Derek Keys was retained by the first post-apartheid government as Finance Minister.²⁵⁵

Though met with fierce reaction from its allies on the Left, the ANC elite had from at least 1992 onwards, successively qualified any progressive economic policies its diverse membership put forward with strong caveats pointed in the direction of big business - with the explicit aim of pacifying domestic and international capital. Furthermore, as the negotiations process wore on, 'consultation by the ANC [elite] with its membership and political allies was patchy and perfunctory, and the relationship between the negotiations and economic policy formulation virtually non-existent'.²⁵⁶ As the elite rapidly began to accede to the hegemonic line, the pronouncements from the ANC even began putting forward the need for property rights guarantees and privatisation. Such guarantees were to be grounded in a constitutional law and followed what has been termed the 'new constitutionalism' of neo-liberalism that 'privileged rights

²⁵¹ Hein Marais, 1998, p. 153.

²⁵² Ministry of Finance *The Key Issues in the Normative Economic Model* Pretoria: Ministry of Finance, 1993, p. 10.

²⁵³ See for instance *Finance Week*, June 17-23, 1993; and a later critique in *Finance Week*, February 10-16, 1994, pp. 11-12.

²⁵⁴ See NP leader, Marthinus van Schalkwyk's comments in this regard - *Business Day* (Johannesburg), March 3, 1998.

²⁵⁵ Chris Stals, head of the Reserve Bank under the National Party administration was also retained by the GNU. According to one account, Stals 'preside[ed] over...secret transfers of billions in gold and currency to finance apartheid South Africa's secret arms and nuclear programmes - a ten-year process that has left a once rich country desperately in debt', *Sunday Independent* (Johannesburg), August 1, 1999.

²⁵⁶ Hein Marais, 1998, p. 154.

of citizenship...to corporate capital and large investors'.²⁵⁷ Such a foundation for post-*apartheid* South Africa had been strongly demanded by capital and was articulated by the South African Chamber of Business' appeal for a constitutional bill of rights, what has been referred to as 'a way of protecting the minority's privileges rather than enlarging the freedom of the majority'.²⁵⁸ This view was echoed by the assertion that one of the outcomes of the transition was:

...[A] commitment on the part of the ANC to manage, and to locate its programme of economic reconstruction within the framework of, a market economy. This was *captured* in a range of clauses in the Bill of Rights which recognised the right of individuals to own property and accumulate capital, and to dispense with these as they please [emphasis added].²⁵⁹

In short, the settlement thus *established the parameters* of the GNU's economic programme and conditioned its evolution in a neo-liberal direction. Such moves in turn marked 'a shift away from policies which [would have been] morally and politically correct, but which [would have] cause[d] strong adverse reaction from powerful local and international interests'.²⁶⁰ Indeed, the ANC's draft policy guidelines of April 1992 made no reference to higher taxation thresholds for the massive corporations, suggested privatising elements of the public sector whilst at the same time ditched any call for a restructuring of the financial sector.

The strengthening of the neo-liberalist position

Though elements from the Left and COSATU in particular attempted to stem the drift rightwards,²⁶¹ by the time of the democratic elections of 1994 the macro-economic debate had been largely won by those within and without the ANC who favoured - to varying degrees - the hegemonic orthodoxy. It is extremely difficult to pin-point when this actually occurred as the dynamics surrounding the intra-ANC debate on economic policy and the rhetoric that emanated from this was complex and often contradictory. Furthermore, the construction of hegemony is not an event but a process and in this sense it is futile to attempt to fix a time when the ANC supposedly "switched" to neo-liberalism, though the suggestion that 'the ground for the macro-economic compromise was sewn during the 1990-93 period' is not unreasonable.²⁶² Certainly, 'by late 1992

²⁵⁷ Stephen Gill 'New Constitutionalism, Democratisation and Global Political Economy', *Pacifica Review*, vol. 10, no. 1, February 1998, p. 23.

²⁵⁸ Sammy Adelman 'Capitalising on a New Constitution', *Work in Progress*, no. 68, August 1990, p. 34.

²⁵⁹ Adam Habib, 1998, p. 225.

²⁶⁰ Viv McMenamin quoted in Matthew Krentz 1993, p. 10.

²⁶¹ See Hein Marais, 1998, p. 156.

²⁶² Patrick Bond, 1996a, p. 16.

nationalisation was effectively no longer a serious option on the economic agenda of the ANC'.²⁶³ Yet the courting of the ANC elites went back to before the organisation was un-banned, when business leaders made the pilgrimage to Lusaka, and Mandela was sounded out in Pollsmoor prison on his various attitudes. Thus though the overt behaviour of the "change industry" is most discernible post-1990, this was the visible manifestation of an attempt at influence-building that had begun a considerable time before.

In any case, pronouncements by elites within the ANC indicated fairly early on in the transition that they had become reconciled to the broad norms of the hegemonic discourse. For example, when Mandela spoke at the World Economic Forum meeting in Davos, Switzerland in February 1992, his rhetoric was remarkably soothing to the gathered at this 'transnational planning body'.²⁶⁴ For instance, he asserted that the ANC was 'determined to...establish the political and social climate which is necessary to ensure business confidence and create the possibility for all investors to make long-term commitments' to South Africa, whilst urging business to 'give us time' over the question of nationalisation.²⁶⁵

By doing so, Mandela 'created a good impression among the many leading international and business figures at the conference'.²⁶⁶ According to one account, attendance at the WEF had a profound influence upon Mandela's thinking *vis-à-vis* economic issues, with intense lobbying from the gathered elites finally convincing him of the common sense of neo-liberalism. Apparently, "They changed my views altogether", recalled Mandela. "I came home to say: "Chaps, we have to choose. We either keep nationalisation and get no investment, or we modify our own attitude and get investment".²⁶⁷ Hence it is possible to assert that certainly by 1992, Mandela was acceding to the neo-liberalist line. To wit, 'the ANC [was] probably the only liberation movement in history to speak of financial discipline before it assume[d] power'.²⁶⁸ That this caused controversy within the ranks of the ANC is without doubt, indicating the tensions that such issues provoked.

²⁶³ Adam Habib and Vishnu Padayachee, 1999, p. 8.

²⁶⁴ Kees van der Pijl, 1998, p. 132.

²⁶⁵ *Financial Mail*, February 7, 1992.

²⁶⁶ *Finance Week*, February 6-12, 1992.

²⁶⁷ Quoted in Anthony Sampson, 1999, p. 435.

²⁶⁸ Jeffrey Herbst 'South Africa: Economic Crisis and the Distributional Imperative' in S.J Stedman (ed.) *South Africa: The Political Economy of Transformation* London: Lynne Rienner, 1994, p. 34.

Nonetheless, such a process eventually ensured that ‘the “big issues” that were for so long the touchstones of socialists in South Africa - nationalisation of banks, mines and factories; nationalisation and redistribution of the land; universal health care and universal, equal education - [were] effectively abandoned’.²⁶⁹ Symbolically, the new ANC government retained Derek Keys (an ex-chief executive of Gencor, one of South Africa’s major mining conglomerates) as Finance Minister. By doing so, Mandela:

Delighted investors, businessmen and White South Africans...Nothing else would have persuaded the outside world - not to mention sceptical South Africans - of his commitment to free-market economies and political moderation.²⁷⁰

In our theoretical understanding of how the GNU continued to be socialised towards the hegemonic norms, Keys’ appointment is quite revelatory, for he played a no small part in imparting neo-liberalism as “common sense” to the ANC elite. As a report in the corporate mouthpiece *Business Day* commented approvingly:

We can look with some hope to the evolution in economic thinking in the ANC since the occasion nearly three years ago when Nelson Mandela stepped out prison and promptly reaffirmed his belief in the nationalisation of the heights of the economy. By contrast...Mandela [has gone] out of his way to assure a large group of foreign (and local) journalists that the ANC was now as business-friendly as any potential foreign investor could reasonably ask. He indicated further that *ANC economic thinking was now being influenced as much by Finance Minister Derek Keys and by organised business as anyone else* [emphasis added].²⁷¹

When Keys resigned a few months later, Mandela replaced him with another White conservative banker, Chris Liebenberg, whose budget in 1995 was described as ‘speak[ing] volumes about the new-found conservatism of the...government of national unity’.²⁷²

Whilst it is true that the ANC had not entirely surrendered before the incessant demands of capital and some progressive components broadly remained within the ANC’s economic propositions, a definite neo-liberalist slant emanated from ANC economic policy, leading at least one commentator to remark that:

[T]he new government is bending over backwards to send the right

²⁶⁹ Laurence Harris ‘South Africa’s Economic and Social Transformation: from “No Middle Road” to “No Alternative”’, *Review of African Political Economy*, no. 57, July 1993, pp. 91-92.

²⁷⁰ *Financial Times* (London) May 7, 1994.

²⁷¹ *Business Day* (Johannesburg) January 13, 1993.

²⁷² *Weekly Mail and Guardian* (Johannesburg) March 17, 1995.

signals to the motley crowd of Business SA lobbyists, financiers and financial economists, Anglo-American executives, *Business Day* editorialists and low-grade public relations specialists who regularly pronounce on the progress ANC leaders have made on embracing neo-liberalism.²⁷³

Thus the new government accepted the compulsions of financial and monetary “discipline”, defended the reorganisation of South African trade policies to foster an export-led growth plan and envisaged a reduced role in the state - with its consequent effect on being able to deliver on any redistributive promises the ANC still held to. Economic regeneration was predicated around sustainable growth *via* a surge (which never materialised) of foreign investment - as one commentary put it, ‘the ANC’s growth plan [became] primarily one of setting the stage for a presumed influx of international investment, with all bets...placed...on such initiatives as an ever more welcoming posture towards the Bretton Woods institutions and an ever more “flexible” labour market’.²⁷⁴ This was supposed to encourage a concomitant increase in investment by domestic capital (as opposed to indulging in an investment strike and off-shore re-location as many subsequently did). Ironically, this in turn had been facilitated - at the demand of capital - by the effective removal of exchange controls in March 1995 when the dual exchange rate system was unified.

In explaining why this occurred, it is vital that reductionist explanations are avoided. The simplistic view is that the ANC came around to the “economic realities” of neo-liberalism and so quietly ditched their socialist pretensions in favour of the ongoing orthodoxy. Yet such a supposition grants the ANC far more ideological coherence than ever existed during its long years in exile, and certainly during the transition when the organisation was in a state of flux over a host of issues, economic policy included. Furthermore, such a position ignores the residual body of aspiring bourgeois Africanists within the ANC who had always felt uneasy about the organisation’s socialist rhetoric during the years of struggle. As suggested, such fractions within the ANC were boldly strengthened by the collapse of the socialist state systems and the concomitant ideological disorganisation that the Left suffered from as a result of this. In addition, whilst the structural power of capital in an era of globalisation was undoubtedly robust and was drawn into the debate by those favouring a (continued) turn towards neo-liberalism by the South African state, such an argument rapidly collapses

²⁷³ Patrick Bond ‘Economics Diary’, *Southern African Review of Books*, issue 33, September/October 1994, p. 8.

²⁷⁴ ‘Editorial’, *Southern African Report*, vol. 12, February 1997, p. 2.

into structural determinism and allows no space for South African agency. Whilst it is true that this agency was constrained by the ongoing global order, certain choices were made by the ANC during the transition and these need a more nuanced and satisfactory explanation if our picture is to be complete.

One important factor in shifting ANC macro-economic policy can be found in the crucial change - at the behest of capital and its allies - of the terms of the debate from the ideological, where the ANC was largely unprepared and in a state of confusion, to the specifically technical, where the organisation was most certainly disadvantaged. For sure, as one analysis summarised it:

As the DEP entered the terrain of policy, it soon became clear that this was a contested terrain. The terrain of struggle had shifted to the arena of policy. For example, capital and the state tried to pressurise the ANC to concentrate on technical economic issues. The ANC had to say something about the budget, deficits, tax policy and so on. The state and big business were determined to push the ANC into a position where it [would] begin to concentrate on technical proposals to what [were] essentially politico-economic problems.²⁷⁵

As already indicated, the ANC efforts in working out responses to such pressures and crafting a coherent macro-economic framework, were hampered by the lack of attention put into bodies such as the Economic Department. Such a scenario had crucial consequences in how the economic debate played out and how the hegemony of neo-liberalism was established in the upper echelons of the ANC. Not least was the fact that the ANC and its liberation partners were severely constrained in their ability to combat the rush of neo-liberalist ideas that engulfed the movement in the transition period, leading to proposals such as the Macro-economic Research Group (MERG) report to get 'lost',²⁷⁶ and where the ANC 'all too readily conceded ground to neo-liberal conventional wisdom'.²⁷⁷ This scenario was 'a direct consequence of the democratic movement's historical neglect of the social and economic spheres. Indeed, there was a patent abuse of technically rigorous economists at the helm of the ANC's DEP'.²⁷⁸ At the same time, 'there were no formal and structured information transfer mechanisms from the DEP to the national executive and the other way around. The *ad hoc* nature of the relationship tended to produce a disjuncture between research outputs and politico-economic pronouncements by the leadership'.²⁷⁹ Thus:

²⁷⁵ Moses Ngoasheng, 1992, p. 117.

²⁷⁶ *Weekly Mail and Guardian* (Johannesburg), June 20, 1997.

²⁷⁷ Barry Munslow and Patrick FitzGerald in Patrick FitzGerald, Anne McLennan and Barry Munslow (eds.), 1997, p. 43.

²⁷⁸ Hein Marais, 1998, p. 158.

²⁷⁹ Moses Ngoasheng, 1992, p. 119.

In terms of the economic debate, the ANC was...clearly on the defensive at the beginning of the negotiation process. It simply did not have a set of new progressive ideas and strategies to counter those neo-liberal ideas so powerfully proposed by the Washington institutions, Western governments, local business interests, and the De Klerk regime.²⁸⁰

This factor considerably strengthened the hand of the epistemic community of capital and its organic intellectuals who relatively easily embarked on a concentrated political and ideological struggle to promote the hegemonic norms which they subscribed to. By doing so, the policies that should *not* be pursued - the “Flight of Icarus” of the Mont Fleur Scenario - were comprehensively rejected, very often at nominally technical levels. As one analysis has put it, the privileged elite in South Africa were ‘quite effective in [their] ideological propaganda about economic policies that should not be implemented on the grounds that they may damage the vested economic interests of the rich and the very rich’.²⁸¹ That this was possible can, in large part, be accounted for by the failure of progressive elements within the ANC to put forward a coherent counter-hegemonic strategy that on the technical level could withstand the withering critique of the epistemic community of neo-liberalism.

This actuality not only effectively emasculated the progressive wing of the liberation movement, it also gave courage to the Africanist conservative fraction within the ANC who, in tandem with erstwhile ideological partners in the business community, rapidly moved to direct the ANC’s economic policy down more “realistic” paths.²⁸² Such a playing out of the historical contradictions within the liberation organisation not only meant that the conservative wing of the ANC became ascendant, but also that the progressive element was essentially disempowered by their inability *and* inaccessibility to the economic debate. Henceforth, and in classical Gramscian analysis, those fractions who opposed the neo-liberalist agenda were cast from the terrain of the debate as lacking any serious and rigorous contribution to be made. This was graphically seen in the case of the MERG proposals (see below) which was to be the most coherent Left economic programme to be offered up to the ANC but which came too late and withered away in the face of criticism from within and without the ANC and a palpable reluctance to defend the report from within the movement. Tito Mboweni later asserted that ‘the problem with MERG was that it was not as

²⁸⁰ Jonathan Michie and Vishnu Padayachee ‘The South African Debate Resumes’, in Jonathan Michie and Vishnu Padayachee (eds.), 1997, p. 228.

²⁸¹ Sampie Terreblanche in Ursula van Beek, 1995, p. 361.

²⁸² Hein Marais, 1998, p. 158.

strongly embedded in the organisation as it should have been to make its recommendation acceptable',²⁸³ and such a strategic mistake by the Left was to have profound implications for how the ANC's economic policies were to proceed post-1994. In effect, the MERG report died a death before it had even been properly discussed, and an interesting question within the remit of this work is, why?

MERG's emasculation

The Macro-economic Research Group was established in November 1991 under Vella Pillay as a Canadian-funded, university-based endeavour - supported by the ANC - to essentially develop a new and progressive macro-economic framework for a post-*apartheid* South Africa. Its importance lay in the actuality that it 'was the only place where any real macro-economic capacity was located' within the liberation movement.²⁸⁴ The fact that this could be done by the ANC illustrates that early on in the transition the ANC *was* open to alternatives to the hegemonic norms. Indeed, as negotiations at the World Trade Centre moved on, the ANC leadership specifically requested MERG to produce a macro-economic framework which it could use as settlement approached.²⁸⁵ As a result, the Group released its main report - *Making Democracy Work* - in December 1993, which 'represented a return to the spirit of the economic thinking prevalent at the ANC's 1990 Harare Workshop'.²⁸⁶

However, almost immediately the proposals put forward in the report were rubbished by the business community and its media allies where 'a series of personal attacks were launched against some of the MERG's leading protagonists' who were denounced, among other things, as 'simply communists in disguise'.²⁸⁷ At the same time, the report was 'swiftly and publicly rapped over the knuckles' by conservative elements within the ANC who saw it as posing a challenge to the neo-liberalist consensus they had carefully crafted with capital.²⁸⁸ Mandela had already rescinded on a promise to write a foreword for

²⁸³ Tito Mboweni cited in John Matisson, 1998.

²⁸⁴ *Weekly Mail and Guardian* (Johannesburg), June 20, 1997.

²⁸⁵ Vishnu Padayachee, 1998, p. 438.

²⁸⁶ Tom Lodge 'Policy Processes Within the African National Congress and the Tripartite Alliance', *Politikon*, vol. 26, no. 1, May 1999, p. 10.

²⁸⁷ Charles Millward and Vella Pillay 'The Economic Battle for South Africa's Future' in Ernest Maganya and R. Houghton (eds.), 1996, p. 35.

²⁸⁸ *Business Day* (Johannesburg), November 17, 1993.

the document,²⁸⁹ whilst Trevor Manuel pointedly undercut the report at its very launch by declaring that it was not ANC policy. Such spoiling tactics, led to the assertion that the MERG recommendations were 'killed by conservative ANC technocrats the very weekend it was launched'.²⁹⁰ Indeed, the notion that the MERG's report was killed off by the ANC leadership is reinforced by the fact that Tito Mboweni waited only a few hours to then 'rebuke publicly the MERG recommendation that the Reserve Bank be taken under the public wing'.²⁹¹ Such behaviour by top ANC cadres led the *Business Day* to smugly proclaim that 'after the ANC rebuttal, we need not ascribe too much significance to MERG'.²⁹²

Furthermore, the ANC's (secret) signing of a Letter of Intent with the IMF profoundly undermined the MERG proposals by committing an ANC government to reducing the deficit to six per cent of GDP for 1994-1995, maintaining a high interest policy and continuing to open up the country to transnational capital. In return, a \$ 850 million loan was unlocked. Such a move was conclusive proof that the ANC had acceded to the ongoing hegemony of neo-liberalism and that they 'had finally bought into the world consensus'.²⁹³

The end result was the eventual marginalisation of the MERG's suggestions. Fundamental to MERG's proposals was that the maintenance of a sound fiscal balance should be enabling and facilitating to development, and not a fetishised constraint on initiatives.²⁹⁴ Indeed, the MERG proposal's were amongst the most imaginative policy suggestions to enter the economic debate, primarily because 'rather than accepting the imported policy fetishes and superstitions of the herd of South African corporate ideologues as an absolute binding constraint on policy formulation', MERG proposed a wide range of policies that could have afforded greater space to a more progressive macro-economic environment.²⁹⁵ This point is important because proponents of neo-liberalism deployed fiscal discipline as a trump card to rubbish virtually any meaningful social policies, despite evidence that there was more space in which

²⁸⁹ Anthony Sampson, 1999, p. 473.

²⁹⁰ Patrick Bond, 1996a, p. 32.

²⁹¹ Patrick Bond 'Economics Diary', *Southern African Review of Books*, vol. 5, issue 28, November/December, 1993, p. 21.

²⁹² Cited in *ibid.*

²⁹³ Patti Waldmeir, 1997, p. 258.

²⁹⁴ Macro-economic Research Group (MERG) *Making Democracy Work* Bellville: Centre for Development Studies/Oxford University Press, 1993, p. 47.

²⁹⁵ John Sender 'Economic Restructuring in South Africa: Reactionary Rhetoric Prevails', *Journal of Southern African Studies*, vol. 20. no. 4, December 1994, p. 540.

to manoeuvre than that postured by the “voices of reason”.²⁹⁶

MERG had also recommended that South Africa’s economy ‘could best be restructured through the labour market (improved training and higher wages) and through interventions aimed at improving the structure and operation of business’.²⁹⁷ Such a restructured framework rested on a working relationship between ‘a strong private sector interacting with a strong public sector’.²⁹⁸ Indeed, MERG argued for government intervention in the economy ‘both to promote growth and redress the inequalities of *apartheid*’. Furthermore, it recommended ‘a regimen of deliberately managed interest and exchange rates, a coherent industrial policy which would target specific sectors of the economy for support, and a programme of public works centred around a mass housing programme kick-start the economy’.²⁹⁹ At the same time, government would intervene ‘in output and pricing decisions in the minerals sectors, [the] regulation of the housing and building supplies market, [the] tightening and extending controls on mergers and acquisitions, [and the] monitoring [of] the behaviour of participants in oligopolistic markets’.³⁰⁰

These premises were based on the notion that an increase in state investment in social and physical infrastructure would promote growth, whilst a national minimum wage to protect the disadvantaged from immiseration was urged. Not surprisingly, this last recommendation drew the ire of the business community, despite the fact that the report had put forward this suggestion on the grounds that it would actually improve productivity ‘by reducing absenteeism, illness and labour turnover’, and stimulate companies ‘to undertake the necessary adjustments [thereby making] human resources more productive’.³⁰¹ The suggestion that the state serve a leadership and co-ordination role in intervening in specific areas of economic policy of course directly contradicted the neo-liberalist common sense view that envisioned a massively reduced role for the state in the economic realm, and so was attacked

²⁹⁶ See for example Laurence Harris and Jonathan Michie ‘The Effects of Globalization on Policy Formulation in South Africa’ in Dean Baker, Gerald Epstein and Robert Pollin (eds.) *Globalization and Progressive Economic Policy* Cambridge: Cambridge University Press, 1998.

²⁹⁷ Hein Marais, 1998, p. 159.

²⁹⁸ Macro-economic Research Group, 1993, p. 265.

²⁹⁹ Charles Millward and Vella Pillay in Ernest Maganya and Houghton (eds.), 1996, p. 35.

³⁰⁰ Nicoli Nattrass ‘South Africa: The Economic Restructuring Agenda: A Critique of the MERG Report’, *Third World Quarterly*, vol. 15, no. 2, 1994, p. 223.

³⁰¹ Macro-economic Research Group, 1993, p. 163.

for going against the prevailing global wisdom. Indeed, influential interventions by leading academic economists saw to it that the MERG report was characterised as ‘radical’, contradicted ‘serious economic policy debates’, and out of line with ‘conventional economic arguments’.³⁰² Yet such interventions essentially argued for a fall in wages, a maintenance of existing corporate power and for a post-*apartheid* state that did little to correct market failure: all in the name of macro-economic “realities” and “pragmatism”. As one critic pointed out, such a policy agenda was ‘little different from that of the least progressive elements of South African capital’.³⁰³

However, as Marais suggests, ‘the perspectives gathered in the MERG report [rapidly] fell victim to a dominant discourse and a balance of forces that had tilted ineluctably rightward’.³⁰⁴ Though elements of MERG were broadly incorporated into the Base Document of the RDP, it was to prove a temporary expediency as the hegemonic project increasingly came to hold sway at the elite levels. This progressive movement towards (and within) the hegemonic discourse was to continue until just under two years later, the government’s GEAR strategy would confirm Nicholas Oppenheimer’s assertion that ‘in a remarkably short time [the ANC] matured into a government which understands and accepts the disciplines of the marketplace’.³⁰⁵

Prior to this, a holding action centred around the RDP had temporarily placated many Leftist critics. Such a scenario indicated that whilst the ANC had indeed shifted rightwards, the contradictions within the movement and in particular the tensions that this engendered between the conservative ANC elite and its partners in government (as well as its own Left-wing) meant that a wholesale swing to neo-liberalism had to be postponed for an interim period. This alternative in the shape of the RDP reflected the ambiguities and tensions in the ANC’s economic stance as it struggled to reconcile its drift to the Right with its more progressive historic credentials. It is to this which is briefly turned to, before ending with an examination of the ANC’s open embrace of neo-liberalism in the form of GEAR.

³⁰² Nicoli Nattrass ‘Economic Restructuring in South Africa: The Debate Continues’, *Journal of Southern African Studies*, vol. 20. no. 4, December 1994, p. 518.

³⁰³ Raphael Kaplinsky “Economic Restructuring in South Africa: The Debate Continues’: A Response’, *Journal of Southern African Studies*, vol. 20. no. 4, December 1994, p. 536.

³⁰⁴ Hein Marais, 1998, p. 160.

³⁰⁵ Nicholas Oppenheimer, deputy chairman of Anglo-American Corporation and De Beers, London, December 10, 1996, cited on SA Foundation web page - <http://www.safoundation.org.za/psaecon.html>

The Reconstruction and Development Programme

The Reconstruction and Development Programme was the main vehicle chosen by the new post-*apartheid* government to further the much-needed socio-economic reform that the ANC had campaigned upon during the electoral period. Indeed, for the period until it was effectively ditched for the GEAR programme, the RDP was to a large degree the icon around which the ANC's vision for the future was predicated.³⁰⁶ Initially drafted in February 1994 and the economic document upon which the ANC fought the elections, the RDP was finally presented as an economic framework for South Africa in the form of the RDP White Paper in September 1994. Yet the differences between the initial pre-election Base Document of February and the post-election White Paper of September were quite profound. This process in itself reflected the ongoing tensions within the GNU and the pressures of capital, for the Base Document had been widely seen as a compromise that the ANC elite had agreed upon to keep on board COSATU and the SACP during the immediate pre-election period, raising the suspicion that 'the RDP was viewed by the ANC leadership as just a mobilising tool for election purposes'.³⁰⁷ For sure, the South African labour movement had 'made its entry into the Tripartite Alliance contingent upon the ANC and SACP adopting [the RDP] as the basis of all subsequent development policy'.³⁰⁸

However, even before the ANC acceded to power, its elites were indicating to big business that they were 'more flexible on its [the RDP's] policy outlook' and 'clearly [didn't] want the RDP to constitute a writing in stone of its economic thinking' - raising the question: how genuine was the ANC leadership in its commitment to the original RDP document?³⁰⁹ Certainly, on the eve of the elections key ANC players such as Mandela, Mbeki and Erwin met with 250 key businessmen at the "Sandton Summit" to 'subject the practicalities of the ANC's RDP to public scrutiny' (or, phrased another way, and in an advertisement for the meeting, the opportunity to 'have them [the ANC] for breakfast').³¹⁰ Instead of promoting the RDP in principle, Mandela emphasised to the assembled

³⁰⁶ Barry Munslow and Patrick FitzGerald 'The Reconstruction and Development Programme', in *Managing Sustainable Development in South Africa* Cape Town: Oxford University Press, 1995, p. 42.

³⁰⁷ Vishnu Padayachee, 1998, p. 440.

³⁰⁸ David Ginsburg, 1996, p. 87.

³⁰⁹ *Finance Week* April 7-13, 1994.

representatives of large-scale capital that ANC policy was ‘evolving in detail’ and that he ‘envisage[d] a partnership with business making an input into policy’, whilst Erwin stressed that ‘there [was] not one mention at all of socialism’.³¹¹ This retreat from defending the RDP as a principled cornerstone of any post-*apartheid* administration’s economic policy reflected not only a continuum in the confusion surrounding the ANC’s overall macro-economic stance (though by this time its leaders largely accepted the broader precepts of the hegemonic discourse), but an almost desperate attempt to court large-scale capital and signal to “the market” the ANC elite’s general “tilt”.

This in itself was a reflection of the ANC leadership’s belief that ‘the confidence of the markets could only be maintained by a commitment to financial orthodoxy and the belief that such confidence was vital to the country’s ability to attract inward investment’.³¹² This acceptance of the “realities” of a globalised world was manifested shortly after acceding to power when, hampered by a constitutional demand to share office with the National Party ‘there was a...discernible shift away from state intervention and towards an RDP driven by private-sector growth’.³¹³ Such a scenario reflected the steady, if non-linear, trajectory rightwards by the ANC since its un-banning in 1990, increasingly predicating ‘transformation on the prior servicing of the prerogatives of capital’.³¹⁴

In the context of the RDP this was perhaps possible because of the essential vagueness, lack of concrete economic proposals and the confusion sown around the differences between the original Base Document and the subsequent White Paper meant that the RDP came ‘to mean anything anyone want[ed] it to mean’,³¹⁵ and could be viewed as ‘an attempt on the part of the South African Government of National Unity to be all things to all people’.³¹⁶ Indeed, ‘the politically motivated attempt to keep the Left within the democratic movement happy...resulted in a highly incoherent and largely fragmented

³¹⁰ *Finance Week* March 10-16, 1994.

³¹¹ *Finance Week* April 7-13, 1994.

³¹² Adrian Guelke, 1999, p. 170.

³¹³ Simon Adams ‘What’s Left? The South African Communist Party After Apartheid’, *Review of African Political Economy*, no. 72, June 1997, p. 241.

³¹⁴ Hein Marais in *Weekly Mail and Guardian* (Johannesburg), May 16, 1997.

³¹⁵ Thabo Rapoo *Making the Means Justify the Ends? The Theory and Practice of the RDP* Research Report no. 5, Johannesburg: Centre for Policy Studies, 1996, p. 5.

³¹⁶ P.A. Black ‘The RDP: Is it in Good Company?’, *South African Journal of Economics*, vol. 63, no. 4, December 1995, p. 544.

strategy for economic development'.³¹⁷ This fragmentation in itself reflected the deep concessions that the ANC and its liberation partners had granted during their negotiated path to power and, the structural compromise *via* the new constitution that forced onto the first post-*apartheid* government the National Party as ostensible partners. In short, the RDP was a compromised document from a compromised administration.

Hence whilst some argued - perhaps optimistically - that it was a continuation of the MERG proposals, others saw it as a 'very significant compromise to the neo-liberal "trickle down" policy preferences of the old regime'.³¹⁸ The *Sunday Times* remarked that 'all signs now are that our policy-makers see that the objectives of the RDP are wholly compatible with the three words [liberalisation, privatisation and convertibility] which so interest the money men'.³¹⁹ For example, eliminating calls for nationalisation - even as a policy *option* - whilst pushing for privatisation and "fiscal discipline" indicated just one way the White Paper had changed from the initial Base Document. Indeed, whereas the Base Document had, following the MERG report, argued that fiscal discipline should be a means to achieve development, the White Paper elevated such a notion to an *objective*. It is for this reason that even the most conservative economists supported the RDP, focussing on its 'envisaged monetary and fiscal discipline' and its usage of 'domestic and foreign competition as the disciplinary force in the market for the private sector, leaving it ["the market"] on its own for the rest'.³²⁰ As the successor to MERG (the National Institute for Economic Policy) argued, such a watered down version was a rightward shift from the original RDP and effectively elevated fiscal prudence as the be-all and end-all of the developmental vision of the programme.³²¹ By doing so, the hand of conservatives within and without government was further strengthened.

Furthermore, the White Paper retreated from the Base Document's moderate *dirigiste* position that the state should play a leading and enabling role in guiding the economy. Instead, the White Paper reduced the state's role to

³¹⁷ Ashgar Adelzadeh and Vishnu Padayachee 'The RDP White Paper: The Reconstruction of a Development Vision?', *Transformation*, no. 25, 1994, p. 2.

³¹⁸ *Ibid.*

³¹⁹ *Sunday Times* (Johannesburg), October 9, 1994.

³²⁰ G.L. de Wet 'The RDP and a Structural Problem in the South African Economy', *South African Journal of Economics*, vol. 62, no. 4, December 1994, p. 330.

³²¹ *New Nation* (Johannesburg) November 4, 1994.

simply being the manager in a “neutral” manner *à la* the neo-liberal orthodoxy. Certainly, the business community essentially welcomed the programme, though predictably expressed concern at the cost. As one writer suggested, perhaps much of the business community’s enthusiasm was based on ‘expectations of major new business opportunities’ to be found in the various expansion schemes the RDP promised.³²² Certainly, one executive of a major conglomerate enthused that his company was ‘well placed to contribute to and benefit from the infrastructure-linked projects of the [RDP].’³²³

Capital’s support for the programme was based on a cool understanding that the RDP itself was predicated ‘on the balance of evidence [that] will guide the decision for or against economic policy measures’.³²⁴ Indeed, Bobby Godsell of Anglo-American, perhaps typical of capital’s position, privileged this caveat over all else and hence saw the RDP as a ‘positive step’ grounded in ‘pragmatism’.³²⁵ The epistemic community quickly went to work to guide the government over which factors were to be seen to account for the ‘balance of evidence’, as will be shown below.

It is true that the RDP’s lack of dogmatism (in contrast to the later GEAR) allowed considerable leeway for interpretation. This allowed a broad array of elements to rally around it - perhaps preventing an early split in the GNU - and helped foster a sense of agreement in the early post-election period. Yet, by putting off hard economic choices in favour of “consensus”, the RDP quickly turned from ‘being a strategy to reorganise the social and economic well-being of the country...[into] a shopping list’.³²⁶ This actuality effectively strengthened the hand of capital. Grounding an economic framework on the ostensibly pragmatic ‘balance of evidence’ allowed, as had occurred throughout the transition period, the far more technically organised promoters of neo-liberalism to shape this very terrain and define the ‘balance of evidence’. The release of the South Africa Foundation report (see below) is a case in point.

Furthermore, the weakness of the RDP was increasingly evidenced by the

³²² Jesmond Blumenfeld ‘From Icon to Scapegoat: The Experience of South Africa’s Reconstruction and Development Programme’, *Development Policy Review*, vol. 15, no. 1, March 1997, p. 76.

³²³ Warren Clewlow, chairman of Barlow Limited, quoted in *Building a Nation: Forbes - A Special Report*, Sandton: Forbes Magazine/Director of Marketing Communications, Department of Foreign Affairs, no date, p. 14.

³²⁴ *White Paper on Reconstruction and Development: Government’s Strategy for Fundamental Transformation* Pretoria: Republic of South Africa, 1994

³²⁵ *Business Day* (Johannesburg), March 11, 1994.

³²⁶ *New Nation* (Johannesburg), February 24, 1995.

disjunction between the RDP as an *economic* programme and other aspects of economic policy, which became more and more conspicuous.³²⁷ In particular, the contradictions that the RDP engendered at a time when the new government was desperately trying to appease domestic and international capital through its repeated pledges *vis-à-vis* macro-economic stability and the desire to make South Africa “investor-friendly”, made the RDP’s place within the wider economic framework ‘unclear [and] at worst...potentially antithetical’.³²⁸ The fact that the RDP itself could be seen as arguing for ‘creating an “enabling environment”...through macro-economic balance and sound fiscal policy’ compounded this ‘cocktail of confusion’.³²⁹ At the same time, the palpable lack of delivery on the ground proved a major embarrassment to the government, with the minister in overall charge of the RDP - Jay Naidoo - being ridiculed in the business press as the ‘Minister of Everything and the Minister of Nothing’.³³⁰ Whilst reasons for this non-delivery were diverse, primarily due to lack of government capacity, it became a relatively easy exercise for critics to point to such scenarios as evidence of the inherent “unworkability” of the RDP.³³¹

Indeed, the business community increasingly ‘complained about the absence of a clear macro-economic framework from government’,³³² perhaps helping to explain the 3.7 billion rand that left the country in the first six months of the GNU’s tenure. At the same time, representatives of large-scale capital urged ‘the rejection of egalitarianism, which is counter productive’, whilst making a strenuous push for a firm commitment to ‘privatisation and tight curbs on health and education spending...so that official debt can be reduced, taxes moderated and interest rates lowered’.³³³ Conservative academics meanwhile proclaimed (in the face of all contrary evidence that the ANC still maintained socialistic aspirations) that ‘it would be the height of all folly for South Africa to rush in where...socialism had failed, and what is needed is to make the existing system work better, not to replace it with a proven failure’.³³⁴

³²⁷ Jesmond Blumenfeld, 1997, p. 69.

³²⁸ *Ibid.*

³²⁹ Nicoli Nattrass ‘The RDP White Paper: A Cocktail of Confusion’, *Indicator SA*, vol. 12, no. 1, 1994, p. 36.

³³⁰ *Business Day* (Johannesburg), March 27, 1996.

³³¹ Interview with Sampie Terreblanche, Professor of Economics, Department of Economics, University of Stellenbosch, Stellenbosch, July 15, 1999.

³³² Jonathan Michie and Vishnu Padayachee ‘The South African Policy Debate Resumes’, in Jonathan Michie and Vishnu Padayachee (eds.), 1997, p. 224.

³³³ *Financial Mail*, December 8, 1995.

³³⁴ M. Truu ‘Failure of the Socialist Approach to Economic Growth’ in W. Vosloo (ed.)

Such calls reflected an intensification of the epistemic community's 'increasingly successful lobbying of, and impact on, the ANC leadership'.³³⁵ This process was symbolised by the release by the South Africa Foundation (SAF) of a rabidly orthodox macro-economic strategic plan entitled *Growth for All*. This was an influential intervention that is briefly turned to before examining the outright shift by the ANC to neo-liberal principles in the guise of GEAR.³³⁶

The South Africa Foundation's contribution

Representing a consortium of fifty of South Africa's most powerful corporations (a company has to be valued at more than two billion rands to qualify for membership and the fee is seventy thousand rand per annum), the South Africa Foundation was 're-established to propagate a free market approach'.³³⁷ Written by 'mainstream economists and leading business figures',³³⁸ the Foundation's document endorsed capital's call for a wholesale embracing of neo-liberalism by the GNU. Integral to this was the SAF's call for a "two-tier" labour market which discriminated between those already employed (who would remain subject to continuing labour regulations), and new entrants to the market (who would be subject to more "flexible" regulations). These new entrants would be subject to termination of employment 'for commercial reasons' whilst having no automatic right to severance pay and no right to a procedural mechanism before retrenchment. Employers meanwhile would possess the right to instantly fire workers involved in unofficial strikes. Furthermore, the employer would have the obligation only to implement minimum-standards legislation, whilst minimum wage restrictions would be abolished.³³⁹ Much of the business community was highly enthusiastic, the *Financial Mail* for instance deeming the two-tiered market 'a novel idea',³⁴⁰ that was 'a genuine attempt to put forward a strategy in the national interest'.³⁴¹

The importance of the *Growth for All* document is hard to gauge, though certainly Mandela - and this reflected the access business had to the top

Entrepreneurship and Economic Growth Pretoria: HSRC, 1994, pp. 83-84.

³³⁵ Vishnu Padayachee, 1998, p. 444.

³³⁶ See South Africa Foundation *Growth for All: An Economic Strategy for South Africa* Johannesburg: South Africa Foundation, 1996.

³³⁷ Interview with Sampie Terreblanche, Professor of Economics, Department of Economics, University of Stellenbosch, Stellenbosch, July 15, 1999

³³⁸ *Finance Week*, March 7-13, 1996.

³³⁹ South Africa Foundation, 1996, p. 103.

³⁴⁰ *Financial Mail*, March 8, 1996.

echelons of the GNU - was given a private presentation of the document prior to its release.³⁴² Such access undoubtedly led to the *Financial Mail* boasting (on its front cover) that 'Business Shows Mbeki the Way' with the SAF report.³⁴³ A critique of its platform feared that 'the business community, represented by the South Africa Foundation' had embarked on 'a well financed and well publicised campaign to cling onto their wealth' by influencing the ANC elite.³⁴⁴

For sure, one analysis has argued that its publication, combined with the collapse of the rand 'appear[ed] to force the GNU to accelerate the production of its macro-economic framework document [*i.e.* GEAR], in part to reassure jittery international financial and currency markets of its fiscal prudence'.³⁴⁵ Certainly the business press valued its importance, regarding it as an opportunity to effectively blackmail the government into embracing the extremist neo-liberalist position of the SAF by asserting that 'if government reacts negatively, it will draw attention to its qualified endorsement of market-oriented economics. That in turn will discourage investment, undermine the rand and lock this economy into a low-growth trap'.³⁴⁶ This in itself mirrored the SAF's own self-inflated position that if the GNU ignored its prescriptions, 'the world will forget about the political miracle before long, because [South Africa's] economic policy will have failed'.³⁴⁷ Such pronouncements were not made after dialogue with the broader civil society, as one analysis points out, but rather bypassed any real debate by restricting discussion to the elites 'primarily in the newspapers with their limited readership - in a country with nearly fifty percent illiterates and a high percentage who do not purchase a newspaper'.³⁴⁸

Nevertheless, coercive power of such rhetoric was considerably strengthened by the fact that the document was released at a time when the South African economy was in a state of massive flux - a situation which effectively removed 'any lingering support within the ANC for a strategy based

³⁴¹ *Financial Mail*, March 15, 1996.

³⁴² *Sunday Times* (Johannesburg), June 2, 1996.

³⁴³ *Financial Mail*, March 8, 1996.

³⁴⁴ COSATU, NACTU and FEDSAL *Social Equity and Job Creation: A Key to a Stable Future* Johannesburg: Nedlac Labour Caucus 1996, p. 5.

³⁴⁵ Vishnu Padayachee, 1998, p. 441.

³⁴⁶ *Financial Mail*, March 8, 1996.

³⁴⁷ Quoted in 'Growth For All: Economic Strategy Document of the SA Foundation, *Industrial Democracy Review*, vol. 5, no. 2, 1996, p. 43.

³⁴⁸ 'Business Under Threat? A Further Look at the SA Foundation Document', *Industrial Democracy Review*, vol. 5, no. 2, 1996, p. 35.

on fiscal expansion'.³⁴⁹ The rand was in free-fall (losing 25 per cent between February and July); interest rates remained high; whilst the trade account of the balance of payments moved in a highly erratic fashion. At the same time, the foreign exchange reserves were being depleted until by mid-1996 were equal to only five weeks import cover.³⁵⁰ Such a scenario was deemed to stem from 'the market [having] judged that the social aspirations of [the] first non-*apartheid* government...are beyond the productive capacity of the economy, unless the *tried and tested* path to economic growth is embarked upon' [emphasis added].³⁵¹ Rather fantastically, the decline of the rand was linked to the GNU having relations with Cuba and Libya which supposedly 'probably helped to fan suspicion abroad that SA's declared commitment to fiscal discipline, stable prices, enterprise, growth and job creation lacks real conviction'.³⁵²

This notwithstanding, the 'factors and pressures [surrounding the crisis] all served to focus attention on the appropriateness or otherwise of the government's macro-economic policy' and further undermined the RDP,³⁵³ as 'those who wanted a "clear" (that is, their own) macro-economic policy to be anointed as official [and not the RDP] used the rand's decline to intensify pressure'.³⁵⁴ This ensemble of determinants rapidly lead to an abandonment of the programme in what has been termed 'a panic response to the...exchange rate instability and a lame succumbing to the policy dictates and ideological pressures of the international financial institutions'.³⁵⁵

Such a scenario was compounded by the urgings of the international financial institutions, the domestic media and capital. The *Financial Mail* for example claimed that the failings in the South African economy were in fact due to the failure of the RDP, and urged its scrapping.³⁵⁶ In addition, by maintaining most of the old civil service, the GNU was continually receiving 'advice given on

³⁴⁹ Charles Mather and Ashgar Adelzadeh 'Macro-economic Strategies, Agriculture and Rural Poverty in Post-Apartheid South Africa', *Africa Insight*, vol. 28, nos. 1-2, 1998, p. 26.

³⁵⁰ For a technical discussion of how this crisis affected the GNU's policies, see Janine Aron and Ibrahim Elbadawi 'Reflections on the South African Rand Crisis of 1996 and Policy Consequence' in Francis Mwegu and Ndung'u Njuguna (eds.) *Macro-economic Policies and Exchange Rate Management in African Economies* London: AERC, 1999.

³⁵¹ *Financial Mail*, May 3, 1996.

³⁵² *Ibid.*

³⁵³ Jonathan Michie and Vishnu Padayachee 'The South African Policy Debate Resumes', in Jonathan Michie and Vishnu Padayachee (eds.), 1997, p. 224.

³⁵⁴ *Weekly Mail and Guardian* (Johannesburg), June 20, 1997.

³⁵⁵ Ashgar Adelzadeh 'From the RDP to GEAR: The Gradual Embracing of Neo-liberalism in Economic Policy', *Transformation*, no. 31, 1996, p. 67.

economic matters [which was] almost exactly the same as under the National Party regime'.³⁵⁷ This inexorably led to a situation where the ANC-led government relied too heavily on old guard strategic counsel.³⁵⁸ This was combined with ongoing circumstances where there was:

[A] continuing extension of the rise of a "technocratic" policy-making elite, comprising key ministers and senior civil servants in relevant departments together with a core of academic advisers, most of whom were politically sympathetic to the government, but almost all of whom emphasised the need for fiscal discipline to be at the core of South Africa's macro-economic strategy.³⁵⁹

With this in mind and the trajectory of the transition that has already been mapped out, it became increasingly apparent that 'the GNU...internalised the conditionalities imposed by the World Bank and IMF'.³⁶⁰ Indeed, a United Nations report asserted that GEAR 'closely resembled an IMF structural adjustment programme' and in fact 'had embraced liberalisation beyond the WTO's requirements'.³⁶¹ Certainly, with the National Party leaving the GNU in June 1996 the notion that conservative non-ANC elements were constraining the organisation's economic direction proved to be false: GEAR was a product of the ANC elites thinking on economic issues and 'signall[ed] the government's acceptance of market-imposed criteria for the conduct of macro-economic policy'.³⁶² This was manifested through the release of the GEAR document, the concomitant effective scrapping of the RDP (though the document is paid considerable lip-service by the government) and a situation where 'economists and the markets accepted that the democratic government had embraced dominant economic thinking'.³⁶³

Introduction of GEAR and the consolidation of neo-liberalism

In February 1996 Thabo Mbeki announced a new strategy for the nation's economic development. Though the government continued to pay rhetorical lip-service to the RDP, its office was closed and its nominal head - Jay Naidoo - was

³⁵⁶ *Financial Mail*, October 6, 1995.

³⁵⁷ Philip Dexter 'The RDP', *South African Labour Bulletin*, September 1995, p. 58.

³⁵⁸ *Weekly Mail and Guardian* (Johannesburg), October 2, 1996.

³⁵⁹ Jesmond Blumenfeld 'Assessing South Africa's Growth Strategy', *Briefing Paper no. 49, July 1998*, Royal Institute of International Affairs - Southern Africa Study Group, p. 2.

³⁶⁰ Ben Fine 'Privatisation and the RDP: A Critical Assessment', *Transformation*, no. 27, 1995, p. 21.

³⁶¹ *Sunday Independent* (Johannesburg), May 24, 1998.

³⁶² Jesmond Blumenfeld, 1998, p. 5.

³⁶³ *Sunday Independent* (Johannesburg), March 22, 1998.

reassigned, and this was rapidly followed in June 1996, by the government hastily releasing its new macro-economic strategy under the name of the Growth, Employment and Redistribution (GEAR) plan.³⁶⁴ This document ambitiously claimed it would increase annual growth by an average of 4.2%, create 1.35 million jobs by 2000, boost exports by an average 8.4% per year and - perhaps crucially - improve social structure. It has failed to do any of these.³⁶⁵ How this new policy was adopted came about from a coalescing of factors, summarised as:

[T]he ANC, pressured by advisers from the old regime, economists from the World Bank and IMF [and] experts from the business community...stepped back from the RDP's emphasis on social spending...and instead adopted a neo-liberal economic export strategy which emphasised free markets, fiscal discipline and building business confidence, even if that meant "downsizing" to be competitive in the global economy.³⁶⁶

In an attempt at closing off debate, as Gramsci highlights in his discussion of ideology, the government's finance minister immediately declared that GEAR was 'non-negotiable' in its broad outline - a move that, as one South African capitalist said, was 'the language which investors, both local and foreign, greatly appreciate',³⁶⁷ but which those on the Left saw as 'utter arrogance'.³⁶⁸ Indeed, GEAR was released 'without any qualification [and] after very limited discussion' within the ANC national executive committee,³⁶⁹ and with no prior discussion, particularly with the ANC's partners in government - COSATU and the SACP. Even senior ANC leaders were not informed of its contents - as Mandela later admitted.³⁷⁰

'Produced in great secrecy by a small team of technical experts',³⁷¹ GEAR was modelled on a South African Reserve Bank econometric model that was the same used by the bank during the late *apartheid* years and was ostensibly

³⁶⁴ *Growth, Employment and Redistribution: A Macro-economic Strategy*, unpublished, 1996.

³⁶⁵ For a trenchant critique of GEAR, see South African Comrades for the Encounter 'Resistance to Neo-liberalism: A View from South Africa', paper presented at the Second International Encounter for Humanity and Against Neo-liberalism, Madrid, July 26-August 2, 1997.

³⁶⁶ Nancy Murray 'Somewhere Over The Rainbow: A Journey to the New South Africa', *Race and Class*, vol. 38, no. 3, 1997, p. 5.

³⁶⁷ Brian McCarthy, chairman of McCarthy Retail Group, Durban August 26, 1996 quoted on SA Foundation web page - <http://www.safoundation.org.za/psaecon.html>

³⁶⁸ First vice-president of COSATU, Connie September, cited in *Umsebenzi*, July 1998, p. 2.

³⁶⁹ *Business Day* (Johannesburg) September 4, 1996.

³⁷⁰ *SouthScan*, vol. 12, no. 34, September 19, 1997.

³⁷¹ Jeremy Cronin 'Why the SACP Rejects GEAR', *Weekly Mail and Guardian*

'consistent with the results obtained using models of the Development Bank of Southern Africa, the Bureau for Economic Research and the World Bank'.³⁷² This was characterised as 'one of the most conservative models that anybody could chose to use'.³⁷³ Furthermore, 'the main model used...[w]as never...made public and thus [w]as never...the subject of an independent and rigorous debate by professional economists'.³⁷⁴ This invited criticism from Jeremy Cronin that the policy was 'decided on only by "some macro economists playing on their computers"'.³⁷⁵ Whilst this is perhaps unfair, the credentials of GEAR's authors certainly exhibited a profound conservative bent, one which has serious implications for any developmental impulse for the country:

Most of the sixteen economists who devised the strategy are from institutions such as the Finance Ministry, Development Bank of Southern Africa, World Bank and Stellenbosch University's Bureau of Economic Research. Their free-market ideologies have proven ineffectual or downright oppressive here and across the Third World.³⁷⁶

Yet the ideology contained in the GEAR document was consistent 'with the strong international consensus on the efficiency of the market system',³⁷⁷ exhibited a 'commitment to conservative fiscal policies, trade liberalisation and a shift from consumption to investment spending',³⁷⁸ and was made up of 'litanies of policy measures that could have been taken from the IMF manual'.³⁷⁹ Indeed, such a fit between GEAR and the ongoing hegemonic demands exhibited, in the words of Conrad Strauss of Standard Bank, 'a strong measure of agreement between government and business on [economic] policy'.³⁸⁰ Whilst the new framework stunned many on the Left within the ANC alliance, it did finally illustrate, 'quite clearly that the "common sense" orthodoxy of neo-liberal development [was] entrenched' in government thinking,³⁸¹ and 'underscored

(Johannesburg), July 10-16, 1998.

³⁷² Growth, Employment and Redistribution: A Macro-economic Strategy, 1996, appendix, p. 10.

³⁷³ *The Citizen* (Johannesburg), July 23, 1996.

³⁷⁴ Asghar Adelzadeh, 1996, p. 68.

³⁷⁵ *Pretoria News* (Pretoria), July 22, 1996.

³⁷⁶ Patrick Bond 'Little to Cheer in New Plan', *New Nation* (Johannesburg), June 21, 1996.

³⁷⁷ *Cape Times* (Cape Town) May 7, 1997.

³⁷⁸ *Business Day* (Johannesburg), October 30, 1998.

³⁷⁹ Edward Osborne 'Fiscal and Monetary Policy and the GEAR', paper presented at University of Durban-Westville/ Natal Mercury international conference, April 24, 1997 cited in Vishnu Padayachee, 1998, p. 442.

³⁸⁰ Conrad Strauss, chairman of Standard Bank, London, December 10, 1996, cited on SA Foundation web page - <http://www.safoundation.org.za/psaecon.html>

³⁸¹ Anthony Leysens and Lisa Thompson 'A Paper Tiger? Political Implications of an Export-Led Growth Strategy for South Africa', *South African Journal of International*

the...shift among policy makers away from redistribution and towards macro-economic growth'.³⁸² In short, it was a culmination of impulses that had playing out throughout the transition, and ultimately 'reflect[ed] a remarkable shift in the ANC's ideological orientation in the period from 1990 to 1996'.³⁸³

Whilst the government has been touchy on accusations that its policies are essentially neo-liberal monetarism, a 1996 document sent out by the government openly admitted that 'certain measures in GEAR are similar to many neo-liberal packages'.³⁸⁴ One analysis has summed this up by saying that 'to all intents and purposes, the policy that almost replaced the sacred Freedom Charter [i.e. the RDP] in its vision of a more equal and progressive order has now been shelved [and a] Thatcherite discourse of fiscal discipline and market forces has taken over'.³⁸⁵ Mandela himself later admitted that people 'can say [our policy] is Thatcherite, but for this country, privatisation is the fundamental policy of our government',³⁸⁶ whilst Mbeki invited analysts to 'call [him] a Thatcherite'.³⁸⁷

This has subsequently meant that the business press in South Africa is in general highly supportive of Mbeki's succession post-Mandela, with the *Business Day* typically expressing the assertion that 'Mbeki [has] the hand on the GEAR economic policy, [it is] a hand which everyone wants to be strong' as capital hopes that 'Mbeki will prove a decisive, Machiavellian figure, who will use his mandate to break the power of the unions to impede privatisation and block needed liberalisation of the labour market, and thus make it easier for employers to hire and fire [workers]'.³⁸⁸ Such support for Mbeki from capital has been long-standing and goes back to the transition period when he was 'the darling of the business sector' and 'the corporate sector's...Man in Shell House', temporary spats with (White) capital notwithstanding.³⁸⁹ Indeed, as a recent

Affairs, vol. 1, no. 2, 1994, p. 56.

³⁸² 'RDP: Growth the Only Answer', *African Business*, no. 210, May 1996, p. 10.

³⁸³ Sampie Terreblanche 'The Ideological Journey of South Africa From the RDP to the GEAR Macroeconomic Plan', paper presented at the Multi-Event 1999 on Transforming Public Life: Religion in the Making of Cultural Values and Public Policy, Cape Town, February 16, 1999, p. 7.

³⁸⁴ Quoted in Rob Davies *Engaging with Gear* (draft), 1997, p. 3 cited in Hein Marais, 1998, p. 161.

³⁸⁵ Heribert Adam, Frederik van Zyl Slabbert and Kogila Moodley, 1997, p. 161.

³⁸⁶ Nelson Mandela, quoted in John Pilger *Hidden Agendas* London: Vintage, 1998, p. 606

³⁸⁷ *Business Times* (Johannesburg), June 16, 1996.

³⁸⁸ *Business Day* (Johannesburg), June 9, 1999.

³⁸⁹ *Sunday Times* (Johannesburg), June 20, 1999.

biography of him points out, Mbeki has long been recognised as someone who ‘possessed the qualities to lead the ANC into the new South Africa and strike an historic compromise with White South Africa and the forces of capitalism’.³⁹⁰

This in itself ties in with the aspirations of the emergent Black elite who are also strongly supportive of Mbeki and who are increasingly joining the ranks of a nascent historic bloc, sharing the ‘liberal capitalistic ideology’ of White-dominated capital, whilst reinforcing their increasing foothold in the economy.³⁹¹ As one newspaper put it, ‘the buppies are right behind Mbeki’.³⁹² Such an ongoing development is a playing out of tendencies that have been residual within the ANC’s own historical experience through the long years of struggle and which are manifesting themselves more openly in the post-liberation era:

[T]he African National Congress has since its inception sought to promote the interest of [the Black bourgeoisie] class...During the liberation struggle, particularly before the ANC’s banning in 1960, it articulated an ideology favourable to the development of the Black capitalist class.

Upon its return from exile it continued doing so, and on assuming the reins of government it has enthusiastically supported the development of the Black bourgeoisie through legislative and administrative actions.³⁹³

Thus ‘although the ANC still enjoys overwhelming support of the Black working class, its policies are aimed at advancing the interests of the Black bourgeoisie and petit-bourgeoisie whose interests are integrally tied to that of [externally-oriented] money capital’.³⁹⁴ Such a profound dislocation engenders contradictions that are manifested in a variety of ways - the foreign policy of South Africa being but one example.

Although GEAR was proclaimed as a continuation of the RDP by other means, the RDP is in fact only referred to in the GEAR policy document four times.³⁹⁵ Furthermore, in contrast to the RDP, GEAR explicitly posits ‘redistribution as a by-product of growth instead of an integral part of its economic strategy’.³⁹⁶ It was not surprising that after reflection upon the

³⁹⁰ Adrian Hadland and Jovial Rantao *The Life and Times of Thabo Mbeki* Rivonia: Zebra Press, 1999, p. 88.

³⁹¹ *Cape Argus* (Cape Times), March 8, 1999.

³⁹² “Buppies” is a contraction of “Black yuppies” - *Sunday Independent* (Johannesburg), July 4, 1999.

³⁹³ *Weekly Mail and Guardian* (Johannesburg), May 21 - 27, 1999.

³⁹⁴ Labour Left Collective *COSATU, the SACP and the ANC: The Parting of the Ways?* Athlone: Labour Left Collective, 1998, p. 13.

³⁹⁵ For an alternative viewpoint on GEAR as a potentially workable programme consistent with the goals of the RDP, see Pieter le Roux ‘The Growth, Employment and Redistribution Strategy (GEAR): A Critical Discussion’, *Africanus*, vol. 27, no. 2, 1997.

³⁹⁶ James Heintz, National Labour and Economic Development Institute ‘GEAR: A Labour

contents of the new economic model critics should denounce it as representing 'a recourse to the policy goals and instruments of the past *apartheid* regime',³⁹⁷ and occupying 'the right wing of the [politico-economic] spectrum' whilst sharing much of the ideological assumptions of the SAF document.³⁹⁸ This criticism stemmed from the economic methods chosen to deliver GEAR's elaborate promises.

Essentially, GEAR privileged the position of capital within South Africa and relied on them - in typical neo-liberalist "trickle down" theory - to uplift the disempowered through increased private investment. This would be achieved by cutting back state spending in an attempt to lower the budget deficit down to 3 per cent by 2000; maintaining a low inflation rate; a reduction in corporate taxes; the gradual phasing out of remaining exchange controls; the promotion of wage demand restraints by labour; the creation of a more "flexible" labour market; and an increased push for the privatisation of state assets. The model was essentially based on 'a set of orthodox, outward-oriented, investor-friendly stabilisation and adjustment policies',³⁹⁹ which reflected the concerns and aspirations of the globally-oriented transnationalised elites within South Africa. Mbeki confirmed this assertion when he declared soon after the GEAR programme was launched that the GNU was 'determined to ensure that we further open up our economy'.⁴⁰⁰ By doing so, GEAR privileged 'market reaction (for example, in the foreign exchange market) and notions of business confidence' as a yardstick 'to assess government's performance', further strengthening the hand of the outwardly-linked classes in the country.⁴⁰¹

This fraction of capital and its allies fell over itself in praising GEAR as 'investor friendly' and 'responding to many of the concerns expressed by business',⁴⁰² whilst the *Economist* celebrated the 'conservative macro-economic policy' that had been adopted.⁴⁰³ For sure, one *Financial Times* writer asserted that with GEAR, 'the ANC emerged with as powerful a commitment to budgetary

Perspective' <http://www.und.ac.za/und/indic/archives/indicator/spring97/HEINZ5.htm>

³⁹⁷ National Institute for Economic Policy *From the RDP to GEAR: The Gradual Embracing of Neo-liberalism in Economic Policy* Johannesburg: NIEP, 1996, p. 2.

³⁹⁸ Nicoli Nattrass 'Gambling on Investment: Competing Economic Strategies in South Africa', *Transformation*, no. 31, 1996, p. 1996, p. 26.

³⁹⁹ *Ibid.*, p. 29.

⁴⁰⁰ *The Sowetan* (Johannesburg), March 27, 1996.

⁴⁰¹ Simon Roberts 'Monetary Policy Within Macro-economic Policy: An Appraisal in the Context of Reconstruction and Development', *Transformation*, no. 32, 1997, p. 68.

⁴⁰² *Business Times* (Johannesburg) June 16, 1996.

⁴⁰³ *Economist*, March 8, 1997, p. 98.

discipline and fiscal conservatism as White South Africa could have wished',⁴⁰⁴ whilst GEAR's first budget received a 'thumbs up from big business' according to the *Sunday Independent*.⁴⁰⁵

Few analysts would disagree with such opinions. Indeed, commentaries agreed that 'the [ANC] government...met most of [business'] macro-economic demands',⁴⁰⁶ and that GEAR's 'very character and logic [was] overwritten by the macro-economic context which...adheres to the contours of neo-liberal orthodoxy'.⁴⁰⁷ As a result, it was 'difficult to identify social equity as an explicit feature of the [GEAR] strategy'.⁴⁰⁸ This further undermined any real attempt to restructure the social organisation of South Africa's political economy.⁴⁰⁹ Such circumstances were in part a result of the dominant ongoing discourse which created a scenario where 'if they [the ANC] come out and say: "Our first obligation is to our people" there [would] be some very heavy choking' by capital, freed - as neo-liberalism demands - from any link from political or social responsibility.⁴¹⁰

In a critique of the ANC's economic policies, John Saul pointed out that the government's policies pretended that 'everyone, capitalist and shanty-town dweller alike, has more or less the same interests and can be served by more or less the same policies!'.⁴¹¹ By separating the economic from the political, as neo-liberalism attempts to do and as was implicit in the GEAR document, this tactic served the interests of the emergent Black elite as they became increasingly incorporated into the nascent historic bloc. Indeed, GEAR has been described as 'reflect[ing] and reinforc[ing] the dominance of the Black middle class' which has 'less and less quarrel with the old social structure and a greater and greater appetite to become part of it'.⁴¹² This integration into a nascent historic bloc is of profound importance as 'pressure from this ultra-free market elite [the emergent Black bourgeoisie] could limit attempts by the government to restore the kind of developmental policies on which an improvement in the lot of the poor would

⁴⁰⁴ Patti Waldmeir, 1997, pp. 257-258.

⁴⁰⁵ *Sunday Independent* (Johannesburg), March 15, 1997.

⁴⁰⁶ 'Growing Pains?' *Democracy in Action*, vol. 10, no. 51, August 1996, p. 27.

⁴⁰⁷ Hein Marais in *Weekly Mail and Guardian* (Johannesburg) May 16, 1997.

⁴⁰⁸ 'Growing Pains?' *Democracy in Action*, vol. 10, no. 51, August 1996, p. 27.

⁴⁰⁹ See André Kraak 'Transforming South Africa's Economy: From Racial Fordism to Neo-Fordism', *Economic and Industrial Democracy*, vol. 17, no. 1, February 1996.

⁴¹⁰ Nico Czipionka, economic consultant, cited in *Cape Times* (Cape Town), October 30, 1998.

⁴¹¹ John Saul '...Or Half Empty?', *Southern African Report*, vol. 9, no. 5, July 1994, p. 38.

⁴¹² *Financial Mail*, November 29, 1996.

depend'.⁴¹³

In short, the more powerful an emerging Black elite becomes, the more the pressure will increase on the ANC from within its own constituency to move further away from substantial progressive impulses - bar the rhetoric - and more towards a greater accommodation with capital - to continue in its 'ideological quantum leap to a position considerably to the right of centre on the ideological spectrum'.⁴¹⁴ Indeed, already the business press is asserting that 'there is no reason to believe that...the ANC will depart much, if at all, from the policy orthodoxy to which it has already glued itself'.⁴¹⁵ Certainly, one of the first things Thabo Mbeki did after being elected to the office of President in June 1999 was to 'present an overtly business-friendly image' in his first speech as president to Parliament, in an attempt to 'woo business leaders'.⁴¹⁶

Yet, recognition by the ANC of the contradictions of neo-liberalism - whose adoption by the leading elites within the Party in itself reflects the historical contradictions of the organisation - and resistance from the Left within the GNU, mean that a tentative tempering effort must be conducted - at least publicly, for whilst 'as a political party, the alliance (the ANC, COSATU and the South African Communist Party) is still Left-wing...the ANC government is right of centre'.⁴¹⁷ Such a situation has had a profound effect and influence on the foreign policy of post-*apartheid* South Africa - a point that is turned to in the rest of this work.

⁴¹³ *Cape Argus* (Cape Town), March 8, 1999.

⁴¹⁴ Sampie Terreblanche, 1999, p. 10.

⁴¹⁵ *Financial Mail* June 11, 1999.

⁴¹⁶ *Sunday Times* (Johannesburg), June 27, 1999.

⁴¹⁷ *Cape Argus* (Cape Town), March 8, 1999.

PART THREE

MULTILATERALISM, MIDDLEPOWERMANSHIP AND NEO-LIBERALISM

Having examined why the ANC acceded to the dominant hegemonic discourse of neo-liberalism and how this must be contextualised within the structural constraints that are brought to bear upon the GNU by an increasingly globalised world, an examination of South Africa's multilateral behaviour is now embarked upon. Just as the historic compromise has engendered contradictions within the domestic polity between competing class fractions and within the GNU's own ranks, so too has acceding to neo-liberalist principles caused a fundamental tension in Pretoria's overall foreign policy.

For sure, the GNU elite are at one with the wider project as propagated by the transnational elite (indeed, the elite within the GNU's leadership are part of this global class). This has meant a forceful promotion of the liberalisation of markets, free trade, polyarchical institutions and the rest of the wider neo-liberalist project. Yet, at the same time, the leadership of the new administration is acutely conscious of the need to reconcile its embrace of the global normative project, with that of the demands of an important and sizeable fraction of its domestic constituency. This element is far more wary of liberalisation, privatisation and other "common sense" prescriptions than are the GNU elite. Indeed, disputes between the ANC leadership and the SACP and COSATU are symptomatic of this contradiction in the tripartite alliance and mark out a fault-line between the outwardly-oriented components of the nascent historic bloc (which includes large-scale capital), and the more inwardly-oriented fractions of productive capital, labour and Leftist elements opposed to the neo-liberalist counter-revolution.

Attempts to reconcile these two positions, of promoting "free" trade whilst at the same time demanding "fair" trade for instance, reflect the wider contradictions in South African foreign policy post-1994 and are a playing out of the historic

compromise emanating from the negotiated transition that saw the ANC accede to administrative power. In the foreign policy realm, this has meant an ostensible reformist, middlepowermanship role being pursued by Pretoria, whilst staying within the broader framework of the normative principles that mark out the contemporary world order.

Brief overview of Pretoria's foreign policy

By embracing neo-liberalism, the ANC has adopted an overall foreign policy agenda that has, as has already been established, provoked consternation and disappointment from many of its erstwhile supporters and those who expected a rigorous change in the direction of Pretoria's foreign affairs. This disappointment is captured by Peter Vale when he writes that:

South Africa has quite comfortably settled into the ideological-biased "New World Order" framing of the late-20th Century associated with America's determination to assert its hegemony on the post-Cold War period.¹

As the next three chapters work will demonstrate, this is (in part) evidenced by South Africa's role in various multilateral organisations such as the WTO; the Cairns Group; UNCTAD; the Non-Aligned Movement; the Commonwealth; and the Nuclear Non-Proliferation Treaty Review and Extension process. All these bodies are where the GNU leadership frequently postures a self-proclaimed "bridge-building" middlepowermanship role, but also where Pretoria is regularly the state attempting to nudge and cajole the rest of the South into accepting the "realities" of the ongoing order, albeit tempered by an ostensible reformist posture.

Having said this, Pretoria's foreign policy cannot be reduced to a simplistic equation: that as an adherent of neo-liberalism, Pretoria is a "lackey" of the West. South Africa's foreign policy is far more nuanced and contradictory than that, as will be demonstrated. For sure at a fundamental level the ANC elite *has* accepted the tenets of neo-liberalism and thus seeks to promote these principles elsewhere. As the Deputy Minister of Foreign Affairs asserted, 'we have our own understanding of human rights, democracy and good governance, and will...use our influence to help achieve that in other countries', a clear endorsement of Pretoria's almost

¹ Peter Vale in Hennie Kotzé (ed.), 1997, p. 22.

crusade-like mission in propagating liberalised markets and other elements of the neo-liberalist “package” to the South (and in particular Africa),² whilst another member of his department has asserted that ‘foreign policy must be based on local policy [*sic*] and that policy is creating wealth’.³

However, whilst accepting such basic tenets, the ANC elite is well aware of the negative downside and constraints that are concomitant with the increasingly globalising world in which they have found themselves. Neo-liberalism has generated massive disparities on a global scale - as one observer remarked:

These contradictions are social, political and economic, and they are both “local” and “global” in character. Perhaps the central social contradiction of global politics today resolves around what used to be called “uneven development”: the polarising and wrenching consequences of the huge growth in global inequality within and between nations.⁴

At the same time, the GNU is caught in a web of contradictions that are derivative of the historic compromise that saw it accede to power. Not least of these is the fact that its main partners in government (as well as substantial elements within the ANC’s own ranks) have a highly ambivalent if not hostile posture towards the process of globalisation, and in particular the negative manifestations of this. Though as has been seen, the ANC elite has largely cast aside its former *dirigiste* pretensions, there are substantial fractions within the ruling party who have opposing positions on which macro-economic policies would suit South Africa’s peoples best.

Yet at the same time, leading elements of the GNU - encouraged by local and international capital - accept the basic tenets of the hegemonic order, arguing that there is “no alternative” to neo-liberalist prescriptions. In part this springs from a particular conception of the international political economy which is seen as exerting powerful pressures on any alternative postures. As a result, the GNU has acted ‘with a high degree of sensitivity to the constraints imposed by the global system’ and reforms ‘have been shaped to fit with many of the orthodoxies set by

² Aziz Pahad quoted in ‘Bearing the Burden of Success’, *Enterprise*, vol. 96, March 1996, p. 90.

³ Dumisani Kumalo, Director of United States Bilateral Relations, Department of Foreign Affairs, in response to question at IDASA’s headquarter’s, Cape Town, March 25, 1999.

⁴ Stephen Gill ‘Structural Changes in Multilateralism: The G-7 Nexus and the Global Crisis’ in Michael Schechter (ed.) *Innovation in Multilateralism* London: Macmillan, 1999, p. 116.

the external environment, often when these are at odds with the proposals put forward during the ANC's long period of liberation struggle'.⁵ This has created fundamental tensions within the ranks of the South African government and essentially has meant that in its foreign policy 'the GNU has to play to two audiences at the same time, with different sets of expectations'.⁶

It is in realisation of this actuality that as a country that aims to promote its South identity, whilst at the same time acceding to the dominant discourse, South Africa has pursued an essentially contradictory policy of embracing neo-liberalism whilst at the same time striking a public pose of trying to alleviate the worst aspects of globalisation - in part aiming to placate the vocal criticism from the Left *vis-à-vis* its overall policy posture. This policy is inherently inconsistent: as one analysis put it, 'there is [a] quite obvious tension between on the one hand supporting global free trade, and on the other committing oneself to changing the rules of the system to ensure greater equity'.⁷ Indeed, such attempts at soothing powerful elements of its domestic constituency must be combined with 'appropriate responses to the awesome challenges posed by an increasingly globalised economy, in which the rest of sub-Saharan Africa participates on ever more unfavourable terms. This requires an extremely difficult balancing act'.⁸

This is, as has been suggested, particularly apparent in Pretoria's multilateralist activity where South Africa promotes a tactical and reformist agenda that aims at an amelioration of the global politico-economic system and promotes a rules-based trading regime. This is, it is offered, in part a result of the effect that neo-liberalism has had/is having on the South. Whilst the ANC elite shares with the capitalist transnational class the belief that no-one can "buck the market" and that there is currently "no alternative" for a state like South Africa to pursue neo-liberalist macro-economic strictures, it can be argued that the ANC postures an agenda that strives to ultimately ease the most harmful effects of this ongoing

⁵ Andrew Cooper, 1998, p. 705.

⁶ Philip Nel 'Conceptions of Globalisation Among the South African Elite', *Global Dialogue*, vol. 4, no. 1, April 1999, p. 23.

⁷ Lisa Thompson and Anthony Leysens 'Comments: South African Foreign Policy Discussion Document', unpublished paper, August 1996, p. 8.

⁸ Paul-Henri Bischoff and Roger Southall 'The Early Foreign Policy of the Democratic South Africa' in Stephen Wright (ed.) *African Foreign Policies* Boulder: Westview Press, 1999, p. 154.

order. As one leading South African policy-maker put it, 'globalisation is a reality we can't stop. Certain areas of globalisation creates difficulties for the South, so how do we make sure the negative effects do not visit South Africa?'.⁹

Such a broad policy serves the important function of exhibiting to its constituency on the Left that the ANC is actively striving for the benefit of the less advantaged, both within and without the country's borders, whilst at the same time signalling to the power-holders at the international level (and domestically) that the GNU can be trusted to play by the common sense rules of the game. As one analysis frames it:

South African policy-makers cannot escape the demands for increasing economic liberalisation emanating from transnational capitalist forces and international financial institutions in the world political economy. On the other hand, the feasibility of implementing such policies...unilaterally are severely curtailed by the high expectations and demands with which a future democratic government will have to deal [with].¹⁰

In short, whilst as a government in power the ANC adheres to the essential tenets of neo-liberalism; as a party in alliance with the SACP and COSATU and having a residual and fairly strong Leftist element within its ranks, the GNU must perform a balancing act. Adopting a reformist element to its foreign policy regarding the global political economy is one way in which this can be achieved. Indeed, 'such reformist commitments are a way of deflecting the perceived negative effects of globalisation on the South African state, and of displaying a commitment to change for the sake of domestic coalition partners to the Left'.¹¹ This is reflected in its foreign policy, hence a reformist agenda at multilateral fora is one particular way in which the contradictory effect of acceding to neo-liberalism whilst having to play to a less-than-convinced gallery of supporters is manifested by the ANC-led government.

This is also symbolically typified by Pretoria's "independent" stance *vis-à-vis* Washington and the capitalist heartland over such issues as oil from Iran or relations with Fidel Castro. As Patrick Bond writes, Pretoria is 'willing to snub New World Order opinion by embracing Castro, Gaddafi, and Arafat while playing front-

⁹ Jackie Selebi, in response to questions during presentation to Department of Political Science, University of Stellenbosch, February 26, 1999.

¹⁰ Anthony Leysens and Lisa Thompson, 1997, p. 65.

¹¹ Philip Nel, 1999, p. 35.

man for the United States where it really counts: control of African geopolitics [and] endorsement of neo-liberal economics'.¹² In short, relations with such "renegades" is a useful tool by which the ANC government can deflect criticism of its essentially pro-capitalist post-*apartheid* foreign policy. By being seen to maintain contact with its former allies in the liberation struggle, the ANC government sends out a message to important constituencies within and without the country that, contrary to appearance, the movement has not "sold out".

Yet, the relations with such states are really of little substance at the final analysis and despite the criticism from the Right within South Africa, amount to very little and certainly are not a indication of any general "tilt" towards the more confrontationist elements within the South. Indeed, such relations are quite contradictory for reformist rhetoric aside Pretoria is one of the more accomodatory nations in the South *vis-à-vis* the North and actively postures itself as a "bridge" between the developed and developing world. In our theoretical understanding, such a policy is identified as Pretoria's playing of a middlepowermanship role which ultimately serves to further the ongoing hegemonic order whilst ostensibly posturing a mediating role in times of crisis. Indeed, within the context of South African foreign policy, relations with such "renegades" and periodic spats with Washington serve a highly useful purpose, for they suggest independence of mind in Pretoria whilst never seriously confronting the real issues behind the ongoing relationship between North and South, indeed between Washington and Pretoria. As one analysis puts it, such ostensible confrontations 'provides a way of critically engaging (at times de-legitimising) the US and the dominant norms in the global political economy, without confronting the dominant power on fundamental issues'.¹³

Indeed, relations with Washington are complex and contradictory. Within the theoretical understanding of this work, the United States is not seen as being hegemonic. It is true that in the past hegemonic blocs were situated in the main within a particular spatial territory. However, in the epoch of globalisation a shift from state-centric notions of power must be accommodated. In our conception, it is the historic bloc comprised of a transnational class elite that is the agent of

¹² Patrick Bond 'ANC's Chief Operator Moves Centre Stage', *Red Pepper*, February 1998.

hegemony - organised around the principles of neo-liberalism - and not an individual state as such. This dominant transnational historic bloc of social forces constitutes the elite class fractions that are outwardly-linked in a complex web of social networks that have at their core a material interest in the promotion of the neo-liberalist project. Hegemonic power is no longer simply located in one state - making talk of the supposed decline of Washington and elaborate theories regarding hegemonic stability theory redundant, if not eccentric.¹⁴

Clearly, the hegemony of a transnational elite remains based on the preponderance of American political and economic power, in the main because the Washington elite are the main political (and at times, military) affirmers of neo-liberalism, but this hegemonic order is *not* an exclusively American project and the United States is *not* "the hegemon". As one analysis puts it, 'power based on territory co-exists with power inherent in de-territorialised spheres of finance and production'.¹⁵ An intricate process of change in economic forces and the restructuring of global production (and the concomitant rise of an elite transnational class) has resulted in 'the transformation of both US hegemony and the global political economy. US hegemony has changed from an outward projection of US "national" hegemony. What is emerging is a necessarily incomplete form of transnational, neo-liberal dominance, one which is nevertheless anchored in US political and military centrality', but which cannot be simply reduced to a simple reduction to American "interests".¹⁶

In essence, this means that whilst the United States remains central to the ongoing hegemonic project, this is only due to the preponderant structural power that American fractions of the transnational historic bloc possess. As a result, *the questioning of a particular position held by Washington does not necessarily mean that Pretoria rejects the normative global order*. It is the fundamentals of the global order that remain central: normative principles that are shared and propagated by the ongoing transnational historic bloc, of which the leadership of the GNU and globally-oriented elite fractions within South Africa are elements of. Such an

¹³ Philip Nel, 1999, p. 35.

¹⁴ For a critique of hegemonic stability theory, see Susan Strange 'The Persistent Myth of Lost Hegemony', *International Organization*, vol. 41, no. 4, Autumn 1987.

¹⁵ Robert Cox 'Introduction' in Robert Cox (ed.), 1997, p. xix.

understanding suggests why Pretoria has to date restricted itself to policies that are well within the ambit of the neo-liberalist discourse, but which aim to smooth out difficulties in the ongoing order.

To deploy Cox's phrase, South Africa indulges in "problem-solving" behaviour in its multilateral relations. Pretoria at times de-legitimises the dominant powers - in particular their behaviour on global trading matters and the hypocrisy that demands the "opening up" of markets in the South whilst surreptitiously keeping out exports from the developing world. This reflects the tensions between the notions regarding "free trade" in theory, and the actual practical situation where a "level playing field" is frequently absent, or skewed in favour of the powerful - characterised as the contradictions between the ideology of neo-liberalism and "really existing free market doctrine".¹⁷

The use of tariff and non-tariff barriers; the demand for special treatment for politically sensitive industries - such as textiles and agriculture - by developed states during the Uruguay Round; and "voluntary export quotas" "suggested" by Northern administrations on Southern exporters are examples where the rhetoric of free trade is not actually implemented by the powerful.¹⁸ The appeal to a rules-based regime under the WTO is one example where Pretoria attempts to fit rhetoric with practice, as is South Africa's membership of the agricultural lobbying organisation, the Cairns Group. Its stance at forums such as the NAM and UNCTAD also call on the North to take its responsibilities seriously and act in "partnership" with the South to alleviate and be more sensitive towards the more negative aspects of the globalisation thrust.

Yet within a broader analysis, such posturing not only fails to address the deeper structural underpinnings of the global order - the framework which keeps the South (and South Africa) marginalised; it actually acts to *legitimise* that order, for by indulging in problem-solving activity, Pretoria further reifies the common sense notions surrounding the hegemony of neo-liberalism. By doing so, and by pursuing a foreign policy that remains essentially problem-solving, the GNU

¹⁶ Stephen Gill in Henk Overbeek (ed.), 1993, p. 246.

¹⁷ Noam Chomsky *Profit Over People: Neo-Liberalism and Global Order* New York: Seven Stories Press, 1999, p. 34.

leadership appears to take as a given that 'multilateralism in form is non-hierarchical' (hence the rhetoric from South African policy makers regarding the supposed equality of all within a multilateral setting); yet, 'in reality [this] cloaks and obscures the reality of dominant-subordinate relationships'.¹⁹

Indeed, by raising essentially technical questions (however important these issues may be to the day-to-day life of the country), the South African leadership serves to contribute to making neo-liberalism accepted as the "only" macro-economic framework and development strategy within which they (and by implication, other Southern elites) can work within - and the best option which one can pursue in such a scenario is to work *via* a "tactical" engagement policy to maximise benefits. This essentially self-reinforcing policy has occurred within the context of a globalised international political economy and the concomitant rise to hegemony amongst the transnational elite of the precepts of neo-liberalism.

Not only is this linked to the material benefits that this transnational elite and its class allies can expect to benefit from an acceptance and pursuance of neo-liberalism, it also reflects the development where the elite in all international financial institutions and most multilateral bodies and national administrations earnestly believe that neo-liberalism is the best and only way to promote growth and development (importantly, in that order). As one analyst remarked:

[C]ore interests have supported neo-liberalism not only for material gain but also because there has been a genuine belief that it will lead to development. For peripheral interests (LDCs as well as the "emerging market economies" of central and eastern Europe), consent has been given with conviction that participation in the global marketplace will benefit them.²⁰

This helps account for the acceptance of the broad principles of neo-liberalism within whose framework South Africa proffers up support within the global order. This was seen explicitly in Pretoria's involvement in the second Tokyo International Conference on African Development (TICAD II) which met in Japan in October 1998. Here, elites from African states, multilateral aid agencies, donor countries and corporate representatives met to discuss ways in which African states could

¹⁸ Dot Keet *Globalisation and Regionalisation: Contradictory Tendencies, Counteractive Tactics, or Strategic Possibilities?* Braamfontein: Foundation for Global Dialogue, 1999, p. 10.

¹⁹ Robert Cox 'Introduction' in Robert Cox (ed.) *The New Realism: Perspectives on Multilateralism and World Order* London: Macmillan, 1997, p. xvi.

²⁰ Kelley Lee in Andrew Linklater and J. Macmillan (eds.), 1995, p. 156.

reduce poverty and integrate their markets more successfully into the global economy. At the conference there was an 'expectation that South Africa [would] play a crucial role in shaping the next phase of the Conference that is, deepening of the process and the translation of its broader aims into viable projects'.²¹ These 'broader aims' were stressed by Thabo Mbeki, whose attendance at the Conference underscored the importance Pretoria regarded the agenda to be set by TICAD II. This agenda, supported by Mbeki, included:

The establishment of sound, open macro-economic policies, including liberalised exchange and trade systems and investment regimes; the implementation of economic and structural reform programmes supported by the World Bank and IMF to establish the necessary track records for receiving debt relief, and generally promoting good governance, democracy and respect for human rights and the rule of law.²²

Such prescriptions, agreed to by Mbeki and other leading Southern elites, fits with the dominant orthodoxy. Indeed, this 'fits the project of the World Bank and other donors who would like to see South Africa take the leading role to facilitate collective economic liberalisation across the region by improving conditions for a more active role by private agents'.²³ It is this project that the South African government accepts and endeavours to promote *vis-à-vis* development in Africa and in its broader foreign policy stance.

As has been suggested, much of the GNU's posturing otherwise (largely constricted to essentially positivist-like technical questions on smoothing out problems in the ongoing order) is cast as an attempt to placate critics on the Left who reject this position. This in itself springs from the fact that the post-*apartheid* government's foreign policy reflects the contradictions of the historic compromise that attempts to reconcile labour with business; outwardly-oriented capital with productive domestically-oriented capital; the SACP with the nascent Black bourgeoisie *etc.* All this and more is conducted within the wider framework where neo-liberalism is the hegemonic project. In short, as will be demonstrated in the proceeding chapter, South Africa abides by and promotes the ongoing discourse of neo-liberalist economics and polyarchical politics in its foreign policy.

²¹ *Sunday Independent* (Johannesburg) March 16, 1998.

²² *The Star* (Johannesburg) October 23, 1998.

²³ Fantu Cheru in Stephen Gill (ed.), 1997, p. 239.

At the same time, conscious of the (particularly economic) contradictions that this has for a nation of the South, Pretoria postures a reformist platform by which it aims to ultimately ameliorate the more negative outcomes that neo-liberalism has on developing economies. The ANC elite apparently sees no option but to promote the broader remits of the ongoing project, yet is also spurred on to attempt to promote a less harsher environment for the South to operate in. That this foreign policy is contradictory is self-evident, yet as Schlemmer writes 'if the government had proved anything, it was that it could hold contradictory policies in balance'.²⁴ The rest of this work aims to demonstrate how this is so within the broader conduct of post-*apartheid* South Africa's foreign policy, by examining South Africa's involvement in a variety of multilateral fora.

²⁴ Lawrence Schlemmer cited by *South African Press Agency* (Johannesburg) August 6, 1998.

CHAPTER 4

SOUTH AFRICA'S "BRIDGE-BUILDING" ROLE WITHIN THE GLOBAL ECONOMIC ORDER: ENGAGEMENT WITH MULTILATERAL TRADE BODIES

SECTION I: SOUTH AFRICA AND THE WORLD TRADE ORGANISATION

The creation of the World Trade Organisation (WTO) was the most serious attempt yet to re-structure the international political economy and established what may be viewed as the premier disciplinary agent of global capitalism as it is currently organised *viz.* neo-liberalism. Its founding will have serious implications for all actors in the international political economy. The flexibility and practicality that had marked much of the GATT's regime - and which was cognisant of the difficulties faced by administrations in liberalising their markets - has been removed by the strict institutionalisation of normative principles regarding the functioning of the global economy.²⁵ This enshrining in international law of the hegemonic discourse of neo-liberalism can be viewed as the ultimate playing out *par excellence* of the globalisation thrusts that have animated the world in the last two or more decades and the triumph (for now) of international capital and its transnational agents.

Such institutionalisation of these forces and their interests *as international law* has profound implications for South Africa's elites, grappling as they are with reinserting the state into the world community. How the GNU has reacted to this neo-liberalist watchdog informs the observer a great deal of what are the fundamental contours of *post-apartheid* South Africa's engagement with the international political economy.

²⁵ See Prudence Gordon 'The World Trade Organisation - Throwing the Baby Out with the Bathwater? How Institutionalisation and Increased Regulation Might Undermine Trade Liberalisation', *Australian Journal of International Affairs*, vol. 50, no. 3, 1996.

Origins of the WTO

The formation of the WTO on January 1, 1995 flagged the most comprehensive attempt at reforming international trade in the post-Second World War era. At the same time, it was a reformulation (albeit in an updated form) of what had ultimately been a failed project *i.e.* the International Trade Organisation (ITO) of 1948. Until the WTO's founding, global capitalism had been regulated more or less under the General Agreements on Tariffs and Trade (GATT), a "provisional" body that in itself had been a put together compromise extricated from the failed negotiations surrounding the ITO. GATT had supplied the trading regulations and rules for most of the capitalist world in the period 1948-1994, governing a regime that was witness to prolonged growth rates in global commerce. Yet though seemingly a well-established body, it was originally a provisional agreement and a "temporary" organisation.

This provisionality in GATT's status sprang from the events surrounding the attempts in the 1940s to regulate global trade. As the Second World War was coming to an end, the (capitalist) Allies met at Bretton Woods for discussions on how to fashion the architecture of the post-war economic system. Perhaps at the top of the negotiators' list was the question of international commerce, primarily because tariffs imposed by Washington in 1930 were regarded as being the catalyst to the various trade wars and then recession of the 1930s. In the minds of the negotiators at Bretton Woods, these tariffs were causally linked to the social conditions out of which sprang fascism and which were to eventually lead to world war. The unanimity over this reading of history led to an essential unity in the West grounded in a strategic and structural synthesis. The triumphant position of the military-industrial complex in the United States and the New Deal consensus/compromise formed the foundations for an at first trans-Atlantic and then progressively *global* deployment of a corporate-liberal "concept of control" - a strategic synthesis of locally-based inwardly-looking capital's stress on planning and state intervention at the national level *à la* Keynesianism, and the more

outwardly-oriented, global-in-outlook capital's emphasis on *laissez-faire* internationalism.²⁶

American elites saw the GATT then as a means by which to synthesise the aspirations of two divergent elite fractions, aligning 'elements of the domestic New Deal with a world-wide "Open Door" for US exports and investment'.²⁷ The power and concomitant interests of this last fraction - outwardly-oriented capital (what van der Pijl refers to as "money capital") - has progressively achieved dominance in the post-war years, reconfiguring the global landscape and pushing forward the drive to liberalisation. Indeed, it can be said that the rise of money capital has been the defining moment of the current era, and it is this actuality that has provided the stimulus to the reformulation of the GATT as the WTO (see below).

The GATT's principles and features

Originally, the aims of the Bretton Woods system was to be tripartite in nature. Firstly, to ensure currency stability a fixed exchange rate mechanism (administered by the International Monetary Fund) was to operate. This was a rejection of the *laissez faire* approach to capital flows and reflected the "Butskellite" class compromises that had been achieved in much of the West between 'industrialists, labour leaders, and Keynesian-minded state officials', who preferred a 'more interventionist approach that would make domestic and international finance serve broader political and economic goals'.²⁸ This in itself reflected the 'double movement' aimed at 'the conservation of man and nature as well as productive organisation'.²⁹

Secondly, the International Bank for Reconstruction and Development (the "World Bank") was to promote economic recovery and renewal from the ruins of the world war. Thirdly, a body was to be set up as a specialised agency of the UN that

²⁶ William Carroll 'Restructuring Capital, Organising Consent: Gramsci, Political Economy, and Canada', *Canadian Review of Sociology and Anthropology*, vol. 27, no. 3, August, 1990, p. 396.

²⁷ Kees van der Pijl, 1984, p. 26.

²⁸ Eric Helleiner *States and the Re-emergence of Global Finance: from Bretton Woods to the 1990s* Ithaca: Cornell University Press, 1994, pp. 27-28.

²⁹ Karl Polanyi *The Great Transformation: The Political and Economic Origins of Our Time* Boston: Beacon Press, 1957, p. 132.

was to oversee global trade - the International Trade Organization. Originally, the mandate of the ITO extended beyond the surveillance of global commerce, to include regulations on employment, commodity contracts, prohibitive business customs, international investment, and services - in short, 'to carry out the welfare states' new orthodoxy of regulating national regulations of trade'.³⁰ However, because of problems with the ITO's supposed compatibility with the American constitution - an objection raised by protectionist-inclined elements amongst Washington's elite - the proposed body failed to be ratified by the capitalist hegemon and so the GATT - which had started as a temporary organisation in 1947 as a preparatory body for a future ITO, survived for nearly fifty years - until being superseded by the WTO.

The most important features of GATT (which now also apply to the World Trade Organization) were probably Article I, which asserted the non-discriminatory principle that a GATT member country must offer the same treatment to exports from any other GATT member as the most favourable terms that it offers to any specific member under the customary status of "Most Favoured Nation"; and Article III which granted GATT members the same form of market access and other rights as the domestic (national) producers of any other member state. Other significant measures known as "plurilateral" agreements, that is with voluntary membership, and efforts to reduce tariffs were also an important part of the GATT's ambitions in an attempt at crafting a regime of 'embedded liberalism'.³¹ Most of this was accomplished through a series of multilateral trade rounds. Indeed, until the formation of the WTO global trade liberalisation was driven by this process.

At first, GATT's energies were directed at reducing tariffs and addressing the various protectionist measures left over from the 1930s. Progress was slow and it was not until 1961 that the capitalist trading system was as open as it had been in 1924.³² Only from the 1973 Tokyo Round onwards were non-tariff barriers increasingly important in the negotiations. Tokyo also marked a tentative move towards the liberalisation of agricultural products - though agriculture was to remain divorced from industrial goods.

³⁰ Craig Murphy, 1994, p. 197.

³¹ John Ruggie, 1982.

³² Craig Murphy, 1994, p. 167.

Proponents of the neo-liberalist structures advocated by the WTO have argued that the increasingly liberalised trading regime under GATT facilitated an exponential growth in global commerce - and that the WTO is but a re-negotiated successor to GATT in the era of globalisation. Indeed, the success of GATT is postured as ‘incontestable’³³ However, this interpretation is open to question. It is true that GATT succeeded in implementing successive rounds of tariff cuts which resulted in a reduction in this type of protectionism. However, the major capitalist powers adopted policies of ‘selective intervention and subsidy in support of particular sectors, enterprises or regions within their own domestic economy’, thus undermining the notion that liberalisation was responsible for the growth in global trade.³⁴ Indeed, the action by many Western administrations - selective liberalisation - allowed the state elites to lessen the impact of tariff cuts and permitted them to protect politically sensitive parts of their national economies. Not only would this protect the specific elites situated at the head of such “sensitive” (and usually strategically important) industries; it also allowed the national leadership to posture a protective stance towards those labour constituencies it was shielding.

Such policies worked within the Keynesian and mercantilist frameworks of the post-war consensus that saw “the market” as a discredited form by which to steer macro-economic policy.³⁵ Such a line of thought viewed government interference not as problematic, but as strategically necessary:

[T]his form of protectionism had the advantage that it was not only more flexible but also less conspicuous and thus less likely to attract the attention of foreign competitors or the GATT. In some cases, such as textiles, it was clearly too costly, or politically untenable, to use such means to prevent the decline of major industries in the industrialised West. Yet even then it was possible to devise mechanisms - in the shape of the Multi-Fibre Agreement introduced in the 1960s - which made it possible to slow down the process of decline.

It is thus implausible to suggest that the lowering of tariffs under the GATT acted as a significant stimulus to the rapid growth that occurred.³⁶

³³ World Trade Organisation, ‘Roots: From Havana to Marrakesh’, <http://www.wto.org/about/facts4.htm>

³⁴ Harry Shutt *The Trouble with Capitalism: An Enquiry into the Causes of Global Economic Failure* London: Zed Books, 1998, p. 28.

³⁵ Stephen Gill, 1991, p. 96.

³⁶ Harry Shutt, 1998, p. 28.

This and similar assertions undermine the neo-liberalist mantra-like assertion that liberalisation is the *panacea* to international trade and will lead inexorably to growth. For sure, GATT made favourable the post-war development in global trade, and hence in a roundabout way the substantial rate of expansion, but this was done within the framework of interventionist policies and macro-economic *dirigisme* that were supportive of this growth - *and with recognisable attempts at equity* - that are wholly absent in the current hegemonic discourse centred around liberalisation and appeals to “the market”. Yet it is such assumptions that largely drive the trajectory of the WTO’s normative agenda - an agenda that is ‘the expression of the hegemony of a transnational ruling class united behind a concept of control reflecting the particular configuration of capitalist forces’.³⁷

GATT’s weakening

The late 1960s saw not only an emerging crisis in Fordism and a decline in the competitiveness of American-based productive capital (which spurred the government to devise other forms of protection for sectors facing increased foreign competition), but also the strengthening of the fractional position of money capital. Contradictions within the capitalist polity began to emerge as the consensus surrounding the post-war compromise began to unravel. Whilst mushrooming rates of unemployment and a continual inability to resolve the crisis within the *status quo* framework sparked widespread labour unrest, governments in the capitalist heartland felt compelled to pursue bilateral market-sharing settlements with competitors (thus undermining the multilateralist principles upon which the GATT was ostensibly predicated), and to launch what became a subsidies race in their attempt to retain a grip on their share of agricultural trade. Such a playing out from the structural crisis weakened GATT’s proficiency and credibility.

At the same time, with the discarding of one of the three pillars of Bretton Woods - namely capital controls - money capital was released from its regulation by national central banks and large amounts of (particularly American) capital were transferred to the periphery. The seeds of this went back to 1958 when the convertibility of currencies was restored in Europe with the founding of the EEC.

³⁷ Kees van der Pijl, 1998, p. 5.

This fostered 'capital mobility and growing payments imbalances between the major economies [and] undermined the sustainability of the system of fixed exchange rates', leading to Nixon's unilateral decision.³⁸ By doing so, the New International Division of Labour was formed, undermining the compromise which underpinned the very structure of post-war Atlantic integration.³⁹ Indeed, 'the dramatic expansion in the capacity of capital to move rapidly across national and regional markets [was] intimately linked to the disruption of the Bretton Woods consensus'.⁴⁰ At the same time, the retreat to unilateral behaviour by Washington spurred other parties to pursue their own bilateral or regionalist agreements whilst at the same time increasingly retreating behind protectionist postures of varying degree. This struck at the heart of the GATT - the principle of non-discrimination - and was seen as threatening the very existence of a multilateral regime governing world trade.

This process coincided with a gradual turn in the complexity of the global economy which further undermined the GATT's relevancy, particularly by the early 1980s. Global trade had become far more complex over the previous forty years and the GATT was unable to cope with this development. In particular, the GATT's rules and regulations found itself unable to adjust to the new agenda of global trade centred around trade in services - transport, travel, banking, insurance, telecommunications, transport, consultancy *etc.* This new form of trade went hand-in-hand with the "third wave" of scientific innovation, the trade in ideas and knowledge-intensification, ever-changing technology and innovative goods and services. These processes accelerated structural changes in the global economy. Not that this was teleological. As one analysis puts it:

The words chosen by...standard-bearers of the new globalism would make one think that it is all a natural outcome of inexorable scientific and technological progress. But that is nonsense. Global economic integration is by no means a natural process; it is consciously driven by a single-minded policy. In every agreement and in every piece of new legislation, it has always been the decisions of governments and parliaments which have removed the barriers to cross-border movement of capital and goods.⁴¹

³⁸ Stephen Gill in Yoshikazu Sakamoto (ed.), 1994, p. 175.

³⁹ Kees van der Pijl, 1984, p. xviii.

⁴⁰ Louis Pauly, 1997, p. 32.

⁴¹ Hans-Peter Martin and Harald Schumann, 1997, p. 8.

Nonetheless, the organisational changes that followed the new “intellectual property” of the post-Fordist era meant that the trade in services - not included by the regulations of the GATT - were of considerable interest to more and more state elites. Those particularly in the North ‘resented the fact that [these] newly emerging sectors such as services were left out of GATT and that the latter had little to offer in terms of intellectual property protection’.⁴² At the same time, much of the South saw the failure to include agriculture within the GATT’s remit as an indication that the regime was essentially unfavourable to their developmental aspirations, particularly when loopholes in the multilateral system were heavily exploited by the North and efforts at liberalising agricultural trade were strongly resisted by the developed world.

Such factors and others saw a weakening of GATT and persuaded its members that the very survival of a rules-based multilateral trading regime was at stake. Furthermore, this movement towards a reformulation of the GATT occurred within the context of the neo-liberal counter-revolution - a theme that has already been remarked upon. In short, the agenda behind the Uruguay Round was clearly linked to the scenario where ‘monetarism and supply-side economics [had] claim[ed] succession to [Keynesianism’s] hegemonic aura’.⁴³ Energy was thus channelled into addressing the issues that had undermined the GATT and constructing a revitalised and extended multilateral system which was within the remit and bolstered the neo-liberalist project. These activities led to the Uruguay Round, the Marrakesh Declaration and ultimately, the formation of the WTO.

The Uruguay Round and Marrakesh Declaration

In November 1982 in Geneva a ministerial meeting of GATT members attempted to launch an important new round of negotiations. Though the conference ultimately failed - brought down by the agriculture issue - the work programme that the Geneva meeting had agreed to came to provide the basis of the negotiating agenda for what was to become known as the “Uruguay Round”. Despite this, it took

⁴² ‘Introduction’ in Riccardo Faini and Enzo Grilli (eds.) *Multilateralism and Regionalism After the Uruguay Round* Basingstoke: Macmillan, 1997, p. xiii.

⁴³ Robert Cox ‘The Global Political Economy and Social Choice’ in Robert Cox with Timothy Sinclair, 1997, p. 206.

another four years before the various administrations agreed to launch the new round of negotiations, doing so in September 1986, in Punta del Este, Uruguay. The gathered ministers eventually accepted a negotiating agenda which:

[C]overed virtually every outstanding trade policy issue. The talks were going to extend the trading system into several new areas, notably trade in services and intellectual property, and to reform trade in the sensitive sectors of agriculture and textiles. All the original GATT articles were up for review.⁴⁴

Space precludes an examination of the intricate negotiations that led to the formation of the WTO.⁴⁵ What shall be briefly commented upon are the fundamental principles that the Marrakesh Declaration outlined, and in particular how these will affect the South. Only then can Pretoria's behaviour within and towards the disciplinary body in the context of its post-1994 foreign policy be discussed.

On April 15, 1994 the Marrakesh Declaration was signed, paving the way for the formation of the WTO. From the beginning the Declaration was a compromise that protected the North's agricultural sector - a theme that shall be returned to in our discussion of the Cairns Group. Lobbyists for the European agricultural industry had strongly resisted any deal which posed a threat to their protected position, whilst agricultural producers outside of Europe were very reluctant to sign a deal which did not tackle the reform of the European market and a halt to its non-competitive behaviour. In short, the Declaration was a compromise and in 'instances where the choice was between risking serious conflict and attempting to enforce the letter of GATT disciplines - for example on regional integration or subsidies - the contracting parties generally "blinked"'.⁴⁶ This being said, the WTO put forward a radical and far-reaching agenda for the future regulation of world trade:

Services Previously GATT had primarily focused on the trade in goods. As has been commented upon, this was rapidly superseded in the 1980s by a massive growth in

⁴⁴ World Trade Organisation 'The Uruguay Round', <http://www.wto.org/about/facts5.htm>

⁴⁵ For details and background, see Bernard Hoekman and Michael Kostecki *The Political Economy of the World Trading System: From GATT to WTO* Oxford: Oxford University Press, 1995; Anne Krueger (ed.) *The WTO as an International Organization* Chicago: Chicago University Press, 1998; and Alan Oxley *The Challenge of Free Trade* New York: St. Martin's Press, 1990.

the proportion of world output and trade being situated in services - such as finance, telecommunications, tourism and the media. The Uruguay Round sought to apply the same principles to services trade as applied to goods (such as most favoured nation and non-discrimination). At the heart of the General Agreement on Trade in Services (GATS) was the effective commodification of financial services and the extension of legal obligations to free capital movement, which essentially overrode national economic sovereignty. At the same time, 'the definition of exports [was] extended in the case of services to include production by foreign-owned subsidiaries in the host country. Trade regulation [was] thus...extended for the first time to the internal market regimes of member states'.⁴⁷

Agriculture Terms of the agreement encompassed market access, internal supports and subsidised exports. New regulations on sanitary standards were to be introduced in the North over a six-year period whilst food-importing states were granted ten years. Least developed countries were exempt. This deal, known as the Agreement on Sanitary and Phytosanitary Measures was designed to reduce the ability of states - often heavily influenced by a disproportionately powerful agricultural lobby - to use sanitary standards as a barrier to imports.

As an industry notorious for its amount of non-tariff barriers, these were to undergo a process of "tariffication" *i.e.* to be converted to tariffs. Developed countries were committed to reducing tariffs by 36% over six years, whilst developing countries must reduce them by 24% over ten years (primary staples being exempted). Exceptions remained, but the deal was the first concerted success in liberalising trade in agricultural products.

Yet, the effect of these measure will be uneven throughout the South. The reduction of export subsidies by Europe and the United States will make those countries that also export similar agricultural products (*e.g.* South Africa) more competitive as their costs are cheaper - *their* market share is expected to rise. A study by the OECD-World Bank has estimated that prices for many foodstuffs (wheat, maize, barley, meat and dairy products *etc.*) will rise by up to seven per

⁴⁶ Bernard Hoekman and Michael Kostecki, 1995, p. 8.

⁴⁷ Alan Freeman 'Fixing Up the World? GATT and the World Trade Organisation', *Links*, no. 10, March-July, 1998, p. 82

cent.⁴⁸ Whilst food-exporting countries (such as South Africa) will benefit from this development, net importers - very often the least developed states - will suffer. Certainly, any rise in the cost of food imports will compound the difficulties of the debt-burdened states - those that can least afford such an outcome.

Textiles Under the Multi-Fibre Arrangement of 1961, limitations on the amount of textiles imported into developed countries from the South had acted as effective taxes on the developing world's exports. Under the rubric of the WTO these quotas will be phased out over a period of ten years. This will have a mixed effect on the developing world, for whilst relatively efficient textile producers will be freed from the effective taxes imposed on them by the MFA when exporting to the North (industries in states such as China, Thailand, India and South Africa stand to gain), less efficient textile producers - largely concentrated in Central America and the Caribbean - will lose out unless their productivity is raised.⁴⁹ Of course, how this "competitiveness" is achieved is highly controversial, though usually one of the first casualties is labour as "flexibility" and a lowering of "costs" is high on the agenda. This invariably results in increased job insecurity, the repression of labour rights and the intensification of the exploitation of females.⁵⁰

Furthermore, the phasing out of the quotas on imports from the developing world is slow (ten years) and in that period the scramble in the South to position themselves as the most "competitive" in order to place their exports in the markets of the North is likely to become a "race to the bottom" for the average textile worker in developing countries. This is particularly so in an era where the ability to compete at all costs undermines any residual sympathy the elites in the South may have had for its working class. After all, often 'the [only] competitive advantage which poorer countries have is their poverty' and the ability to produce with minimal labour costs, whilst the elites see investment as the solution to all their problems (as well as a possible source of enrichment *via* "deals").⁵¹ Any labour

⁴⁸ Martin Khor Kok Peng 'The End of the Uruguay Round and Third World Interests', paper published by Third World Network, February 1994.

⁴⁹ Shalendra Sharma 'The World Trade Organisation and Implications for Developing Countries', *SAIS Review*, vol. 17, no. 2, Summer-Fall 1997, p. 66.

⁵⁰ Myriam van der Stichele *Globalisation, Marginalisation and the WTO* Brussels: Transnational Institute, WTO Booklet Series vol. 2, 1997, p. 5.

⁵¹ Oxfam 'World Trade Organisation', Oxfam Briefing Paper for the WTO Ministerial Conference, September 1996.

unrest which threatens this is likely to provoke repression - textile-producing Bangladesh is a classic example of all of these points.

Tariffs Once the Uruguay Round is fully implemented, tariffs on imports of industrial products by the developed world will fall from an average of 6.4% to just 4.0%. Non-tariff barriers - quotas and subsidies - will be converted to tariffs and then progressively eliminated through scheduled reductions.

Trade Related Intellectual Property Rights (TRIPs) Though intellectual property rights had been covered by the 132 member World Intellectual Property Organisation since 1967, the TRIPs proviso went much further and covered patents, copyright and trademarks. Supporters of the provisions were all states located in the developed world and based their argument on the grounds that protection stimulated research and development *i.e.* there is little incentive to engage in research if the new inventions which spring from this process cannot be protected from rival competitors. Hence states that established an effective protection for intellectual property rights were more likely to be recipients of investment from companies anxious about the illicit duplication of their intellectual property.

Opposition to this position was found in the South who saw it as a scheme to perpetuate the advantage the North had over the developing world. The provisions surrounding TRIPs made illegal the trade in products containing any technology less than twenty years old, unless it was in line with the specifications of the current holder of the patent. Virtually all holders of intellectual property rights are situated in the North - only 0.16% of world patents are held by residents of the South.⁵² This fact essentially means that most (patented) technological innovations come from OECD countries, and their ability to withhold this technology - or to set their own price for it - will hamper the efforts of developing economies to grow. As one analyst put it, the WTO's regulations concerning TRIPs transformed

[T]he owner of a technical process a separate legal entity distinct not only from the labourer but also the factory or farm-owner and the original inventor. They transform the ownership and control of technology into a marketable instrument of domination...set[ting] in concrete the principal

⁵² John Mihevc *The Market Tells Them So* London: Zed Books, 1995.

market mechanism that impoverishes the Third World, namely the transfer of technological super-profit through trade.⁵³

In an appeal against what was perceived as the hypocrisy of the North over “free trade” (a position that South Africa has also pursued), opponents of the TRIPs provisions also argued that the WTO’s agenda was based on the reduction of trade barriers and that the rules surrounding intellectual property rights was actually a reversal of this, designed to protect the North from competition from the South. Indeed resistance from the South meant that there could be no agreement on a world-wide limit on the expiry of some intellectual property rights - patents for instance - although the essentially Northern-based pharmaceutical industry was conferred a five year marketing monopoly on new products. Furthermore, states in the South have the ability to delay the complete compliance of the TRIPs agreement for up to ten years.

Trade Related Investment Measures (TRIMS) This agreement lays down the rule that local content and trade-balancing requirements are against GATT national treatment regulations. Six types of TRIMs are prohibited which are seen as attempts to direct or control foreign investment. For the South perhaps one of the most worrisome of these new rulings is that on local content requirements and trade balancing requirements that compel investors to export as much as they import. This will be abolished.⁵⁴ Such new rules profoundly undermines the ability of developing countries to impose conditions on foreign investors. For sure, this prescription is in the interests of transnational corporations who will benefit from the “liberalisation” of the investment procedure, but it is likely to see many small-scale domestic businesses in the South collapse in the face of the arrival of Northern mega-corporations.

In essence, the WTO was founded as one of the main structures of global governance in an increasingly globalised international political economy, forming the third arm of what the G-77 chairman has termed ‘a New Institutional Trinity [whose] specific function [is] to control and dominate the economic relations that commit the developing world’.⁵⁵ This body was granted far-ranging disciplinary

⁵³ Alan Freeman, 1998, p. 82.

⁵⁴ Shalendra Sharma, 1997, p. 67.

⁵⁵ Luis Fernando Jaramillo ‘G-77 Chairman Criticise Uruguay Round Outcome as Against the South’, speech presented in New York, January 1994.

powers that saw its surveillance mission widened beyond that of GATT to encompass sectors previously governed by protectionist policies, such as textiles and agriculture, as well as what has already been referred to as “new” issues - regulation of investment measures, services, intellectual property rights *etc.*

The South and the WTO⁵⁶

During the era when the GATT regime was at its height, developing countries were in a position where they could neutralise the application of the liberalising thrust of the agreements by banding together *via* multilateral bodies such as UNCTAD or the Non-Aligned Movement. The first in particular was set up to promote the South’s interests on the international trade front and thus aid development. Northern dominance of GATT was seen as problematic, though at the height of the NIEO era a number of developing countries engaged with the body during the Tokyo Round and in fact succeeded in obtaining the legalisation of preferential tariff and non-tariff treatment for the South in the form of the Generalised System of Preferences of 1971. Essentially, a two-tiered global system developed where the developing world, after hard and consistent lobbying, was exempted from the requirement to reciprocate in its trade with the North - a tacit recognition of the structural inequalities that the developing world suffered from and a reflection of the broadly *dependenista*-tinged ethos then current amongst those multilateral bodies ostensibly dealing with the South’s problems.

This engagement with GATT was based upon the knowledge that an alternative economic system in the East provided the developing world with a measure of autonomy and political space, and took a fair degree of pressure off of many Southern elites that would otherwise have been applied by the developed world. However, the Uruguay Round occurred at a time of momentous structural change throughout the world and when the Round ended with the Marrakesh Declaration the global landscape had fundamentally altered, drastically undermining if not destroying the (relative) positions of negotiating strength the

⁵⁶ For a comprehensive overview of how the organisation will affect the developing world, see Emma Jones and Paul Whittingham *Understanding the World Trade Organisation: Implications and Possibilities for the South* Braamfontein: Foundation for Global Dialogue, 1998.

South had enjoyed *vis-à-vis* the developed West. The demise of the actually existing socialist states not only removed an alternative market and supplier, it also undermined any *dirigiste* certainties that much of the developing world had clung to.

Thus the reassertion of American-based domination over the Third World (an ongoing project of Reagan); combined with the “lost decade” of chronic debt accumulation, in part worsened by the application of structural adjustment programmes; and all within the overarching context of a global movement rightwards on economic policy at the expense of any redistributionist vision, profoundly altered the global balance of power. This was compounded by the switch in attention (what little there was) away from the South towards the East and the reconstruction of eastern Europe according to liberal precepts, whilst the seemingly exponential growth of east Asia held out the temptation to Southern elites that export-based economies and international trade was the panacea to all their problems.

South solidarity (understandably) largely evaporated in the face of such an onslaught and much of the developing world’s behaviour throughout the Uruguay Rounds (after being inextricably drawn into the process) were essentially rearguard attempts at warding off the more intolerable demands of the North. In essence, much of the South went along with the provisions of the Uruguay Round out of fear of something worse. American willingness to tackle those administrations deemed out of step with prevailing “realities” and “common sense” was a major spur in this direction, particularly as American trade legislation - *e.g.* the 301 Trade Policy - provided for open and highly damaging discrimination against those states who supposedly had a weak intellectual property protection regime - an ‘aggressive unilateralism’ as such behaviour has been termed.⁵⁷

In short, like all other Rounds under GATT the Uruguay Round was marked by compromise, concessions and horse-trading. This was largely (though not exclusively) done amongst the major players - “the Quad” of the United States, Canada, the European Union and Japan - and the South, negotiating from a

⁵⁷ Jagdish Bhagwati and Hugh Patrick (eds.) *Aggressive Unilateralism: America’s 301 Trade Policy and the World Trading System* Ann Arbor: University of Michigan Press, 1990.

position of weakness and concerned at their continued marginalisation, saw little option but to go along with the decisions of the predominant powers such as Europe and the United States. It is true that agricultural producers formed the Cairns Group to push for improved access to the protected markets of the OECD, but it is probably correct in suggesting that for many elites of the South, endorsement for the formation of the WTO centred around fear that failure to do so would stimulate a move by the North to concentrate on regional trading groups *i.e.* NAFTA and the EU - a process which would only contribute to their further marginalisation.

At the same time, many of the elites in the South had accepted much of the precepts of the hegemonic neo-liberalist project and perhaps saw hope in the WTO as a vehicle by which the markets of the North could be truly opened up to competition from the developing world - a process which stood to benefit important fractions of the Southern-based elites (even if the reverse action threatened to impact negatively on the majority). This reflected the change in attitude towards GATT amongst much of the Southern elites. Formerly regarding the body as a “rich man’s club”, many had slowly accepted the “common sense” of neo-liberalism and these elements from ‘the developing countries had become active and constructive participants in the ongoing GATT negotiations’, seeking out the best deals they could for their local elites.⁵⁸ This being so, it is the policy of attempting to get the developed world to fulfil its obligations regarding WTO prescriptions that Pretoria has seemingly adopted regarding its interaction with the body - a subject that shall now be turned to.

South Africa and the WTO

Pretoria’s posture towards the WTO is predicated on the position that ‘capitalism is the only game in town and integration into the world economy *via* an open liberal economy the only path to progress’.⁵⁹ As was detailed in the previous chapter, the GNU has accepted the hegemony of neo-liberalism and the essential tenets and

⁵⁸ Michael Hart ‘The WTO and the Political Economy of Globalisation’, *Journal of World Trade*, vol. 31, no. 5, October 1997, p. 76.

⁵⁹ Meghnad Desai ‘Organising the Only Game in Town’, *World Today*, vol. 52, no. 12, December 1996, p. 310.

constraints of the ongoing order. In particular, the post-*apartheid* government accepts that “investor-friendly” policies are an ostensible precursor to investment capital flows and hence growth of the economy. At the same time however, Pretoria’s foreign policy must balance the desire to appear as attractive as possible to money capital with its commitment to redistributive goals and soothe the concerns of its Leftist partners and constituency. One way it attempts to strike this balance - however contradictory this may actually be - is to adopt a reformist position at various multilateral bodies. This can be seen in evidence when looking at Pretoria’s role in organisations such as UNCTAD and the NAM. Within the WTO South Africa has adopted a tactic that is well within the remit of neo-liberalism. Indeed, it has actually the potential to cause considerable embarrassment to the elites situated in the North. Essentially, South Africa has “turned the table” on the dominant powers in the global economy and highlighted their hypocrisy *vis-à-vis* “free trade” and “liberalisation”.

This policy is based around the rhetoric of the “rules-based” system that the WTO puts forward. Indeed, the Director-General of the Department of Foreign Affairs has suggested that the promotion of such a global regime is a major plank to South Africa’s foreign policy and is integral to the GNU’s pro-growth policies:

[T]he creation of a rules-based international system of interaction between states contributes to our domestic agenda. The setting of international standards and rules, the creation of transparent trading and other systems and ensuring that no single country or group of countries can dominate world affairs...creates an environment within which growth and development can take place.⁶⁰

Within such an international system there are “obligations” that members states must abide by. At the same time, there are “rights” which a member state can expect and it is this flip-side of the rules that Pretoria has attempted to push in its engagement with the organisation. For sure, the GNU accepts that it has obligations stemming from its membership of the WTO and broadly accedes to such prescriptions - Dumisani Kumalo of the Department of Foreign Affairs phrased this

⁶⁰ Jackie Selebi ‘Address by Mr JS Selebi, Director-General of the Department of Foreign Affairs, to the South African Institute of International Affairs’, issued by Media Section, Department of Foreign Affairs, Johannesburg, May 18, 1999.

as South Africa 'assuming the responsibility of taking control of government'.⁶¹ Yet at the same time, it is conscious that the obligations to be undertaken by the developing world are 'all specific, onerous, and couched in mandatory language of "shall"', whilst those that reflect the rights that can be expected from accession to the body 'are couched in the language "should", "could" or "take into account"'.⁶² Attempting to turn such commitments into concrete actualities and promote equal treatment for all is one way the GNU has decided to interact with the WTO - as Mandela remarked:

We are firmly of the belief that the existence of the GATT, and now the World Trade Organisation, as a rules-based system provides a solid foundation on which our deliberations can build in order to improve...

Rules must be applied without fear or favour.⁶³

By putting forward such a position, Pretoria has opened up space for manoeuvrability and has pursued a set of policies that it believes will benefit its local industry - at least that sector which is in a competitive-worthy enough state to export. This is not necessarily in the wider interests of the broader South African population (for such a policy is predicated on the basis of *quid pro quo* by which non-competitive South African industries - essentially productive capital-based and inwardly-looking, face collapse); nor indeed may it be in the interests of the region which is replete with non-competitive industrial sectors.⁶⁴

Nonetheless, the nascent historic bloc has seized on the declamatory statements of the WTO and the aspiration to craft a rules-based multilateral trading system and taken them at their word. This space is possible because unlike the IMF or the World Bank there is no built-in asymmetry of power between the various member states and a country like South Africa has the (theoretical) ability to challenge major global players on their policies - something which could never

⁶¹ Dumisani Kumalo, Director of United States Bilateral Relations, Department of Foreign Affairs, at IDASA centre, Cape Town, March 25, 1999.

⁶² Chakravarthi Raghavan 'The South and the WTO Trade Order: An Overview', Singapore, December 6-8, 1996, gopher://gopher.chasque.apc.org/00...zzz/singapur.zzz/eve.zzz/eve6.zzz

⁶³ Nelson Mandela 'Address by President Mandela on the Occasion of the 50th Anniversary of the General Agreement on Tariffs and Trade (GATT)', Geneva, issued by the Office of the President, May 19, 1998.

⁶⁴ Indeed, President Moi of Kenya has complained that such policies act to only benefit South Africa at the expense of the rest of the wider region - *Cape Times* (Cape Town), May 25, 1999.

happen in the North-dominated Bretton Woods bodies. This can be seen as an advance on the former pre-WTO regime where decision-making was heavily in favour of the major players through their overbearing “trade weight”.⁶⁵

As a result of the more rules-based regulations, it has become possible for a state to force another to comply with the global trade rules as laid out by the WTO. This has been particularly directed against Washington which has had to answer to the disciplinary body over its trading policies towards Argentina and Brazil as well as Massachusetts’ unilateral ban on trade with Burma.⁶⁶ The appeal to the WTO over the Helms-Burton Act is another example where the obligations of the North can be turned against them.

At the same time, South Africa’s engagement with the WTO and its attempts to “de-legitimise” certain actions by the major economic powers over their hypocritical selectivity in adhering to WTO regulations in various issue areas actually serves to *legitimise* the normative order that acts as a framework within which the WTO is situated and regulates. In this, Pretoria is following what has already been referred to as a middlepowermanship role in international affairs: its actions regarding the WTO seemingly demonstrate that the organisation is a rules-based regime from which all can benefit and where even middle-ranking powers from the South can confront and challenge the dominant developed powers.

By doing so, South Africa usefully (for those who subscribe to the neo-liberalist order) undermines the argument that the WTO is serving the agenda purely of the privileged North for it is seen as critically engaging with and on occasion de-legitimising the dominant norms governing the international political economy. Yet, it does so without calling into question the fundamental structure that underpins these norms, nor does it interrogate the global order which keeps most of the South impoverished and dis-empowered. Indeed, cynics might suggest that Pretoria’s engagement with the WTO and its ostensible de-legitimation of specific practices by individual Northern nations actually obfuscates the broader

⁶⁵ Chakravarthi Raghavan *Recolonization: GATT, the Uruguay Round and the Third World* London: Zed Books, 1990, p. 64.

⁶⁶ ‘US Trade: WTO May be Hitting Too Close to Home’, *Inter Press Service*, February 28, 1997.

and more central issues surrounding global inequality that have retreated into the background as the neo-liberal consensus has achieved dominance.

This being so, there are other reasons why the GNU has opted to join and engage with the WTO. Firstly, by doing so it is giving a powerful signal to overseas capital that the new South Africa accepts and plays by the hegemonic “rules of the game” when it comes to macro-economic policy. This is of course directly connected to the move rightwards that the ANC elite performed during and after the transition period - GEAR is complementary to the WTO prescriptions (indeed South African economic policy goes beyond the disciplinary body on some issues).

Secondly, by engaging with the WTO and advocating that its regulations are held applicable to all members *including* the North, the GNU holds up to the world the hypocrisy of much of the rhetoric emanating from the developed world, thus opening up space from which it can operate and exploit. From this South Africa not only gains *kudos* amongst elements in the South for tackling the North, but also furthers its own money capital’s interests as well as its more broader export sector. At the same time, negative aspects of globalisation and unpopular decisions that the GNU imposes on its domestic constituency (particularly organised labour and the Left in general) can be cast as “inevitable” results of South Africa engaging with “the world” *i.e.* the WTO. This last point should not be under-estimated, for as one analyst wrote of the WTO:

[C]ontracting parties...externalis[e] the onus for reform...The imposition of GATT/WTO injunctions...can be a useful way for governments to sell politically unpopular measures to domestic constituencies'.⁶⁷

Sprung from a historical compromise and caught amongst a web of contradictions, this ability to back-pedal on its more progressive posturing prior to GEAR (indeed, prior to taking office) and shifting the culpability onto the constraints of “globalisation” in the form of WTO rules and regulations, is a highly useful device for the GNU in justifying its stance on such issues to its Left-leaning constituency and partners *within* the GNU. As has been suggested, this lies at the heart of much of its foreign policy. This being so, it is important to look at South Africa’s position *vis-à-vis* the WTO.

⁶⁷ Richard Higgott in Andrew Cooper (ed.), 1997, p. 32.

Pretoria's posture regarding the WTO

'South Africa's accession to the 1994 Marrakesh Agreement [was] in some respects a milestone in the country's move away from relatively autonomous industrial policies' and reflected a continuation of a trajectory of deeper integration with the global economy that had begun in the 1980s.⁶⁸ Prior to the elections, a senior representative of the ANC - Kader Asmal - had attended the signing of the Declaration - chaperoned by the then Minister of Trade and Industry Derek Keys (subsequently to be retained by the GNU as Trade Minister). As an ironic aside, under GATT the international sanctions that had operated against *apartheid* South Africa (and which Asmal had been a prominent campaigner for) had actually been illegal under the GATT rules and this "apolitical" regulation had been further institutionalised and made compulsory with the new Declaration.

Like the rest of the South, Pretoria was largely on the defensive at the actual negotiations. This posture was compounded by the fact that the process was taking place at a time of flux in the domestic polity in South Africa and negotiators who did attend from Pretoria had no mandate to negotiate from. This not only prevented South Africa from joining international alliances such as the Cairns Group to promote the interests of South African producers, it also caused a great deal of tension and anger amongst the liberation forces who 'voiced their own criticisms of the fact that the *apartheid* government was committing a future democratic government to a major long-term trade reform, without any process of consultation'.⁶⁹ As a result of this controversy the National Economic Forum took over the responsibility for negotiating South Africa's offer to GATT.

Whilst representatives of the ANC were informally represented, the body was dominated by the National Party, its bureaucrats and sectors of big business and monopoly capital. Indeed the Forum did not have the ability to develop a coherent offer to GATT and so the "technical" details were left to the various government

⁶⁸ Jonathan Katzenellenbogen 'The Search for Competitive Advantage', *South African Yearbook of International Affairs*, 1996, p. 198.

⁶⁹ Alan Hirsch 'From the GATT to the WTO: The Global Trade Regime and Its Implications for South Africa', *South Africa in the Global Economy* Johannesburg: South Africa Institute of International Affairs, 1995, p. 50.

departments to deal with and formulate policies. During the transition the ANC was hamstrung by its weakness in not having a well developed technical team that could argue the case for more progressive macro-economic policies. It is not hard to see the drive to accede to the Uruguay Round by the South African government - literally in its last days in office - to bind the new administration post-elections to the neo-liberalist restrictions that membership of the WTO would bring into force on South Africa. Involving the NEF then was an astute move by the incumbent party in power to cast legitimacy over the process of "locking in" the government-to-be to the neo-liberalist agenda. Indeed, one analysis asserted that 'Minister Derek Keys enthusiastically supported the role of the NEF in the process [of negotiating Pretoria's membership of the WTO] as he understood that it would bind a future government to the GATT reforms',⁷⁰ whilst a business press source gratifyingly remarked that:

The importance of [the NEF] reaching agreement on the GATT proposals...is that the post-general election government [will be] effectively tied into following policies that focus on macro-economic stability for the next few years - or face the threat of international isolation.⁷¹

This of course is not to say that the ANC was totally hostile to the events surrounding Pretoria's accession to the WTO. Asmal's attendance at the Marrakesh Declaration and Mandela's lending of support on Pretoria's position on clothing and textile tariff liberalisation indicates that the elites within the liberation organisation were not wholly antipathetic to the Uruguay Round and were by this point resigned to the open manifestation of the globalisation process but at the same time seeking out what they thought was the best deal for their future administration.

As one of the last acts of the National Party regime, Derek Keys committed South Africa to bring its highest tariff down to a maximum 30% over five years, excepting the politically sensitive *i.e.* heavily unionised and labour-intensive industries (accounting for nearly 20% of the total manufacturing employment in 1993) such as clothing, textiles and the motor industry. These have been granted between eight to twelve-years phasing in periods. Tariff lines were to raise from the then figure of about 55% to around 98% to be covered by GATT - restricting heavily Pretoria's ability to raise tariffs as a mechanism to defend industries under threat.

⁷⁰ *Ibid.*, p. 51.

At the same time, Pretoria committed itself to removing the General Export Incentive Scheme (which it did so in July 1997) by which South African exporters were given quite considerable rebates on the total export value. Furthermore, Pretoria agree to the SPS Measures; reduce its subsidies to agriculture by 21% in quantity terms and 36% in outlay terms per product; and reduce its domestic support for agriculture by R 0.4 billion.

The agreed reforms *vis-à-vis* South African agriculture were, as one analyst put it 'not consciously structured with developmental objectives in mind',⁷² and indeed reflected the concerns and agendas of a highly developed White-dominated economic sector that had enjoyed years of protective subsidies and support (and cheap labour) until it had become one of the leading - and most "competitive" - exporters of agricultural products (though hindered by the anti-*apartheid* boycotts and sanctions). As a result of this and other features of the South African economy, Pretoria acceded to the Uruguay Round negotiations as a *developed* nation and agreed to reduce the highest tariffs by 60%, eliminate all tariffs that were under 5% and cut all subsidies by the stipulated amount for developed states.

South Africa's position regarding the WTO has been in support of its broad prescriptions - essentially an endorsement of the neo-liberalist themes that underpin the body - whilst pressing for full adherence to the idea of a rules-based regime. As the Deputy Director of multilateral trade relations for the South African government asserted, 'the WTO needs to address the issue of implementation...Agreements should facilitate rather than penalise developing countries for bringing down trade barriers'.⁷³ Indeed, the reluctance of the North to fulfil their obligations undermines the credibility of the organisation and Pretoria has sought to avoid this by highlighting wherever relevant the double standards practised by the developed world. But as has been pointed out, this is not to delegitimise the neo-liberalist WTO, but rather to reinforce its prescriptions by calling for an adherence to its rules-based principles and to balance "free trade" with "fair trade". This policy and the general posture towards the WTO was particularly

⁷¹ *Finance Week* March 10-16, 1994.

⁷² Alan Hirsch, 1995, p. 52.

⁷³ Xavier Carim, Deputy Director of Multilateral Trade Relations, Department of Trade and Industry quoted in *Financial Mail* May 15, 1998.

highlighted at the summit in May 1998 to celebrate the fiftieth anniversary of the GATT.

Significantly, amongst African nations only South Africa and the French client state of Côte d'Ivoire sent delegates to the summit in Geneva - all the other states on the continent boycotted the event. From the start, President Mandela predicated Pretoria's policies towards the WTO with the largely uncritical position that 'all had to acknowledge that integration of the global economy was inevitable and had to be accepted' for 'what happens in Switzerland affects South Africa the same day - it's a process we have to accept and adjust to'.⁷⁴ Such comments were very much in line with the messages emanating from the leaders of the North - Clinton stating that 'globalisation is not a policy choice - it is a fact', whilst Blair asserted that the 'irreversible and irresistible trend' towards free trade was unstoppable.⁷⁵

This seeming accession to the discourse of globalisation was however balanced by the desire to play a mediating role between North and South, but one which was essentially tilted in favour of the transnational elites. As a state classified by the WTO as developed but chairing UNCTAD, this mediating position was perhaps to be expected. For example, 'SA trade diplomats in Pretoria and Geneva [said] that SA occupie[d] the "middle ground"' on the question of starting a so-called "millennium round" of trade discussions (as demanded by the EU) that aimed to abolish all remaining tariffs and trade barriers in an instance.⁷⁶ South Africa's position on this was that it was 'sympathetic to the view that there are built-in obligations to continue negotiations' regarding further liberalisation, but that 'the process should be slowed down'.⁷⁷

Whilst this position recognised the difficulties faced by many in the South to further liberalisation, Mandela's comments that the developing world must 'precisely define those areas that are obstacles to their progress in the world trading system' and that 'there can be no refusal to discuss matters such as labour standards, social issues and the environment' indicated that as far as the GNU was

⁷⁴ *Cape Times* (Cape Town) May 20, 1998.

⁷⁵ *Business Day* (Johannesburg) May 19, 1998.

⁷⁶ *Financial Mail* May 15, 1998.

concerned, there were no areas in the domestic polity that could/should rely on protection from national government - a line way in advance of most Southern states.⁷⁸ Whilst Mandela did qualify this statement with an appeal to the WTO to recognise the South's difficulties, Pretoria's strategic position as a "bridge-builder" and leader of the African group of WTO members held out huge repercussions for the continent as 'if SA agrees to the millennium round, it's difficult to see how other African countries could oppose the move'.⁷⁹

That the GNU accepted the hegemonic discourse of neo-liberalism was thrown into sharp relief at the Geneva summit - indeed, discussion of liberalisation was off South Africa's agenda, with Mandela saying that free market access 'should no longer be the issue debated. It is the practical effects of implementing this that need to be incorporated into the multilateral system'. Indeed, South Africa's essentially technical intervention on how to improve the WTO's functioning fitted very much into the middlepowermanship role that it plays within multilateral organisations, with Mandela arguing that improvements in the rule-based system was desirable as it was 'imperative that we build confidence in the system'.⁸⁰ The South African business press has been supportive of this policy, arguing that 'the WTO system is a marked improvement' on GATT, and that 'under the new system, resolutions are binding' - a development that is in the interests of local externally-oriented capital.⁸¹

This positive engagement with the WTO and appealing to its rules-based regime and attempting to bind the major powers to their commitments, 'engaging globalisation and extracting benefits' as Mbeki has called it, can be graphically seen in Pretoria's enthusiastic referral to the organisation on matters relating to anti-dumping, which has become the most common trade defence remedy available to state administrations.⁸² Since South Africa began to partake in beginning anti-

⁷⁷ Xavier Carim, Deputy Director of Multilateral Trade Relations, Department of Trade and Industry quoted in *ibid.*

⁷⁸ *Inter-Press Service* 'Mandela Tells WTO to Bridge North-South Gap', http://oneworld.org/ips2/may98/16_46_063

⁷⁹ *Financial Mail* May 15, 1998.

⁸⁰ Nelson Mandela 'Address by President Mandela on the Occasion of the 50th Anniversary of the General Agreement on Tariffs and Trade (GATT)', Geneva, issued by the Office of the President, May 19, 1998.

⁸¹ *Business Day* (Johannesburg) May 19, 1998.

⁸² *The Sowetan* (Johannesburg) May 19, 1999.

dumping measures in 1994, Pretoria has been consistently amongst the most regular initiators of dumping cases at the WTO:

Figure 3: Main initiators of anti-dumping cases⁸³

1994		1995		1996		1997		1998	
State	Cases	State	Cases	State	Cases	State	Cases	State	Cases
US	48	EU	33	SA	33	Austral	42	SA	41
EU	43	Arg.	27	EU	25	EU	41	US	34
Mexico	22	SA	16	Arg./ US	22 (each)	SA	23	India	30
Turkey	21	US	14	India	21	USA	16	EU	22
Arg.	17	Canada	11	Brazil	18	ROK	15	Brazil	16
SA	16	NZ	10	Austral	17	Arg.	14	Austral	13
Austral	15	India	6	ROK	13	Canada	14	Mexico	10
Brazil	9	Austral	5	Indon.	9	India	13	Canada	8

Such figures illustrate that South Africa (and other Southern states) are enthusiastically engaging the WTO's precepts to confront trade dumpers. The ability to do so under the rules-based WTO shows that there has been a re-appraisal of the usefulness of anti-dumping measures by countries in the South. Traditionally, anti-dumping measures were viewed by developing nations as a form of disguised protectionism, arguing that it permitted developed economies to discriminate against their cheaper imports.⁸⁴ However, the regulations of the WTO have allowed those elites based in the South - who are willing to engage with and use the WTO's mechanisms - to apply them to their rich trading partners.

⁸³ Figures 1994-97 adapted from: WTO Secretariat, Rules Division Antidumping Measures Database, cited in Jorge Miranda, Raúl Torres and Mario Ruiz 'The International Use of Antidumping: 1987-1997', *Journal of World Trade*, vol. 32, no. 5, October 1998; figures for 1998 cited in *Financial Times* (London) May 6, 1999.

⁸⁴ *Financial Times* (London) May 6, 1999.

This in itself reflects the changes that have occurred within the global economy and in particular mirrors the dominant ideology that is an integral part of the ongoing order. As one analyst wrote, 'the history of the developing countries in the world trading system reveals initial hostility to a regime that was controlled by advanced and industrialised countries. However it is obvious that the developing countries' attitudes [have changed]'.⁸⁵ This attitudinal change has coincided with the rise to hegemony amongst the transnationalised elites of the neo-liberalist discourse, and the discrediting of *dirigiste* projects.

At the same time, it provides these self-same elites with a "safety-valve" by which they can protect (or attempt to) domestic industries against unfair foreign competition.⁸⁶ With tariffs largely being taken away, anti-dumping measures can provide a degree of protection. Even if initiated cases are unsuccessful, by launching them an administration that is in the process of opening up its markets can posture itself as having the welfare of domestic interests at heart and be seen to act in its interests - even if the reality is somewhat different and policy is being driven by more externally-oriented elite fractions. This, and the policy of advancing a rules-based global regime, may account for Pretoria's enthusiastic engagement of anti-dumping regulations.

This being so, Mandela's speech at the WTO anniversary summit was indicative of a posture that sought to promote the WTO regime (a regime built upon firm neo-liberalist foundations) whilst also putting forward propositions that would aid developing countries to cope with the liberalising agenda of the organisation. By doing so, South Africa pursues a bridge-building role aimed at developing "confidence" in the system, a tactic designed at ultimately strengthening the WTO but along lines that would benefit those elites in the South who stand to gain from a more reciprocal rules-based trading regime that outlawed unilateral behaviour from the North - a scenario where only the developing world would suffer. This role has been criticised by analysts for 'supporting free trade while at the same time insisting that [South Africa] must attempt to change the rules of the system in a non-confrontational manner [and within the neo-liberalist discourse] amounts to a

⁸⁵ Kofi Oteng Kufour 'The Developing Countries and the Shaping of GATT/WTO Antidumping Law', *Journal of World Trade*, vol. 32, no. 6, December 1998, p. 194.

⁸⁶ *Sunday Times* (Johannesburg) November 8, 1998.

one-way traffic bridge. It accepts that the end of history, or for that matter ideology, has indeed been reached'.⁸⁷

At the same time, the GNU also attempts to balance the diverse pressures being exerted on it - on the one hand being seen to concur with the neo-liberalist agenda demanded by powerful externally-oriented capital; and on the other posturing an ostensibly Southern-oriented position that sought to ameliorate the more negative effects of globalisation and the demands put on the domestic polity by the rules and regulations of the WTO. By doing so, criticism from labour and the Left could be deflected (though most analysts agree that the newly regularised trading regime 'could create exciting possibilities for the big SA clients').⁸⁸ It is this contradictory behaviour - stemming from the historic compromise - that has marked South African foreign policy and which can be witnessed in Pretoria's role in other multilateral bodies, such as the Cairns Group of agricultural nations - a group closely linked to the ongoing process of liberalisation motored in part by the WTO.

⁸⁷ Lisa Thompson and Anthony Leysens, 1996, p. 9.

⁸⁸ *Financial Mail* (Johannesburg) December 19, 1997.

SECTION II: SOUTH AFRICA AND THE CAIRNS GROUP

The Cairns Group was established in 1986 by a group of medium-sized agricultural exporting countries to pursue common agricultural trade objectives in the Uruguay Round.⁸⁹ It currently has fifteen member states (Australia, Argentina, Brazil, Canada, Chile, Colombia, Fiji, Indonesia, Malaysia, New Zealand, Paraguay, the Philippines, South Africa, Thailand and Uruguay), and has developed into a successful example of a bridge-building coalition between developed and developing nations. Its formation was as a response to the failure to successfully include agriculture into the GATT regime and sprang from the desire of food exporters to open up the markets of the United States and Europe and push for greater liberalisation in cross-border trade. This in itself was derivative of the special treatment afforded to agriculture for most of the GATT's tenure, for 'it ha[d] always been accepted that international rules governing agricultural trade had to be different from those applied to manufactures'.⁹⁰

Such exceptional treatment recognised that agriculture was not only subject to weather conditions but also was politically and socially sensitive. Combined with strong and well-organised lobbies that served specific interests - the 'sacred cows and hot potatoes' of agriculture as it was once put - various exceptions were made to accommodate the agribusiness' demands.⁹¹ These included: price supports on grains and dairy products; subsidies being granted special treatment (even on exports), whilst tariffs on imports were permitted as part of domestic support programmes or for the elimination of surpluses in domestic production; preferential loans; and research and development assistance. Though the intentions were different, this led to 'countries [being] able to justify all sorts of protectionist barriers'.⁹² In short, agriculture remained until well into the 1990s one of the (very) few sectors that had weathered the storm of the neo-liberalist counter-revolution

⁸⁹ Agriculture and Agri-Food Canada 'Trade Topics: The Cairns Group' - <http://www.agr.ca/misb/itpd/tt12.html>

⁹⁰ Diana Tussie 'Holding the Balance: The Cairns Group in the Uruguay Round' in Diana Tussie and David Glover (eds.) *The Developing Countries in World Trade: Policies and Bargaining Strategies* Boulder: Lynne Rienner, 1993, p. 181.

⁹¹ William Browne, Jerry Skees, Louis Swanson, Paul Thompson and Laurian *Sacred Cows and Hot Potatoes: Agrarian Myths in Agricultural Policy* Boulder: Westview Press, 1992.

and remained predicated upon non-liberal principles of domestic intervention - a left-over from the original GATT trading regime.

Such provisions of domestic interference *vis-à-vis* agro-industry (in essence carry-overs from the protectionist tendencies of the 1930s) had at the time of introduction largely suited the interests of American agriculture, who were able to make huge profits exporting food to war-ravaged Europe. But, as the political economy of agriculture developed and the competitive advantage of American farmers declined in comparison to the heavily-subsidised European farming industry (who had become significant exporters of food by the 1970s) demands for “liberalisation” increasingly became heard. This became particularly acute as a “farm war” broke out between Washington and Brussels, with as much as two-thirds of Europe’s budget going towards supporting the farming industry *via* the Common Agricultural Policy (CAP), whilst American agricultural trade went into deficit.⁹³ ‘With its market share eroded and its access to the EC severely restricted, the United States turned into a forceful advocate of agricultural liberalisation’.⁹⁴

Such a scenario of course must be contextualised within the ongoing process of globalisation and the mounting pressure at a structural level to relinquish protectionist and interventionist policies in favour of market-oriented neo-liberal programmes. At this stage, the neo-liberalist counter-revolution was reaching into even the formerly hallowed and protected agricultural sectors. Indeed, as one analysis described this movement:

[D]uring the 1980s and 1990s, the premises of embedded liberalism, and the appropriateness of excluding sectors like agriculture from market-based rules and disciplines [were] challenged...A neo-liberal reformulation of economic policy...gained further momentum from domestic budget deficits, fuelled in part by the cost of the social adjustment component of embedded liberalism. In short, whether promoted by international trade agreements requiring the alignment of domestic and foreign economic policies along neo-liberal lines, or the structural imperative to reduce government expenditures, or the ideological preferences for deregulated markets,

⁹² Diana Tussie in Diana Tussie and David Glover (eds.), 1993, p. 182.

⁹³ See Robert Wolfe *Farm Wars: The Political Economy of Agriculture and the International Trade Regime* New York: St. Martin’s Press, 1998.

⁹⁴ Diana Tussie in Diana Tussie and David Glover (eds.), 1993, p. 182.

governments [took] increasing aim at changing policies that rest[ed] upon ideas opposed to neo-liberal principles.⁹⁵

However, changes in the global market conditions for agriculture and the rise of neo-liberalism as the hegemonic economic ideology do not explain completely why the demand for liberalisation of agriculture arose. It was in fact a combination of the restructuring of the international political economy to reflect the interests of a particular transnational configuration of social and industrial forces (and the concomitant push towards neo-liberalism globally), with changes in the domestic milieu *vis-à-vis* agricultural production. This scenario then played itself out at the international level first with protectionist measures to support American farmers and then with the rise in interest for trade liberalisation - a device aimed primarily at European competitors (though the call was shared by third party producers being damaged by the farm wars).

Fundamentally the subsidy programme *via* CAP resulted in the capture of an increased and rising share of the agricultural export market by the European agricultural industry and a concomitant decline in the American industry's share. Domestic pressures by the powerful American farming lobby then saw the rapid rise in protectionist policies and a massive rise in farm support policies, even whilst food prices in general were falling - creating huge pressure on the American Treasury. At the same time, such policies (both in America and the EU) increasingly damaged third parties elsewhere, and in particular in the developing world where the proportion of GDP accounted for by agriculture was much higher than in the developed world.⁹⁶ Thus a number of countries who felt vulnerable to such a scenario, as well as other more developed states with important agricultural industries, joined together in an attempt to change the ongoing negative situation *vis-à-vis* the global agricultural regime.

In short, middle-ranking powers which possessed strong export-oriented agricultural industries and shared the normative principles of neo-liberalism were at the forefront of pushing the liberalisation for the agribusiness, and came to form the Cairns Group. Essentially, they saw it as of the utmost urgency to push Europe

⁹⁵ William Coleman and Grace Skogstad 'Neo-Liberalism, Policy Networks, and Policy Change: Agricultural Policy Reform in Australia and Canada', *Australian Journal of Political Science*, vol. 30, no. 2, July 1995, p. 243.

out of its CAP-based agricultural regime and at the same time persuade Washington to desist from retaliating with similar measures that damaged not only European farmers but all other agricultural exporters.

In general, the Cairns Group's 'primary goal in its effort to dismantle protectionism [was] to overhaul the CAP', as it was export subsidisation that threatened the ability of Cairns farmers to compete on the global market.⁹⁷ At the same time, the formation of the Group was a recognition that the growing polarisation between Europe and Washington over agriculture not only damaged third party interests - specifically those agricultural countries caught in the middle - but also threatened to undermine the multilateral principles behind the GATT regime, particularly if a subsidies war was to spill over into tit-for-tat unilateral measures introduced with little regard for their overall consequences to the international political economy.

As states which had important sectors under threat from such a scenario, the Cairns members saw themselves as possessing the potential to act as bridge-builders and 'reduce the degree of polarisation between the two principal protagonists'.⁹⁸ Furthermore, the initiative was aimed at restoring a measure of multilateralism into an issue area that for years had been the realm of deals cut between Europe and Washington, often at the expense of other interested - but excluded - parties. As middle-ranking powers with a stake in the smooth running of the global economy (predicated as it was on neo-liberalist principles), the Cairns members postured a role 'of restraining and modifying the behaviour of larger, more powerful actors through the strengthening of order in the world economy'.⁹⁹

This then was the agenda behind the Cairns Group and as a lobby group uniting both developed and developing nations it was essentially successful. Certainly, and in contrast to the position of Wolfe,¹⁰⁰ 'it was largely as a result of the Group's efforts that a framework for reform in farm products trade was

⁹⁶ Robert Wolfe, 1998, p. 76.

⁹⁷ William Coleman and Grace Skogstad, 1995, p. 184.

⁹⁸ Rohinton Medhora 'Emerging Issues in International Trade Relations: Some Research Directions', <http://www.idrc.ca/tec/emerging.html>

⁹⁹ Richard Higgott and Andrew Cooper 'Middle Power Leadership and Coalition Building: Australia, the Cairns Group, and the Uruguay Round of Trade Negotiations', *International Organization*, vol. 44, no. 4, Autumn, 1990, p. 600

¹⁰⁰ See comments in Robert Wolfe, 1998, p. 91.

established in the Uruguay Round and agriculture was for the first time subject to trade liberalising rules (set out in the WTO Agreement on Agriculture).¹⁰¹ With their combined bargaining power the Group simply 'refused to accede to US demands for the liberalisation of services, in which they had relatively little interest, unless...reductions [on protectionist measures in the agricultural sector] were forthcoming'.¹⁰² After initial deadlock, this policy served to lubricate the movement towards addressing agricultural issues during the Uruguay Round.

This is not to say that there were tensions within the Group - certainly Canada's posture was somewhat ambiguous, whilst the heterogeneity of the various members position in the global economy, as well as their diverse ideological predispositions (though it would be accurate to say that all shared the basic assumption regarding liberalist economic policies) meant that there was a limited natural "like-mindedness" beyond that of liberalising agricultural trade.¹⁰³ Yet, as Cooper points out:

What induced a feeling of solidarity among the Cairns Group was their common vulnerability in the international political economy. All of the members had suffered considerable damage from both the CAP and the EC's export restitution policy on the one side, and the United State's "fight fire with fire" responses on the other.¹⁰⁴

Under Australian leadership - a crucial ingredient in stimulating Cairns formation and direction - the Group acted largely collectively, projecting a combined influence and hence greater impact on the agriculture negotiations than any individual member states would have had acting alone. Indeed, together the Group accounted for around twenty per cent of global agricultural exports. Originally, Australia had attended an informal summit in Uruguay with Argentina, Brazil, New Zealand and Uruguay as part of a "Southern Hemisphere Temperate Zone Agricultural Producers" group in April 1986. At the same time, Canberra was establishing linkages with Thailand. This preliminary work led to the first meeting at Cairns in

¹⁰¹ Australian Department of Foreign Affairs and Trade, 'The Cairns Group: Fact Sheet' - http://orpheus.dfat.gov.au/trade/negotiations/cairns_group/cairns_fs.html

¹⁰² John Odell and Barry Eichengreen 'The United States, the ITO, and the WTO: Agent Slack and Presidential Leadership' in Anne Krueger (ed.), 1998, p. 188.

¹⁰³ For a discussion of what is meant by "like-mindedness", see Andrew Cooper 'Like-minded Nations and Contrasting Diplomatic Styles: Australian and Canadian Approaches to Agricultural Trade', *Canadian Journal of Political Science*, vol. 25, no. 2, June 1992.

¹⁰⁴ Andrew Cooper *In Between Countries - Australia, Canada and the Search for Order in Agricultural Trade* Montreal: McGill-Queen's University Press, 1997, p. 116.

Australia in August 1986 where fourteen delegations issued a declaration for the forthcoming Uruguay Round of GATT.

This meeting in Australia 'accomplished a great deal, including the identification of principles *vis-à-vis* free trade in agriculture and the establishment of an informal working relationship among the members of the group'.¹⁰⁵ At the heart of this - and which ties to much of Pretoria's own position (hence explaining why South Africa was to later join the Group) - was the commitment to a rules-based global regime, founded around the (sensitive) application of liberalisation to all. As Australia's Deputy Secretary of Foreign Affairs and Trade was to later assert, the Group supported the notion that:

The most effective way of breaking down trade barriers is through multilateral trade negotiations conducted under the auspices of the World Trade Organisation.

The WTO provides not only a framework for conducting negotiations, but also contains a broad-based set of rules governing world trade. These rules set out the rights and obligations of members, which are designed to ensure a non-discriminatory international trading system.

While the WTO is not perfect, there is increasing recognition that the world needs a rules-based trading system for the stability and confidence which it engenders and because it helps smaller countries achieve fairer outcomes.¹⁰⁶

This platform aims to accompany the neo-liberalist counter-revolution and the continuing moment of globalisation, whilst providing regulatory safeguards that aim to soften the impact of liberalisation and ease national economies into the international political economy. At strategic junctures the call for free and fair trade, based on an established rules-based order serve to de-legitimise and embarrass the major global players, who may be tempted to encourage such a process abroad (thus serving the interests of their powerful transnational fractions) whilst protecting economically vulnerable but politically powerful domestic constituencies who are unable to compete in a fully liberalised environment. Such a position turns the rhetoric of liberalisation emanating from the capitalist heartland against itself and acts to compel Washington and London to follow through on their neo-liberalist pronouncements or be exposed as hypocrites.

¹⁰⁵ *Ibid.*, p. 120.

¹⁰⁶ David Spencer, Deputy Secretary, Australian Department of Foreign Affairs and Trade, 'The Cairns Group and WTO Negotiations' - <http://www.agribusiness.asn.au/New...nts/congress97-98/sessions3DFAT.htm>

Indeed, this should not be under-estimated - as one analysts remarked, the Cairns Group 'succeeded in embarrassing both the European Community and the United States into serious negotiations on farm talks'.¹⁰⁷

It is this actuality that influences many states - such as South Africa - to pursue Cairns-like policies *vis-à-vis* global trade. This is further propelled by the Cairns Group's willingness to put forward a position that recognised the "special and different" treatment for developing countries regarding their agricultural economies. Indeed, the concession by Australia in 1987 to support the principle that the special interests of the developing nations would be upheld 'cemented the support of the developing countries for the Cairns Group'.¹⁰⁸ This position by Cairns members of "sensitivity" to Southern difficulties and the amelioration of the negative effects of globalisation - a particular feature of Pretoria's foreign policy - is a conscious attempt by developing states' elites to balance such interests with the demands of important constituencies to the Left which must be taken into account for politically pragmatic reasons.

Yet ultimately, engagement in Cairns is in the interests of large exporters capable of competing on the international market (and those consumers who can afford to buy imported products). This may not necessarily coincide with the concerns of lesser farming communities who have to bear the brunt of open markets and competition with agro-industry. Free market competition is seen as a way to 'force them [subsistence farmers] out and make them realise that they have to have knowledge of the market in order to operate'. After all, 'if you don't force people into productive enterprises, they'll just keep producing normal, even non-profitable, products. To whose advantage is it to support subsistence farmers? It's anti-consumer'.¹⁰⁹

The liberalisation project advanced by the Cairns Group may well serve the interests of exporters - and the South African industry is particularly well-placed in this regard. However, those who cannot compete (for a variety of reasons) may well likely suffer. Though the South African government has expressed a desire to

¹⁰⁷ *Journal of Commerce*, May 27, 1987, p. 10.

¹⁰⁸ Andrew Cooper, 1997, p. 123.

¹⁰⁹ Interview with Ezra Steenkamp, Assistant Director of Trade Policy, National Department of Agriculture, Pretoria, July 8, 1999.

protect the interests of smaller farmers and has committed itself to the upliftment of the rural poor, the Cairns Group agenda is more in line with the externally-oriented fractions of South African society, rather than the smaller farmers - “uncompetitive” though they may be through a variety of historical reasons.¹¹⁰

This being so, with the finalisation of the Uruguay Round and as a result of the pressure subjected by the Cairns Group, agriculture was included within the liberalising project of the GATT.¹¹¹ The Group’s role was of great import for as one analyst noted, ‘the United States opened the road; Cairns provided the fuel for the journey’.¹¹² Agricultural subsidies were agreed to be capped whilst a number of quantitative restrictions were converted through tariffication; other non-tariff measures such as lengthy quarantines rules were regularised under the Agreement on Sanitary and Phytosanitary Measures. At the same time, the Uruguay Round admitted that the reform of agriculture still needed to go further and so ordered a further set of multilateral negotiations to begin at the end of 1999, all within the ambit of new ‘rules of the game [to include] agriculture under market conditions’.¹¹³ This will bring further benefits to fractions within the Cairns Group.¹¹⁴ Such negotiations will push for extra reductions to agricultural support and move to shut off any perceived loopholes in the 1994 agreements that act to undermine freer trade in agriculture.

Post-Uruguay Round, the Cairns Group has continued its drive for the “full and fair” implementation of the WTO agreements on agriculture and fulfils a “watchdog role”, looking at generic issues and not specific country issues.¹¹⁵ For example, the Group has strongly backed the working of the Committee on

¹¹⁰ For a brief overview of such reasons, and a positioning of agriculture within the wider South African society, see Jan Groenewald ‘Agriculture: Its Role in the Economic and Social Life of South Africa’ in Johan van Rooyen, Jan Groenewald, Simphiwe Ngqangweni and Tamas Fenyés (eds.) *Agricultural Policy Reform in South Africa* Cape Town: Africa Institute for Policy Analysis and Economic Integration, 1999.

¹¹¹ Rod Tyers ‘The Cairns Group and the Uruguay Round of International Trade Negotiations’, *Australian Economic Review*, no. 101, January-March 1993.

¹¹² Diana Tussie in Diana Tussie and David Glover (eds.), 1993, p. 201.

¹¹³ Nestor Stancanelli, the Argentinean Ambassador to Australia, quoted in ‘The Millennium Round, Agricultural Reform and the Cairns Group’ - <http://www.mecon.ar/cabinet/update/number7/mileing.htm>

¹¹⁴ See Kym Anderson ‘Agricultural Competitiveness After the Uruguay Round’, *Review of Marketing and Agricultural Economics*, vol. 63, no. 3, December 1995.

¹¹⁵ Interview with Ezra Steenkamp, Assistant Director of Trade Policy, National Department of Agriculture, Pretoria, July 8, 1999.

Agriculture and the Committee on Sanitary and Phytosanitary Measures, and reacted to the 'lack of political will by the developed countries to implement the provisions of the...agriculture treaties', as evidenced at the WTO's Singapore summit in 1996.¹¹⁶ Indeed, one of its members - Ambassador Danai from Thailand - was actually appointed the first Chair of the Committee on Agriculture and his successor in early 1997 was another Cairns member - Ambassador Osorio of Colombia. Increasingly the Group has adopted an activist role, co-ordinating positions on GATT accession negotiations; European agricultural reform; and the deployment by Brussels and Washington of agricultural export subsidies. It was to this activist grouping of middle powers bent on enforcing the neo-liberalist rules implicit in the rhetoric emanating from the North - the 'commitment to achieving a...market-oriented agricultural trading system' - that Pretoria joined in February 1998.¹¹⁷

Pretoria's membership of the Cairns Group

As a major agricultural exporter and a middle-ranking power with a favourable global profile, South Africa was invited to join the Cairns Group, being sponsored by New Zealand.¹¹⁸ Pretoria's willingness to join was perhaps a natural progression of its membership of the WTO. With a foreign policy that shared the basic presumptions of the Group's acceptance of neo-liberalism as the organising framework upon which macro-economic policy should be based, whilst at the same time pushing for a more rules-based global trading regime and posturing a policy of attempting to mitigate the most negative aspects of globalisation, the Cairns Group afforded Pretoria with the platform to affirm all of these complex positions at once. As one senior South African official put it, 'South Africa aligned itself with the Cairns Group because its broad policy direction in agriculture leads it to supporting further liberalisation [whilst] the fact that there are now multilaterally

¹¹⁶ Martin Khor 'After Singapore, the Battle of Interpretations Begin: Labour Standards' - <http://www.southbound.com.my.souths/twn/title/bat-cn.htm>

¹¹⁷ *Cairns Group "Vision" for the WTO Agriculture Negotiations - "Completing the Task"* - http://orpheus.dfat.gov.au/trade/n...ations/cairsn_group/cairsn_vision.html

¹¹⁸ South Africa had already attended as an observer at the Cairns Group Ministerial Meetings in Manila (1995), Cartagena (1996), and Rio de Janeiro (1997).

agreed rules relating to [agricultural] trade must on balance be a positive from our perspective'.¹¹⁹

The Cairns Group also formally allowed South Africa to attach itself to a group of middle powers who were attempting to smooth out the disputes in the ongoing world order. Indeed, membership of the Cairns Group is a powerful example of the South African leadership's acceptance of the hegemonic discourse whilst at the same time affording credibility to the wider global order. Furthermore, involvement in a multilateralist initiative *vis-à-vis* agriculture was seen as the 'only way we [South Africa] can make a difference in world trade. That is, by forming an alliance with experienced countries, we can help South African agriculture at the WTO'.¹²⁰ An internal government document made this tactical strategy of allying with similar states on particular issues explicit:

[T]he capacity to influence outcomes rests on the ability to participate effectively in bargaining coalitions built around specific interests among like-minded countries. As South Africa begins to elaborate its national priorities in new WTO negotiations, it will need to begin a series of consultations with key countries with which it may share common interests and views. Such an approach should aim to establish appropriate alliances around specific issues. In this regard, the Cairns Group is the exemplar.¹²¹

Indeed, 'an individual effort might not make any substantial impact on the multilateral trade system'.¹²² Yet such essentially problem-solving engagement, whilst attempting to maximise benefits for (certain fractions of) South African agriculture, serves to legitimise the overall global trading regime. Acceptance of this and the neo-liberalist norms that underpin this has been quite explicit, with a senior South African official accepting that 'we can't go against the stream'.¹²³

That Pretoria fitted the membership profile was beyond doubt - indeed on matters of adherence to trade liberalisation, South Africa in fact 'far exceed[ed]

¹¹⁹ Correspondence with Attie Swart, Agricultural Counsellor, South African Permanent Mission to the United Nations and International Organisations, Geneva, Switzerland, June 7, 1999.

¹²⁰ Interview with Ezra Steenkamp, Assistant Director of Trade Policy, National Department of Agriculture, Pretoria, July 8, 1999.

¹²¹ *Preparing for WTO Multilateral Trade Negotiations in 2000: Towards a South African Framework*, internal document, Department of Foreign Affairs, no date, p.9.

¹²² *Information Document on the Cairns Group* internal document, Department of Agriculture, South Africa, no date, p. 2.

¹²³ Interview with Ezra Steenkamp, Assistant Director of Trade Policy, Department of Agriculture, Pretoria, July 8, 1999.

World Trade Organisation commitments' on export subsidies.¹²⁴ Joining the Group was attractive to South Africa for the reasons that have been outlined above. Furthermore, Pretoria's qualified accession to the Lomé Convention *i.e.* without trade preferences, spurred on the agricultural industry in the country to push for greater access to a broader range of markets within Europe *and* address European subsidies on exports that then gained access to South African markets. On a bilateral basis - as trade negotiations with Europe showed - this was a long and drawn out process.

Membership of the Cairns Group was one way in which the GNU could link up on a multilateral basis with like-minded states to press for such liberalisation - thus demonstrating its commitment to an important segment of South Africa's industry, who openly supported such measures.¹²⁵ The big players of this industry were very well-placed to take advantage of any freeing up of market access by Europe as 'most South African farmers [had] already been through the pain of a subsidy phase out' and those that had survived were highly market competitive.¹²⁶ Indeed, South African agriculture had already undergone fundamental change in the three main areas in which WTO rules for agricultural trade exist, namely domestic support, export subsidies and market access. Firstly, the new Marketing and Agricultural Products Act of 1996 eliminated all marketing boards and the removal of price regulations. Secondly, the termination of the General Export Incentive Scheme in 1997 eliminated export subsidies. Finally, the replacement of import permits with import duties and the reduction of their bound levels, as well as Pretoria's market access quota commitments improved access to the domestic South African market.¹²⁷

In addition, the opening up of external markets and the increase in exports from South Africa was an important element of GEAR's overall target, which aimed for a 10% export growth per annum, with agricultural exports a critical element to achieving such aims. Indeed, by 1996 agricultural exports were contributing 10%

¹²⁴ *Business Day* (Johannesburg) October 6, 1997.

¹²⁵ See comments by South African Agricultural Union Trade Director Hans van der Merwe in *Business Day* (Johannesburg) August 6, 1998.

¹²⁶ *Farmer's Weekly* (Johannesburg) February 25, 1994.

¹²⁷ *Information Document on the Cairns Group* internal document, Department of Agriculture, South Africa, no date, p. 4.

of foreign exchange earnings (despite the declining share of the sector in the GDP).¹²⁸ Thus liberalisation abroad (as at home) was a major plank of the GNU's growth and development strategy. This being so, with its scrapping of subsidies for agriculture and the abolition of agriculture control boards, Pretoria was in line with the objectives of the Group and having changed from self-sufficiency policies to export-oriented policies, the South African agri-business had a great deal to gain from a liberalised international agricultural regime.¹²⁹ Having said that, this was balanced to a degree with the recognition that trade liberalisation may have a negative effect on net food importing countries through increased prices in the global market as well as the role of subsistence farmers in the rural areas of developing countries, as well as issues of food security for those states who faced foreign exchange constraints.¹³⁰

When invited to join, South Africa received strong support from its main sponsor New Zealand which argued that 'as major agricultural exporters we both have a common interests in breaking down barriers to free trade in farm products', and that 'having SA aboard would strengthen the Cairns Group ahead of important WTO negotiations on the liberalisation of agricultural trade in 1999'.¹³¹ Thus, South Africa was welcomed aboard on February 2, 1998. As with many other aspects of its foreign policy role, Pretoria was portrayed as 'providing a model for other nations' and Australia explicitly asserted that 'the leadership role that South Africa plays in southern Africa will strengthen the capacity of the Cairns Group to explain and advance its objectives [of liberalisation] in international agricultural trade'.¹³² As with its promotion of polyarchy, "good governance" and security in the South, membership of the Cairns Group was in line with the broad hegemonic order, though it challenges the hypocrisy and tensions between theoretical neo-liberalism and "really existing free trade".

¹²⁸ *Ministry for Agriculture and Land Affairs Agricultural Policy in South Africa: A Discussion Document* - <http://www.nda.agric.za/docs/polcy98.htm>

¹²⁹ Interview with Ezra Steenkamp, Assistant Director of Trade Policy, Department of Agriculture, Pretoria, July 8, 1999.

¹³⁰ *Preparing for WTO Multilateral Trade Negotiations in 2000: Towards a South African Framework*, internal document, Department of Foreign Affairs, no date, p.4.

¹³¹ New Zealand's International Trade Minister Lockwood Smith, quoted in *Sunday Times* (Johannesburg) August 17, 1997.

¹³² Australian Department of Foreign Affairs and Trade *South Africa Joins the Cairns Group of Agricultural Countries* - http://www.dfat.gov.au/pmb/releases/department/d010_98.html

In the context of economic policy, Pretoria believes that 'protectionism is not a good thing' and that there is 'world trend' and a 'growing movement towards the liberalisation of developed countries' markets'.¹³³ Pretoria hopes to make use of this trend and its competitive advantage in various agricultural sectors by pushing both "free" and "fair" trade.¹³⁴

Since joining the Cairns Group, South Africa has taken an activist role, being integral at the eighteenth ministerial meeting of the Group in April 1998 to crafting the "Vision Statement" which laid out the Group's chief aims for the forthcoming agriculture negotiations in 1999. The Statement outlined the Group's liberalising objectives in three main reform areas within the GATT framework: substantive cuts to all remaining tariffs, tariff peaks and the rectification of tariff escalation; the abolition of all trade-distorting local subsidies; and the scrapping of export subsidies and definite regulations to thwart attempts at circumventing export subsidy pledges. In short, a firm commitment by the Group to push on with liberalisation.

This though was tempered with the reaffirmation of the Cairns Group's endorsement of "special and different" treatment for developing countries (including least developed countries and small states), and the pledge to keep this platform an undiminished part of any forthcoming negotiations on agriculture within the WTO framework. Indeed, echoing Pretoria's position on liberalisation being linked to sensitivity towards developing nations needs, the Group resolved that the ongoing process of liberalisation had to continue to be supportive of the developmental requirements of WTO members from the South. Yet a more critical perspective may view such concerns for the South as an attempt to legitimise the WTO as the normative regulative body on global trade. As one analysis put it:

The principle of special and differential treatment for developing countries including least developed countries and states, must also remain an integral part of the next WTO agriculture negotiations. If the multilateral system fails to benefit all members or at least the majority it will [stimulate a loss of] faith

¹³³ Interview with Ezra Steenkamp, Assistant Director of Trade Policy, Department of Agriculture, Pretoria, July 8, 1999. See also 'Agricultural Trade Diplomacy' in Ministry for Agriculture and Land Affairs *Agricultural Policy in South Africa: A Discussion Document* Pretoria: Ministry for Agriculture and Land Affairs, 1998.

¹³⁴ Interview with Ezra Steenkamp, Assistant Director of Trade Policy, Department of Agriculture, Pretoria, July 8, 1999.

in the WTO as the major multilateral negotiating forum and countries will focus on other regional and bilateral agreements.¹³⁵

Hence “keeping on board” national elites by accepting the principles of differential treatment for the South on agricultural issues can be seen as one way of legitimising the broader order and pushing forward the neo-liberalist project, whilst cushioning elites located in the South from populist pressures that may well build up if such differential accounting is not taken into consideration and advanced by Cairns.

This position of supporting the ongoing liberalisation of agriculture saw the Group endorsing the declaration at the second WTO Ministerial Conference in Switzerland in May 1998 regarding groundwork for the next round of agriculture negotiations. The Declaration springing from this meeting bound members to a process which started in September 1998 and aimed to finish with a ministerial-level agreement about the extent, structure and time-frame for future agriculture-related negotiations at the third WTO Ministerial Conference in Seattle in late 1999. In the words of the Cairns Group this aimed to “complete the task” on liberalising agricultural trade.¹³⁶ This has become a matter of priority for the Cairns members as depressed prices in the North for products has tempted many administrations to fall back from their commitments to abolishing subsidies and other price-distortion mechanisms.¹³⁷ The Group has called on Washington and Brussels to ‘exercise restraint’ on satisfying pressures by their own agricultural lobbies for falling short on their obligations under the WTO.¹³⁸

As part of this, the Cairns Group agreed to convene in Mar del Plata, Argentina, in late 1999 at a preparatory meeting aimed at giving Group countries an opportunity to meet, discuss and (hopefully) agree on the Group’s input into the content of the WTO meeting in Seattle. This was predicated on a continuation of the Group’s commitment to neo-liberalist principles regarding global agricultural trade and sought to reaffirm:

¹³⁵ Ezra Steenkamp ‘The Next Millennium Round of World Trade Negotiations: Agricultural Issues at Stake and Strategies’, *Agrekon*, vol. 37, no. 4, December 1998, p. 415.

¹³⁶ Australian Department of Foreign Affairs and Trade, ‘Cairns Group “Vision” - “Completing the Task” - http://orpheus.dfat.gov.au/trade/n...ations/cairsn_group/cairsn_vision.html

¹³⁷ *Business Day* (Johannesburg) January 12, 1999.

¹³⁸ *Business Day* (Johannesburg) September 28, 1998.

Its commitment to achieving a fair and market oriented agricultural trading system as sought by the Agreement on Agriculture. To this end, the Cairns Group is united in its resolve to ensure that the next WTO agriculture negotiations achieve fundamental reform which will place trade in agricultural goods on the same basis as trade in other goods.¹³⁹

It is this liberalisation project, well within the framework of neo-liberalism, that Pretoria has committed itself to. As the business press has enthusiastically remarked, South Africa is 'at the forefront of a fight for international free trade in agricultural products'.¹⁴⁰ Whether this will only help its export-orientated agricultural fractions remains an open-ended question.

¹³⁹ Australian Department of Foreign Affairs and Trade, 'The Cairns Group: Fact Sheet' - http://orpheus.dfat.gov.au/trade/n...ations/cairsn_group/cairsn_fs.html

¹⁴⁰ *Business Day* (Johannesburg) April 7, 1998.

CHAPTER 5

SOUTH AFRICA AND DEVELOPMENTAL-ORIENTED MULTILATERAL ORGANISATIONS

SECTION I: SOUTH AFRICA AND UNCTAD IX

South Africa's hosting of the ninth United Nations Conference on Trade and Development (UNCTAD IX) was an important milestone in Pretoria's return to the world community after decades of international isolation. At the same time, it was one of the first multilateral platforms where South Africa postured itself both as a reformer and as an accomodatory bridge between North and South. As Aziz Pahad, Deputy Minister of Foreign Affairs remarked:

The very fact that South Africa, despite its late entry into the world community of nations, was asked to host UNCTAD IX is a clear indication from both developed and developing nations that they see South Africa as playing a role in bridging the gap between the two worlds.¹⁴¹

UNCTAD IX was also where Pretoria attempted to influence Southern colleagues of the benefits of accepting the globalising thrust whilst seeking an amelioration of its more negative effects. How this position differed from previous positions of UNCTAD is important, and thus a contextualisation of UNCTAD in global politics is required before this work proceeds to discussing South Africa's role in the organisation.

Background to UNCTAD IX

UNCTAD was formed in 1964 to 'create a forum in which the more prosperous member countries [of the United Nations] would come under pressure to agree to measures benefiting the less-developed countries'. More specifically, its formation was 'a deliberate effort to use international bureaucracy and conference diplomacy

¹⁴¹ Quoted in Marlene Kromberg, 1996, p. 6

to alter current norms affecting trade and development'.¹⁴² UNCTAD's founding reflected the growth in membership of the UN of newly-independent states from the former European colonial empires. A large number of the elites of these new entities keenly felt the iniquity of the world order upon which they had been launched, an order 'informed by the dominant ideology of the powerful nations', and in which the new states had had no hand in crafting.¹⁴³ UNCTAD and the later call for a "New International Economic Order" therefore was a 'response to real problems experienced by Third World states as a result of the Bretton Woods system's creation and operation'.¹⁴⁴

Its aim - particularly during the years during and immediately after the organisation's energetic first head, Raul Prebisch's tenure - was to address the various issues surrounding the ongoing trade and investment regimes (dominated by the capitalist West) that were felt to hinder development. Indeed, during the heydays of the South's activism against global inequality (the mid-1970s), UNCTAD led the way as one of the key institutional actors voicing the concerns of the developing world. Promoting an ideological mix of global Keynesianism heavily influenced by dependency theory, the organisation urged market intervention to promote development whilst calling attention to the external and structural constraints on development.¹⁴⁵

As an organisation, UNCTAD was mandated to perform a variety of purposes. Perhaps most importantly, was the policy formulating aspect of the body, designed to create general and explicit prescriptions associated with trade and development. Such a process was guided by the research work conducted by the staff of the UNCTAD Secretariat in consultation with experts engaged by the organisation. This process was then followed by at times painstaking negotiations with the UNCTAD membership. This was dependent upon consensus and invariably strengthened the hand of the developed world. If and when a decision was reached, UNCTAD took on an observational role to monitor compliance whilst technical co-operation and

¹⁴² Joseph Nye 'UNCTAD: Poor Man's Pressure Group' in Robert Cox and Howard Jacobson (eds.) *The Anatomy of Influence: Decision-making in International Organizations* New Haven: Yale University Press, 1973, p. 334.

¹⁴³ Craig Murphy, 1984, p. 2.

¹⁴⁴ *Ibid.*

assistance sought to enable member countries to follow the prescriptions agreed upon by the body. That much of this process resulted in a skewed scenario in favour of the ongoing order reflected the organisational bias inherent in UNCTAD's constitutional principles, as well as the negative perceptions the developed world possessed towards the organisation. Historically, UNCTAD was:

The first real confrontation of North and South, symbolic of the new, fundamental structure of international politics, in which the problems of relations of industrialised rich and agricultural poor had replaced the problem of relations between western capitalist and eastern Communist. It was an occasion to redress the injustices perpetrated under colonial regimes...

...UNCTAD would begin to apply in practice what Western political theory had taught since the time of Plato, that no political community could be stable if it contained extremes of rich and poor.¹⁴⁶

For its part, the West was highly ambivalent towards UNCTAD's establishment, preferring to rely upon the General Agreement on Tariffs and Trade (GATT) to regulate global trading relations. Such a preference suited their own interests, and the developed world's reluctance to discuss substantial issues *vis-à-vis* development (which threatened to open up all manner of questions regarding the global trading architecture, unequal terms of trade *etc.*) manifested itself in the demand to allow decisions made by UNCTAD to be reached by consensus, as has been already mentioned.¹⁴⁷ Such a 'procedure of conciliation' meant that the terms of the debate and the manoeuvrability of UNCTAD were constrained from the beginning, with the developed world granted effective influence in line with their material power (thus perpetuating their global dominance over the South), but out of all proportion to their numerical strength. Such structural power enabled the North to 'generally confine their role [in UNCTAD] to opposing any proposals for change' whilst ostensible "positive proposals" of their own were invariably 'of a cosmetic nature designed to conceal their underlying resistance to change'.¹⁴⁸

¹⁴⁵ Hans Singer 'Ideas and Policy: The Sources of UNCTAD', *IDS Bulletin*, July 1984, pp. 14-17.

¹⁴⁶ Charles Robertson 'The Creation of UNCTAD' in Robert Cox (ed.) *International Organisation: World Politics* London: Macmillan, 1969, p. 258.

¹⁴⁷ Robert Mortimer *The Third World Coalition in International Politics* Boulder: Westview Press, 1984, p. 17.

¹⁴⁸ Robert Ramsay 'UNCTAD's Failure: The Rich Get Richer', *International Organisation*, vol. 38, no. 2, 1984, pp. 388-389.

Others have argued that UNCTAD's 'functioning was blocked by continuous efforts by the North to deny it any negotiating or binding authority'.¹⁴⁹

This is not to say that UNCTAD was a doomed body from the start. Indeed, during the epoch surrounding the demand for a New International Economic Order, UNCTAD had some limited success, notably the formulation of the Generalised System of Preferences and the Integrated Programme for Commodities.¹⁵⁰ Yet much of the success of such formulations were sabotaged by the North's unwillingness to fully implement the agreements and 'it had become obvious by the late 1970s that the high expectations held in some quarters for progress towards a new order were being frustrated', symbolised by the breakdown of the Paris Conference on International Economic Co-operation in June 1977 and the failures of UNCTAD IV, V, and VI (May 1976, June 1979, and June 1983 respectively).¹⁵¹ Furthermore, the inflexibility of the North *vis-à-vis* the developing world began to harden as the neo-liberalist counter revolution gained momentum under Reagan and Thatcher. This was perhaps most graphically illustrated by Reagan's response to the Brandt Commission's proposals for a meeting to overcome the deadlock in global negotiations over question concerning trade and development. Reagan only agreed to attend provided that Cuba was excluded, the meeting was to avoid substantive issues, and was not to issue any form of final communiqué (!).

This arrogant attitude towards the South was compounded by Washington's behaviour at the actual summit in Cancun when Reagan used the meeting as:

[A]n opportunity to lecture Third World leaders on Reaganomics and offer American technical assistance to Third World governments that wanted to emulate his domestic policies...Afterwards, the US simply refused to engage in global negotiations, forcing the North-South dialogue to a stall.¹⁵²

¹⁴⁹ Myriam van der Stichele 'World Trade: Free for Whom, Fair for Whom?' in Erskine Childers (ed.) *Challenges to the United Nations: Building a Safer World* New York: St. Martin's Press, 1995, p. 69.

¹⁵⁰ See Michael Barratt-Brown *Africa's Choices: After Thirty Years of the World Bank* Harmondsworth: Penguin, 1995, pp. 157-159.

¹⁵¹ S.K.B. Asante 'The Role of the Organisation of African Unity in Promoting Peace, Development and Regional Security in Africa' in Emmanuel Hansen (ed.) *Africa: Perspectives on Peace and Development* London: Zed Books, 1987, p. 132.

¹⁵² Enrico Augelli and Craig Murphy, 1988, p. 189.

Such actions were applauded by Margaret Thatcher, who suggested that one of the 'valuable' outcomes of Cancun was that it 'was the last of such gatherings'. Henceforth, 'the intractable problems of Third World poverty, hunger and debt would not be solved by misdirected international intervention, but rather by liberating enterprise, promoting trade - and defeating socialism in all its forms'.¹⁵³

As Augelli and Murphy demonstrated, throughout the 1980s Washington (and London) actively pressurised the South into accepting the neo-liberalist macro-economic policies favoured by the historic bloc located in the North.¹⁵⁴ This saw the focal point of power in terms of global economic governance drastically transfer to those international financial institutions where the North possessed preponderance (and hence Washington and London had fiercely rejected any notion at Cancun of putting the IMF and World Bank under United Nations control). Such a scenario had been compounded by the decision in late 1979 by the US Federal Reserve Bank to raise interest rates to avoid a catastrophic decline in the dollar's value. This caused a draconian deflation in the global economy and plunged much of the South into unmanageable debt, resulting in an increased ability by the North to promote and enforce neo-liberal policies onto states in grave need of financial assistance.

Those organisations struggling on behalf of the South and who dared to step out of line incurred the wrath of the London-Washington axis - examples such as UNESCO, the threats against the WHO and FAO and the (enforced) inertia of the General Assembly being prime examples of an unrelenting offensive from the North against bodies that in any way seemed to challenge the prescriptions of those who controlled the global economy.

The ability to withstand the liberalising thrust promoted by the North was further weakened by the Uruguay Round of GATT, which sought to not only lock-in the developing world to the increasingly globalised world economy, but also effectively made UNCTAD's role as a discussion forum, attempting to arrive at consensus on trade issues, somewhat redundant. This was particularly so as the WTO took on the substantive role where binding trade agreements were resolved.

¹⁵³ Margaret Thatcher *The Downing Street Years* London: Harper and Collins, 1993, p. 170.

¹⁵⁴ On this, see also Walden Bello *Dark Victory: The United States, Structural Adjustment and Global Poverty* London: Pluto Press, 1994.

Ironically, it had been 'global Keynesians' within UNCTAD who had 'argued that the Uruguay Round...be capped by the transformation of GATT into a full-fledged world trade organisation'.¹⁵⁵ This action, which effectively undercut much of UNCTAD's relevance, must be contextualised within an epoch of an ever-increasing hegemonic consensus amongst transnationalised elites over the liberalisation of economic policies and the belief in a central role for the market in development - concomitant with the collapse of alternative economic projects located in the East. In short, the previous ideological tendency of UNCTAD to base its assumptions around regulation of the global economy as a means to promote development was dramatically undercut, if not discredited. So too were any confrontationist expressions, for in a world where there was "no alternative" to neo-liberalism, what was there to confront?

It was in this context that the state elites (and the bureaucratic staff) within UNCTAD, sought to re-package the organisation, for whilst the logic of neo-liberalism was broadly accepted by many, the negative effects of a liberalised world was equally felt. This process was exhibited at UNCTAD VIII in Cartagena, Colombia in 1992 where the "Spirit of Cartagena" recognised the central roles of private enterprise and the market for growth, wrapped up in the rhetoric of 'shared responsibility and partnership for development'.¹⁵⁶ Whilst UNCTAD's Commission remained true to its original commitment to see to the needs of the developing world, a recognition of the globalised, neo-liberalist normative order was implicit (and explicit) throughout the summit:

The texts agreed upon in Cartagena included references to a host of principles that earlier had only been championed by the OECD: an unambiguous preference for free markets; disregard of any notion of withdrawal from the world economy; an equation of democratisation and the protection of human rights with development; and all the rhetoric regarding the need to decrease corruption and increase efficiency of governments in the South.¹⁵⁷

¹⁵⁵ Craig Murphy, 1994, p. 270.

¹⁵⁶ 'The Spirit of Cartagena', declaration adopted by UNCTAD at its eighth session held at the Convention Centre, Cartagena de Indias, Colombia, from 8 to 25 February, 1992, <http://www.inro.com.my/inro/caratgena.htm>

¹⁵⁷ Craig Murphy 'The United Nations' Capacity to Promote Sustainable Development: The Lessons of a Year That "Eludes All Facile Judgement"' in *The State of the United Nations, 1992* Providence: Academic Council of the United Nations System, 1992, pp. 63-64.

Indeed, this essential acceptance of the normative order was exemplified by the abandonment of any confrontational posturing in the final communiqué. Instead, the rhetoric talked of the need to 'overcome confrontation and to foster a climate of genuine co-operation and solidarity'.¹⁵⁸ Yet behind this placatory rhetoric was an implicit recognition by the South that the globalising impulses that shaped the contemporary world order had reduced the options, if not space, for the South to construct any viable alternative *à la* the NIEO. As Kees van der Pijl asserts:

By 1980, the internationalisation of capital itself began to undermine the position of the Third World state classes. Their aspiration to insert their national economies as integral industrial locations in the emerging world economy was overtaken by the rise of Asian island- and city-states as export-industrial locations.

...Thus, even disregarding political developments, the internationalisation of capital itself worked to undermine the posture of the Third World state classes and their regulation project which had caused the greatest concern [via the call for a NIEO] in 1973-76.¹⁵⁹

This had profound effects on the positions of those international organisations that were ostensibly representative of the developing world, where a retreat from demands for any structural change in the global economy and a gradual and at times partial move towards the rising consensus at the elite level concerning the common sense precepts of neo-liberalism was experienced. As one analysis put it post-UNCTAD VIII:

Whereas up until that time [*i.e.* Cartagena] UNCTAD had been a platform where developing countries demanded adjustment of the international...system to their developmental needs, it now expressed the belief that adoption of [neo-liberalist] laws and related efforts in...GATT would facilitate technology transfers to developing countries.

The structural power of transnational capital has not just formed the policy agenda of *deregulation*, it is also responsible for the drive to *privatisation* of the state sector in all countries of the world.¹⁶⁰

Acceptance of the hegemonic discourse whilst (at best) attempting to ameliorate the worst aspects of the established order hence became the tactic for much of the developing world. This was a remarkable sea-change in UNCTAD's normative

¹⁵⁸ 'The Spirit of Cartagena'.

¹⁵⁹ Kees van der Pijl 'The Sovereignty of Capital Impaired: Social Forces and Codes of Conduct for Multinational Corporations' in Henk Overbeek (ed.), 1993, pp. 48-49.

¹⁶⁰ Ankie Hoogvelt *Globalisation and the Post-colonial World: The New Political Economy of Development* Baltimore: Johns Hopkins University Press, 1997, p. 137

posture, for 'until [Cartagena] UNCTAD could be viewed as a counter-hegemonic organisation resisting the dominance of the Bretton Woods institutions. The restructuring of the organisation [at UNCTAD VIII gave] it a less confrontational role in the North-South dialogue'.¹⁶¹ Indeed, much of the South's elites had by this point bought into the hegemonic order and actively pursued neo-liberalist policies as a means by which their states could attempt to escape poverty. This was reflected in UNCTAD's *Trade and Development Report* of 1992 which aimed to encourage private consumption and investment demand.¹⁶² Yet a certain unease in some quarters over the globalisation juggernaut and the neo-liberalist agenda was exhibited, most notably by the proposals for the application of policies with a Keynesian tinge to them to facilitate the Report's calls. Such hesitancy was reflective of the uneven adoption of neo-liberalism as the path to development by some Southern elites - a scenario that was to change somewhat by the time of UNCTAD IX.

It was in this context, where 'with the exception of Cuba and North Korea, no state...objected to the ideology of a market economy' that South Africa re-entered the global community.¹⁶³ For our analysis this is of importance for the project that the GNU elites accepted at the domestic level was promoted with some considerable enthusiasm in various multilateral fora. One of the first instances of this was Pretoria's offer to host UNCTAD IX under the theme of 'Promoting Growth and Sustainable Development in a Liberalising and Globalising World Economy'.¹⁶⁴

UNCTAD IX

The meeting in South Africa continued the broad trajectory of UNCTAD VIII. At the same time, concern was expressed from the South that the "Spirit of Cartagena" had been a largely one-sided affair, with the developing world accepting the remit of the hegemonic order, abandoning confrontational postures and calling for

¹⁶¹ Marc Williams *International Organisations and the Third World* Hemel Hempstead: Harvester Wheatsheaf, 1994, p. 179.

¹⁶² See UNCTAD *Trade and Development Report, 1992* New York: United Nations, 1992.

¹⁶³ Marie-Claude Smouts 'International Organizations and Inequality Among States', *International Social Science Journal*, no. 144, June 1995, p. 239.

¹⁶⁴ See *South Africa Offers to Host UNCTAD IX*, UNCTAD press release TAD/INF/2565, July 13, 1995.

partnership, whilst the developed world did very little to reciprocate. Yet, in an era of the WTO the ability of UNCTAD to promote changes in the global economic environment was rigorously critiqued by the developed world, particularly as many Northern-based elites strongly wished to avoid taking clear positions on matters that the WTO handled. Indeed, questions regarding how UNCTAD related to the WTO emerged as paramount concerns of the North at the summit, as the developed world sought to further limit the role UNCTAD had to play in any economic ordering of the global economic architecture.

Thus as UNCTAD IX progressed, it became clear that the North opposed any reference to the implementation of 'specific WTO agreements, especially if developing countries suggested that their developed counterparts were not honouring their obligations', whilst vigorously manoeuvring against 'granting UNCTAD a specific mandate in [various] areas, particularly the notion that UNCTAD should take up and examine issues before they are taken up in the WTO'.¹⁶⁵ The North also opposed references to intellectual property rights already agreed upon by the WTO, apparently fearing that the South was trying to renegotiate already concluded articles, even if such agreements were not in their interests. Importantly, many 'developed countries were reluctant both to allow UNCTAD to examine their macro-economic policies and its impact on the global economy, and to continue its work on behalf of developing countries with regard to debt management'.¹⁶⁶

Emboldened by the hegemonic status of neo-liberalism as *the* normative economic model and the perennial weakness of a South which had abandoned demands for a NIEO in favour of "partnership", the capitalist North was essentially in no mood for compromise, rejecting any terms that hinted at new financial responsibilities, such as propositions to erect financing devices and trust funds for the South. Even condemnation of unilateralism and extraterritorial measures were stalled, as Washington saw this as an attack on their policies towards Havana and Baghdad. Essentially, the North - as a British government briefing paper put it - wanted at the very least UNCTAD "reformed" and relegated to undertaking 'policy

¹⁶⁵ Xavier Carim *South Africa and UNCTAD IX: New Beginnings?* Pretoria: Institute of Strategic Studies, Occasional paper no. 7, August 1996, p. 3.

¹⁶⁶ *Ibid.*

analysis and research into trade and developmental issues', and to abstain from 'very general concerns such as interdependence, in favour of specific, targeted types of work in key areas'.¹⁶⁷ At the same time, heads of disciplinary institutions such as the WTO (its Director-General), the IMF (its Managing Director), and the World Bank (its Managing Director) played a prominent role in the proceedings - a manifestation of what some critics saw as 'a shift of policy focus internationally...from broad social concerns to narrow economic competitiveness'.¹⁶⁸

Reflecting the changed times and new agenda of what had formerly been the developing world's voice against such Northern-dominated organisations, UNCTAD's Secretary-General thanked the WTO's head for attending and asserted that 'his presence had been a concrete expression of the evolving co-operation between the two organisations'.¹⁶⁹ This co-operative attitude between UNCTAD and its former ostensible protagonists was reflected in the final Midrand Declaration - a document that Pretoria had substantial input into and which is revealing *vis-à-vis* South Africa's broad foreign policy position.

South Africa's role in UNCTAD IX

The Midrand Declaration was formulated and drafted by the Conference's president, South Africa's Minister of Trade and Industry, Alec Erwin, in consultation with delegations at UNCTAD IX.¹⁷⁰ A number of notable elements of the Declaration are worthy of discussion. Firstly, the document was grounded very much within the ongoing discourse and world order. The WTO was referred to as having 'strengthened the rules-based trading system and furthered the process of liberalisation', whilst such a scenario was claimed as 'opening new opportunities for sustainable development and growth'. The Declaration also asserted that

¹⁶⁷ Foreign and Commonwealth Office *Background Brief: United Nations Conference on Trade and Development - UNCTAD IX*, April 1996 <http://www.fco.gov.uk/reference/briefs/unctad9.html>

¹⁶⁸ *Globalisation Must Not be at the Expense of People*, joint international NGO statement from parallel NGO conference to UNCTAD IX, April 24-28, 1996, Johannesburg, http://aidc.org.za/archives/unctad-9_2.html

¹⁶⁹ *WTO and UNCTAD Chiefs Meet to Discuss Further Co-operation*, WTO Press Briefing/50, June 21, 1996.

¹⁷⁰ For details and final resolutions at the Conference, see *Midrand Declaration* <http://sunsite.scu.eun.eg/untpdc/library/te/unctadix/u9midra.htm>

UNCTAD IX had 'responded to these changes and challenges' by attempting to 'give new and real meaning to the partnership for development'. Market forces were said to 'play a pivotal role', whilst the WTO was claimed to 'facilitate [the] positive integration of countries into the global trading system'.¹⁷¹

Such an analysis of the global order mirrored that of the South African government, which had largely abandoned any *dirigiste* pretensions, instead privileging the role of "private enterprise" in fostering development. Aziz Pahad's assertion that 'we...want to involve people throughout the country, especially the private sector' in formulating foreign policy and that an aim of Pretoria's international relations was to 'make it possible for the private sector to have better opportunities in [foreign] countries' reflected this impulse. Indeed, Pahad linked this aim of Pretoria's foreign policy to the hosting of UNCTAD, suggesting that 'changes in Africa, especially the multi-party democratisation process...and economic liberalisation will create the possibility of us moving a little faster in dealing with economic decline. This is where UNCTAD, with South Africa as President, can play a vital role'.¹⁷²

Yet, with acceptance of the hegemonic norms of trade liberalisation went a recognition of the uneven process of globalisation. This translated in a call for an attempt at lessening the worst aspects of this process - reflecting in part South Africa's preferred posture. Indeed, the position of UNCTAD and Pretoria dovetailed to a considerable degree, so that the organisation and South Africa 'has largely taken on board the "realities" of the liberalising globalised world order, although [they] adopt a more holistic and questioning approach [raising] issues of particular concern to the developing world'.¹⁷³ Thus the principles of the "Spirit of Cartagena" were reinforced with a renewed call for 'partnership for development'. Reflecting the South's unease at the North's somewhat tardy response to their willingness to construct a *modus vivendi*, the Midrand Declaration pointedly remarked that such partnership had to be grounded on a clear definition of roles, common objectives and *joint* action.

¹⁷¹ *Ibid.*

¹⁷² Aziz Pahad quoted in Marlene Kromberg, 1996, p. 7.

¹⁷³ *African NGO Declaration to UNCTAD IX*, Parallel NGO conference to UNCTAD IX, April 24-28, 1996, Johannesburg, http://aidc.org.za/archives/unctad-9_1.html

This was envisaged as involving the intensification of inter-governmental co-operation between North and South; South-South co-operation; a more effective co-ordination and complementarity of multilateral institutions; an increased dialogue between governments and civil society aimed at facilitating development; and a renewed “partnership” between public and private sectors in order to achieve increased economic growth rates and *ergo* (according to the Declaration) greater development. Following on from this, South Africa (as president of UNCTAD) agreed to host a workshop on this expected partnership between public and private sectors, in particular on how to encourage the private sector in more advanced developing countries to assist those least developing nations.¹⁷⁴ This was changed, at the behest of the UNCTAD Secretariat, to re-focus the workshop to concentrate on the ‘definition, development and consolidation of a *positive* agenda for LDCs (and low income countries in preparation for WTO negotiations’ [emphasis added].¹⁷⁵ Held in late June, 1999 the meeting sought to ‘enhance the least developing countries participation in making global trade rules at the WTO’.¹⁷⁶ Again, problem-solving activism and attempting to encourage the participation of the South in the international political economy *within the ongoing normative framework* marked Pretoria’s multilateralist activity.

Returning to UNCTAD IX, Pretoria’s delegation ostensibly negotiated on a common platform agreed upon with the Africa Group and, more broadly as part of the G77. Yet, as South Africa’s Deputy Director of Foreign Trade Relations later asserted, ‘it sought to build bridges amongst all member countries in an attempt to achieve overall consensus’.¹⁷⁷ This classic middlepowermanship role was later celebrated by a senior DFA official who saw South Africa as ‘in the middle’ and having ‘breathed new life into UNCTAD at UNCTAD IX’ by indicating that it was seriously interested in a meaningful debate and engagement with the North’.¹⁷⁸ This was possible as South Africa was a ‘new player on the multilateral field and

¹⁷⁴ *Midrand Declaration*.

¹⁷⁵ *Preparing for WTO Multilateral Trade Negotiations in 2000: Towards a South African Framework*, internal Department of Foreign Affairs document, no date, p. 8.

¹⁷⁶ *Cape Times* (Cape Town) June 28, 1999.

¹⁷⁷ Xavier Carim, 1996, p. 5.

¹⁷⁸ Interview with John Davies, Director, International Development and Economic Affairs, Department of Foreign Affairs, Pretoria, July 8, 1999.

not ring-fenced into either [North or South] camp'.¹⁷⁹ Its "bridge-building" role then helped convince many Southern elites at the Conference of the desirability to avoid confrontational rhetoric and agree to the notion of "partnership" with the North. In some regards, in the words of one South African official, this sought to change the culture of UNCTAD away from "begging" and towards taking more responsibility for economic malperformance.¹⁸⁰ For sure many delegations already shared South Africa's acceptance of the tenets of neo-liberalism, but Pretoria's tactical activities were of profound importance and 'at the closing plenary, much mention was made of the constructive way in which the South African team...transposed the country's experience and "spirit" of negotiated compromise during sessions dealing with controversial aspects of the pre-conference text'.¹⁸¹

This consensus-building by Pretoria accounted for much of the rhetoric of "success" which greeted the closing of UNCTAD IX, with South Africa boasting that 'every member state felt that its views were reflected in the Conference's final text and the Midrand Declaration' and that 'a win-win outcome' had resulted.¹⁸² Much of this was cast as UNCTAD gaining new-found "credibility" with the developed world.¹⁸³ Yet even observers sympathetic to the neo-liberalist project noted the agenda behind the Declaration, namely that 'the only way [South] countries will gain from globalisation is if they make major adjustments in policies, resource allocation and production structures'.¹⁸⁴ Furthermore, Pretoria's celebratory rhetoric contradicted an earlier position of UNCTAD's Secretary-General, who had cautioned an overly enthusiastic embrace of neo-liberalism, saying that globalisation was 'not, as the Americans would say, a "win-win situation"'.¹⁸⁵

Indeed, Pretoria's position was somewhat in advance of other Southern states regarding liberalisation and the opportunities offered by a deepening global economy. At the Conference, South Africa was prominent in promoting the notion

¹⁷⁹ Interview (by telephone) with Henry Raubenheimer, Deputy Director, Development and Finance, Department of Foreign Affairs, July 21, 1999.

¹⁸⁰ *Ibid.*

¹⁸¹ *The New Face of UNCTAD*, <http://www.sn.apc.org/fgd/unctad.htm>

¹⁸² Xavier Carim, 1996, p. 5.

¹⁸³ Interview (by telephone) with Henry Raubenheimer, Deputy Director, Development and Finance, Department of Foreign Affairs, July 21, 1999.

¹⁸⁴ *Finance Week*, April 25 - May 1, 1996.

¹⁸⁵ Rubens Ricupero 'UNCTAD: Enfant Terrible Hopes for Rebirth', *World Today*, vol. 52, no. 4, April 1996, p. 107.

of “Trade Points” as a means by which the private sector could be involved in the development of the South. Alec Erwin also repeatedly stressed that ‘South Africa had already taken visible and significant measures to align its trade practices and policies with those required by the WTO’, whilst urging his South colleagues to do the same.¹⁸⁶ Such advice however was rejected by other delegates wary at such open embracing of neo-liberal prescriptions. For example, the Indian representative called for a complete embargo on new issues to be added to the WTO trade agenda, whilst Bangladesh, Mauritius and China critiqued the way in which developing countries were expected to integrate themselves into a global economy with very little assistance from the North - thereby placing states from the South at a disadvantageous position from the start.¹⁸⁷ Such comments reflected a divergence of opinion amongst the South at UNCTAD IX with certain states - South Africa being one - largely enthusiastic about the neo-liberalist agenda underwriting the ongoing order, whilst others urged far greater caution.

This advanced position by Pretoria and its evident enthusiasm for the essential prescriptions of the normative global order was also reflected in the contemporaneous hosting of “Africa Connect” - an international business conference attended by about five hundred capitalists and jointly organised by UNCTAD and the South African Council of the International Chamber of Business. The aim of this meeting was ‘to create an interactive business environment that can facilitate networking and result in the initiation of real commercial deals in the world’s last great business frontier’.¹⁸⁸

Such corporate involvement was inconceivable in an earlier era of UNCTAD and demonstrated not only how far the organisation had changed towards accommodating the market-oriented logic of the dominant discourse, but also how much the South African government subscribed to the broad tenets of this project. It must be remembered that by this point the GNU had for all intents and purposes abandoned the RDP programme and opted for the neo-liberalist GEAR with its heavy emphasis on the private sector as a vehicle through which development

¹⁸⁶ Marlene Kromberg ‘UNCTAD - A New Lease on Life’, *SA Now*, vol. 1, no. 4, May 1996, p. 28.

¹⁸⁷ Chakravarthi Raghavan ‘No New Issues at WTO Without Prior UNCTAD Examination’, Third World Network, <http://www.southbound.com.my/souths/twn/title/prior-ch.htm>

¹⁸⁸ *Africa Connect* <http://www2.asianconnect.com/untpdc/library/te/unctadix/prconn.htm>

could be achieved. Indeed, Pretoria's Deputy Minister of Trade and Industry made South Africa's position on the matter quite clear when she asserted 'that only through attracting investment can a start be made with addressing reconstruction and industrial development in Africa'.¹⁸⁹ In short, Pretoria's position at UNCTAD IX was a reflection of its domestic policies - policies which fitted more within the remit of the ongoing order and the "Spirit of Cartagena" than within what UNCTAD had traditionally pursued. Parallels between UNCTAD and the ANC's shift in the means by which economic empowerment for the disadvantaged could be achieved were an interesting reflection on the strength that neo-liberalism had achieved as the hegemonic orthodoxy.

At the same time, a deeper malaise for the South was evidence at the Conference as state elites scrambled to attract investment from the North. Certainly, UNCTAD IX was marked by a great deal of bilateral negotiations behind closed doors between individual countries of the South and the developed world. In what may be viewed as a rush for the best deal in a situation where Southern solidarity against the negative effects of globalisation and transnational capital was manifestly absent, individual state elites (including South African) attempted to fashion agreements on an individual basis. Indeed South Africa was reported to have arranged a large number of trade pacts with various European and Asian states at the Conference.¹⁹⁰ As one report put it, 'such buying and selling of agreements, especially on trade issues, [spoke] volumes about the absence of cohesion among African states in their dealings with each other and with the international community'.¹⁹¹ In a situation where, as the special adviser to South Africa's Minister of Trade and Industry argued, UNCTAD IX was sending 'out a message that developing countries are going to take full responsibility for their development',¹⁹² the reasoning of competing for investment with little regard for an overarching normative framework on how to best co-ordinate this process seemed logical, if not overly desirable.

¹⁸⁹ Marlene Kromberg, 1996, p. 29.

¹⁹⁰ *The Sowetan* (Johannesburg) April 17, 1996.

¹⁹¹ 'Delegates Agree to Revive the Spirit', *New Nation* (Johannesburg) April 12, 1996.

¹⁹² 'Giving UNCTAD a New Focus', *New Nation* (Johannesburg) April 12, 1996.

Criticism of UNCTAD IX and South Africa

This position, though celebrated in some quarters as marking a “consensus” and a new “reality” in North-South relations along with a concomitant congratulation to Pretoria on its “positive” contribution to UNCTAD IX as a “bridge-builder”,¹⁹³ was however critiqued in other quarters. Indeed one analysis suggested that post-Midrand it was evident that:

UNCTAD was losing its direction and spirit as guardian and defender of the development principle and perspective, and was trying to “mature” into an agency seeking “consensus”.

Since the prevailing consensus is the free-market liberalisation model that is promoted by the Bretton Woods institutions and the WTO, UNCTAD seems to be seeking a role to be relevant to this model and to be accepted, for instance, by the WTO and the International Chamber of Commerce, rather than to challenge or provide alternatives to the model.¹⁹⁴

The Midrand Declaration’s emphasis on partnership with the private sector as a tool for development - a position that had been enthusiastically embraced by South Africa during the Conference - was also criticised as promoting the idea that foreign investment was ‘the panacea to solve every problem’. Furthermore, the “consensus” that Pretoria had so carefully crafted at UNCTAD IX was cast as ‘the ideology of pragmatism’ yet ‘in the present international context, this meant supporting the intense international competition for markets in which states have little control over their own economies’.¹⁹⁵ Such a “consensus” on economic policy served to fetishise the market and elevate growth as an end in itself.

Certainly, post-UNCTAD IX development ran the danger of being measured by macro-economic indicators and levels of investment, rather than the overall condition of society. Such a scenario suited the interests of the North for ‘good government and sound economic management, rather than international action’ were now seen as essential for trade and development.¹⁹⁶ In short, UNCTAD IX under South Africa’s chairmanship continued and extended the move away from questioning the overall global situation and how this structurally affects

¹⁹³ See for example Madeleine Wackernagel ‘New Focus for UNCTAD’, *Mail and Guardian* May 16, 1996.

¹⁹⁴ Tetteh Hormeku ‘NGOs Critical of UNCTAD’s Investment and Pro-business Approach’, *Third World Economics*, no. 187/188, June 16-July 15, 1998, p. 1.

¹⁹⁵ *Ibid.*

development, and towards the more “pragmatic” position of making economies in the South as attractive as possible to foreign investors. As one senior official remarked, ‘South Africa encourages developing countries to get their act together’ regarding global trade. By doing so, Pretoria attempts to ‘lead by example’ in restructuring its economy along neo-liberalist lines.¹⁹⁷ Such an actuality is not unique to South Africa, but reflects ‘the spirit of the times’.¹⁹⁸

For our own analysis, the hegemony of the ongoing normative order within the ruling elite of the ANC was graphically revealed at UNCTAD IX - one of the first major multilateral initiatives Pretoria took up in the post-*apartheid* era. So too was the middlepowermanship role performed by South Africa in ‘acting as a bridge between North and South’.¹⁹⁹ That the Declaration also contained some appeals to lessening the worst aspects of globalisation indicated that the GNU was responsive to its Left constituency and was aware that liberalisation was an uneven process which affected most directly the vulnerable. Yet socialised into a normative order where there was no alternative but to accept the remits of neo-liberalism, space that was available to posture a reformist position - however limited - was taken by the government eagerly. Still, it is hard to disagree with the assertion that ‘the reason for [UNCTAD’s] establishment and existence was to champion and advocate the perspective of development and of the South, and not be a consensus-seeking agency with a niche of being “relevant” to the agenda of donor agencies or to be an appendant to the WTO’.²⁰⁰ By promoting consensus at UNCTAD IX, South Africa stood accused by many of promoting an essentially Northern formula for development that left the privileged untouched whilst pinning all one’s hopes on the private sector to empower the disadvantaged - a parallel (cynics would suggest) with GEAR’s own prescriptions.

¹⁹⁶ Chakravarthi Raghavan ‘Broad Support for a Revitalised UNCTAD’, Third World Network, <http://www.twinside.org.sg/souths/twn/title/broad-ch.htm>

¹⁹⁷ Interview with John Davies, Director, International Development and Economic Affairs, Department of Foreign Affairs, Pretoria, July 8, 1999.

¹⁹⁸ Interview (by telephone) with Henry Raubenheimer, Deputy Director, Development and Finance, Department of Foreign Affairs, July 21, 1999.

¹⁹⁹ Interview with John Davies, Director, International Development and Economic Affairs, Department of Foreign Affairs, Pretoria, July 8, 1999.

²⁰⁰ Tetteh Hormeku, 1998, p. 6.

SECTION II: SOUTH AFRICA AND THE NON-ALIGNED MOVEMENT

In the post-Cold War era, the relevancy of the Non-Aligned Movement (NAM) has been raised by a variety of commentators, as has the future of the concept of non-alignment as a feasible foreign policy orientation. Though there was a continual critique of the NAM from (predominately Western) analysts throughout the bi-polar era, usually on the grounds that the NAM was “pro-Soviet” and “anti-Western”, this reached a crescendo as the world entered into the so-called “New World Order”. The relevancy of the NAM was directly raised for example by the *Washington Post* which asked pointedly, ‘non-aligned with what?’.²⁰¹ This criticism of the NAM was echoed in South Africa when it was announced that Pretoria would join the Movement as of May 31, 1994. One commentator described the NAM as a ‘seemingly anachronistic organisation’,²⁰² whilst another asserted that the NAM was ‘substantially redundant’.²⁰³

Such criticism largely misses the point, for like UNCTAD, the NAM is one of the few vehicles through which the South can promote a normative agenda that attempts to lessen the effects of closer economic integration in the context of a post-Cold War, liberalising global economy. It is to this agenda that South Africa attached itself to when it agreed to join the organisation. As will be demonstrated, the NAM’s platform has, again like UNCTAD, substantially changed since the heydays of the demand for a NIEO, and the organisation in the contemporary period implicitly recognises the globalising pressures that order the world, whilst calling for an amelioration of these impulses. This agenda fits with Pretoria’s own foreign policy platform. As such, it can be of no surprise that South Africa not only joined the organisation (to the dismay of Western-centric analysts), but also hosted the NAM’s Twelfth Summit in late 1998. By examining Pretoria’s involvement in this multilateral body, a valuable perspective and understanding on the foreign policy posture of post-*apartheid* South Africa can be gained.

²⁰¹ *Washington Post* (Washington DC) May 26, 1995.

²⁰² James Hamill and Jack Spence ‘South Africa and International Organisations’, in Walter Carlsnaes and Marie Muller (eds.) 1997, p. 221.

²⁰³ Greg Mills ‘South Africa and the Non-Aligned Movement’, in *South African Yearbook of International Affairs*, 1997 Braamfontein: South African Institute of International Affairs, 1997, p. 162.

Background

Foundations for the NAM were initially laid at the Asian African Conference in Bandung, Indonesia in April 1955.²⁰⁴ This conference was attended by twenty-nine delegations (twenty-three from Asia and six from Africa) at a time when the United Nations had only fifty-nine member states. Bandung has since been described as 'in essence a celebration of the wave of independence that had swept across Asia and was then cresting in Africa'.²⁰⁵ The motives for convening such a conference were widely varied amongst the elites attending, as were their economic and political orientations. Nonetheless, Bandung did adopt a number of resolutions that have been described as 'an augur of a future protest against the subordinating stays of the developing countries in the international system',²⁰⁶ and which established a set of normative values which aimed at a more equitable world order.

Bandung was followed by the Belgrade Conference of 1961 where the NAM was officially launched. At Belgrade a declaration containing the common views of delegates on international problems was issued that was in line with the general Bandung position and an agreement on the summits being triennial was reached. The NAM was established as a loose multilateralist project with very little formal organisation and this resulted in 'conference diplomacy [becoming] a specific characteristic of non-alignment'.²⁰⁷ By confirming the "Spirit of Bandung" in 1961, the NAM also adopted a posture that rejected the bilateralist impulses that dominated the world through the system of Cold War alliances. Yet perhaps what was the most important outcome from Belgrade and which has continued to the contemporary period is the general establishment of behavioural norms for state activity. Though this has certainly been compromised as the NAM has progressed, it is important to remember that at that particular time such normative expressions

²⁰⁴ For details see R. Abdulgani *The Bandung Connection* Jakarta: Gunung Agung, 1981.

²⁰⁵ Robert Mortimer *The Third World Coalition in International Politics* Boulder: Westview, 1984, p. 9.

²⁰⁶ *Ibid.*, p. 9.

²⁰⁷ Graham Evans and Jeffrey Newnham *Dictionary of World Politics: A Reference Guide to Concepts, Ideas and Institutions* Hemel Hempstead: Harvester Wheatsheaf, 1992, p. 224.

were 'innovative, even revolutionary' and consciously rejected big power domination of the global order.²⁰⁸

By doing so, the NAM committed itself to a project that privileged the role of the United Nations as the proper forum for inter-state activity. The "Lusaka Declaration" of 1970 explicitly promoted the United Nations and aimed to strengthen the body 'so that it will be a more effective obstacle against all forms of aggressive action and the threat to use force against the freedom, independence, sovereignty and territorial integrity of any country'.²⁰⁹ Such calls, whilst rhetorical to be sure, did express a desire by a large number of states to operate in a world less beholden to the unilateralist activities of the Superpowers and other great nations. At the same time, the NAM's focus began to shift from issues *vis-à-vis* the Superpowers and East-West confrontation, and towards development issues involving questions regarding North-South relations. Indeed, this focus on constructing a normative order to resolve the developmental contradictions produced by global capitalism henceforth began to preoccupy the summits of the organisation - in itself a reflection of changes in the international system, stimulated by the heady growth in the South's representation at multilateral fora such as the United Nations.

Thus like UNCTAD, the NAM became in the 1970s an important platform in the South's efforts to put forward the NIEO, sharing as it did with UNCTAD a broad *dependencia* world view *à la* Prebisch and Singer. This symbolically culminated at the Sixth Special Session of the United Nations in 1974 where, under the NAM's then leader (Algeria's Honari Boumedienne), the South deployed NAM and G-77 texts in successfully pushing for a comprehensive normative declaration detailing the aspirations of the developing world's elites:

[F]or the first time the General Assembly approved a massive resolution covering all of the economic issues the Third World had raised since the Second World War. The resolution touched on sovereignty over natural resources, improving terms of trade through international regulation of trade based on equitable treatment, reforming the global monetary system to include an aid component, expanding concessionary multilateral aid, providing debt relief, controlling TNCs, promoting international support for

²⁰⁸ Philip Nel, 1998, p. 5.

²⁰⁹ Peter Willets, 1978, p. 31.

industrialisation, and reforming the United Nations system to give Third World governments greater control over international economic decisions.²¹⁰

Yet as Murphy points out, much of this rhetoric was derivative of Southern elites perceptions of their own domestic interests within the context of the breakdown of the Bretton Woods system and the manoeuvrings of the OPEC states. With the end of the regulatory framework of the Bretton Woods arrangements, negotiations regarding the future architecture to replace such a system seemed logical to many Southern elites. In short, 'they took the opportunities offered by the evolving politics of international economic relations to create leadership roles for themselves', thereby bolstering their own standing at the domestic level.²¹¹ This was important as 'their position as the ruling class at the periphery remain[ed] tenuous, hence, the imperative of external association and support' - and public posturing on the international stage.²¹² Space for this posturing however was largely dependent on the absence of any firm leadership from the North over the ongoing global economic meltdown, thereby 'Third World [elites emerged] claiming a role in international crisis management that only the United States was trying hard to ignore'.²¹³

This situation in itself occurred during a period of hegemonic breakdown and prior to the reformulation of hegemony under the neo-liberalist rubric, thus the seeking of alternative ordering was a manifestation of this. In a Gramscian sense, 'the crisis consist[ed] precisely in the fact that the old [was] dying and the new [could not] be born; in this interregnum a great variety of morbid symptoms appear[ed]'.²¹⁴ Such 'morbid symptoms' as calls for a reconfiguration of the global order (in essence, a reformulated global historic bloc) however failed to materialise. Reasons for this are varied, but centred around OPEC's failure to push home any advantage accrued by the crisis surrounding the oil hike:

OPEC members did not use their resources as part of a complete strategy for consolidating power throughout the world economy. Rather than selectively and judiciously investing their wealth in ways that would bind new allies to

²¹⁰ Craig Murphy, 1984, p. 114.

²¹¹ *Ibid.*, p. 115.

²¹² Timothy Shaw 'The Non-Aligned Movement and the New International Division of Labour' in Ralph Onwuka and Timothy Shaw, 1989 (eds.) *Africa in World Politics: Into the 1990s* Basingstoke: Macmillan, 1989, p. 6.

²¹³ Robert Mortimer, 1984, p. 52.

²¹⁴ Antonio Gramsci, 1971, p. 276.

[a counter-hegemonic] bloc, most of the OPEC members relied upon private institutions that shared the core interests of the old historical bloc, international banks.²¹⁵

This failure to work out a coherent strategy to construct an alternative order and the OPEC member's usage of capitalist banking institutions was to result in a fatal weakening of the South's bargaining position *vis-à-vis* the North; radically undermine South solidarity; and with the recycling of petro-dollars and concomitant reckless adventurist lending practices of the North's bankers in the late 1970s-early 1980s lead to the catastrophic debt crisis and the "lost decade". As Fidel Castro remarked, 'OPEC policies, far from pioneering reformed North-South relations...undermined Third World economic solidarity and the NIEO'.²¹⁶

These factors combined to lay the foundation for an (easier) re-assertion of Northern hegemony over the developing world as the neo-liberalist counter-revolution gained ascendancy. This was marked in the developing world by a gradual acceptance by Southern elites of the overarching principles of the hegemonic project. As with all other multilateral organisations - such as UNCTAD - this scenario played itself out within the NAM as the confrontational posturing of the 1970s gave way to more accommodatory rhetoric as the 1980s progressed - accelerating with the demise of the alternative project centred in the East. It is to this evolution of the NAM's thinking that this work now turns to in order to contextualise South Africa's own position as it joined the organisation in 1994.

The NAM's platform

Until the Jakarta Summit in 1992, the NAM's position was fairly consistent, centring around territorial integrity, resistance to "imperialism", and a rejection of hierarchies of power and privilege in the international system. The essential aims were crystallised in the Lusaka Declaration of 1970, which stated that the NAM was committed to:

²¹⁵ Enrico Augelli and Craig Murphy, 1988, pp. 150-151.

²¹⁶ Quoted by Fred Halliday 'The Maturing of the Non-Aligned: Perspectives from New Delhi', *Third World Affairs*, 1985 London: Third World Foundation for Social and Economic Studies, 1985, p. 48.

The pursuit of world peace and [the] strengthening the role of non-aligned countries within the United Nations so that it will be a more effective obstacle against all forms of aggressive action...

Opposition to great power military alliances and pacts...

The universality of and strengthening of the efficacy of the United Nations; and

The struggle for economic independence and mutual co-operation on a basis of equality and mutual benefits.²¹⁷

Yet paradoxically, though the Lusaka Declaration came as the push for liberation in southern Africa was reaching a climax and as the calls for a NIEO were to focus the minds of the state elites in both North and South, Lusaka was also a watershed in the sense that membership of the NAM not only by this point was predominately African but also, as membership of the body expanded, the principles upon which the organisation were founded were compromised as heavily dependent and poverty-stricken African states (particularly those that were Francophone) joined. Many of these were by no means non-aligned, being firmly within the French and hence Western capitalist camp As one analysis noted,

There [was] a decreasing degree of non-alignment from the “veterans” through the “once before” to the “newcomers”. Moreover there [was] a considerable change of balance between East and West. Formerly those who were aligned were split between an Eastern and Western alignment. Now the West predominat[ed] completely.²¹⁸

Yet the ongoing process of decolonisation and global politics meant that by the mid-1970s the NAM was ostensibly more “socialist” in orientation, perhaps by Colombo summit in 1976, and certainly by the sixth summit which –symbolically – was held in Havana in 1979. Of course, much of the rhetoric emanating from the state elites was just that – rhetoric – and as Shaw comments, ‘the ideological complexion of the Movement [was] considerably more “progressive” than members actual political economies’.²¹⁹ Nonetheless, on the eve of the election to government of outright neo-liberalists in the capitalist heartland of Britain and the United States, the NAM was at least ostensibly posturing a vision at variance with the

²¹⁷ Cited in Peter Willets, 1978, p. 31.

²¹⁸ H. Hveem and P. Willetts ‘The Practice of Non-Alignment: On the Present and the Future of an International Movement’, in Yash Tandon and D. Chandarana (eds.) *Horizons of African Diplomacy* Nairobi: EALB, 1974, p. 2.

²¹⁹ Timothy Shaw, ‘The Non-Aligned Movement and the New International Division of Labour; in Ralph Onwuka and Timothy Shaw (eds.) *Africa in World Politics* Basingstoke: Macmillan, 1989, p. 11.

gathering thrust of global capitalism and its transnational agents. The demise of this vision played itself out as an integral part of the reassertion of Western-centred hegemony – ‘America’s quest for supremacy [over] the Third World’ as one study put it, which occurred as the 1980s progressed.²²⁰

This reassertion over the South of Northern politico-economic dominance came, as was suggested in the study of UNCTAD, at a historical juncture when financial indebtedness was acting to drastically undermine - if not emasculate - sovereignty and manoeuvrability in the developing world. At the same time, leadership fractions within the South were increasingly drawn into the ongoing restructuring process as promoted by the neo-liberalist project, and their specific class interests tended to be different from their own constituencies suffering from the liberalisation of the developing economies. Indeed, the call for liberalisation - dressed up as it was in the rhetoric of economic “realities” and “TINA” - gave space for conservative elements within the ruling elites of the South who had always been reluctant to commit themselves to a concrete plan of action *vis-à-vis* the NIEO. Their seizure upon the globalisation discourse to help explain away unpopular policies (which concomitantly reified the positions of certain externally-oriented class fractions within the domestic polity) reflected not only a minimal commitment to any major restructuring of the global economy (except where it benefited Southern elites); but also mirrored the tensions and contradictions inherent within an organisation such as the NAM whose membership was so disparate. As one analysis succinctly put it:

The ambivalence of the NIEO programme as expressed by NAM reflect[ed] the fact that despite rhetorical unity, the alliance that advanced this programme was an uneasy one, composed of conservative, radical, and liberal states with divergent objectives. For *status quo* states like Mexico, world economic reform along NIEO lines was seen as a means to alleviate pressures for much-needed internal economic reforms and thus solidify the position of the ruling elites. Also, waving the NIEO flag was a perfect ideological weapon to blunt criticism from forces for change within the country.²²¹

Furthermore, abandonment of “confrontational” posturing (such as the NIEO) served the interests not only of specific class fractions throughout the South, but also the specific foreign policies of NAM states. For example, towards the end of the

²²⁰ See Enrico Augelli and Craig Murphy, 1988.

1980s the elites within Yugoslavia became aware of the pressing need to tie its economic future to the ongoing European integrationist project, particularly in the light of the decline of the rest of the socialist world. Thus at the ninth summit in Belgrade in 1989, Yugoslavia 'pleaded for the modernisation of the Movement [thus] discarding the NAM's attitude of assertiveness *vis-à-vis* the two power blocs. Instead, the NAM [adopted] a more tolerant and flexible position with emphasis on co-operation and dialogue'.²²²

Such a position was not simply a reflection of the Yugoslavs, but reflected a playing out of the increasing integration of the world's markets and the desire by local Southern-based elites to benefit from this process wherever possible. Combative posturing against the structural inequalities of the capitalist system were seen to be of little use in facing up to globalisation, particularly when - as has been pointed out - much of the elites in the South subscribed to the hegemonic project of neo-liberalism. Even those that did not fully accede to this "New World Order" were painfully aware of the ongoing marginalisation that much of the South was enduring and, in the words of the Indonesian ambassador to South Africa, were 'willing to undertake whatever was necessary to ensure that [they] could engage the rest of the international community in dialogue'.²²³

Yet the "international community" clearly set much of the agenda in the new North-South dialogue and even whilst the NAM adopted what can be seen as a "trade unionist" approach to the world economy, discussion of the structural inequalities that underpinned the global capitalist system were quietly shelved whilst rhetoric concerning "economic realities", appeals to "universal standards" and claims regarding the "de-ideologisation" of global politics became the norm. Such a process - the universalisation of a particular normative agenda - within the NAM mirrored what was occurring in the former socialist countries. As Shubin writes,

²²¹ Walden Bello *Brave New Third World: Strategies for Survival in the Global Economy* London: Earthscan, 1990, p. 45.

²²² J. Syatauw 'The Non-Aligned Movement at the Cross-roads: The Jakarta Summit Adapting to the Post-Cold War Era', *Asian Yearbook of International Affairs*, no. 3, 1993, p. 129.

²²³ 'Speech of H.E. Mr Nana S. Sutresna at a Conference on "South Africa and the Non-Aligned Movement" in Johannesburg on 10 June 1998', *Indonesia in Perspective*, vol. 9, July 1998, p. 4.

Talk about the supremacy of “universal human values” became a camouflage for the process of “re-ideologisation” and the uncritical acceptance of Western values both in internal and external policies...[Furthermore] “the interests of the national economy” started to become key words...However, more often than not, these words tended to be used to conceal cover-ups for the narrow interest of groups of officials and emerging businessmen.²²⁴

Thus whilst the NAM considers its dialogue with G-7 over the debt issue as an example of ‘co-operation and constructive dialogue’,²²⁵ critics might view such activities as letting the North (particularly the international financial institutions) off the hook as it were, and further contributing to the scenario where this no alternative global ordering other than one dictated by an increasingly powerful transnational elite and following the prescriptions of neo-liberalism. Indeed, the NAM has increasingly echoed the dominant discourse and is almost apologetic in its dealings with the North: consider how an Indonesian ambassador links accession to neo-liberalism’s fixation on “free markets” with the NAM’s “hand of reconciliation” approach:

If the livelihood of peoples of the developing world is to be preserved and enhanced, then the Movement must wage an effective struggle for the liberalisation of world trade...

That the NAM can effectively play such a role today is largely because there has been a growing recognition on the part of some of the major developed countries that the NAM has...adopted a moderate approach and is now greatly imbued with the spirit of conciliation and co-operation.²²⁶

This process towards a more conciliatory and less conflictual posture began in the 1980s and was flagged in Belgrade, but has been particularly prominent since the tenth summit in Jakarta in 1992. A brief examination of this summit and the subsequent meeting in Colombia is necessary before a situationing of Pretoria’s own role in the Movement is possible.

²²⁴ Vladimir Shubin, 1999, p. 370.

²²⁵ ‘Speech of H.E. Mr Nana S. Sutresna’.

²²⁶ *Ibid.*, p. 7.

Jakarta, 1992 and the “Call from Cartagena”

The Jakarta Declaration has been described as ‘the first major reaction of the NAM to the emerging world order’, and as such is of fundamental importance.²²⁷ Following on from the Belgrade meeting, the summit and its Declaration reflected the attempt by the elites within the Movement to come to terms with the ongoing process of global structural change. As has been suggested before, the posture which the NAM developed reflected the specific class interest of a transnationalised elite fraction, networked as it was with its partners in the North. Having acceded to the hegemonic discourse, the new position of this elite was to (re-)negotiate its relationship with the dominant forces in the global economy, attempting to accrue benefits wherever possible and fostering an amelioration of the most negative aspects of the globalisation process. The Jakarta Declaration in part reflected these impulses, for ‘the NAM altogether changed its approaches and orientation from one that was often viewed as denunciatory and confrontational to one that is unmistakably conciliatory and co-operative’.²²⁸ Situated within a region that was then enjoying unprecedented (if uneven) growth and outwardly exhibiting brash (over-)confidence about the success of “Asian-style capitalism” and the future “Pacific Century”, the elites of many of the South were drawn into seeing the “Asian way” as a panacea of all its ills. Heavily tied to the neo-liberalist impulses that were pushing forward the liberalising project, structural problems within the global economy were swiftly forgotten as the NAM sought out “partnership” with the North.

Hence pursuing its “trade unionist” approach, the NAM extended an “Invitation to Dialogue” to the G-7 on the eve of their summit meeting in Tokyo. Though much of this may have had more to do with then-chairman Suharto’s extensive linkages with the Japanese elites and in particular then Japanese Prime Minister Miyazawa, the G-7 were probably satisfied by the new-found “realism” exhibited by the Southern leadership. Thus the G-7 now holds regular

²²⁷ Amadu Sesay ‘Africa, Non-Alignment and the End of the Cold War’ in Sola Akinrinade and Amadu Sesay (eds.) *Africa in the Post-Cold War International System* London: Pinter, 1998, p. 157

²²⁸ H.E. Mr Nana S. Sutresna ‘The Movement of the Non-Aligned Countries - An Overview from an Indonesian Perspective’, lecture at the International Training on Poverty Alleviation in Indonesia, Cipayung Bogor, West Java, October 14, 1996, <http://www.deplu.go.id/english/gnb.htm>

consultations between the NAM and the G-7 (8) before its annual summits. This was followed by the co-sponsored resolution between the NAM and the United States (the first ever) in September 1993 calling for “Strengthening International Co-operation for Development through Partnership”. Such dialogue with the powerful earned the praise of pro-neo-liberalist journals such as the *Far Eastern Economic Review* who boldly announced that the Movement was now ‘irrelevant no more’.²²⁹

One way in which this was manifested was the NAM’s conciliatory approach to the debt issue. In the past, the Movement had adopted a common strategy *e.g.* at Cartagena, 1984 that held the potential for confronting the leading financial institutions over this question. However, the NAM had failed to push this through, handicapped as it was by the differing agendas of various elites in the South - notably in Argentina and Mexico. The transnational elites located in both North and South had long recognised that ‘any move on the external debt would potentially radicalise domestic politics of income distribution and property rights beyond the precarious control of the present system’, and so had engaged the issue mostly at the rhetorical level - a useful self-legitimising device for Southern leaders.²³⁰ This was necessary, for whilst the elites in the South benefited from low labour costs and their (inevitable) foreign capital holdings overseas increased their wealth at home every time the national currency was devalued, the impoverishment this caused at the local level was threatening to their positions. Posturing a confrontationist agenda towards their creditors was a useful way of deflecting domestic criticism, as was the recourse to explaining away all the country’s ills onto the debt problem. Such a scenario suited their allies in the North: the transnational corporations benefited from cheap labour and demoralised trade unions; whilst the international financial institutions were able to extract high interest rates on servicing the debt.²³¹

Indeed, transnational class solidarity should not be entirely discounted when examining the NAM’s position on debt, particularly in an epoch of an apparent convergence of interests based on the new “realities” of the global

²²⁹ J. Macbeth ‘Irrelevant No More’, *Far Eastern Economic Review*, November 11, 1993.

²³⁰ Rudiger Dornbusch *Dollars, Debts and Deficits* Cambridge: MIT Press, 1986, p. 149.

²³¹ Susan George, 1992, p. xvii.

economy. As the former IMF Executive Director for central America put it, ‘the Third World elites who borrowed the money...come from the same class as those who lent it and as those who managed it at the IMF. They went to the same schools, belonged to the same clubs [and] all profited greatly from the debt. They will not turn on those interests’.²³² Indeed, by agreeing to a more conciliatory and co-operative posture towards the North - particularly *vis-à-vis* debt - the Southern-based elites helped turn the question from being an issue regarding the wider global political economy, into being one of a purely technical matter resolvable through dialogue and negotiations and within the overarching framework of the ongoing hegemonic discourse.

The Cartagena summit held in October 1995 continued the broad trajectory that Jakarta had exemplified. For sure, the “Call from Cartagena”, whilst containing many of the old familiar non-aligned themes such as sovereignty, disarmament and anti-colonialism, also contained within it a commitment to “sound macro-economic management” and growth as a precursor to development. Whilst one cannot argue against “sound” policies, it is what policies are deemed as such and which are not that is important, and in this regard the NAM’s “Call from Cartagena” was very much within the orthodox project, tempered as it was with calls for particular Southern-oriented themes such as the demand to not restrict aid or technology flows to the developing world. Yet, the Summit immediately prior to South Africa’s hosting reflected, in the final analysis, what Mittelman and Pasha described as the underpinnings of international organisations in the globalisation era:

Changes in global production and politics are reflected in the ideology of international organisations. They disseminate values and norms that contribute toward redesigning the global political economy. From the height of the Cold War to the more recent concerns of globalisation, international institutions have absorbed the realities of global political economy and its contradictions. Imbued with neo-liberal doctrines, the current remedy for all ills is the market.²³³

That this was broadly so with the NAM was shown by Cartagena’s call for ‘better co-operation and co-ordination between the Bretton Woods institutions, the WTO

²³² Jorge Sol, quoted by Walden Bello, 1990, p. 61.

²³³ James Mittelman and Mustapha Kamal Pasha, 1997, p. 53

and the UN'.²³⁴ This wish to further increase the dialogue between the disciplinary institutions of neo-liberalism and the Movement was to remain a feature of the NAM's position under South Africa's chairmanship. Indeed, this was to deepen somewhat as Pretoria held the reins of the organisation.

Motivation for South African membership

Whilst the actual behaviour of South Africa within the NAM is the focus of this next section, it is important to understand why Pretoria initially joined the organisation. There are essentially two main reasons underpinning South Africa's commitment to join. These may be summarised and broadly referred to as historic and symbolic. Firstly, the historical. For much of its existence, the NAM paid close attention to the policies of the then South African government, and provided support to the anti- *apartheid* campaign.²³⁵ The GNU was readily aware of this fact - after all, a number of members of the present South African government found sanctuary and support in NAM nations during the long years of exile.²³⁶ For a president known to remember his friends, 'membership of the NAM was an affirmation of support, a gesture of solidarity and a repaying of old historical debts' by Mandela.²³⁷ This is perhaps summed up in a foreign policy document issued by the ANC in 1995, where it was stated that:

South Africa has had a special link with the Non-Aligned Movement (NAM). Even before the formal establishment of the Non-Aligned Movement in 1961 the South African national liberation movement had forged links with the founders of the movement at the historic 1955 Bandung Conference of Afro-Asian Peoples in Indonesia where our members were represented by a two-member delegation.²³⁸

²³⁴ Sally Morphet 'The Non-Aligned and their 11th Summit at Cartagena, October 1995',

²³⁵ See Anthoni van Nieuwkerk 'Overview of the Evolution of the Non-Aligned Movement and its Role in the Liberation of South Africa', paper presented at a workshop on the NAM organised by the South African Portfolio Committee on Foreign Affairs, Cape Town, March 19, 1998.

²³⁶ See Scott Thomas *The Diplomacy of Liberation: The Foreign Relations of the ANC Since 1960* London: Tauris Academic Studies, 1996.

²³⁷ Ian Taylor 'The Republic of South Africa and the Non-Aligned Movement', *Review of International Affairs*, vol. XLVIII, no. 1060, p. 4.

²³⁸ ANC, Department of Information *Foreign Policy Perspective for a Democratic South Africa* February 3, 1995.

Secondly, South Africa's membership of the NAM provided symbolic resonance to South Africa's return to international respectability. Formerly shunned by the NAM (and international opinion) as a pariah, being granted membership of the Movement and other multilateral organisations was essentially a welcome stamp of approval by nations who had repeatedly expressed disquiet at its domestic and external behaviour. Symbolically, by joining organisations such as the NAM, South Africa demonstrated the desire by Pretoria to regain international respectability. Though its economic policies have not changed in the main, membership of the NAM provides symbolic evidence of the ANC's commitment to the disempowered and disadvantaged - perhaps soothing concerns by many of its constituents that its foreign policy is too overtly "pro-Western". This aspect should not be underestimated. Posturing a Southern-oriented foreign policy - as Mandela claimed 'South-South co-operation is of direct and central importance to our own national and international priorities'²³⁹ - allows the GNU to deflect criticism of its international relations and dress up its linkages as being driven by a normative South-South agenda. This being so, how can South Africa's role in the NAM and its activities during the hosting of the 12th summit in Durban in late 1998 be understood?

The Durban Summit

The meeting in Durban is important for our analysis of Pretoria's foreign policy as it exemplified many of the broad themes that have been identified as typifying South Africa's international posture in the post-*apartheid* era.²⁴⁰ Perhaps fundamental to this was the way Pretoria postured a reformist agenda whilst accepting the basic tenets of the hegemonic order: 'the protection of human rights, the spread of [polyarchical] democracy...and the promotion of liberal capitalism'.²⁴¹ At the same time, South Africa was evidently keen to act a "bridge-builder" and promoter of dialogue between North and South. Though how this played itself out during the

²³⁹ *South African Press Association* (St. Lucia) July 6, 1998.

²⁴⁰ For a collection of South African positions at the Durban Summit, see *Durban '98: Compendium of South African Statements During the XII NAM Summit* Pretoria: Department of Foreign Affairs, 1998.

²⁴¹ S.K. Singh 'Non-Alignment: Past, Present and Future', *South African Journal of International Affairs*, vol. 1, no. 1, 1993, pp. 31-31.

negotiations regarding the Nuclear Non-Proliferation Treaty Review and Extension Conference will be examined in the next chapter, it is suffice to say at this juncture that Pretoria's wish to fulfil an essentially middlepowermanship role *à la* Cox came to the fore during the Durban Summit, leading one newspaper to comment that 'South Africa [had] taken an important step towards realising its potential role as a bridge between the industrialised and developing worlds'.²⁴²

This ambition had been remarked upon before by leading South African elites, including Pretoria's Foreign Minister. Interestingly - and fitting our analysis of the patterns surrounding South African foreign policy - this wish to be a bridge-builder was usually contextualised within a framework where Pretoria had recognised that "confrontation" with the North had given way to "dialogue" (though invariably within the confines of the ongoing discourse surrounding politico-economic matters). As Alfred Nzo put it on commenting specifically on the NAM and Pretoria's ambitions regarding the organisation and its own role within the Movement:

The previously confrontational and sterile style of the world-wide debate on North-South issues has made way for a vigorous and healthy debate on core issues. This too mirrors our own change in which matters previously caused division and dissension are now open to wide discussion...

...If we can serve as a bridge to bring the interests of the industrialised world and the Non-Aligned world closer together, we will know that our struggle has been truly worthwhile.²⁴³

This bridge-building role, of attempting to bring North and South together - as typified at the 12th Summit - was a reflection and a playing out of the circumstances that the GNU found itself in *vis-à-vis* the national/international nexus. The ANC had by the time it took office largely acceded to the ongoing discourse surrounding which economic framework was acceptable and which was not. Yet though the ANC elites broadly accepted the hegemonic order in which they found themselves, and pressed for ways in which advantages could be had from this, the demand for certain reforms and an amelioration of the more negative effects of globalisation, coupled with an ostensible pro-South foreign policy (however rhetorical) was a recognition - tacit or otherwise - that certain important

²⁴² *Sunday Independent* (Johannesburg) September 6, 1998.

²⁴³ Alfred Nzo 'South Africa Will Contribute to the Strengthening of the Activities of the Non-Aligned Movement', *Review of International Affairs*, vol. XLVIII, October 1997, p. 3.

constituencies which made up the ANC's support base were dissatisfied and needed soothing.

Indeed, it was a realisation that within the apparent era of "TINA", space was opened up for various policies to be pushed and manoeuvrability was possible which could not only benefit the local internationally-oriented elites, but also serve to deflect criticism from its own Left constituency that the ANC once in power had abandoned the struggle. This contradiction - acceptance of the hegemonic discourse whilst posturing a reformation to it - reflected the very contradictions evident in the nascent historic bloc under construction post-1994. As one analysis remarked:

The SA government, while fixed on a course of fiscal discipline, is less sure of itself in other areas. On the one hand it see the "necessity" of pleasing foreign investors as it seeks to become integrated into the global economy...on the other hand however, it understands that it cannot ignore the demands of its own constituency, in particular that of labour.²⁴⁴

This contradiction, playing out at various levels came to the fore as South Africa's foreign policy post-1994 developed and was exemplified at the NAM summit in 1998. As has been suggested, South Africa attempted to play a bridge-building role promoting a reformist agenda at the summit, whilst accepting the basic thrust of globalisation. This posture was in the main supported by the business-oriented press within South Africa. For example, one report asserted that it was 'no use whining about the marginalisation of emerging markets. Now is the time to act [and] South Africa is uniquely poised to play a bridging role between the First and Third Worlds';²⁴⁵ whilst another argued that 'one of the most strategic interventions SA could make on the NAM is to chart a bridge-building role between North and South'.²⁴⁶

This position by South Africa was seen as mediating between 'the empty, hostile, socialist rhetoric' (as one paper put it) of the NAM's past,²⁴⁷ and a wholly uncritical abeyance to the demands of international capital. It was also a way by which the GNU could gain credibility with the North and posture itself as a

²⁴⁴ Devan Pillay 'Globalisation: A Terrain of Struggle', presented to Department of Foreign Affairs workshop on the Non-Aligned Movement, Cape Town, March 19, 1998, pp. 6-7.

²⁴⁵ *Sunday Independent* (Johannesburg) August 30, 1998.

²⁴⁶ *Business Day* (Johannesburg) July 28, 1998.

²⁴⁷ *Cape Times* (Cape Town) September 9, 1998.

“sensible” country in which to invest. As one Department of Foreign Affairs official put it, ‘in order to be successful, South Africa must build a profile as a serious player on global issues, particularly issues affecting the South’. One way it can achieve this is by bringing ‘maturity to the NAM, especially on economic issues’, by ‘trying to bring together differences between North and South’. ‘South Africa consciously plays this role’.²⁴⁸

Thus the Declaration which Pretoria helped craft at the end of the summit ‘struck the balance South Africa was trying to bring to NAM on the key question of globalisation, accepting the inevitability of free market economics but insisting that the market should not be completely unfettered’.²⁴⁹ This was particularly evident in Pretoria’s successful attempt to nudge the NAM into accepting a less-overtly hostile attitude to various international financial institutions and dominant global players, including - as at UNCTAD IX - inviting a host of formerly unwanted guests such as representatives from Washington and elsewhere.²⁵⁰ Again as it did at UNCTAD IX, South Africa was keen to set up and involve forums where business could be involved in economic matters. For example, Pretoria organised in Durban a future meeting involving the private sector and Southern governments.²⁵¹ At the same time, Pretoria was instrumental in putting the reform of various facets of the world economy onto the agenda:

South Africa managed to replace a paragraph which said “globalisation and liberalisation...impact negatively on developing countries generally” with a paragraph that accepted in principle the World Trade Organisation (WTO), a group NAM has regarded with some hostility.

The new text says NAM “acknowledged that the emergence of the strengthened rules-based trading system, as institutionalised in the...[WTO] may facilitate positive integration of countries into the global trading system if the commitment to this objective is strengthened”.²⁵²

Such activity was later replicated at the Organisation of African Unity Summit in Algiers in July 1999, where Pretoria succeeded in changing previously

²⁴⁸ Interview with Graham Maitland, Non-Aligned Movement sub-directorate, Department of Foreign Affairs, Pretoria, July 8, 1999.

²⁴⁹ *Cape Times* (Cape Town) September 4, 1998.

²⁵⁰ Pretoria was instrumental in inviting representatives from the United States, Great Britain, France, the European Union and the G-8 to a NAM summit for the first time ever.

²⁵¹ In particular a future planned SADC/Caricom conference - *South African Press Agency* (Durban) September 1, 1998.

²⁵² *Cape Times* (Cape Town) September 9, 1998.

“confrontational” rhetoric to a statement that was more cognisant of the global “realities”. In short, so that future interventions would be in ‘an informed manner and not as King Canute striving to wish the waves away’.²⁵³

Yet, just as with UNCTAD IX, South Africa was in advance of much of the rest of the South on a number of issues, particularly *vis-à-vis* stances regarding neo-liberalist macro-economic policies. Mandela had signified much of the South African position on this at the inaugural session, when he has asserted that ‘globalisation has imposed on all of us a fashionable orthodox uniformity according to which we must address all such questions as budget deficits, rates of inflation, interest and exchange rates, capital movements, the flexibility of labour markets, the affordability of social welfare systems and so on’.²⁵⁴ Though Mandela had gone on to moderate this wide-ranging acceptance of the hegemonic discourse, it is clear that this posture reflected the broad framework within which Pretoria’s foreign policy saw itself operating within. Indeed, prior to the summit, Alfred Nzo had flagged South Africa’s determination to push ‘economic development through sound, sustainable and viable macro-economic policies’ as a pillar of the NAM’s activity under Pretoria’s chairmanship.²⁵⁵

At the same time however, the government is conscious of the need to placate its sizeable Left constituency that it has not simply given in to “globalisation” (though they recognise that a degree of manoeuvrability if not sovereignty *has* been lost). Hence expressing concerns about the negative effects of the ongoing order whilst pushing for a reform of various international institutions, is a means by which the GNU can placate its (critical) domestic allies, whilst at the same time not putting at risk its “good boy” image with the custodians of global structural economic power. Thus whilst Thabo Mbeki may admit that globalisation is here to stay, he was also eager to point out at the NAM summit that it was imperative for the Movement to explore ‘what intervention can the developing

²⁵³ Thabo Mbeki, quoted in *Sunday Independent* (Johannesburg), July 18, 1999.

²⁵⁴ Nelson Mandela ‘Address of the President of the Republic of South Africa, Nelson Mandela, at the Inaugural Session of the Twelfth Conference of Heads of State or Governments of the Movement of Non-Aligned Countries’, Durban, September 2, 1998, speech issued by the Office of the President.

²⁵⁵ Alfred Nzo ‘Summary of Speech Made by the Minister of Foreign Affairs, Mr Alfred Nzo, at the Ministerial Meeting of the Co-ordinating Bureau of the Non-Aligned Countries’, Cartagena, Colombia, May 19, 1998, issued by the Department of Foreign Affairs.

countries make to ensure that a process which...favour[s] the rich addresses also what are clearly the more urgent needs of our peoples'.²⁵⁶ This in part explains why South Africa has adopted its bridge-building middlepowermanship role, pushing the broader tenets of the hegemonic order (which it basically accepts) yet arguing for ameliorating the conditions by which the South has to operate in. Yet, this essentially contradictory policy has within it the potential to cause conflict with the less enthusiastic elements (both domestically and internationally) over the degree to which Pretoria should accept and promote the discourse of neo-liberalism.

Certainly, this came to the fore at the Durban summit and was to have a somewhat negative effect on perceptions by some members of the NAM on Pretoria's role, with some complaining that Pretoria's "bridge-building" rhetoric 'sounded too "American" [i.e.] that it did not sufficiently clearly define the fault line between the developed and developing world'.²⁵⁷ Others critiqued the strong manner in which Pretoria pushed its conciliatory approach towards the North as 'dominating the discussions' at the expense of other voices,²⁵⁸ even being 'authoritarian'.²⁵⁹ Though South Africa had pushed for a panel of government experts to "interrogate" the economic policy document drafted for the summit to ensure its relevance,²⁶⁰ its proposals to insert a statement that 'it is the responsibility of developing countries themselves to begin to create an appropriate policy climate conducive to their own economic and trade development', was seen as smacking too heavily of an endorsement of neo-liberalist prescriptions by many participants (whilst 'earn[ing] praise from Western observers').²⁶¹ So too was Pretoria's demand that the NAM adopt as part of its Declaration the assertion that 'countries must put greater emphasis on growth strategies that attract foreign investment' within the framework of 'sound economic policies'.²⁶²

²⁵⁶ Thabo Mbeki 'Speech of the Deputy President of the Republic of South Africa, Thabo Mbeki, at the Opening of the Ministerial Meeting of the XII Summit Meeting of Heads of State and Government of the Non-Aligned Movement',

²⁵⁷ *Business Day* (Johannesburg) August 28, 1998.

²⁵⁸ *South African Press Agency* (Durban) August 30, 1998.

²⁵⁹ *Cape Times* (Cape Town) September 2, 1998.

²⁶⁰ *Cape Times* (Cape Town) August 28, 1998.

²⁶¹ *Cape Times* (Cape Town) September 2, 1998.

²⁶² *Cape Times* (Cape Town) September 9, 1998.

Furthermore, South Africa failed in having the International Labour Office (ILO) recognised as the 'pre-eminent' as opposed to the 'only' international body competent to deal with labour standards: a move aimed at introducing the topic of labour standards into other fora.²⁶³ Critics saw this as a development that would have created the opportunity for other organisations (notably the WTO) to apply labour standards criteria, a move that was seen as potentially prejudicial to the least developing countries in favour of those developing nations - such as South Africa - which had the (relative) space to accommodate more stringent labour standards alongside development. This was something which many elites in the South saw as a luxury they could ill-afford. Whilst this is a controversial point of debate, the proposal to allow the WTO to start applying labour standards certainly held within it the potential for unilateral actions by the disciplinary body against those territories that did not meet with some fixed standard - though Pretoria expressed its opposition to such "hidden protectionism".²⁶⁴ Nonetheless, whilst regulated labour standards would have to a degree protected the working class of the South, it would also have opened up their countries to greater intrusion and surveillance by what are essentially Northern-based multilateral bodies.²⁶⁵ A careful balance between sovereignty and the (at times only) competitive advantage that developing states possessed therefore had to be poised with the goal of ensuring sufficient protection for the working classes in the South.²⁶⁶

This clash over labour standards was perhaps symptomatic of the uneven process of globalisation and the undermining of Southern solidarity that it engendered, as well as reflecting the varying degrees of enthusiasm that disparate elites based in the South viewed the ongoing order. Certainly, at the NAM summit Pretoria was one of the less overtly hostile participants to the global order,

²⁶³ Interview (by telephone) with Henry Raubenheimer, Deputy Director, Development and Finance, Department of Foreign Affairs, July 21, 1999.

²⁶⁴ *Ibid.*

²⁶⁵ Cynics might also suggest that such a proposal suited the interests of the GNU's capitalist allies in big business, who would count on WTO rulings being less labour-friendly than that of the ILO's; whilst the GNU itself could use such surveillance by the WTO to undermine the power of its troublesome labour constituency whilst at the same time casting any perceived anti-labour legislation it would forced to enact under WTO rules as being out of its hands, thus shifting the blame upwards to global institutions and the amorphous "market".

²⁶⁶ Interview (by telephone) with Henry Raubenheimer, Deputy Director, Development and Finance, Department of Foreign Affairs, July 21, 1999.

attempting to push its conciliatory bridge-building agenda in the face of opposition from various quarters. Indeed, whilst the pro-capital media based in South Africa urged Pretoria to 'nudge the organisation's economic policies in the right direction', clearly there was a substantial element within the Movement which resisted and resented such moves.²⁶⁷

Hence though South Africa did succeed at the NAM summit to a degree, as it did at UNCTAD IX, in changing the policy posture of the organisation it was hosting and leading, it did so in a way that opened itself up to criticism from the Left and disaffected Southern elites that it was pursuing a contradictory policy of on the one hand critically engaging and attempting to push a reformist platform *vis-à-vis* globalisation and the hegemonic discourse; and on the other in pushing that very same agenda - very often serving the interests of South Africa (or more correctly, its outwardly-linked elite fractions) at the expense of Southern solidarity. This tension lay at the heart of the ongoing strains and contradictions within the GNU, for within the South African government were disparate attitudes towards globalisation - some cautiously welcoming its opportunities; some were agnostic; whilst some were downright hostile.

The contradictions in South African foreign policy reflect this uncertainty and ambiguity and were exemplified at the NAM summit. It is as if the GNU felt the need to play to two different audience at a variety of levels: those who promote neo-liberalism (the Northern-based financial and governmental institutions; and outwardly-linked and important class fractions within South Africa); and those who are less than enthusiastic about the whole process (elements of the Southern elite within the NAM and the ANC's labour and Leftist constituency). This last element in particular spurs on the GNU to posture a commitment to change at the international level, though as has been suggested regarding the NAM's "trade unionist" approach, this commitment to what remain largely issue-oriented "problem-solving" questions, fails to confront the structural power that sees the continued marginalisation of much of the South.

This failure to engage with the dominant power on fundamental issues has had an important effect on South African foreign policy. As one analyst remarked,

²⁶⁷ *Cape Times* (Cape Town) August 31, 1998.

Pretoria 'has sacrificed its potential to take moral leadership of the post-Cold War world in favour of becoming its chief negotiator' or bridge-builder.²⁶⁸ This middlepowermanship role of bridging the gap between North and South suits the GNU, caught as it is between contending domestic and international forces struggling for its "soul". However, it also suits Northern elites, anxious as they are to find "responsible" leaders in the South who they can engage in dialogue with, without having to experience the uncomfortable questioning of their structural power as occurred during the 1970s with the NIEO. Indeed, this may account for the willingness of the North to invite the NAM troika - headed by Pretoria - to meet with the G-8 on the eve of their summit in Cologne in June 1999. Certainly, with South Africa as Chair, no serious interrogation of the global order could be expected - Pretoria in fact 'welcomed the valuable and continued dialogue between countries of the South and the G-8...to discuss issues of mutual interests'.²⁶⁹ Yet such an accommodatory role based as it is on a problem-solving approach to international relations has at times led to deleterious effects on its global activism, as an investigation of Pretoria's behaviour during the negotiations for the extension of the Nuclear Non-proliferation Treaty make evident (see below).

²⁶⁸ *Sunday Times* (Johannesburg) July 12, 1998.

²⁶⁹ 'Media Statement on the Non-Aligned Movements Reaction to the G-8 Meeting in Cologne', issued by the Department of Foreign Affairs on behalf of the Permanent Mission to the United Nations in New York, New York, July 2, 1999.

SECTION III: SOUTH AFRICA AND THE COMMONWEALTH

South Africa's decision to re-join the organisation and the subsequent role it has played within the body is illuminating for our study and again indicates the essential acceptance of the hegemonic norms of neo-liberalism by the GNU whilst calling for reformist measures to ameliorate the ongoing negative effects of deepening globalisation. This has been Pretoria's basic posture within the movement on issues pertaining to trade and global politics and is reflective of the elite's desire to promote liberalisation, whilst being mindful that elements of its constituency demand a rather different tack. Like UNCTAD, the Commonwealth in recent years has increasingly adopted a pro-neo-liberalist discourse. This being so, it is helpful to look at this trajectory in order to place South Africa's own role in it upon re-admission.

Background

The Commonwealth has its origins in the British Empire and its membership, with the exception of Mozambique, is made up of former colonies or trust territories of Great Britain. Described officially as a 'voluntary association of sovereign states which have formed the Commonwealth to boost their development and advance world peace and justice', the organisation has increasingly taken on board a normative order which is very much within the remit of neo-liberalism.²⁷⁰ The Commonwealth Secretary-General himself admits that certain 'fundamental values' are now at the core of the organisation, and that the Commonwealth concentrates:

[Its] efforts in...particular areas. First, in macro-economic policy formulation and restructuring - for example, in assisting in privatisation policies and the promotion of capital flows. To this end, it has...help[ed] increase the flow of private capital to developing countries.²⁷¹

Understanding this, it is evident that there are important underlying norms and assumptions underpinning the Commonwealth that need exploring. Yet such an analysis militates against the organisation's own account of itself. According to the

²⁷⁰ *The Commonwealth and its Members*, <http://www.comsec.co.uk/members.htm>

Chief Executive of the Commonwealth Partnership on Technology Management, the Commonwealth operates in a milieu where ‘the idea of ideology is behind us and we have entered an era of politics of reasonableness’.²⁷² Tellingly, the Commonwealth makes no link between capitalism and the inequities of the world economy. Such positions of course tie in with the orthodox project which seeks to avoid inquiries regarding the underpinning norms of the discourse by avoiding “ideology” and arguing that in the face of “no alternatives”, talk of rival ideas is nonsensical. As a result of this thinking:

[T]he Commonwealth world view does not encompass an explicit linkage between international economic domination and international power structures...There is no over-arching view of a marriage between capitalism and...imperialism. The Commonwealth world view is not ideological. Because it fails absolutely to make any linkage between the two, its analysis of the world is not even radical. Instead its posture is reformist [and] committed to negotiations.²⁷³

This analysis has increasingly been borne out in recent years and has been particularly so since the 1991 Commonwealth Heads of Government Meeting in Harare. Stemming from this meeting was the Harare Declaration, ‘a turning point for the Commonwealth [as] it was nothing short of a bold programme to convert the Commonwealth in a post-Cold War world into a force for democracy and good governance’.²⁷⁴

Harare Declaration, 1991

The Declaration issued at the end of the Commonwealth Heads of Government Meeting in 1991 was reflective of the changed circumstances that followed in the immediate wake of the end of the “official” East-East confrontation. According to one analyst, the Declaration represented ‘the Commonwealth’s latest attempt to stake out a consensus on the troubling relationship between sovereignty and “fundamental political values”, the official shorthand for the member’s commitment

²⁷¹ Emeka Anyaoku ‘The Commonwealth and the New World Order’, *Round Table*, no. 324, 1992, p. 414.

²⁷² Mihaela Smith, chief executive of the Commonwealth Partnership on Technology Management, cited by *South African Press Agency* (Swakopmund) July 28, 1998.

²⁷³ Stephen Chan *The Commonwealth in World Politics: A Study in International Action, 1965 to 1985* London: Lester Crook Academic Publishing, 1988, p. 47.

to uphold 'democracy, human rights and the rule of law'.²⁷⁵ Thus the Harare Declaration called for 'international peace and order, global economic development and the rule of international law'; 'the liberty of the individual under the law'; and 'the individual's inalienable right to participate by means of free and democratic political processes in framing the society in which he or she lives'.²⁷⁶

Whilst such normative concerns are applauded, it is possible to adopt a critical stand *à la* Robinson, suggesting that such an interest in "democracy" also reflected a changed agenda by the North in matters pertaining to the South in the post-Cold War era.²⁷⁷ Indeed, such prescriptions can also be seen as reflective of a new order where the North felt able to act as disciplinary watchdogs on the domestic affairs of the South - a role they were hitherto unable to perform in part due to the tensions and rivalry of the bi-polar confrontation. As one observer noted, Harare 'was a product of the post Cold War period and dealt primarily on conditions within nations states. Accordingly the emphasis was on democracy, human rights and the rule of law *within* countries'.²⁷⁸ This was of course also at a time when negotiations on a post-*apartheid* dispensation were underway, and the Harare Declaration was very much part of a broader scheme whereby the Commonwealth aimed to help facilitate dialogue towards a non-racial democracy. Indeed, in order to be consistent the Declaration not only had to call for democratisation in South Africa, but also within all other members of the Commonwealth. Coinciding with this though, following Robinson's analysis, was the desire to promote the discourse of neo-liberalism and "good governance". Indeed, such a critique is bolstered by later principles included in the Declaration, which asserted that:

There is increasing recognition that commitment to market principles and openness to international trade and investment can promote economic progress and improve living standards...

²⁷⁴ James Mayall 'Democratising the Commonwealth', *International Affairs*, vol. 74, no. 2, April 1998, p. 379.

²⁷⁵ *Ibid.*, p. 385.

²⁷⁶ *The Commonwealth Code of Principles*, <http://www.comsec.co.uk/principl.htm>

²⁷⁷ See William Robinson, 1996.

²⁷⁸ K. Srinivasan 'A Force for Democracy, Human Rights and the Rule of Law? Do Harare and Millbrook Go Too Far or Not Far Enough?', *Round Table*, no. 344, 1997, p. 513.

Only sound and sustainable development can offer...the prospects of betterment. Achieving this will require a flow of public and private resources'.²⁷⁹

Hence as part of the final Declaration, a call for 'sound economic management recognising the central role of the market economy' was posited alongside the demand for 'democracy, democratic processes and institutions'. Later, the British Minister for Overseas Development spoke of the empowerment offered to individuals within neo-liberalist dispensations where 'governments should only do what they need to, and not take on tasks best left to others', whilst asserting that 'a major new thrust of [British] policy is to promote pluralistic systems which work for and respond to individuals in society. In political terms this means democracy'.²⁸⁰ This project was explicitly 'attached to aid in support of economic reform'²⁸¹ - as Robinson claimed, 'promoting polyarchy and promoting neo-liberal restructuring [is] a singular process'.²⁸²

It was in this context that Pretoria was invited to re-join the Commonwealth (Mandela being granted observer status at Harare). The history of the Commonwealth's involvement in the South African question has been recounted elsewhere and need not distract us,²⁸³ but what is important for our analysis is what were the motivational factors behind Pretoria rejoining the organisation post-1994. Following this, what has South Africa's track record (*i.e.* what has its posture on fundamental issues pertaining to politico-economic issues) been since that date?

²⁷⁹ Commonwealth Secretariat *The Commonwealth Code of Principles*.

²⁸⁰ British Minister for Overseas Development, Lynda Chalker in *Leadership SA*, vol. 10, no. 5, 1991, p. 76.,

²⁸¹ *Ibid.* Chalker went on to advance (unwittingly?) the Gramscian position when she said that 'some might call this [linkage] conditionality, I call it common sense'.

²⁸² William Robinson, 1996, p. 55.

²⁸³ See Kent Durr 'South Africa and the Commonwealth', *Round Table*, no. 330, 1994; Michael Makin 'The Prodigal Returns: South Africa's Re-admission to the Commonwealth of nations, June 1994', *South African Journal of International Affairs*, vol. 4, no. 1, Summer 1994; Michael Makin 'Britain, South Africa and the Commonwealth in 1960: The "Winds of Change" Re-assessed', *Historia*, vol. 41, no. 2, November 1996; Peter Vale and David Black *The Prodigal Returns: The Commonwealth and South Africa, Past and Future*, Working Paper no. 35, Bellville: Centre for Southern African Studies, 1994;

South Africa's transition and the Commonwealth

By agreeing to re-join the Commonwealth, Mandela was not only reintegrating South Africa back into the international community *via* multilateralism, but also aligning a future ANC-led South Africa to the norms and values exemplified by the Commonwealth. In short, this was an important statement of intent by the ANC leader that was to be played out post-1994. Following the Harare meeting, the Secretary-General visited South Africa three times leading to the proposal that a team of "experts" from the country 'provide practical assistance to arrest the ongoing violence, which had emerged as the key impediment to negotiations'.²⁸⁴ This formed itself as the Commonwealth Observer Mission (COMSA), being made up of a selection of police officers, justice, and public service professionals. According to their own report, COMSA promoted dialogue between various parties and fostered reform-oriented dialogue with local police forces as well as investigating the criminal justice system.²⁸⁵ This techno-functionalist aspect of the Commonwealth (such as election observers during the first democratic vote) was to henceforth assume predominance in the organisation's role in South Africa. Yet the legitimisation of the Commonwealth's core values centred around the hegemon's own project was to continue through such involvement after South Africa was readmitted to the Commonwealth on May 31 1994.²⁸⁶ Even prior to the re-admission of Pretoria, the Commonwealth's Secretary-General was promoting to South African audiences the hegemonic view that if 'countries make greater success of their adjustment programmes, liberalis[e] trade and creat[e] more favourable environments for foreign investment, the prospects [for the South] will improve'.²⁸⁷

²⁸⁴ *Violence in South Africa. The Report of the Commonwealth Observer Mission to South Africa. Phase 1: October 1992-January 1993*, London. Commonwealth Secretariat, 1993, p. 1.

²⁸⁵ See *ibid.*, and also *Violence in South Africa. The Report of the Commonwealth Observer Mission to South Africa. Phase II: February - May 1993*, London. Commonwealth Secretariat, 1993; and *Violence in South Africa. The Report of the Commonwealth Observer Mission to South Africa. Phase III: August - October 1993*, London. Commonwealth Secretariat, 1993.

²⁸⁶ For an overview of South African reaction to this, see Michael Makin 'The Prodigal Returns: South Africa's Re-Admission to the Commonwealth of Nations, June 1994' *South African Journal of International Affairs*, vol. 4, No. 1, Summer 1996.

²⁸⁷ 'Commonwealth: Interview with Chief Emeka Anyaoku', *Leadership SA*, vol. 11, February-March, 1992, p. 30.

The ending of the question over South Africa 'created the possibility of moving the Commonwealth in new directions'.²⁸⁸ In particular, the previously negative stance the British Conservative administration had towards the Commonwealth over its de-legitimising stance towards London was replaced by a more amenable policy that recognised that the body held out possible benefits to British capital's interests. As one British diplomat remarked:

In the wake of the Cold War and its international effects in 1991 and the end of *apartheid* in South Africa...Britain became more comfortable with the Commonwealth's political discourse. The United Kingdom's status as the "odd man out" over South Africa had ended.

Further, as the 1990s evolved, several Commonwealth countries began to emerge as potentially rich markets and as opportunities for British sales of both goods and services.²⁸⁹

The ending of the controversy over South Africa and the space it opened up for a "new agenda" for the Commonwealth was recognised by Britain's Foreign Minister when he asserted that the removal of internal disputes over South Africa would enable the Commonwealth to unite around promoting the particular fixation of the hegemonic discourse namely 'consolidating democracy' - an indication of how the Harare Declaration's prescriptions should be viewed.²⁹⁰ As that same senior British politician asserted, 'if we cannot impose democracy by imperial powers, we...need ways of persuading countries to live by democracy, ways of rewarding them for working democratically, and ways of expressing displeasure'.²⁹¹

As has been suggested, whilst "democracy" is to be applauded, it is one particular type that is being proffered here and this needs to be recognised. Indeed, the ending of the controversy *vis-à-vis* South Africa coincided with this project. As one (uncritical) observer remarked:

For most of the 1980s, Britain had tried unsuccessfully to deflect Commonwealth summits from their obsessions with southern Africa, and on to discussion of practical schemes of co-operation, mainly in the economic field. The collapse of Communism, and along with it a faith in central economic planning, ostensibly made their task easier. So did the linked

²⁸⁸ James Mayall 'More Than Bread and Circuses', *World Today*, October 1997, p. 252.

²⁸⁹ Ronald Sander 'The Commonwealth After Edinburgh', *Round Table*, no. 346, 1998, pp. 199-200.

²⁹⁰ Douglas Hurd quoted by Katherine West, 1994, p. 414.

²⁹¹ Douglas Hurd 'The Commonwealth in a Changing World', *Round Table*, no. 329, 1994, p. 18.

issues of good governance and democratisation which assumed importance in international affairs which they had not previously enjoyed.²⁹²

For its part, South Africa's re-joining of the Commonwealth was a recognition that the new leaders wished the country to become a full member of the international community. In an interview at the time, the British Prime Minister welcomed this and highlighted the importance attached to South Africa by the core states when he commented that 'if South Africa succeeds by following democratic and free market economics, then over time it will be seen to have changed the face of much of Africa'.²⁹³ According to reports at the time, 'Mandela's future economic plans include a concerted attempts to attract investment capital' and the Commonwealth 'will be able to help South Africa as it moves beyond an era of economic sanctions and reintegrates itself into the world trade and investment system'.²⁹⁴ Another commentator was quite explicit in this, asserting that:

Rejoining the Commonwealth membership...will send a signal to the IMF, World Bank and investors that South Africa once again is keeping respectable company and can be trusted to play by the rules...The country must be up-front...relearning the global liturgy and litany.²⁹⁵

These 'rules' and 'global liturgy' belong to a particular project, namely neo-liberalism. The Commonwealth serves to legitimise and further these particular norms and behaviour - a process which has intensified whilst South Africa has renewed its membership. This legitimisation process has been integral to the organisation's interaction with South Africa, something which can be demonstrated by briefly examining the role of the Commonwealth in South Africa since 1994.

Elements of the Commonwealth's role in post-1994 South Africa

The techno-functionalist role of the Commonwealth has become evident particularly post-1994. Indeed, South Africa represented the south and central African region in the Commonwealth Fund for Technical Co-operation (CFTC),

²⁹² James Mayall, 1997, p. 253.

²⁹³ Interview with John Major, in *Cape Argus* (Cape Town), September 19, 1994.

²⁹⁴ *Christian Science Monitor* (Boston), May 2, 1994.

²⁹⁵ Stanley Uys 'Why South Africa Should Rejoin the Commonwealth', *South Africa Foundation Review*, vol. 20, no. 3, February 1994, p. 2.

which purports to offer advice on development projects.²⁹⁶ Yet as Bangura points out, 'British aid is [always] likely to be redirected to potential markets for British exports'.²⁹⁷ The discourse that surrounds this body, as well as others such as the Commonwealth Development Corporation (CDC), and the Commonwealth Private Investment Initiative is firmly within the ongoing terms of reference. Indeed, the CDC explicitly avoids such "controversial" issues such as social development, instead concentrating on purely economic development grounded within liberal capitalist norms.²⁹⁸ This also serves to propagate British influence. Factors which lead the CDC to involvement revolve around those countries 'with which [Britain] have good political and commercial links' and where the government is 'sensible and well-administered [with] sound general economic policies'.²⁹⁹ Of course, only those countries which subscribe to the liberal capitalism espoused by the hegemon and who practice 'sensible' economic policies thus receive the CDC's visitations. Furthermore, the CDC has set itself the task to help develop the emergent Black bourgeoisie in South Africa, through the formation with Investsec and Fedsure of the "Enterprise Capital Fund", and with Nedcor and Southern Life the "Franchise Fund of South Africa", both 'to assist emerging Black business'.³⁰⁰ By doing so, the Commonwealth is aiding in the construction and consolidation of a historic bloc based around the existing elites and the emergent aspirant Black middle classes. Such elements see their interests beholden to the preservation of "free market" principles, the private sector and the existing capital accumulation regime.

In addition, the Commonwealth is also involved in education in South Africa - particularly at the university level. Thus there is the Commonwealth Higher Education Support Scheme and various Commonwealth scholarships (including a "Queen's Scholarship for South Africa").³⁰¹ Whilst these are welcomed as programmes to further the education of previously disadvantaged persons, the

²⁹⁶ *Department of Foreign Affairs Multilateral Branch - Annual Report, 1995* Pretoria: Department of Foreign Affairs, 1996, p. 24.

²⁹⁷ Yusuf Bangura *Britain and Commonwealth Africa: The Politics of Economic Relations, 1951-75* Manchester: Manchester University Press, 1983, p. 217.

²⁹⁸ See C.M. Rogerson 'British Aid to Southern Africa: The Role of the Commonwealth Development Corporation', *Africa Insight*, vol. 23, no. 4, 1993.

²⁹⁹ W. Ryrie 'Managing an Aid Programme', *Bulletin, Institute of Development Studies*, vol. 17, no. 2, 1986, p. 9.

³⁰⁰ *Business Day* (Johannesburg), March 26, 1997.

³⁰¹ *Natal Witness* (Durban) March 21, 1995.

legitimising function of such schemes are not to be ignored. Numerous Commonwealth leaders have received their education in British institutions and the socialising process has invariably influenced their later world outlook.

Empirical evidence on such socialisation is hard to pinpoint, but certainly the invitation to study in Britain is not mere altruism on the part of London. Van der Pijl shows that these scholarships goes back to Cecil Rhodes and were designed to further Rhodes' ideals. It is possible to agree with this view that such scholarships and educational networks remain 'connected into a wider culture'. This can be traced in the careers of both George Bush and Bill Clinton, and can certainly be extrapolated in the careers of a wide number of the Commonwealth's elites (such as Hastings Banda, Benazir Bhutto, Thabo Mbeki *et al.*).³⁰² Indeed, Mbeki's brother recalled that as a student in Britain, his sibling fitted in comfortably: 'we really weren't that different...we were also middle-class [and] brought up in an Anglophilic environment'.³⁰³ This connects well with the effective legitimisation process. As one writer noted, 'there is a substantial number of postgraduate students in the UK who will go on to become policy-makers throughout the Commonwealth'. This can act to instil 'a sense of "Commonwealth identity" in them'.³⁰⁴ Not only are students brought to the metropole to receive a particular education, but the Commonwealth also sends its army officers, civil servants, diplomats and other professionals.³⁰⁵ Even though 'one of the features of the Commonwealth is that most of its technical assistance is from one developing country to another',³⁰⁶ the whole process serves to legitimise particular ways of doing things and invariably also de-legitimises alternative projects.

The Commonwealth has also played a technical role in consolidating polyarchy - what has been referred to as 'a programme of technical assistance and capacity building for the legal and institutional underpinnings of democracy'.³⁰⁷ This assistance and the concomitant role played by the Commonwealth

³⁰² Kees van der Pijl in Björn Hettne, 1995, p. 107.

³⁰³ *Sunday Times* (Johannesburg) May 30, 1999.

³⁰⁴ Neil Saravanamuttoo 'Are We Building a Commonwealth for Tomorrow?', *Round Table*, no. 336, 1995, p. 440.

³⁰⁵ *Daily News* (Durban) June 1, 1994.

³⁰⁶ John Groom *A Commonwealth for the 21st Century* Braamfontein: South African Institute of International Affairs, 1992, p. 6.

³⁰⁷ Peter Vale and David Black, 1994, p. 19.

Parliamentary Association (CPA) are classic examples of the legitimisation role played by multilateral organisations in furtherance of the dominant project. The adoption of a Westminster-style democratic type was never really seriously questioned nor alternatives put up for inspection. In the absence of such alternatives, it has been relatively easy to establish the hegemony of a British-style parliament. This is in despite of the fact that this very same institution governed South Africa during the *apartheid* era. As one new parliamentarian put it, 'I had always hated this institution and then I became a part of it, part of a system I had been fighting against for my whole life'.³⁰⁸

Demographic composition changes aside, the norms and values of the Westminster model remain the same - a remarkable continuation. The CPA's technical role has been to socialise a generation of first-time parliamentarians into the ethos of the parliamentary system. This system rests upon clear foundations found in the hegemonic liberal discourse.

The same can be said at the level of civil society. The norms of a liberal, *Western* society are successfully propagated within South Africa by bodies such as the Commonwealth Lawyers' Association. Through a diffuse process of networking and informal socialisation, the values of a particular societal project are grounded in post-*apartheid* South Africa, almost unconsciously and in turn serve to legitimise the legitimisation of this ethos. The hegemony of such values in world society is acknowledged by Vale and Black who assert that 'the work of these Commonwealth organisations is central to South Africa's capacity to take its place in the wider world of international relationships'.³⁰⁹ Hence the success of post-*apartheid* South Africa is predicated and privileged around the ability of Pretoria to digest the neo-liberalist discourse that is served up by organisations such as the Commonwealth, among others. Such a playing out of the hegemony of neo-liberalism as propagated by the Commonwealth was open to inspection most graphically at the 1998 Commonwealth Heads of Government Meeting in Edinburgh. Here, the Commonwealth's pronouncements were fully in line with the discursive practices of the hegemonic project. Yet, at the same time a reformist

³⁰⁸ Patricia de Lille quoted in *Sunday Independent* (Johannesburg) March 14, 1999.

³⁰⁹ Peter Vale and David Black, 1994, p. 19.

posture was adopted by Pretoria in an attempt to ameliorate the process of uneven development inherent in globalisation. It is to this that this work now turns to.

Edinburgh 1998

The Edinburgh Commonwealth Heads of Government Meeting was the first Commonwealth summit attended by the post-*apartheid* government and as such is of profound interest to our study. From the start it was apparent that the agenda behind the Edinburgh meeting was a continuation of the neo-liberalist trajectory that had been so apparent at Harare. Yet the 1998 meeting exhibited a greater confidence on the part of the core power within the organisation *vis-à-vis* the hegemonic project. Indeed, Edinburgh concentrated almost exclusively on macro-economic matters 'in deference to the wishes of the host government',³¹⁰ resulting in 'its first economic communiqué, making a formal commitment to encouraging free trade'.³¹¹ Not that this was solely a British agenda - indeed, reflective of the hegemony neo-liberalism had attained amongst large sections of the global elite, the 'concentrat[ion] on trade and investment [was] likely to be shared by many Heads of Government'.³¹²

Prior to the meeting, just as with UNCTAD IX and the NAM, fringe conferences encouraged private involvement and dialogue with the gathered state representatives. Much of this was aimed at networking and striking deals. Another aspect was the desire to continue socialising and "educating" elites from the South into the discursive practices of the hegemonic project. As one commentary put it:

The Commonwealth Business Forum...and the Conference on Trade and Investment Opportunities in the Commonwealth and Europe which the British Council is organising for mid-career future leaders from the Commonwealth and European Union countries, will also have an *educational function* for high-level networking that may eventually have an economic pay-off [emphasis added].³¹³

This mix of private and state initiative was exemplified by the call to establish a Commonwealth Business Council, headed by leading South African Black

³¹⁰ James Mayall, 1998, p. 391.

³¹¹ *South African Press Agency* (Edinburgh), October 27, 1997.

³¹² James Mayall, 1997, p. 254.

³¹³ *Ibid.*

businessman Cyril Ramaphosa and the CDC's chairman to be 'made up of a small number of major private-sector leaders to advise the Commonwealth secretariat and consider methods to boost private sector investment'.³¹⁴ The Commonwealth's involvement in boosting the position of the emergent Black bourgeoisie in South Africa is a case in point - the Business Council can be seen as a further example of this trend.

Throughout the Edinburgh meeting, the discourse of "free markets" and liberalisation was dominant, although Southern delegates - South Africa amongst them - did counsel the "ABC countries" (Australia, Britain and Canada) about the uneven process of globalisation. Indeed, Mandela cautioned the summit delegates that 'stable democracies could not be sustained in countries where poverty was rife',³¹⁵ and that measures should be introduced to ensure that the world trading system and global economic growth should be more equitable and benefit development.³¹⁶ This was in a context where 'frenzied last-minute negotiations by Commonwealth developing countries' headed off a proposal by the ABC states to promote 'a further round of Uruguay-style trade talks'.³¹⁷ Instead, leading states such as South Africa managed to insert the proviso to the *Edinburgh Commonwealth Declaration on Promoting Shared Prosperity* declaration that 'not all countries have benefited equally from the globalisation of the world economy, and a significant number are threatened with marginalisation'.³¹⁸

However, reflective of the hegemony of neo-liberalism, the Declaration committed all countries 'to strengthen the multilateral trading system, within the framework of the WTO'.³¹⁹ Indeed, though the British Prime Minister 'acknowledged differences', the Commonwealth as a whole 'were united by their goals'. This was namely, a commitment to 'market principles and open international trade, whilst also calling for uneven development to be addressed'. The role of South Africa in this "consensus" was that such a position 'appeared to echo an earlier statement by President Nelson Mandela calling for measures to ensure that the world trading

³¹⁴ *Business Day* (Johannesburg), October 27, 1997.

³¹⁵ *Weekly Mail and Guardian* (Johannesburg) October 31 - November 6, 1997.

³¹⁶ *Business Day* (Johannesburg), October 27, 1997.

³¹⁷ 'CHOGM Has Become a Free-Trade Talking Shop', *One World News Service*, October 27, 1997, http://oneworld.org/news/reports/comm_economics.html

³¹⁸ *Ibid.*

system and global economic growth should be translated into development'.³²⁰ Thus Pretoria's position was to endorse the call for liberalisation, whilst urging a recognition that such a process had an uneven and sometimes damaging effect on the South - and thus measures needed to be implemented to safeguard against such negative outcomes stemming from the neo-liberalist thrust.

Yet even with this proviso attached to the final Declaration, the dominant discourse was overwhelmingly within the remit of the ongoing neo-liberalist project: the organisation's Deputy Secretary-General (Economic and Social Affairs) asserted that the Declaration 'expressed the contemporary economic orthodoxy, and in particular the need for government to go into partnership with the private sector to generate wealth'.³²¹ As one of the drafters the Commonwealth Secretary-General underscored the role of the organisation in 'promoting trade and investment, public service reform and the role of the private sector', and that governments 'should be responsible for creating a sound and stable macro policy environment...and for creating an enabling environment for the private sector'.³²² This had earlier been echoed in the Commonwealth's house journal, *The Round Table*, which had explicitly argued that one of the roles of the organisation was to aid member states to become more amenable and "attractive" to international capital's requirements:

Investors look for assurances of stable conditions. They need to know that they can earn profits [and] repatriate them without difficulty...The Commonwealth, being both a political and an economic institution...is well equipped to help its members make themselves credible to investors.

...It can set a good example to the world in economic performance by successfully opening markets and attracting investment.³²³

The British Prime Minister meanwhile announced that he was 'a passionate believer in free trade and [that] the Commonwealth should be a force for freer trade in the world', whilst claiming that 'free trade is essential if all our economies are to grow'.³²⁴ This was reflective of a position (promoted by the ABC states and the

³¹⁹ *Ibid.*

³²⁰ *Business Day* (Johannesburg), October 27, 1997.

³²¹ Humphrey Maud 'The Commonwealth's Edinburgh Economic Declaration', *Round Table*, no. 346, 1998, p. 193.

³²² *South African Press Agency* (Edinburgh) October 22, 1997.

³²³ Nicholas Bayne 'Globalisation and the Commonwealth: International Economic Relations in the Post-Cold War World', *Round Table*, no. 344, 1997, p. 480 and p. 475.

³²⁴ *South African Press Agency* (Edinburgh) October 22, 1997.

Secretary-General) that neo-liberal restructuring was desirable, inevitable - indeed almost "natural".

In fact, most elites attending the meeting subscribed to this view, though they were more circumspect about the uneven process and negative effects liberalisation was having on their own domestic constituencies. Nevertheless, within the Commonwealth 'values and understandings are relatively stable and unquestioned. They are apparent to most actors as the natural order of things'. This equates to hegemony which 'derives from the ways of doing and thinking...insofar as these ways of doing and thinking [inspire] emulation'.³²⁵ Hence within the organisation it is assumed as entirely "natural" that a polyarchical Westminster-style parliament is the norm and will work best for South Africa. Certainly, the 'acceptance of Commonwealth practices and conventions' remain tied to the hegemon's preferred norms and values.³²⁶

As has been seen, the Commonwealth's role has increasingly been to support and foster neo-liberalist capitalism. This position has come, post-Edinburgh, to reflect the consensus that underpins the Commonwealth in the contemporary period. Whilst South Africa was successful (in tandem with other Southern states) in raising the issue of global inequality and the uneven process of globalisation, it is this hegemonic consensus that Pretoria has essentially aligned itself to within its membership and activities as a member of the Commonwealth in the post-1994 period, and which in the words of a Commonwealth handbook asserts that 'Africa Means Business'.³²⁷

³²⁵ Robert Cox, 1992, p. 179.

³²⁶ Commonwealth Secretariat *Discussion Draft of the Intergovernmental Group on Criteria for Commonwealth Membership* (London: Commonwealth Secretariat, 1996).

³²⁷ Title of second section of book published by the Commonwealth Business Council *The Commonwealth African Investment Almanac, 1998* London: Hanson Cooke and the Commonwealth Secretariat, 1998.

CHAPTER 6

PRETORIA'S PROBLEM-SOLVING ACTIVITY IN ISSUE-SPECIFIC MULTILATERAL BODIES

SECTION I: SOUTH AFRICA AND THE NUCLEAR NON-PROLIFERATION TREATY

The issue of nuclear proliferation, that is the dissemination of weapons of mass destruction, has been one of the key issues in international politics in the post-1945 era.³²⁸ Efforts to control the process stem from the start of the Cold War through such overtures as the Baruch Plan of 1946, which proposed to set up an international body to monitor nuclear production. According to this Plan, right of access to state territories for the purpose of inspection and verification was to be a key component in controlling atomic energy. However, on the grounds of defending their national sovereignty, the Soviet Union rejected the Plan - an indication that verification was to be the main stumbling block to any treaty that sought to control the distribution of atomic material.

Being the first nuclear power, the United States was keen to make use of an international institutional approach, primarily through the foundation of the International Atomic Energy Agency (IAEA) in the 1950s. At the same time, the US encouraged horizontal dissemination by collaborating with London's own nuclear programme. Vertical proliferation increased dramatically with the invention of the hydrogen bomb, tactical weaponry and advanced testing procedures and the problem of a nuclear arms race came increasingly to dominate international politics. Following the detonation of China's first nuclear weapon in 1964, the world was faced with a build-up of weapons of mass destruction outside the remit (and control) of the Superpowers and their Cold War allies. A cohesive international

³²⁸ See *The United Nations and Nuclear Non-Proliferation* New York: United Nations Department of Public Information, 1995.

management of nuclear weaponry and their proliferation then became a matter of urgency and concern to stop “irresponsible” parties gaining such weaponry.

The Nuclear Non-Proliferation Treaty

Efforts to control the proliferation of nuclear weaponry were initially based around secrecy (shattered by successful Soviet espionage coups); proposals regarding a single international monitoring agency; attempts to ban all nuclear weapons tests; and through trying to limit access to critical materials and technologies.³²⁹ However, by 1968 and under pressure from a concerned international community, the control of the future spread of nuclear weaponry was seen to lay in a treaty regime (negotiated between 1961 and 1968) that would demand:

- that states in possession of nuclear weapons do not assist others to acquire same;
- that states not already in possession do not attempt to acquire them; and
- that facilities in non-nuclear weapon holding states capable of producing fissionable materials that could be converted to weapon usage be subject to monitoring from the IAEA
- co-operation on nuclear matters be restricted to the peaceful application of atomic power
- the results of peaceful explosive testing to be shared with non-nuclear weapon holding states.³³⁰

Originally opened for signature on July 1, 1968 and coming into force on March 5, 1970 the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) became the most widely observed arms control covenant in diplomatic history, and is the only global legal instrument which commits both the non-nuclear weapon states to refrain from acquiring nuclear weapons and the nuclear weapons states to seek

³²⁹ George Rathjens ‘Rethinking Nuclear Proliferation’, *The Washington Quarterly*, vol. 18, no. 1 1994, p. 181.

³³⁰ ‘Treaty on the Non-Proliferation of Nuclear Weapons (1968)’ in *United Nations Treaty Series* no. 10485, vol. 729 New York: United Nations, 1970.

reduction of their arsenals.³³¹ There are currently 186 signatories to the NPT. That is, virtually all the nations of the world with the notable exception of Brazil (which instead signed the Treaty of Tlatelco, the South American nuclear-free zone treaty), Cuba, and the three *de facto* but undeclared nuclear states, namely India, Israel and Pakistan. The NPT aimed to create a prohibition against the further proliferation of nuclear weaponry and by doing so it transformed the acquirement of such weapons from a derivation of state pride, to a matter of official denial. Ultimately, it also motivated a number of states such as Argentina, Brazil, and Sweden to give up their nuclear programmes.

According to the NPT, five nations are declared “nuclear weapon states” *viz.* France, the People’s Republic of China, Russia, the United Kingdom and the United States of America. These are the states that had manufactured and exploded nuclear devices prior to January 1, 1967, and are thus members of the NPT. Every other state is defined as non-nuclear and this definition includes those states who are now known to possess nuclear weaponry or the potential to build such material, namely India, Israel and Pakistan. These three are not NPT members. This assumption, between nuclear and non-nuclear states (however redundant) is twinned with a second basic assumption, namely that military and civilian usage of nuclear technology can be visibly demarcated. The fact that the nuclear powers take great pains to restrict the export of “delicate” nuclear technologies as well as the well-known anxiety over the smuggling of uranium out of the former Soviet Union by criminal networks, show that this assumptive premise of the treaty is not shared by the key signatories.

The NPT has remained controversial because of its effective monopolisation of the right of the existing nuclear states to manufacture weaponry and possess them whilst the non-nuclear states were prohibited not only from manufacturing such armaments, but possessing them. This in itself in part sprang from the major powers having a shared interest in halting proliferation, ‘since it [made] global politics more complicated than ever before’.³³² This reality remained problematic for the Treaty and provoked heated debate on the matter. India in particular held the

³³¹ John Simpson and Darryl Howlett ‘The NPT Renewal Conference: Stumbling Toward 1995’, *International Security*, vol. 19, no. 1, Summer, 1994.

position that it is hypocritical for the nuclear powers, already happily in possession of the desired weaponry, to dictate that other nations cannot.

This being so, under Article X of the original NPT, twenty five years after its entry into force a conference was to be convened to discuss whether the Treaty would continue or be extended. It was that proviso that set the scene for the NPT Renewal Conference in New York from April 17 to May 12, 1995.

NPT Renewal Conference: the background

The Renewal Conference came at a time of increasing anxiety over nuclear proliferation and tension with aspirant nuclear powers. In March 1993 Pyongyang had withdrawn from the non-proliferation pact and refused permission for routine monitoring of its nuclear sites. At the same time, Pakistan announced in November of that year that it would not roll back its nuclear program in the face of the perceived threat from another *de facto* nuclear power, India. Also, following the end of the Gulf War, deep suspicion was levelled at Iraq's nuclear programme by Washington and its allies. This international tension over nuclear weaponry was compounded by the break-up of the Soviet Union which saw thirty per cent of the former communist power's nuclear arsenal stranded in the newly independent republics of Belarus, Kazakhstan and Ukraine.

Thus as the Conference convened, participants were faced with not only what to do with those states suspected of possessing nuclear weapons or aspiring to do so, but also with new states in possession of large portions of the former Soviet Union's stockpile. Furthermore, the question of nuclear weapon testing, which had failed to be resolved at the last NPT Review and Extension Conference in 1990, was also on the agenda in New York. Having established this, it is pertinent to now look at Pretoria's own nuclear policy and how the state under the new democratic dispensation acted during the NPT Review process.

³³² Paul Kennedy *The Rise and Fall of the Great Powers* New York: Vintage Books, 1989, p. 505.

South Africa and Nuclear Weapons

Pretoria began a nuclear weapons programme in 1970 when the South African Atomic Energy Corporation (AEC) embarked on a government-sponsored construction of a clandestine plant for the enrichment of uranium.³³³ This programme may be seen as a natural outcome of the assumptions that provided a coherent framework for South Africa's security policies, particularly with regard to its external security.³³⁴ Although interest in creating a nuclear capability had been expressed in the early 1970s (a test site being built in the Kalahari in 1974), it was the geopolitical developments following the post-Lisbon *coup* and the involvement of Soviet and Cuban troops in the region that spurred Pretoria to adopt a "total national strategy" aimed at combating the perceived threat from Moscow. Caricatured as the *rooi gevaar*, this underpinning of Pretoria's attitude towards the Communist world, particularly after the victory of socialist movements in Angola and Mozambique in the mid-1970s, propelled South Africa to embark on a nuclear programme of its own in order to alter the power balance within the region.³³⁵

At this juncture it should be pointed out that Pretoria did not hope to compete with Moscow in the creation of its own nuclear arsenal. The policy objective was to coerce the West (in particular Washington) into providing a "nuclear guarantee" to offset Moscow's ostensible threat.³³⁶ By posturing the escalation of nuclear proliferation in a flash-point region, Pretoria aimed to force the United States' hand into offering to provide a security umbrella against alleged Soviet machinations. Later, as pressure on Pretoria increased and incremental sanctions began to bite, the South African administration began to vaguely hint that its nuclear capability would enter the equation somehow.³³⁷ Such apocalyptic posturing however was more a sign of the times in an embattled South Africa, than a measured policy *vis-à-vis* Pretoria's nuclear custody.

³³³ J.D.L. Moore *South Africa and Nuclear Proliferation: South Africa's Nuclear Capabilities and Intentions in the Context of International Non-Proliferation Policies* Basingstoke: Macmillan, 1987.

³³⁴ Darryl Howlett and John Simpson 'Nuclearisation and De-nuclearisation in South Africa', *Survival*, vol. 53, no. 3, Autumn 1993, p. 154-155.

³³⁵ Jack Spence 'South Africa: The Nuclear Option', *African Affairs*, no. 80, October 1981.

³³⁶ Darryl Howlett and John Simpson, 1993, p. 158.

With the active assistance of Israel, South Africa constructed first atomic device in 1977 but this was aborted after it was apparently discovered by a Soviet spy satellite.³³⁸ Two years later and at the behest of the then head of government - PW Botha - responsibility for the manufacture of nuclear weaponry was passed over from the AEC to Armscor. That same year, South Africa conducted a secret nuclear test in the southern Indian Ocean. Between 1981 and 1989 Armscor constructed six nuclear weapons and was finalising a seventh when Botha resigned. Such a policy contradicted the aims and aspirations of the NPT regime and undermined attempts at removing the nuclear equation from potential areas of conflict.

Under Botha's successor FW de Klerk, the programme was shut down in November 1989, all seven devices ordered to be destroyed and a reappraisal of Pretoria's nuclear weapons policy was undertaken. By the time de Klerk took over office, South Africa's external security status had improved with the movement towards Namibian independence and the withdrawal of the Cuban presence in Angola following the December 1988 agreement. The year 1987 had seen South Africa offer to negotiate *vis-à-vis* the NPT (though this may have had more to do with the threatened suspension of Pretoria from the IAEA and/or posturing over Angola and a comprehensive regional settlement). At the same time, Moscow's preoccupation with its own domestic restructuring meant that its interest in southern Africa was now minimal: the *rooi gevaar* was no more and the rationale behind Pretoria's nuclear policy disappeared. Cost, and the wish to prevent an ANC-led government taking possession of nuclear weapons have also been suggested as motivating factors propelling Pretoria to give up its nuclear weaponry.³³⁹

On July 10, 1991, South Africa acceded to the NPT and in September of that year Pretoria agreed to accept the monitoring of the IAEA. Since that date South Africa has been fully committed to a non-nuclear policy and has supported the concept of a nuclear-free Africa (the Treaty of Pelindaba) endorsed by the Organisation of African Unity and within the framework of the NPT. At an ANC-

³³⁷ *The Star* (Johannesburg) November 14, 1986.

³³⁸ *Sunday Independent* (Johannesburg) May 4, 1997.

convened conference on the “Nuclear Policy of the Democratic South Africa”, three proposals were advanced as the movement’s position on the NPT. Firstly, that it would *not* push for a limited extension as this would undermine the non-proliferation regime; secondly, that it would *not* support an indefinite/permanent extension without a serious alteration of the non-proliferation regime - in particular addressing disarmament by the five nuclear powers; and thirdly, that Pretoria should adopt a principled position of supporting a fifteen-year fixed extension period.³⁴⁰ This was, initially, to apparently inform Pretoria’s position prior to the Review process.

Flawed nature of the NPT

The NPT was opened for signature on July 1, 1968 and came into force on March 5, 1970. It became the most widely observed arms control covenant in diplomatic history, and the only global legal instrument which committed both the non-nuclear weapon states to refrain from acquiring nuclear weapons *and* the nuclear weapons states to ostensibly seek reduction of their arsenals.³⁴¹ Yet it is not hard to cast the NPT acts as a legitimising device in favour of the five nations declared “nuclear weapon states” *viz.* France, the People’s Republic of China, Russia, the United Kingdom and the United States of America. Legitimation is based on possession and dating *i.e.* “who got there first” as these states are legitimised on the basis that they manufactured and exploded nuclear devices prior to January 1, 1967. The NPT thus enshrines the possession of nuclear weaponry in the North with only China in the South being permitted under the regime to possess nuclear weapons. Thus conceptually one may say that the NPT supports a “balance of power” heavily in favour of the industrialised world at the expense of the developing South. As one commentary noted:

On the face of it, the Treaty has a laudable aim: the prevention of a nuclear holocaust by working towards disarmament and keeping the numbers of

³³⁹ Interview with senior official, Non-Proliferation and Nuclear Matters Directorate, Department of Foreign Affairs, Pretoria, July 8, 1999.

³⁴⁰ Denis Goldberg ‘A Nuclear Policy for a New Democratic South Africa’, paper presented at the ANC -organised “Nuclear Policy of the Democratic South Africa” conference, February 11-13, 1994.

³⁴¹ John Simpson and Darryl Howlett, 1994.

nations with atomic weapons to a minimum. However, in practice the NPT has not prevented the proliferation of nuclear weapons. Instead, it has ratified the right of the major powers to dictate who else can and cannot acquire the Bomb.³⁴²

...[T]he Treaty is a political weapon which reinforces the division of the world between the haves and have-nots. Nuclear weaponry has, since the demonstration of US hegemony at Hiroshima in 1945, symbolised the real relations of power in the world. The NPT enshrines in law the division between the dominant powers and the rest.

Furthermore, though Article VI of the Treaty supposedly pursued disarmament, this had manifestly failed and the number of nuclear weapons had increased dramatically post-1968 - any disarmament that had occurred largely consisted of the nuclear powers dismantling obsolete weaponry, whilst their nuclear arsenals were replenished and extended with newer technology. Hence for non-nuclear weapon possessing states, who saw the NPT as a means to an end *viz.* a nuclear-free world, the Review was viewed as an opportunity to press the declared nuclear powers for greater efforts in moving towards a real commitment on disarmament. It was this background that set the scenario for the NPT Review and Extension Conference in New York from April 17 to May 12, 1995.³⁴³

The NPT Review and Extension Conference

Prior to the NPT Review, the world's leading nuclear power - the United States - made it clear that it favoured an 'indefinite extension of the NPT without conditions'.³⁴⁴ Such a position favoured Washington's desire to remain the hegemonic (in the neo-realist sense) power, whilst also bolstering the position of its politico-economic allies namely Britain and France. Such a posture was opposed by the Non-Aligned Movement which saw any indefinite extension as an implicit recognition of the perpetuation of the existence of nuclear weapon powers.³⁴⁵ This opposition also sprang from the stance that an indefinite expansion of the NPT

³⁴² David Nolan 'Nuclear Non-Proliferation Treaty? No Thanks', *Living Marxism*, issue 73, November 1994, p. 7.

³⁴³ Ben Sanders 'The 1995 NPT Review and Extension Conference: An Overview', *Contemporary Security Policy*, vol. 16, no. 3 December, 1995.

³⁴⁴ State Department *A Declaration by the President on Security Assurances for Non-Nuclear Weapon States Parties to the Treaty on the Non-Proliferation of Nuclear Weapons*, Washington: State Department, 1995 - <http://www.acda.gov/factshee/wmd/nuclear/npt/nonucwp.htm>

would effectively eliminate pressure on those states who already were in possession of nuclear capability to make any type of meaningful assurances regarding disarmament. This would then send a powerful signal to threshold states or those not “officially” recognised by the Treaty as nuclear powers to press on with their own nuclear weaponry programmes.

The potential for discord between the NAM and the hegemon was thus high and South Africa was cast in a difficult position. As a member of the NAM it would be expected to vote with its allies, yet by doing so it would de-legitimise the hegemon’s leading position and perhaps weaken the strong linkages formed between Pretoria and the leading capitalist nation. This, at a time when the GNU was embarking on its “gamble on growth” development strategy (albeit under the aegis of the then RDP) and the profound sense of vulnerability and desire to satisfy “the market” and not appear to be out of step with the dominant normative order, made such a policy extremely problematic for Pretoria. That is not to say that South Africa was from the start aligned with the dominant powers position. Initially, it seemed that Pretoria offered tentative backing to a fixed extension duration - a stance close to the official position of the NAM. Indeed, Pretoria’s delegate at the third preparatory meeting before the NPT Review asserted that his country ‘call[ed] on state parties to comply with all the provisions of the treaty, whether they relate to non-proliferation, disarmament or peaceful uses’.³⁴⁶

However, American pressure was swiftly brought to bear on Pretoria. The American ambassador to South Africa, Princeton Lyman, moved to warn the South African leadership what was expected from them in the form of a demarché, warning Pretoria that a contrary vote by South Africa regarding indefinite extensions would damage “mutual interests” and change Washington’s perceptions of South Africa’s non-proliferation credentials.³⁴⁷ ‘Certainly, “arm-twisting” occurred: the United States made it clear it wanted countries to vote its way and

³⁴⁵ Tom Zamora Collina ‘South Africa Bridges the Gap’, *Bulletin of Atomic Scientists*, July/August, 1995, p. 30.

³⁴⁶ Zondi Masiza and Chris Landsberg ‘Fission for Compliments: South Africa and the 1995 Extension of the Nuclear Non-Proliferation Treaty’, *Policy: Issues and Actors*, vol. 9, no. 3, September 1996, p. 23.

³⁴⁷ *Washington Post* (Washington DC) April 17, 1995.

that it would take those votes into account'.³⁴⁸ The American vice-president personally lobbied Thabo Mbeki for South Africa's backing for a non-time-bound extension and President Clinton wrote to Mandela demanding support. Indeed, 'South Africa [was] a special target for lobbying because it [was] perceived to have influence over other Non-Aligned Movement (NAM) and especially African countries'.³⁴⁹ This pressure was so intense that it nearly backfired and threatened to provoke Pretoria to reverse its position: according to one source, President Clinton was warned by Mandela to 'back off, or else'.³⁵⁰

Although the success of this intense pressure was denied by South African diplomats, commentators remarked that Pretoria was 'submitting to extreme pressure exerted by the United States to conform to its desires',³⁵¹ and that the adoption of a non-time-bound extension 'crowned months of persuasion, pressure and manoeuvre by [the] US'.³⁵² For his part, Alfred Nzo himself admitted that the *realpolitik* of the global order helped move Pretoria's position: 'there are certain realities we cannot ignore. [The West] constitute the undeniable economic power base of the world today'.³⁵³ A middlepowermanship role of consensus-building and legitimisation was thus required by Pretoria in support of the world order favoured by the dominant powers, once a policy of supporting an indefinite extension was adopted by South Africa.

Pretoria hence used its "moral suasion" to act as a "bridge-builder" between the North and the South in defending the hegemonic order's interests. Having been the first country to roll back its nuclear weapon status and also sign the NPT in 1991,³⁵⁴ and having just emerged as a democratic state, the euphoria surrounding South Africa's re-emergence on the world stage was a useful factor in pushing a particular stance *vis-à-vis* nuclear weaponry, particularly as Pretoria's position

³⁴⁸ Joseph Cirincione 'Evaluation of the Nuclear Non-Proliferation Treaty Review and Extension Conference', presentation to the Arms Control Association Breakfast, May 17, 1995, <http://www.stimson.org/campaign/aca.htm>

³⁴⁹ *Cape Argus* (Cape Town) April 19, 1995.

³⁵⁰ Interview with senior official, Non-Proliferation and Nuclear Matters Directorate, Department of Foreign Affairs, Pretoria, July 8, 1999.

³⁵¹ See *Mail and Guardian* (Johannesburg) April 21-27, 1995.

³⁵² *Washington Post* (Washington DC), May 12, 1999.

³⁵³ Department of Foreign Affairs *South African Foreign Policy Discussion Document* Pretoria: Department of Foreign Affairs, 1996, p. 12.

³⁵⁴ See Darryl Howlett and John Simpson, 1993.

earned considerable *kudos* in the West.³⁵⁵ As sources have later claimed, 'no one else had...the prestige...to bridge the gap between the nuclear haves and have-nots',³⁵⁶ and 'South Africa's new morality meant that it could be used to bring on board other states to the United State's position'.³⁵⁷

However, as a member of the NAM, most observers expected 'that South Africa would support some form of long-term but limited extension',³⁵⁸ and indeed 'mindful of Mandela's stature and his potential influence over Third World countries, the United States had worried that South Africa might not support an indefinite extension'.³⁵⁹ Yet such a position de-legitimised the leading hegemon's own agenda for the continuation of the nuclear status quo. South Africa's role in facilitating an eventual broad base of support for an indefinite extension with feeble provisos is thus of profound significance when looking at post-*apartheid* foreign policy, especially as South Africa's Foreign Minister regards the Review as 'clearly one of South Africa's successful efforts' in its diplomacy.³⁶⁰

The value that the United States saw in using South Africa's nuclear policy as a legitimising agent of the current order was important as 'South Africa could produce a far wider margin of consensus for an indefinite extension than the United States could achieve alone'. As one observer asserted, 'the South Africans...offered [Washington] a bridge to the non-aligned, one that the United States should walk over' for 'with their help, [the United States] could get an overwhelming vote for extension'.³⁶¹ Indeed, the weight the United States gave to South Africa's role in the nuclear issue was earlier on seen in Washington's support for Pretoria's membership of the Nuclear Suppliers Group - an organisation of states who supplied nuclear technology and which is aimed at preventing the supply of such technology to developing world nations.³⁶² As the only NAM member

³⁵⁵ *Cape Argus* (Cape Town) April 19, 1995.

³⁵⁶ *Business Day* (Johannesburg) May 16, 1995.

³⁵⁷ Interview with senior official, Non-Proliferation and Nuclear Matters Directorate, Department of Foreign Affairs, Pretoria, July 8, 1999.

³⁵⁸ Tom Zamora Collina, 1995, p. 30.

³⁵⁹ *New York Times* (New York) April 23, 1995.

³⁶⁰ Alfred Nzo quoted in *Cape Times* (Cape Town), May 21, 1998.

³⁶¹ *New York Times* (New York) April 23, 1995.

³⁶² See Zondi Masiza *Hunting With the Hounds, Or Running With the Hares? South Africa and Nuclear Export Control Regimes Policy: Issues and Actors*, vol. 11, no. 5 Johannesburg: Centre for Policy Studies, 1998.

of this Group, South Africa's accession afforded the institution a certain legitimacy. Certainly, the notion that the Group was an elite body of developed nations (a notion that had the potential to de-legitimise the group in the eyes of Southern observers) was blunted by South Africa's membership. Such membership can be seen as highly useful for those elements that desired/needed legitimisation of the nuclear order.

At the same time, membership afforded the South African elite with a highly visible role in a contentious issue, thus raising the profile of the newly-installed GNU leadership and indicating that the post-*apartheid* administration held the confidence of the developed nations - a welcome flagging of the GNU's credibility with "international opinion" and an important boost for the new government in its attempt to attract investment. As one source put it:

South Africa's return to international respectability under majority rule and a leader in the person of President Nelson Mandela...has been reinforced by its constructive role in efforts at the Nuclear Non-Proliferation Treaty Review Conference to make the pact permanent through a consensus of the 178 signatories.³⁶³

This - and the rumour that 'membership of the Nuclear Suppliers Group was offered to South Africa as a reward for its support of a permanent NPT' - should not be lightly dismissed.³⁶⁴

As has been suggested, division at the Review endangered the Treaty. Both the Western and Eastern (ex-Soviet bloc) caucus groups favoured indefinite extension, yet could not muster more than around fifty-five votes between them, whilst the NAM were hampered by a failure to construct a coherent caucus or policy adoption.³⁶⁵ Such deadlock threatened to weaken if not de-legitimise the NPT regime, particularly if a vote was simply taken on a majority basis and a number of NAM states decided to abstain from voting. This caused alarm in Pretoria which felt itself in a difficult position, particularly as the NAM had failed to construct a clear-cut position on the matter. South Africa consequently 'broke ranks with NAM' and sought a 'compromise solution'.³⁶⁶ The time-bound issue regarding extension was

³⁶³ 'South Africa Offers Hope in NPT Talks', *Diplomatic World Bulletin*, April 24-30, 1995.

³⁶⁴ *Cape Argus* (Cape Town) April 19, 1995.

³⁶⁵ John Simpson, 1995, p. 249.

³⁶⁶ Interview with Zondi Masiza, policy analyst, Centre for Policy Studies, Johannesburg, July 9, 1999.

seen as causing deadlock at the Review, and South Africa viewed with concern the possibility of the Treaty breaking down.³⁶⁷ As a South African delegate to the Review admitted, Pretoria 'believed that any decision taken by a simple majority would weaken the treaty'.³⁶⁸ Such an outcome had the potential of de-legitimising the whole NPT regime and unravelling the Treaty, forcing the creation of a new regime, possibly not as amenable to the dominant powers' favoured order.

This was of the utmost concern for the nuclear power states, who feared that any re-negotiation of a new NPT would be opened up to all sorts of inputs and opinions and, as the American ambassador to South Africa put it, 'such a process [could] take years and the outcome [would not be] certain'.³⁶⁹ Of course, the certainties of outcome that Washington was pushing tied in with its own agenda, and that is why the United States and its allies were so active in stalling any movement towards an indefinite or rolling extension. Its strenuous activities in influencing Pretoria (despite the denials) to fall in line must be contextualised within this actuality - a scenario where those countries holding nuclear weapons were more interested with ensuring the survival of the NPT than in advancing towards nuclear disarmament.

South Africa's position at the NPT Review then was essentially to facilitate a compromise that continued to legitimise the position of the nuclear powers whilst appearing on face value to address the concerns of the South. As one account had it:

When the conference opened, the United States and its allies, among them Russia, faced formidable opposition to an indefinite extension of the treaty, and did not have enough declared votes for a simple majority had there been a ballot...Over the weeks however, the opposition, led by larger developing nations - among them Mexico, Venezuela, Egypt, Nigeria and Indonesia - began to split. The eventual *collapse of the opposition to an indefinite extension was hastened by the decision of South Africa to back such a plan* and propose a package of confidence-building documents that would meet some of the concerns of the non-nuclear weapons nations.³⁷⁰

³⁶⁷ Interview with senior official, Non-Proliferation and Nuclear Matters Directorate, Department of Foreign Affairs, Pretoria, July 8, 1999.

³⁶⁸ Abdul Minty quoted in *Mail and Guardian*, (Johannesburg) June 23, 1995.

³⁶⁹ *Mail and Guardian*, (Johannesburg) April 28-May 4, 1995.

³⁷⁰ *New York Times* (New York) May 12, 1995.

An official source has supported this analysis, arguing that South Africa sought to do 'something practical' and engage with the nuclear weapons states whilst avoiding pushing the time-bound agenda as it was unacceptable to the nuclear weapons states. In short, a 'policy of bringing the two sides together was the only realistic policy'.³⁷¹ Thus having initially expressed support for a fixed period extension, Pretoria moved to support the nuclear powers position 'without any preconditions or linkage to other nuclear disarmament measures',³⁷² a remarkable *volte face* that deeply angered many Southern participants.³⁷³ The position that Pretoria put forward was to accede to the nuclear powers stance for an indefinite extension of the NPT whilst at the same time attempting to put pressure on them by advocating that the NPT process be reinforced *via* non-binding *Principles for Nuclear Non-Proliferation and Disarmament* (see below). This position was a clear attempt by Pretoria to bridge the gap between the nuclear powers and those who favoured a much stronger regime - including palpable moves towards disarmament.

By appearing to minimise polarisation between the haves and have-nots whilst actually strengthening the former, Pretoria played a classical middlepowermanship role by 'seek[ing] to expand the area of common ground [making] it possible to curtail risk in the management of conflict'.³⁷⁴ One source put this succinctly when it pointed out that South Africa 'focused on defining areas on which the maximum number of signatories...could find common ground'.³⁷⁵ By playing this role, South Africa was 'instrumental...in achieving the widest possible consensus'.³⁷⁶ This activity coincided with the efforts of Canada, which also worked for an indefinite extension and whose 'back-room deals' facilitated compromise at the Conference.³⁷⁷ Indeed, towards the end of the Conference, it was the Canadian resolution that demonstrated that there were 111 co-sponsors for a non-time-bound extension, more than enough votes to support this option without a specific

³⁷¹ Interview with senior official, Non-Proliferation and Nuclear Matters Directorate, Department of Foreign Affairs, Pretoria, July 8, 1999.

³⁷² Alfred Nzo quoted in *Cape Times* (Cape Town), May 21, 1998.

³⁷³ John Simpson, 1995, p. 247.

³⁷⁴ Robert Cox, 1989, p. 826.

³⁷⁵ *Business Day* (Johannesburg) May 16, 1995.

³⁷⁶ Willie Breytenbach, 'South-North Bargaining: What Role for South Africa', *Africa Insight*, vol. 25, no. 4, 1995, p. 231.

³⁷⁷ Interview with Zondi Masiza, policy analyst, Centre for Policy Studies, Johannesburg, July 9, 1999.

roll-call and a major body-blow to those delegations which still held out against the nuclear powers' position.³⁷⁸

The final Review conclusion was agreed without a vote (*i.e.* not through consensus) on the indefinite extension of the NPT and furthermore, the Review agreed upon - again without any vote - to two collateral documents on *Strengthening the Review Process for the Treaty* and *Principles and Objectives for Non-Proliferation and Disarmament*. These were in line with the positions favoured by the United States and other nuclear powers. Indeed, 'the developed countries have to thank South Africa for its role in "delivering" the sceptical non-nuclear weapon states, particularly the Non-Aligned Movement',³⁷⁹ though other commentators later remarked that 'criticism [of] what is perceived to be the Government's pro-Western stance on nuclear disarmament issues [leads one to ask] if the Government is working together with its non-aligned partners'.³⁸⁰ Official sources however believe that Pretoria's role at the NPT Review 'gave South Africa credibility with the United States'.³⁸¹

The documents agreed upon at the NPT Review were in line with what Alfred Nzo had pushed, and South Africa's proposals were seen as the 'key to persuading the non-nuclear countries' to accept the new review system.³⁸² The proposals agreed upon included:

- a restated a commitment to the non-proliferation of nuclear weaponry;
- a strengthening of adherence to the safeguards under the IAEA agreement;
- providing access to nuclear technology for peaceful purposes;
- a movement towards reducing nuclear arsenals;
- the endorsement of the establishment of an increased number of nuclear-free zones;

³⁷⁸ Joseph Cirincione 'Evaluation of the Nuclear Non-Proliferation Treaty Review and Extension Conference', presentation to the Arms Control Association Breakfast, May 17, 1995, <http://www.stimson.org/campaign/aca.htm>

³⁷⁹ Tsepe Motumi 'South Africa and the Nuclear Non-Proliferation Treaty - Diplomatic Coup or Pyrrhic Victory?', *African Security Review*, vol. 4, no. 2, 1995, p. 46.

³⁸⁰ *The Sowetan* (Johannesburg) August 26, 1997.

³⁸¹ Interview with senior official, Non-Proliferation and Nuclear Matters Directorate, Department of Foreign Affairs, Pretoria, July 8, 1999.

³⁸² *Washington Post* (Washington DC), May 12, 1995.

- enforcing binding security assurances for non-nuclear powers.³⁸³

Such an outcome was of satisfaction to the dominant powers for it legitimised their own position, even though it left the South African leadership open to the charge that Pretoria had indulged in ‘turning its back on the Third World and cosyng up to the United States by supporting the Big Five powers in their bid to hold on to their nuclear bombs’.³⁸⁴ Not least this was because South Africa’s position ‘removed the only source of leverage on the nuclear weapons states, because the treaty’s extension [was] no longer...linked to dismantling their arsenals’, and ‘in the absence of a binding time-frame, the nuclear powers [were] free to adopt their own notions of the right time to disarm’.³⁸⁵ Such comments undermine the argument put forward by observers such as Jean-Jacques Cornish that South Africa’s proposals were an advance for they qualified the indefinite extension with a declaration of principles binding the nuclear powers to quicker disarmament and that the Treaty would be strengthened with an ongoing review process. Yet with no date fixed upon this, such supposed principles were from the start emasculated by the indefinite extension.³⁸⁶

Indeed, it is not hard to assert that South Africa’s role at the NPT conference secured the relationship between South Africa and the “certain realities” of the extant world order. ‘Within days of Nzo’s speech in New York, the announcement came that South Africa [was] to receive a billion dollar loan from the US-dominated World Bank’.³⁸⁷ Another source has claimed that South Africa wanted to impress the big powers, with an eye on attracting investment.³⁸⁸ Whilst one must be circumspect in making any direct causal link between this and the NPT Review, it is apparent that Pretoria’s behaviour in support of the favoured global order earned the new administration gratitude in Washington and strengthened the “mutual interests” between Washington and Pretoria. Indeed, much of the South African

³⁸³ Alfred Nzo ‘Statement by the Foreign Minister of the Republic of South Africa, Mr Alfred Nzo, at the 1995 Review and Extension Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear weapons (NPT)’, New York, United States, April 19, 1995 issued by the Department of Foreign Affairs.

³⁸⁴ *Mail and Guardian* (Johannesburg) April 21-27, 1995.

³⁸⁵ Ruchita Beri ‘South Africa’s Nuclear Policy’ - <http://www.idsa-india.org/an-oct8-2.html>

³⁸⁶ See Cornish’ argument in *Pretoria News* (Pretoria) May 11, 1995.

³⁸⁷ *Mail and Guardian* (Johannesburg) April 29-May 4, 1995.

³⁸⁸ Interview with Zondi Masiza, policy analyst, Centre for Policy Studies, Johannesburg, July 9, 1999.

press were highly enthusiastic of Pretoria's role, exclaiming for example that 'it is achievements such as the one at the NPT conference which will keep us on the map as a recognised player to be taken seriously, to be consulted and, most importantly, to be traded with and invested in'.³⁸⁹

Such a scenario was achieved by South Africa pursuing an essentially middlepowermanship role that legitimised the global order whilst appearing to have the potential for de-legitimisation - 'providing countries with the means to vent frustration' as one source pointed out.³⁹⁰ This exhibited 'a new conception of the tactics of achieving [the NPT] goal, through incremental short steps which are both unobjectionable in themselves and which have some value in reinforcing the nuclear non-proliferation regime'.³⁹¹ In other words, a continuation of the ongoing order through both avoidance of controversy and various tactics of inclusivity that, in the final analysis, serve to propagate the hegemon's position. Such a policy was pursued by Pretoria at the NPT Review, and 'pulled Washington's fat from the fire on the Nuclear Non-Proliferation Treaty',³⁹² presenting 'a major foreign policy victory for the Clinton administration'.³⁹³

South Africa's position post-1995

However, in the post-Review period, the legitimacy of the NPT has been under serious strain, not least because within two days of the Treaty's indefinite extension China conducted nuclear testing whilst France quickly announced that it too was going to resume testing. Furthermore, in mid-1997, Washington conducted a high-explosive underground test involving nuclear materials. Indeed, it quickly became apparent that for all South Africa's bridge-building efforts, the practicalities of the compromise pushed by Pretoria did nothing *vis-à-vis* the nuclear powers' disarmament obligations. Later, at the first Preparatory Committee (PrepCom) in April 1997 - to review the Treaty mid-term - the shaky "consensus" around the NPT had clearly evaporated with states demanding greater commitments to

³⁸⁹ *The Star* (Johannesburg) May 15, 1995.

³⁹⁰ *Business Day* (Johannesburg) May 16, 1995.

³⁹¹ John Simpson 'The Birth of a New Era? The 1995 NPT Conference and the Politics of Nuclear Disarmament', *Security Dialogue*, vol. 26, no. 3, 1995, p. 252.

³⁹² *Business Day* (Johannesburg) May 16, 1995.

disarmament and security assurances.³⁹⁴ Indeed, the final document again had to be adopted without a vote and only after concessions were made to non-nuclear powers, notably Mexico.

Ironically, despite being the state that contributed heavily to the scenario where the nuclear powers are under very little pressure to disarm, Pretoria has since 1995 taken a leading role in ostensibly pushing forward the agenda of disarmament. According to one analyst, 'frustration with the United States' position (i.e. resumption of testing) has led to South Africa taking on a more activist position'.³⁹⁵ For example, Pretoria joined Brazil, Egypt, Ireland, Mexico, New Zealand, Slovenia and Sweden in signing a joint declaration entitled "Towards a Nuclear Free World: The Need for a New Agenda", which called on the nuclear power states and those states who had just then tested weapons - India and Pakistan - to commit themselves to the elimination of their respective weapons.³⁹⁶ This new initiative of middle-ranking powers stemmed from the common perception that the disarmament process had gone "cold".³⁹⁷

Furthermore, Pretoria has signed the Comprehensive Nuclear Test Ban Treaty (CTBT) and agreed to base monitoring facilities on its territory - the third such country to do so.³⁹⁸ By ratifying the Treaty, South Africa became the seventeenth member, though for the Treaty to come into effect forty-four parties must do so. South African activity regarding the CTBT was substantial, with Jackie Selebi, serving as the first Chair of the PrepCom of the CTBT, whilst the country was a member of the core group that managed the process of the resolution on the CTBT that was adopted in September 1996.³⁹⁹

³⁹³ *Washington Post* (Washington DC), May 12, 1995.

³⁹⁴ Savita Pande 'Post-NPT Extension: Nuclear Non-Proliferation Challenges' - <http://www.idsa-india.org/an-dec-2.html>

³⁹⁵ Interview with Zondi Masiza, policy analyst, Centre for Policy Studies, Johannesburg, July 9, 1999.

³⁹⁶ 'Nzo Reaffirms Call for Nuclear Disarmament', Pretoria, September 28, 1998, issued by Department of Foreign Affairs.

³⁹⁷ The Irish Foreign Minister referred to the eight-nation Declaration as a process of 'warming up something that's gone cold' - *South African Press Agency* (New York) September 23, 1998.

³⁹⁸ *South Africa Press Agency* (Pretoria) May 21, 1999

³⁹⁹ 'Media Statement on South Africa's Ratification of the Comprehensive Test-Ban Treaty (CTBT)', Pretoria, March 30 1999, issued by Department of Foreign Affairs.

Furthermore, South Africa (alongside Canada) has taken an active role in PrepCom II ahead of the NPT Review scheduled for 2000. South Africa has argued that considerable time be afforded to discussing the practicalities regarding progress towards disarmament as embarked upon by the nuclear weapons states - a proposal vigorously opposed by the weapons-holding states. This has the potential to de-legitimise the nuclear states' position as their 'rejection of South Africa's attempts to launch focussed discussion...reveal their intransigence, which the [non-nuclear powers] increasingly find unacceptable'.⁴⁰⁰

How can such activism *vis-à-vis* nuclear disarmament be explained in the light of Pretoria's controversial role during the NPT conference in 1995? Firstly, stung by criticism that South Africa had betrayed its Southern allies and brought its much-touted non-aligned credentials into disrepute, South Africa has evidently opted for a policy that is less obviously in line with the United States and its allies. Not only does this help repair the damage done to South Africa's standing over the nuclear issue, it also 'demonstrates South Africa's readiness to contribute towards efforts to enhance international peace and security', thus projecting Pretoria's overall posture on the international stage.⁴⁰¹ More importantly, such activism appears to demonstrate Pretoria's "independent" stance with regard to Washington. Not only can this be usefully deployed domestically by the GNU against its vocal critics who charge that post-*apartheid* foreign policy is too close to the capitalist hegemon (and the NPT debacle saw this charge being levelled with some vigour); it can also be projected externally to demonstrate proof of South Africa's apparent independence. After all, by pursuing the nuclear powers over nuclear disarmament, South Africa appears to be de-legitimising their position.

Yet, this must be contextualised: South Africa is pushing this ostensible agenda within a Treaty framework - *which it helped deliver* - that means that there is very little pressure on the nuclear powers to consent to a real disarmament process. As one analysis put it, 'had nuclear powers accepted legally binding time frames for nuclear disarmament, perhaps the US would desist from...refining its

⁴⁰⁰ Douglas Roche 'An Analysis of the Second Preparatory Committee Meeting for the 2000 Review of the Non-Proliferation Treaty' - <http://waterserv1.uwaterloo.ca/~plough/98prepcom.htm>

⁴⁰¹ 'Media Statement on South Africa's Signature of Agreement of the Comprehensive Test-Ban Treaty', Pretoria, May 21 1999, issued by Department of Foreign Affairs on behalf of the SA Permanent Mission to the CTBT PrepCom, Vienna.

nuclear arsenal'.⁴⁰² Indeed, after the 1995 NPT Review Conference the position of the nuclear powers and Washington in particular has been strengthened, as 'the NPT is devoid of any sense of urgency to achieve a nuclear-free world. The nuclear powers feel at liberty to determine their own pace of disarmament'.⁴⁰³ The calls for disarmament by Pretoria, though they do fit within South Africa's overall foreign policy stance regarding disarmament, are compromised by the scenario where the current NPT has been indefinitely extended. In short, 'an inherent flaw' in the extended NPT 'is the assumption that [disarmament] measures could be negotiated without time-bound frameworks'.⁴⁰⁴

Furthermore, by appearing to de-legitimise the dominant powers' position over nuclear disarmament, South Africa contributes to *legitimising* the wider global order, particularly when the fundamentals of the nuclear regime have been safeguarded (to Washington and its allies' satisfaction) by Pretoria's middlepowermanship activity at the Review. Appearing to de-legitimise and "confront" the dominant powers, throws up the imagery of space in which a country from the South can challenge the developed world. Of course, there *is* agency, but what our analysis suggests is that this has been largely confined to technical interventions, emasculated as it has been by the indefinite extension of the NPT and the reification of the nuclear powers possession of its existing weaponry.

An activist policy over disarmament and the pursuance of a commitment to real measures (however illusory they may be in the current order) not only illustrates and ties in with Pretoria's enthusiasm for a rules-based global order, it also reflects in part South African resentment at the behaviour of the nuclear weapons states after the Conference. Indeed, the resumption of testing by France and China, and Washington's indications that it wanted to renew underground testing made Pretoria's 'brilliant package' - the president of the conference, Sri Lanka's Jayantha Dhanapala's words - appear rather hollow, if not embarrassing.⁴⁰⁵ As sources have put it, 'South Africa foolishly trusted the nuclear

⁴⁰² *The Sowetan* (Johannesburg) August 26, 1997.

⁴⁰³ *The Sowetan* (Johannesburg) August 20, 1996.

⁴⁰⁴ *The Sowetan* (Johannesburg) August 26, 1997.

⁴⁰⁵ Dhanapala is said to have 'immediately seized upon the South African position and heavily promoted it', motivated, according to one analyst, by a desire to advance his

powers not to start testing',⁴⁰⁶ and 'South Africa fears it [was] betrayed as one nuclear power after another announce[d] plans to go ahead with nuclear testing'.⁴⁰⁷ By posturing an increased commitment to disarmament, South Africa's elite can attempt to save some face in the eyes of those who all along questioned the wisdom of Pretoria's bridge-building behaviour, on behalf of the nuclear powers, in 1995.

Why Pretoria's new-found energies over the disarmament issue is termed "ironic" is that it was South Africa that helped craft and deliver this very scenario. Pretoria now usefully uses this situation to posture a supposedly less accomodatory role towards the dominant powers. But, at the final analysis, this is devoid of any real substance - South Africa constantly fails to bring up nuclear disarmament when its leaders pay visits to nuclear powers *e.g.* Britain, France and the United States.⁴⁰⁸ Indeed, Pretoria's nuclear policy lacks any potency to seriously undermine the existing nuclear order - rhetoric against Northern intransigence over disarmament notwithstanding.

By abandoning a principled position in pursuit of "bridge-building" and "consensus", South Africa's nuclear policy is now largely restricted to urging the nuclear powers to hold themselves accountable to the provisions of the NPT. But, with no time-bound agreement in place (a result of Pretoria's middlepowermanship role in New York), it is likely that this will occur only when the nuclear powers decide for themselves that disarmament is the way to go. Until then South Africa's multilateral initiatives on nuclear issues only serve to legitimise the ongoing order, giving an appearance of "dialogue" with the dominant powers, when none concretely exists.

diplomatic career - interview with Zondi Masiza, policy analyst, Centre for Policy Studies, Johannesburg, July 9, 1999.

⁴⁰⁶ *Ibid.*

⁴⁰⁷ *The Star* (Johannesburg) June 23, 1995.

⁴⁰⁸ *The Sowetan* (Johannesburg) August 20, 1996.

CONCLUSION

This work has attempted to understand why post-*apartheid* South Africa's foreign policy, specifically its behaviour in multilateral organisations, has been marked by a tactical middlepowermanship role, essentially problem-solving, and seeking to smooth out the international system so that the ongoing world order may function as "efficiently" as possible. Such behaviour has been qualitatively different from the activist role that was expected from an ANC-led administration, and is also at odds with the 'paradigm shift' as proclaimed by the Deputy Minister of Foreign Affairs back in 1996.¹

In contrast to the "explanations" offered by most previous analysts of South African foreign policy (Evans and Vale excepted), who fit the role of Gramsci's "organic intellectuals", this study has demonstrated that the behaviour exhibited by Pretoria is not immutable or subject to natural law, but is derivative of the specific conjuncture of forces that conglomerated during the transition from *apartheid*, and which continue to play out post-1994. This transition is an open-ended process, and opportunities for alternative choices *do* exist - in contrast to what many (most?) observers of Pretoria's foreign policy seem to think. Indeed, such explanatory accounts are inherently dangerous for the people of South Africa because:

To regard the immutability thesis as an exercise in the politically neutral observation of an independent reality is to lend vital ideological support to the status quo by denying that alternative possibilities are latent within existing social structures or by obscuring their existence.²

Such accounts that proffer themselves up as explaining "realities", whilst suggesting that "there is no alternative" fit in with this, and act to stifle debate on the future direction of South Africa's international relations - indeed serve to *de-legitimise* alternative accounts.

Instead of taking the current milieu as a given, this study has attempted to frame post-*apartheid* South Africa within its historical context. Only by attempting to understand how and why the ANC acceded to the dominant hegemonic discourse of neo-liberalism and how this must be contextualised within the

¹ Interview with Aziz Pahad in Marlene Kromberg, 1996, p. 3.

² Andrew Linklater, 1998, p. 21.

structural constraints brought to bear upon the GNU by an increasingly globalised world, can a coherent understanding of South Africa's multilateral behaviour be arrived at. Though this has been discussed in some detail, a combination of 'propaganda, pressure, vested interests, threats, fear, realism, wanting to play in the big league and intellectual cowardice' helped convince the ANC elite that neo-liberalism was the only "realistic" economic framework available.³ Such an account of the transition avoids the over-personalised narratives of Waldmeier and Sparks, and instead has examined both the activities of agents and the structural underpinnings of the move away from *apartheid*: it has sought to be sensitive to the space and choices that the liberation movement made - and continues to make.

Just as the historic compromise *circa* 1990-94 has given rise to contradictions within the South African polity between contending class fractions and within the ANC's own ranks, so too has conceding to and accepting the hegemony of neo-liberalism. As has been demonstrated, this has provoked a fundamental tension in Pretoria's overall foreign policy, where on the one hand South Africa accepts the fundamental normative world order (despite being a country ostensibly of the South), and on the other pushes various reformist initiatives which seek to re-negotiate Pretoria's standing within this framework.

It is suggested that the GNU elite are at one with the broader project as advanced by the transnational elite (indeed, the elite within the South African government's leadership form part of this global class): its 'policies are pretty much what the IMF would prescribe'.⁴ This has meant an activist-driven promotion of the liberalisation of markets, free trade, polyarchical institutions and the rest of the wider neo-liberal "package". However, this self-same leadership is intensely aware of the need to reconcile its acceptance of the global hegemonic order, with that of the appeals of a historically important and currently sizeable fraction of its support constituency. This element is much more wary of liberalisation, privatisation and other "common sense" neo-liberal prescriptions than the GNU elite, and have critiqued the seeming open acceptance of "globalisation" (however formulated) by the government. Public disputes between the ANC leadership and the SACP and

³ Communication with Ismail Lagardien, former Director of Communications, Department of Trade and Industry, - now Senior Vice President of Development Economics, World Bank, June 22, 1999.

COSATU are symptomatic of this fundamental contradiction in the tripartite alliance. Indeed, they mark out a fault-line between the outwardly-oriented components of the developing historic bloc (which includes large-scale capital), and the more inwardly-oriented fractions of productive capital, labour and Leftist elements opposed to the neo-liberal counter-revolution.

Attempts to reconcile these two positions, of promoting “free” trade whilst at the same time demanding “fair” trade for example, mirror the broader contradictions that have been evident in South African foreign policy. They reflect the historic compromise that saw the ANC come to administrative power, and also the desire by the government to balance its neo-liberal credentials with certain reformist convictions. The ANC document *State and Social Transformation* captures this need for equilibrium when it stated that ‘the democratic state has to attend to the genuine concerns of all other social and national groups [but] it also has to attend to the concerns of private capital...It has to try to balance different and at times conflicting interests whilst addressing the needs of the people over a wide variety of spheres’.⁵ In its foreign policy, this has meant a tactical middlepowermanship role being pursued by Pretoria, pushing for reforms in the global trade architecture, for instance, whilst remaining within - indeed legitimising - the broader normative principles that mark out the contemporary world order.

This analysis helps in the understanding of Pretoria’s international relations. Within trade-oriented multilateral organisations such as the WTO and the Cairns Group, the South African leadership has advanced a role where it seeks to position itself as an expanding and attractive market for international capital. By being seen to openly accept the norms of global trade, the GNU seems to hope to build up business confidence in the country (and the wider region) and pull in international investment. As one commentator has remarked:

[T]he basics of South African economic policy over the past five years have been designed to telephone to people the world over who have money and want to make more of it: “You can believe what we say and trust us”...[T]his

⁴ Dennis Dykes, chief economist of Nedcor, cited by *South African Press Agency* (Johannesburg), May 26, 1999.

⁵ African National Congress *The State and Social Transformation Discussion Document* Johannesburg: African National Congress, 1996.

confidence-building in the investor community has meant accepting the “Washington consensus”.⁶

Such investment should, the narrative seems to accept, fuel growth: ‘investment, and in particular foreign investment, is of critical importance to the kind of growth we need’.⁷ This will then supposedly contribute towards the re-rebuilding of the country - grounded as it is on the firmly neo-liberal GEAR programme. Yet, at the same time, such “modernising” policies can only stand a chance of success if the liberalisation and free trade project is embarked upon with equal vigour in the developed world. Otherwise, liberalised South African industries will be competing with protected manufacturers in the North - a scenario that can only impact negatively upon exports from Pretoria.

It is this urgency to expose the hypocrisy of the North in its calculated push for free trade in the South - whilst keeping various of its own markets closed to Southern competition - that impels Pretoria to engage with initiatives such as the Cairns Group. Similarly, South Africa’s position at the WTO seems to accept the call for neo-liberalism restructuring, but turns this rhetoric around and urges the developed world to engage in supposed real free trade, rather than the “actually existing free trade” situation currently marking international commerce.

However, such manoeuvrings fail to fundamentally question the unequal nature of the South’s (and Africa in particular) trading relationship with the developed world.⁸ Indeed, by engaging with such bodies, Pretoria affords a high measure of legitimacy to not only the (fundamentally neo-liberal) organisations, but also to the overall international political economy. Such “problem-solving” behaviour seems to accept the immutability of the current world order and seeks to ameliorate its worse aspects, rather than promote debate regarding the future organising principles of a more just international political economy.

Whether the ANC has accepted totally the “end of history” thesis as some commentators argue, is a moot point.⁹ Certainly, the balance of forces within the

⁶ Howard Barrel ‘Mbeki, Manuel Have the Basics Right’, *Mail and Guardian* (Johannesburg), March 19-25, 1999.

⁷ Nelson Mandela ‘Speech by President Nelson Mandela at a Business Luncheon Hosted by Minister Manuel’, issued by the Office of the President, Toronto, September 25, 1998.

⁸ On this, see Michael Barratt Brown and Pauline Tiffen *Short Changed: Africa and World Trade* London: Pluto Press, 1992.

⁹ See Ray Hartley ‘Madiba Says Goodbye at the End of History’, *Sunday Times* (Johannesburg) May 16, 1999.

tripartite alliance at present seems to be firmly in favour of those fractions who urge an increased engagement with “globalisation”, rather than a more interrogatory position. Such a position would put forward “progressive” economic policies - defined as ‘policy measures to counter the destructive features of markets and to promote equality as well as efficiency in ways that markets alone are unlikely to accomplish’.¹⁰ At the moment however, a concerted progressive agenda in the GNU’s macro-economic policy seems unlikely.

As this study has attempted to demonstrate, this scenario springs from a conglomeration of interests that emerged out of the 1994 compromise and the ongoing formation of a historic bloc involving external capital and those ANC elites (and their allied constituencies, such as the “patriotic bourgeoisie”) who favour free market principles over *dirigiste* impulses. These factors in themselves coincide with the interests of the wider transnational elite and the neo-liberal project currently being advanced.

Such forces express themselves not only in overtly neo-liberal bodies, such as the WTO, but are also assertive in Pretoria’s activities with organisations ostensibly promoting social and economic development, such as UNCTAD, the Non-Aligned Movement, and the Commonwealth. Within such bodies South Africa often promotes itself as a “bridge-builder” - in effect playing a middlepowermanship role. At the same time, Pretoria is frequently the state that seeks to nudge and cajole others in the South to accept the “global realities”. Indeed, as has been demonstrated, South Africa has often been in advance of others in the developing world in pushing an acceptance of globalisation, albeit tempering such calls with a recognition that negative effects of the process do exist and need to be guarded against.

However, the urge for a critical engagement with the North tends to be subsumed under the rhetoric of “partnership”, which Pretoria has been particularly enthusiastic to promote in its dealings with those organisations devoted to development. This has formed a major theme of South Africa’s role in such bodies, where Pretoria has led the way and, at times, been instrumental in changing “confrontationist” rhetoric *vis-à-vis* the North and globalisation, to more

¹⁰ Dean Baker, Gerald Epstein and Robert Pollin ‘Introduction’ in Dean Baker, Gerald Epstein and Robert Pollin (eds.), 1998, p. 4.

accommodatory postures that accept what the South African leadership sees as both the positive and negative aspects of the ongoing globalising process. Though this has meant that Pretoria has been in advance of most of the South, the GNU's foreign policy at multilateral organisations has sought to promote a more receptive attitude to the world-wide liberalisation thrust - a tactic that not only posits South Africa as a worthy investment destination, whose administrators understand the global "realities", but also improves Pretoria's overall position with regard to those who hold international power. This desire to signal Pretoria's "responsibility" informed, as has been suggested, South Africa's "bridge-building" role at the NPT Review, despite the resulting abandonment of any principled position *vis-à-vis* nuclear proliferation. As a discussion paper asserted, 'judicious multilateral diplomacy will enhance South Africa's international standing'.¹¹

Such "pragmatic" policies have increasingly been transposed to specifically continental institutions, such as the Organisation of African Unity. Indeed, at the last OAU Heads of State meeting in Algiers in July 1999, Thabo Mbeki led the meeting's discussion on globalisation and made it clear that Pretoria wanted a shift in the overall approach of the body towards a more engaging and "constructive" dialogue with the North.¹² In doing so, past "negative" rhetoric had to be ditched:

The Draft Algiers Declaration contains a paragraph on globalisation which I believe is, in many respects, fundamentally flawed and should be changed. it reads:

"...Ushered in with promises of progress and prosperity for all, (globalisation) has today aroused fears, in that it poses serious threats to our sovereignty, cultural and historical identities as well as gravely undermining our development prospects. We believe that globalisation should be placed within the framework of a democratically conceived dynamics, and implemented collectively to make it an institution capable of fulfilling the hope for a concerted developmental of mankind [sic] and prosperity shared by all people".

I am certain that in our discussions today we will help one another, among other things, to understand better the objective process of globalisation and its positive and negative features.¹³

¹¹ African National Congress *Foreign Policy Perspective in a Democratic South Africa* Johannesburg: African National Congress, 1994.

¹² *Business Day* (Johannesburg), July 14, 1999.

¹³ Thabo Mbeki 'Statement at the 35th Ordinary Session of the OAU Assembly of Heads of State and Governments', issued by the Office of the President, Algiers, Algeria, July 13, 1999.

This assertive offer to “help” other elites ‘understand better the objective process of globalisation’ has been an essential part of South Africa’s multilateralist behaviour, and fits the middlepowermanship role of smoothing out difficulties and misunderstandings, in order to make the ongoing order function more propitiously. In this, South Africa joins forces with other actors in the developing world, notably the NAM leadership. Efforts by Pretoria along these lines also serve to legitimise the current international political economy, particularly as South Africa’s “punches above its weight” and has the moral credibility, as it were, to carry off such posturing.

This being said, South Africa’s foreign policy should not be caricatured as being some sort of unquestioning “disciple” of the West or international capital. Though at a basic level the GNU leadership *has* embraced the convictions of the hegemonic project, and seeks to advance these, they are cognisant of the negative downside and pressures that are concurrent with globalisation. By engaging with the “objective” process of globalisation rather than challenge it, the GNU sees such a tactical policy as the best way to ameliorate the contrary processes that impact negatively upon Pretoria. This in part springs from a particular understanding of the international political economy, which is seen as exerting forceful constraints on any alternative positions. Hence, this elite has opted for policies that exhibit a considerable amount of awareness to what it views as the forces that exact upon the global system, even if this results in an agenda that is at variance with the long-held positions of the ANC. This has meant that substantial strains have arisen within the tripartite alliance and that in its foreign policy the government has had to play to two different constituencies - crudely, business and labour - at the same time.

Such contradictions have been evident in South Africa’s multilateral behaviour, where it has promoted a reformist agenda aiming to “improve” the global system whilst promoting a more rules-based international regime. For sure, the GNU leadership seems to accept that “there is no alternative” for South Africa to follow neo-liberal prescriptions (indicating the degree of hegemony that this project has realised). But, the government attempts to promote policies that seek to alleviate the most negative effects of this order.

This policy not only serves the interests of important South African industries (the government believes), it also acts to flag to its constituency on the Left that the GNU is attempting to promote the interests of the disempowered. Concurrently, and perhaps more importantly as far as the GNU is concerned, its policies signal to the global power-holders (both domestically and internationally) that an ANC-run South Africa is trustworthy enough to invest in. In essence, whilst as a government in office the party complies with the principles of the hegemonic order, as a movement in a political alliance with labour and the Left, the state leadership must effect a careful equilibrium, recognising the divergent social forces acting upon and within the South African and international polity.

Pursuing tactical reformist policies in its foreign relations *vis-à-vis* the global world order economy is one way in which this can be satisfied. Such reformist policies are one way by which the GNU can attempt to ameliorate the discernible negative outcomes of globalisation whilst also signalling to its Leftist coalition partners that it retains and advances a commitment to change. This is played out in Pretoria's foreign policy: a reformist platform within multilateral organisations is one manner by which the effects of conceding to neo-liberalism may be "justified" to a sceptical constituency within the coalition.

In short, South Africa pursues a foreign policy that is essentially "problem-solving". Certainly, on specific issues Pretoria occasionally de-legitimises the dominant powers *e.g.* regarding their hypocritical calls for "open markets" whilst furtively blocking exports from the South.¹⁴ This mirrors the wider tensions between theoretical "free trade" and the actualities of "really existing free market doctrine". Hence, according to the Minister of Trade and Industry, Pretoria is a 'very strong supporter...in the WTO as a rules-based system...Correctly administered and managed it prevents the abuse of "might is right"'.¹⁵ Here, and in the Cairns Group, South Africa strives to match the rhetoric of liberalisation with its universal application. South Africa's positions within bodies such as the Commonwealth, the

¹⁴ As Alfred Nzo said, 'liberalisation cannot be used by the North to merely weaken and take over economies of the South, whilst new trade barriers are erected in the North' - Alfred Nzo 'Annual Address by Foreign Minister Alfred Nzo to the South African Institute of International Affairs in Johannesburg', issued by Department of Foreign Affairs, Pretoria, October 1, 1998..

¹⁵ Alec Erwin 'Trading With Latin America: Defining Policies for the Future - Keynote Address', *Unisa Latin American Report*, vol. 14, no. 2, July-December 1998, p. 63.

NAM and UNCTAD also seem to demand that the North take its obligations sincerely regarding both “free” and “fair” trade. The call for “partnership” between North and South is conducted within this free trade framework, and aims to move towards some form of workable relationship with the developed world in order to lessen the more negative aspects encountered by developing states as they seek to engage with the “objective process” of globalisation.

However, within the broader analysis of this study, such policies fail to interrogate the structural foundations of the international political economy whilst granting an important degree of legitimacy to this order. By engaging in essentially problem-solving behaviour, South Africa contributes towards a reification of the global common sense predicated upon the hegemony of neo-liberalism. Indeed, by agitating around basically technical issues, the GNU helps promote neo-liberalism as the only viable framework and developmental agenda (essentially, a fetishisation of “growth”) which can be deployed. Logically, the best choice which can be pursued in such a closed scenario is to advance a “tactical” engagement policy in order to maximise benefits - a tautological fix that the GNU has not yet seemed aware of, nor indeed problematised.

This being so, it is likely that unless the GNU questions its accession to neo-liberalism - a process that largely hinges upon the balances of forces within the tripartite alliance - the foreign policy of South Africa will remain wedded to a problem-solving approach within multilateral bodies that seek to iron out problems in the ongoing order. Hence, Pretoria is likely to continue promoting the ongoing discourse of neo-liberalism and polyarchical politics in its foreign policy, and continue playing a middlepowermanship role within multilateral bodies which serves to legitimise the current world order. This is despite the contradictions this may engender for a country which ostensibly is a leader of the South - a profound flagging of the hegemony of neo-liberalism in the contemporary international political economy.

At the same time, acknowledgement will be made of the negative aspects of globalisation, but this will be largely cast with reference to the difficulties faced by outwardly-oriented fractions and perhaps, more obvious visitations made upon organised labour. However, now that the main driving force behind GEAR within

the ANC has acceded to presidential power, placating critics on the Left may well pre-occupy Pretoria's foreign policy less and less.

Having said that, certain factors might arise that could change this scenario. Foremost of these is the relationship of organised labour and the Communist Party within the tripartite alliance. How this plays out is dependent upon the strategic choices made by the leadership of these bodies, particularly those of the trade unions. If such leadership their role as primarily that of a "loyal opposition", and continue to play-down frustrations with the government's macro-economic policy by "rationalising" such policies to its members, then opposition to such a situation will have to be sought outside the organised ranks of labour, currently a project that is - at most - in its embryonic stage.¹⁶ Indeed, if as seems present, senior labour movement officials are keen to be co-opted into the ranks of the nascent elite, with all the material benefits and privileges that this entails, then such counter-hegemonic impulses will have to be accommodated *outside* of existing organised structures or, alternatively, a rank-and-file movement to oust leaders of such calibre and ambition from union ranks will have to be embarked upon. If these contradictions developed to such an extent that the ANC elite felt that its mass base was under threat, a less overtly neo-liberal strategy, perhaps predicated upon (limited) neo-Keynesian ingredients, might be adopted as a means to pacify restive elements and head off revolt. The short duration that the ANC has committed itself to neo-liberalism may come into play during such a scenario, for after all, the movement's "ideological quantum leap" is relatively recent.

However, for any such action to succeed in the long-term, linkages would have to be constructed on an international basis and a global counter-hegemonic coalition developed that would challenge the hegemony of neo-liberalism. The role of a coherent ideological counter-solution would be crucial in this regard, as would the ability to mobilise a transnational social movement in support of such impulses. As Susan George writes, 'the threat [of neo-liberalism] is clearly transnational so the response must also be transnational Solidarity no longer

¹⁶ The emergence of non-recognised unions and attacks upon organised labour officials prior to the 1999 elections may suggest that such developments are not that fanciful.

means aid, or not just aid, but finding the hidden synergies in...other's struggles so that...numerical force and the power of ideas become overwhelming'.¹⁷

Whether a government, whose leadership is increasingly being incorporated into the transnational elite class, would be willing to embark upon such a progressive project is an open and highly tendentious thesis. Any such movement would be dependent upon a wholesale shift in the balance of class forces within the GNU and would have to spring from a base situated within civil society. The viability of such a scenario opens up rich areas for future research, although outside the remit of this work. For the time being, and in the absence of such a comprehensive social movement, South Africa's macro-economic policies remain wedded to the neo-liberal project, with all the implications and contradictions that this has for Pretoria's foreign policy behaviour - as this study has attempted to understand.

¹⁷ Susan George 'A Short History of Neo-Liberalism: Twenty Years of Elite Economics and Emerging Opportunities for Structural Change', paper presented at conference on 'Economic Sovereignty in a Globalising World', Bangkok, March 24-26, 1999, p. 8.

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