

A SYSTEMIC ANALYSIS OF  
THABO MBEKI'S STRATEGY TO CHANGE  
THE MARGINALISATION OF THE GLOBAL SOUTH

ALEXANDRA I. NICOLA

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SUPERVISOR: PROF. PHILIP NEL

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## **DECLARATION**

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

Signature:

Date:

## ABSTRACT

This study attempts to examine the chances that South Africa's President Thabo Mbeki has in changing the unbalanced relations between the powerful countries of the North and the marginalised developing world. In doing so, it investigates how the leaders of Northern countries received the New Africa Initiative which was launched by a group of African heads of states, including Mbeki, at the G-8 summit in Genoa in July 2001.

Unlike preceding works, this study takes a systemic perspective. The power relations in international affairs are pointed out with specific consideration of South Africa's status as an emerging middle power in the international system. Special recognition is furthermore given to the question as to whether there is currently a global re-think under way about globalisation, the ideology of neo-liberalism and the interaction with poor countries in the global political economy.

The study comes to the conclusion that despite the fact that South Africa as a middle power is subordinate to the powerful countries of the North when it comes to effecting global change, and despite the outcomes of Genoa that do not indicate that an equitable global order is close, there are considerable trends and developments visible which support what Mbeki is trying to achieve. As a consequence, it is contended that his "Global Initiative" has a much better chance of being successful than the plea for a New International Economic Order in the 1970s.

## OPSOMMING

Hierdie studie poog om die volgende te ondersoek: die waarskynlikheid dat Suid-Afrika se President, Thabo Mbeki, die ongebalanseerde verhoudinge tussen die magtige lande van die Noorde en die gemarginaliseerde ontwikkelende wêreld kan verander. Gevolglik word gekyk in hoe die leiers van die Noordelike lande die "New Africa Initiative", wat in Julie 2001 by die G-8 spitsberaad in Genoa deur 'n groep staatshoofde van verskeie Afrikalande (Mbeki ingesluit) bekend gestel is, ontvang het.

Anders as in vorige studies, word 'n sistematiese benadering in hierdie studie gevolg. Spesiale aandag word verder geskenk aan die vraag of daar huidiglik 'n globale heroorweging onderweg is met betrekking tot globalisering, die ideologie van neo-liberalisme en die hantering van arm lande binne die globale politieke ekonomie.

Die studie kom tot die gevolgtrekking dat daar merkbare neigings en ontwikkelinge is wat Mbeki se werk ondersteun. Dit is ten spyte van die feit dat Suid-Afrika, as middelmag, ondergeskik is aan die Noordelike lande wanneer invloede op globale veranderinge ter sprake is, en nieteenstaande die gevolge van Genoa, wat geensins aandui dat 'n regverdige globale bedeling naby is nie. Gevolglik word geargumenteer dat hierdie "Globale Inisiatief" 'n beter kans het om suksesvol te wees as die pleidooi vir 'n "Nuwe Internasionale Ekonomiese Orde" tydens die 1970s.

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## LIST OF ABBREVIATIONS:

AGOA	African Growth and Opportunity Act
ANC	African National Congress
COSATU	Congress of South African Trade Unions
G-7	Group of Seven
G-8	G-7 plus Russia
GATT	General Agreement on Tariffs and Trade
GEAR	Growth, Employment and Redistribution
GNU	Government of National Unity (South Africa)
HIPC	Heavily Indebted Poor Countries
IMF	International Monetary Fund
MAP	Millennium Partnership for the African Recovery Programme
NAI	New Africa Initiative
NAM	Non Aligned Movement
NEF	National Economic Forum
NIEO	New International Economic Order
NPT	Non-Proliferation Treaty
OAU	Organisation of African Unity
ODA	Official Development Assistance
RDP	Reconstruction and Development Programme
SACP	South African Communist Party
TRIPS	Trade Related Intellectual Property Rights
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
WEF	World Economic Forum
WTO	World Trade Organisation

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## Introduction

*Measured against its stated objectives,  
neo-liberalism has failed demonstrably.*

Hein Marais<sup>1</sup>

### 1. INTRODUCTORY REMARKS: THE RE-DISCOVERY OF THE NORTH-SOUTH PROBLEM

When, in 1990, the fall of the Berlin Wall marked the global victory of liberalism over communism, many saw in this the beginnings of a more peaceful and prosperous world. Now, eleven years later, the picture painted then of "The end of history" (Francis Fukuyama, 1989) and the start of a "New world order" (George Bush, 1989) seems far away. Instead of setting the stage for a world order in which the improved chances for international co-operation were used responsibly in order to spur economic growth and bring about a less contentious world, the end of the Cold War has not eradicated tension between global blocks. In fact, one could say that it merely repositioned the geographical line of contention. While it was previously positioned between East and West, the new world order characterised by the divide between North and South.

Admittedly, the North-South problem is not a recent phenomenon to which the demise of East West rivalry gave rise. However, it was overshadowed by the overarching East-West conflict. The disappearance of this meta-conflict later opened space for attention to focus on the North-South conflict which had been seething under the surface of the East-West tension. But this is not the only reason why the North-South issue has re-attracted global attention. Another development which takes great responsibility for the re-discovery of the 'old' North-South problem is the degree to which this problem, the gap between the two spheres of economic development, has deteriorated over the past decades. What started with the 'lost decade' for developing countries in the 1980s has - with increasing globalisation - advanced to unprecedented dimensions during the 1990s. According to the UNDP's Human Development Report of 1996, "the gap in per capita income between the industrial and developing worlds tripled, from \$5,700 in 1960 to \$15,400 in 1993". "Of the \$23 trillion global GDP in 1993, \$18 trillion is in the industrial countries - only 5 trillion in the developing countries, even

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<sup>1</sup> Marais, 1998:  
115.

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though they have 80% of the world's people." (UNDP, 1996: 2)<sup>2</sup> At the beginning of the new millennium the world is thus confronted with an unprecedented degree of global inequality, which, as the UNDP testifies, has been exacerbated by a growing globalisation process.<sup>3</sup> With the continuation and ever increasing speed of this process, the prospects for the majority of developing and least developed countries, of which two thirds are in Africa, looks gloomy.

"In Sub-Saharan Africa the number of people living below \$1 a day level has grown...Recent World Bank estimates, based on a 'business as usual' scenario of continuing slow growth and recurring crisis, show that by 2008 the same number of people may still be living on under \$1 a day.... In fact, the numbers rise in Sub-Saharan Africa by nearly 40 million." (Wolfensohn, 2001)

Recognising these points of tension in the global economy, one is tempted to agree with Hein Marais that "measured against its stated objectives, neo-liberalism has failed." Instead of bringing about increased wealth for all nations, it achieved "a massive redistribution of wealth in favour of the rich." (1998: 115). For James Wolfensohn, President of the World Bank, "these figures call in question the ways in which the world has been doing development", seeing that "[p]overty remains intractable despite economic growth in many countries." (Wolfensohn, 2000)

The failure of neo-liberalism goes hand in hand with the failure of the institutions of international co-operation, many of which have been put in place to ensure the smooth functioning and growth in an interdependent world, such as the World Bank, the International Monetary Fund (IMF) and the General Agreement of Tariffs and Trade (GATT) with its successor, the WTO. Instead of serving as fora of global co-operation, these organisations, created under US hegemony, have become means of advancing Northern dominance in the world political economy (Nel et al, in Cilliers, 1999). Equally, the United Nations development system did not succeed in altering the reality of marginalisation. In fact, the number of poor nations has risen in the past 30 years from 25 to 49 (Lambrechts, 2000: 15; Wadula, 2001: 2). Other indicators such as the increasing occurrence of systemic shocks or the fact that world growth has halved in 1998, make more and more people question the reasonability and justification for the principles of the Washington Consensus (Marais, 1999).

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<sup>2</sup> Such aggregate figures naturally hide the differentiation within the group of developing countries in terms of economic development. Disaggregation reveals that, while a number of East Asian and Pacific countries did relatively well and improve the look of the figures on the part of the developing world, the condition in other poor countries, particularly in sub-Saharan Africa, deteriorated greatly (Wolfensohn, 2000; Broad and Cavanagh, 1995/96: 20-24).

<sup>3</sup> It should be pointed out here as well that, due to the globalisation processes, not only the income gap *between* countries but also *within* countries widened. (See on this point Wood, 1997)

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On the basis of such considerations, Jackie Cilliers draws the conclusion that "[c]learly, the new century requires a new multilateral order similar to the process which occurred at the end of the two world wars earlier this century, and that eventually provided the framework that contained the Cold War to a proxy conflict and prevented mutually assured nuclear destruction. But the obstacles to the achievement of these ambitions are truly awesome and would require a very carefully co-ordinated campaign among like-minded countries...." (Cilliers, 1999).

### 2. PROBLEM STATEMENT

In this politico-economic environment of deteriorating conditions for the majority of poor countries, it is Thabo Mbeki who takes up the task of working towards this necessary new multilateral order and engages in a new attempt at changing the currently inequitable global system.

His programme is not the first attempt to address North-South inequality and bring about global change. An earlier attempt was the claim for a New International Economic Order (NIEO) of the 1970s. This initiative, however, bore little success. It did evoke a certain degree of recognition on the part of the industrialised countries, but was eventually rejected by a US/British alliance at the last North-South Summit in 1981 (Breytenbach, 1995: 233; United Nations University Press, 2001). Considering the failure of the NIEO movement, the question arises as to whether Mbeki's programme has any chance to lead to global change and the improvement of the international role and economic integration of the South, considering the continuing dominance of the North.

As will be shown in this study, recent events indicate that the global political environment is currently conducive to change and that Mbeki might be able to exploit this situation for his cause: greater equity in international affairs. He is confronted, however, with the persisting situation whereby a group of rich and powerful countries is determining global political and economic outcomes.

### 3. PURPOSE OF THE STUDY

Considering this problem, this study evaluates Thabo Mbeki's "Global Initiative", that is, his attempt at effecting the reform of the international community, from a systemic point of view.

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It asks, and attempts to shed light on the question, as to whether Thabo Mbeki's attempt has any chances of leading to a "transformation of a world driven by globalisation" (Mbeki, 1998) and eventually to a "new world order of prosperity and development for all and equality among the nations of the world" (Mbeki, 1998) as pledged by him. In particular, it assesses the structural conditions for global change and evaluates whether the global political climate is supportive of Mbeki's pronounced ambition of achieving a greater recognition of the interests of the South in international affairs.

### 4. QUESTIONS FOR INVESTIGATION

This is addressed through examining the following sub-questions:

- What exactly is Thabo Mbeki aiming at with his global programme? What kind of change does he actually envision? What is his strategy, what means is he using and what are his tactics?
- Which factors are driving Thabo Mbeki in his global equity activism? What influence do his personal characteristics, domestic South African politics and the international system have on his ambition and its style and strategy?
- How is power distributed in world politics, and how much scope has Thabo Mbeki as president of a middle power to influence and effect change in world affairs?
- How conducive is the global political environment currently to change? Do the attacks on the United States of September 11, 2001 indicate a twist in favour of the poor?
- What are the effective outcomes of the G-8 summit in Genoa of July 2001, and how are they to be interpreted?

### 5. THE "MBEKI INITIATIVE" IN EXISTING LITERATURE

Since it is a relatively recent phenomenon, "Mbeki's Global Initiative" has not yet caught effusive attention in academic writing. The term itself is not widespread, and when used it often evokes the association with Thabo Mbeki's renaissance programme for Africa. The term "Mbeki Global Initiative", however, encompasses more than solely Mbeki's engagement for Africa. It is used mostly in the works of Nel, Taylor and Van der Westhuizen. Although not the sole analysts of Mbeki's new North-South dialogue policy, it is mainly Nel, Taylor and

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Van der Westhuizen (2000) who give the term a global scope as opposed to restricting it to an initiative on Africa. It is in particular Taylor who, despite confining it to a global trade framework, takes up the term in this fashion and defines it as Mbeki's "reformist agenda at the various multilateral bodies that deal with global trade issues" (Taylor, 2001: 62). Apart from them, Landsberg (2000b) recognises the wider scope of Mbeki's programme when talking of "Mbeki's External Initiative on Africa and the Global South".

The fact that only few scholars talk of Mbeki's North-South policy in this specific fashion does not mean that the above-mentioned authors are the only ones who attribute an increasingly important aspect of South Africa's foreign policy to the person of its current president. Patrick Bond and Howard Barrell also draw this connection. But whereas Barrell stays rather descriptive and relatively uncritical - his only criticism being that Mbeki's message is "not particularly original" (2000a: 29) - Bond investigates the limits of Mbeki's project by analysing speeches and discussion of key events and processes. The latter contends that "Thabo Mbeki *cannot* change the world" (Bond, 2000: 4). His conclusion rests on a variety of findings about the insufficiency of Mbeki's approach, two of them being questionable alliances and the "reluctance to question received wisdom" (2000: 7). Mbeki's greatest deficiency, according to Bond, is his own inconsistency and contradictory behaviour. On the one hand, he bows to and even promotes globalisation and the chances it bears for South Africa and developing countries in general, whereas on the other hand, he criticises exactly this developmental model which has brought about globalisation and the negative effects on poor countries that come with it. The result of such an approach can merely be "minor tinkering" (Bond, 2000: 7), a programme which lacks the radical thinking necessary to lead to real, structural change.

The accusation of such inadequacies can also be found in works of Nel, Taylor and Van der Westhuizen, who come to the same conclusion that, even though Mbeki's rhetoric talks of the 'transformation' of the world order, Mbeki will not be able to achieve this with the approach taken. Investigating Mbeki's policy for change from a critical perspective, they find that it rests on a "restricted focus on power and privilege" (Nel, et al, 2000a: 3). According to them, Mbeki and his advisors accept much too uncritically the existing power differentials and are too fixed on states as the constituents of power in the global political economy. A narrow approach like this can in the end only lead to piecemeal change, that is, minor corrections of imbalances, but not to a radical re-structuring of the underlying order.

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Another stream of available literature about Thabo Mbeki's international engagement deals with the change in international economic policy making. In the fact that the G-8 have started to open their exclusive circle to leaders and organisations of the periphery Nazeem Mahatey sees the "beginning of a new dialogue between the North and South ... [which bears] the promise of a major strategic partnership to benefit the neglected people of the world." (2000: 12). By listing recent global events in which Mbeki played a key role in representing the South's interests, Mahatey gives a description of the change in North-South politics.

South Africa's foreign policy from 1994 has received considerable attention in academic literature, and a number of writers draw the link between the country's foreign and domestic policy when trying to interpret the former and how and why it emerged the way it did. Chris Landsberg, for instance, shows that "South Africa's foreign policy [in Mbeki's first year in office] ... reinforces the theory that domestic and foreign policies are closely entwined" (Landsberg, 2000b: 75). With South Africa itself being a reflection of global inequality, Landsberg points out that South African domestic and foreign policy both work towards closing the gap between rich and poor. But while this link is frequently stated, few have put South African foreign policy making into a broader picture. The works of Taylor and Van der Westhuizen do take account of this (Taylor, 2000; Van der Westhuizen, 1998). When trying to understand Pretoria's recent foreign policy, which is strongly driven by Thabo Mbeki, they put it into context with the constraints of domestic forces and the global economic order. Both depart from the observation of incongruity between South African domestic and foreign policy and ask the question about the underlying reasons for this. Using the critical theory perspective of Cox, both Taylor and Van der Westhuizen discover the difficulties of policy making in a vice-like setting, in between the pressures of a hegemonically organised global political economy and the interplay of social forces in South Africa. While there is external pressure on South African policy makers to bow to neo-liberalism, which has over the past years increased income inequality, there is also domestic pressure to serve the dominant social forces that have been included in the corporatist project of crisis response.

Looking at the consequences of the domestic pressures and constraints of South African society, both Taylor and Van der Westhuizen draw the link to the importance that multilateralism plays in South Africa's foreign policy. The relevance of multilateralism for South Africa is widely taken up in academic writing. Whereas most writers are content merely to describe South Africa's multilateral foreign policy, Taylor, Van der Westhuizen and

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Nel, who in various studies dig deeper and ask for the rationale behind this behaviour, bring the support for multilateralism together with South Africa's role as a middle power. Maxi Schoeman (2000) also deals with South Africa as a middle power in the international system but stays rather descriptive when defining South Africa as an 'emerging middle power' on the basis of Robert Cox's definition of a middle power.

### 6. GAPS IN EXISTING LITERATURE AND RATIONALE OF THE STUDY

The study of scholarship on the "Mbeki Global Initiative" has brought forth the result that existing literature

- circles around ideological aspects of Mbeki's approach,
- predominantly adopts a critical approach, and
- does not cover the latest developments.

Taking these findings into consideration, this study focuses on judging Mbeki's programme from a systemic angle. It attempts to confirm results achieved in preceding studies which concluded that the ideological direction his approach is taking at the moment will not enable him to achieve the *transformation* of the global community as envisaged in many of his speeches.

The evaluation presented here is intended to point out the impact of the inconsistency in Mbeki's North-South policy, namely the incongruency between his envisaged goal and the ideological framework in which the concrete objectives are embedded. It is furthermore intended to analyse whether the strategy Mbeki has chosen is sufficient to lead to his goal or whether he ought to make strategic adjustments in dealing with the power giants in the North. An important point of the analysis is to draw a picture of the current condition of the global political environment and assess the conduciveness for change in world affairs. It is assumed that the global political climate, the pressures from civil society, and critical official voices are highly relevant factors in support of Mbeki's interests. By doing this, the study emphasises the overall receptiveness for any kind of trans- or reformatory initiatives and movements aiming at correcting global power and wealth imbalances.

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### 7. THEORETICAL FRAMEWORK

The theoretical framework will mainly be relevant to the latter part of the study, the evaluation, as it is here that my thesis will be developed. A positivist approach is underlying the results of this work. That means that the international system will be investigated as it is "out there" rather than in a normative fashion, as the aim is not to develop ideas about how change can be effected but to 'realistically' judge its possibility.

The evaluatory part of the study, moreover, takes a state-centred approach. It is assumed that states are - still - the principal actors in world politics. Thus, they will be looked at as the constituting forces for international co-operation and the constituting elements of the international system. The existence and growing influence of non-state actors on internal politics are acknowledged, particularly as influencing state behaviour through their leaders, but are assumed to be ultimately not decisive actors in the system since it is still states that ultimately make decisions in international politics.

Realism has been criticised widely and many of its shortcomings have been stressed, as well as several of its basic assumptions challenged, with later theoretical thinking about the interaction of states. Apart from any wishful thinking, however, I believe that realism is still a very relevant theory when investigating state behaviour and that the latter is still aptly described by many of realism's assumptions. Within realism, politics are an important force behind any policy with economic impact in international relations. Thus, as Stephen Greenwold puts it, realism provides "insightful and reliable explanations of the international economic policies that states pursue" (Greenwold, 1999). In the global political economy "the fear of relative, not absolute, gains and losses constitutes a barrier to free trade." (Greenwold, 1999). I am particularly convinced that North-South relations to a great extent work according to the assumptions of realism. Why else did the European Union not grant South Africa a more favourable trade agreement in 1999, particularly when it comes to agriculture? Why has the debt of poor countries not yet been cancelled by creditor countries despite all the rhetoric about it? Why is it that Africa and the poorer countries usually lose out in international negotiations? Or why is there not faster progress in international trade negotiations?

Political realism takes into account the power differentials in international politics, which is the fundamental problem underlying the North-South issue and any attempt to change this divide. These power differentials are based on differing economic capabilities. To use a realist

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framework of looking at the world makes further sense as Mbeki himself seems to operate in the confines of assumptions central to a realist perspective. His approach is not only highly centred on states as the ultimate building blocks of co-operative behaviour, but it also accepts power differentials between them (Nel et al., 2000a: 3) and thus does not question the hegemonic organisation of the current global order. Any change in this 'conservative' framework is doomed to be merely limited change since "the type of change realism ... can lead to is only *piecemeal change*, or *reform*. It is not *radical* change because it leaves the roots of the world situation unaffected." (Nel and McGowan: 1999: 63) Any evaluation of Mbeki's attempt at bringing change to the global community - based on his programme and its assumptions - can from the start only take place in this confined framework.

However, as many have criticised, realism does not have the capacity to explain state behaviour fully and entirely, and to rely strictly on realism's assumptions about the nature of the international system and its view about the relevant actors in international affairs constitutes a "restricted focus on power and privilege" (Nel and Taylor, forthcoming: 19).<sup>4</sup> Since they are led and influenced by people, states do not exclusively act in "rational" self-interest, but rather may be affected by moral considerations. Thus the realist view is balanced with a (neo-)liberal institutionalist view on international politics in this study. This version of liberal theory is particularly suited for a study of this kind since it concentrates on the issues of the international political economy. (Jervis, 1999: 45) It is contended that the two approaches are reconcilable since "liberal institutionalists claim to accept realism's root assumptions." (Mearsheimer, 1994: 16)

The liberal school of thought acknowledges the complex and interdependent nature of the world, believes in the commonality of states' interests and rejects the zero-sum thinking of realism. Furthermore, even though co-operation is not impossible in a realist's world, "most liberals think that co-operative behaviour will increase the equity and mutual benefit of interstate treaties and regimes." (Travis, 1994: 252)<sup>5</sup>. Thus, in a liberal world, change for the better, moving towards pareto-optimum, is possible (Nel and Mc Gowan, 1999: 62). And whereas realists are sceptical about the disappearance of the North-South conflict (Travis, 1994: 255), liberals "contend that foreign-policy officials have considerable choice in

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<sup>4</sup> These, however, are the assumptions that Mbeki's programme for the South's upliftment rely on. It takes power differentials as given and focuses on states as primary actors in the current order.

<sup>5</sup> In fact, as outlined by Jervis, a neo-liberalist's world is not characterised by more co-operation than is a realist's. Neo-liberalists, however, see much more unrealised or potential co-operation than realism. (1999: 47)

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upgrading common interests and in acting morally so as to forge a more just world order" (Travis, 1994: 253). Institutions as coordinated patterns of behaviour act as quasi media through which co-operation takes place. Liberal institutionalists regard international institutions and non-state actors as significant world actors which improve the availability of information, reduce transaction costs and help overcome the permanent conflict-ridden nature of international relations as assumed by realists.

It is in these perspectives that the potential for greater and more fair co-operation between the rich North and the much poorer South will be assessed. An interplay between two theories is used as this mixture is capable of explaining state behaviour better than either of the two alone, I believe that both realist and liberal thinking do play a role when states interact.

## 8. METHODOLOGY

The study is a qualitative assessment of a particular foreign policy initiative of South Africa's president Thabo Mbeki, which is his activism to end the marginalisation of Africa and the entire South. It will take a descriptive, explanatory and evaluatory approach. The evaluation assesses the potential to lead to global equity as well as to improve the livelihoods of the poor. It is mainly undertaken on the example of the G-8 summit in Genoa of July 2001.

### 8.1 Definition of key concepts

#### 8.1.1 *Global Equity*

Contrary to equality, the concept of equity includes notions of fairness and justice. It does not necessarily aim at and lead to equality, i.e. the similar treatment of like units. The adjunct "global" within the bounds of this work will be understood and used to express the "international" use of the concept, equity between nations. One form of global equity in this understanding would thus be the equal distribution of rights between nation states and would in its ideal form include international co-operation on equal terms in which no nation or block of nations is marginalised or discriminated against.

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### *8.1.2 North/South*

The terms North and South will in this study be used in a global developmental perspective<sup>6</sup>. As such, the terms do not so much refer to geographical locations but carry a much more developmental meaning, expressing divergences in economic development and wealth between nations. The global North first and foremost refers to the G-7 countries, but in a wider sense also includes the range of OECD countries. The concept of North also incorporates global institutions under American and European dominance such as the World Bank, the IMF, the WTO. North, hence, encompasses the developed world, which has been supporting and promoting the neo-liberal project which has triggered the process of globalisation for the last few decades. The South, in contrast, constitutes the developing world, i.e. countries with a far lower level of economic development, relatively marginalised in the world economy and not having been capable to reverse global economic conditions to their inclusive benefit.

Equally, the terms core and periphery can be used as substitutes for North and South.

### *8.1.3 Multilateralism*

Multilateralism will in this study be used in a normative sense as defined by Ruggie (Taylor, 2000: 23). As such, the notion of multilateralism includes more than just describing a process in which three or more actors are coordinating their policies. Multilateralism thus becomes much more a way of organising international life on the basis of a set of rules. (Caporaso and Ruggie, in Nel etc, 2001: 10).

### *8.1.4 Neo-liberalism*

The concept of neo-liberalism stands for a politico-economic ideology which is based on a liberal philosophy of the separation of politics and economics. As such, it proclaims the withdrawal of politics from the economic sphere and consequently promotes policies of deregulation, privatisation and liberalisation. By limiting the role of governments, neo-liberalism has been widely accused of restricting the sovereignty of nation states and undermining their free choice of determining development paths.

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The concept is understood as the idea on which the process of globalisation, i.e. the growing interdependence of states and markets, rests.

Neo-liberalism is linked to the global order in the way that it is the dominant development model imposed by the hegemon, in this sense the United States, supported by its allied partners in the G-7.

### *8.1.5 Power*

Power is understood in this framework as structural power as defined by Susan Strange, that is, as "power to shape and determine the structures of the global political economy within which states, their political institutions, their economic enterprises [et cetera] ... have to operate" (Strange, 1988: 24-25).

Power itself is based on capabilities and determines how a state is positioned in the hierarchically structured international system. On top of this order stands the hegemon which can determine the rules. In this sense, it is assumed here that structural power lies with the North, led by the United States of America, which has been strengthened by the "emergence of a number of more or less equal advanced powers that derived similar benefits from the world the US had been protecting" (Steven, 1994: 294)<sup>7</sup> and are aligned with the US in the G-7<sup>8</sup>. It is the latter's dominant neo-liberal thinking that has determined the global system in the form of the North-South divide.

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<sup>6</sup> The use of the two terms in these meanings goes back to the Brandt Reports of 1980 and 1983, "North-South: A Programme for Survival" and "Common Crisis: North-South Co-operation for World Recovery" and they have since been used in this meaning.

<sup>7</sup> The Gulf War and the intervention in Somalia are two examples which give expression to this 'shared' global hegemony. In both cases the advanced powers supported the US militarily and financially.

<sup>8</sup> The G-7 was created in the 1970s by the then French President Giscard d'Estaing and the German Chancellor Helmut Schmidt as a kind of anti-institution against the low effectiveness of large international meetings. The meetings of the group of most powerful nations thus constituted a more informal framework for the discussion and co-ordination of international policies (Bayne, 1995: 494).

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### *8.1.6 Hegemony*

Hegemony in the sense used here is enabled through the power dynamic outlined above.

This conception of power and hegemony is broadly based on the realist view and differs from the one used by Gramsci and Cox (as used in Taylor) in the way that the basis for hegemony are still states, not societies or classes.

In this meaning and definition, the concept hegemony rests on the assumption that power lies with the G-7, and therein with the US. This is affirmed by Susan Strange, who contends that "the United States has not in fact lost power in the world market economy. They may have changed their mind about how to use it, but they have not lost it. Nor, ... are they likely to do so in the foreseeable future." (Strange, 1988): 28). "As that economy has grown and spread, the source of its power has shifted from the land and the people into control over structures of the world system." (Strange, 1988: 235). However, as the rest of the G-7 have increased their capability in the global political economy relative to the United States, and as they are supportive of the ideals spread by US, they are seen as having become constituents of this hegemony.

## **8.2 Operationalisation**

The study at hand proceeds from the negative findings of previous studies on the prospects for the "Mbeki Global Initiative" to lead to a transformation of the global community. On the example of the reaction of the G-8 to the pledges of African leaders at the Genoa summit it tests the presumption that the South-driven attempt to change has little potential to be successful by outlining the power relations in the global political economy and the effective outcomes of the Genoa summit

### *8.2.1 Unit of Analysis*

As the title indicates, the main object of analysis is Mbeki's "Global Initiative", that is, the foreign policy approach of South Africa's current president which addresses the global divide between the North and the South. The evaluation will target the international system as its unit of analysis and will examine how Mbeki's policy impacts that system.

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### 8.2.2 Data Used

A variety of data types and sources has been used for this study. One main pillar of evidence are primary data in the form of ANC governmental policy documents. Another primary source constitutes speeches made by Thabo Mbeki, both since achieving presidency in 1999 as well as before, during his time as Deputy President under Nelson Mandela.

Secondary data takes the form of articles and publications, mainly academic journals and books but also newspapers and (media) journals. For the analysis of Thabo Mbeki's characteristics, biographical data and information have been used due to the impossibility of receiving these information through a personal interview. In addition to that, the findings are based on publications from NGOs which have partly been sourced through the internet. The internet has also served as source for up-to-date information on statistical data. Other statistical information has been sourced from publications of international organisations such as the World Bank and the United Nations Development Programme.

## 9. CHAPTER OUTLINE

Altogether the study focuses on three basic questions, each of which is dealt with in one chapter:

*What is the Mbeki Global Initiative?*

*Why is Mbeki leading it?*

*What are the chances that this initiative will lead to its aim of global change in the form of a world order in which the South is no longer politically and economically marginalised?*

In this way, *Chapter II* traces the roots of the Mbeki Initiative back to the policies of the ANC and shows that the ideas on which the initiative rests are inextricably intertwined with the philosophy of the ANC and have been important pillars of ANC foreign policy strategy in the early 1990s, before it became the majority party. This tracing of the roots will then turn its focus onto Thabo Mbeki's influence on ANC and GNU-policy from the mid-1990s in order to assess whether and why it is actually justified to associate the person of Thabo Mbeki with South Africa's outstanding position in Africa and the group of South countries. Is it not simply South African foreign policy which follows party-political priorities? Having pointed

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out this justification, the content of the global programme is explained by outlining both Mbeki's underlying idea as well as its specific points. The last section of this chapter deals with the strategy applied by Mbeki and thus outlines the means and the tactics he uses.

*Chapter III* analyses *why* Mbeki is so equity-active on the international scene. The aim of the chapter is to show the different possible entry-points into this question as reflected in the literature. A three-level approach is used to show that there is not simply one sphere which drives Mbeki but that his global activism is most likely a conglomerate of various factors and forces. It is contended that his "Global Initiative" is influenced by his personal traits and biography, South Africa's policy-making models of corporatism and tripartism as well the country's status and role in the international system.

Based on the preceding findings, *Chapter IV* deals with the most important and central question of the study, as outlined in section three. Borrowing from the latter part of the preceding chapter, the discussion looks at why the international system is a barrier to the success of Mbeki's ideas. It will, however, also be pointed out that there are a number of trends under way that support Mbeki's vision.

Apart from giving an overview of the arguments and findings put forward in this study, the *Conclusion* gives recommendations on Mbeki's policy behaviour vis-a-vis the North and closes with a brief outlook into the near future.

## Mbeki's "Global Initiative": Roots, Contents, Tactics and Criticisms

*"Ex Africa semper aliquid novi!"*

Pliny the Elder<sup>1</sup>

## 1. INTRODUCTION

"Out of Africa, there always comes something new." Applying this Latin proverb to Thabo Mbeki's ambitious foreign policy to achieve global change, the renaissance of the African continent and the resurgence of the entire South in global affairs, one can certainly find some truth in it. Africa and the rest of the developing world has for many years been relatively quiet about the fact that it benefitted less and less from the economic system which the Western powers put in place after World War II and which, as was pointed out in the previous chapter, increasingly excludes the less developed part of the world. Admittedly, it is not the first time, that Africa raises its voice against the dominance of the North. The struggle against colonialism, the attempt together with the rest of the periphery to create a New International Economic Order in the 70s, as well as the establishment of various South-based institutions, with UNCTAD at the forefront, come into mind here.

The new millennium sees a renewed attempt to address the problem of the North-South divide, with the South African president Thabo Mbeki as its protagonist. The following chapter will deal with this new attempt and outline what the "Mbeki Global Initiative" actually entails. This is done in order to show its dimensions and lay the foundation for an evaluation as to whether an approach of this kind has the potential to be successful in its objectives. *The crucial questions to be answered here are concerned with the idea or vision behind this effort, and the concrete goals contained therein.* What are the goals and objectives of the initiative and how is Mbeki bringing it into action? That is, what is his strategy, his tactics and means, to achieve his goal? Concrete policy initiatives such as his African Renaissance Programme, the Millennium Plan for African Recovery (MAP), or the New Africa Initiative will be dealt with and put into context. First of all, however, the roots of Mbeki's initiative will be traced back to and put into context with South Africa's commitment towards multilateral diplomacy.

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<sup>1</sup> This latin proverb, saying "Out of Africa, there always comes something new", is found in the works of Pliny the Elder. He, however, is not the original author but only the furthest traceable source.

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### 2. WHY *MBEKI'S* INITIATIVE?

#### 2.1 ANC Foreign Policy Prior to Mbeki's Presidency

The commitment towards Africa and the rest of the marginalised part of the world is not a very recent element of South Africa's foreign policy. It predates Thabo Mbeki becoming president in 1999, as it is strongly intertwined with the nature and policy of the African National Congress and can be found in ANC policy documents pre-1994 as one of the party's foreign policy priorities. Certainly, before its re-integration into world politics with the general elections in April 1994, South African foreign policy goals and necessities differed immensely from the GNU's. The pariah state's international relations were restricted and had to rely on bilateral relations. Economically, foreign policy was at that stage influenced by the country's need to generate foreign exchange in order to service foreign debts.

Officially, the commitment towards the greater African region and the South only started to feature in South Africa's external relations after 1994 when the ANC took over power. However, an ANC discussion paper (ANC, 1993) affirmed already in 1993 the need for a new South African foreign policy to "reflect the interests of the continent of Africa". The strengthening of economic links, enhanced political co-operation and the fight against the debt burden were identified to be among the critical issues which a new South African external policy had to consider.

Nelson Mandela's 1993 Foreign Affairs article "South Africa's Future Foreign Policy" underlined the ANC's pre-GNU commitment for any future South African policy to take "the concerns and interests of the continent of Africa" into consideration next to goals such as to promote peace, democracy and human rights, in addition to economic development and the rule of international law. (Mandela, 1993: 87) The commitment towards Africa is repeated in the ANC's 1994 policy document on international affairs (referred to in ANC, 1997). This document outlines equally the commitment to the development of the African continent and the Southern African region. In particular, it goes even further to include the "[d]evelopment of a just and equitable world order" as well as putting "the whole of the South [...] [as an issue] at the top of the international agenda."

Despite the fact that such rhetoric of international commitment is found throughout ANC statements on foreign policy, its implementation and the GNU's practical commitment towards them has differed and gone through several developmental phases. Nel et al. distinguish among

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four phases of multilateral commitment in the foreign policy of the GNU since 1994. According to them, commitment was particularly high in the early years, the period between 1994 and 1996, which can be interpreted as a "heroic" phase during which South Africa - in a highly personalised approach (Van der Westhuizen, 1998; 114) - was able to achieve a number of foreign policy successes. Cases in point are Mandela's involvement in East Timor, Zaire and the Lockerbie negotiations with Lybia (Nel et al., 2001: 114).

Whereas the early days were characterised by the redefinition of the international standing of a newly re-integrated South Africa and the predominance of enthusiasm of political change, diplomatic pragmatism took over after Pretoria had earned a number of criticisms. Two key examples are its contentious diplomatic stance towards Nigeria and its role in the indefinite extension of the Non-Proliferation Treaty.<sup>2</sup> In both cases South Africa's actions raised criticism, particularly from the developing world, which accused Pretoria of violating the Pan-African solidarity and mingling too much with the West. (Van der Westhuizen, 1998: 447 - 448)

Besides these two cases, the GNU has generally been criticised for a lack of consistency between formulated policy ideals and their practical implementation (Mills, 2000: 263; see Van Aardt, 1996: 107). The GNU was not coherent when it came to putting its foreign policy principles into practice<sup>3</sup>, particularly when it was confronted with the dilemma of having to decide between economic interests or idealistic policy behaviour. South Africa was, for example "reluctant to speak out against human rights abusers and unable to base policy on principle when financial matters were involved" (Van der Westhuizen, 1998: 446), a dilemma which reflected the domestic struggle between two contentious foreign policy camps which were prevalent in South Africa's society, the internationalist and the neo-mercantilist. Experiences like the ones mentioned here, in which the GNU realised the difficulties of an idealistic and moral foreign policy, triggered greater pragmatism. At the same time in the GNU's foreign policy making (Nel, et al., 2001: 113) which eventually led to a more routine approach in its diplomacy from 1998.

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<sup>2</sup> In the case of Nigeria, South Africa was criticised for her unilateral call to boycott and exclude the country from the Commonwealth after the Abacha Government's human rights abuses (see van Aardt, 1996: 115). In the NPT case, South Africa gave in to US dominance against the interests of Southern countries. Another event causing likewise criticism was the arms sale to Syria. (Nel et al, 2000) (Nel et al, 2001: 114; Van der Westhuizen, 1998: 447).

<sup>3</sup> Spence ascribes this to the fact that the new government had not defined a clear national interest nor found the balance between morality and economic interests in foreign politics. An example in which this dilemma between morality and interests arose was the arms trade to Syria (Spence, 1998: 160). According to Mills the GNU's foreign

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The difficulties South Africa experienced at that time in relation to making the 'right' diplomatic choices, on the other hand, influenced the GNU to endorse multilateralism more as a "'safer' diplomatic option in dealing with thorny issues" (Nel, et al., 2001: 114).

Both South Africa's current internationalist orientation (Van der Westhuizen, 1998: 444), expressed in an ethical diplomacy seemingly beyond self-interest, and the endorsement of multilateralism as a good way of escaping the difficulties and criticisms of a unilateral foreign policy, have been integral parts of the ANC's and the GNU's diplomatic agenda since the early 1990s. The question then arises as to why these policy characteristics have suddenly become so strongly and almost exclusively linked to South Africa's second democratically elected president after apartheid, Thabo Mbeki. Put differently, is it indeed justified to associate South Africa's international reform policy of improving the fate of the South with South Africa's current president, considering the ANC's and GNU's long-standing commitment towards Africa, the South and its embracement of multilateralism?

### 2.2 Foreign Policy after Mandela - Mbeki Takes Over

Thabo Mbeki's role as an important formulator of South Africa's foreign policy does not start only with his taking over presidency in June 1999. Already during his presidency-in-waiting, that is beginning in 1998, he took a crucial role in the re-emergence of South Africa's internationalism. According to Botha, Mbeki not only became an essential player in South Africa's foreign policy stance during this time, but he virtually "became *the* architect of South Africa's foreign policy." (Botha, 2000: 4)<sup>4</sup>. One of the most important and far reaching products from this time was the creation of the vision of an African Renaissance, which from 1997 featured explicitly in the ANC's policy objectives.

#### 2.2.1 Evolution of the African Renaissance

Shortly after his denomination as accessor to the presidency, Mbeki stressed the notion of the "African Renaissance" in the majority of his speeches. His *I am an African* speech at the

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policy principles did provide a framework for foreign relations but were not clear enough when it came to policy goals, objectives and strategies (Mills, 2000: 262).

<sup>4</sup> This has been openly confirmed by Mandela himself on various occasions (Corrigan, 1999: 7).

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ceremony in which the new constitution was adopted in 1996 refers - even if not explicitly as from 1997 - to his vision of an African Renaissance. He placed emphasis on the fact that

"Africa reaffirms that she is continuing her rise from the ashes. Whatever the setbacks of the moment, nothing can stop us now! Whatever the difficulties, Africa shall be at peace. However improbable it may sound to the skeptics, Africa will prosper!" (Mbeki, 1996).

At this time, however, the notion of the "African Renaissance" was not yet filled with political, social and economic content. The first step in giving the concept a more concrete expression was in April 1997, at the summit "Attracting Capital to Africa", held in Chantilly, Virginia, and later at his African Renaissance statement at the Gallagher Estate on August 13, 1998. Inferring from these speeches, the African Renaissance can be described as a call for "Africa's political, economic and social renewal" (Landsberg, 2000a), for setting an end to Africa's exploitation and marginalisation. Politically, Africa must establish democracy and eliminate failed systems. On the economic side, Mbeki pointed out the need for economic reform as a prerequisite for Africa's economic regeneration. The social element was directed at ending the man-made suffering on the continent (Botha, 2000: 4-8).

The idea of Africa's Renaissance has a mobilising, endogeneous approach, and as such is supposed to be a "framework through which we [Africans] can empower the continent to act for itself and its interests" (ANC, 1997), as well as a process "where Africans themselves are to find solutions to African problems" (Botha, 2000: 8). The way in which the African Renaissance concept works towards the empowerment of the continent, the political liberation from Northern dominance and determination as well as global economic integration, is a vision which is strongly linked to South Africa's multilateral foreign policy goals of fighting for the re-emergence of the African continent and the achievement of a "more equitable world order" (ANC, 1997).

Soon after Mbeki had introduced the concept, it was taken up by the ANC and featured prominently in the GNU's strategy as one pillar on which its multilateralist goals rested. As such, the African Renaissance is not a vision which is exclusively connected with Thabo Mbeki himself. However, its emergence must be attributed to Mbeki, who, while still deputy president, "gradually took charge of foreign policy" (Botha, 2000: 4).

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### 2.2.2 Emergence of a Global Approach

Similar efforts by Thabo Mbeki towards the renaissance of Africa have to be seen and interpreted in the wider context of global order and North-South relations. This became evident in August-September 1998 with Mbeki's speech at the Twelfth Summit of the Non-Aligned Movement in Durban. Another event which indicated Mbeki's increasing use of his renaissance ideas constituted the Commonwealth Heads of Government Meeting in November 1999. During this meeting Mbeki actively represented the developing world by playing a significant role in getting the Commonwealth leaders to endorse the *Fancourt Declaration on Globalisation and People-Centred Development*, a political document in which the Commonwealth countries recognise the needs of the global South and emphasise the need for a people-centred development.

From late 1999 onwards, i.e. with Thabo Mbeki having taken over power from Nelson Mandela "an element of global 'heroism'" returned to South African foreign policy making (Nel, et al., 2001: 113/115) with this wider commitment to the marginalised part of the world, including the entire global South. This revived "global heroism" took up the earlier, but so far little practised, commitment to fight for the economically disadvantaged countries of the world and to enhance their opportunities in the global political economy. During this time, Thabo Mbeki emerged as "global campaigner for the developing world" (Nel, et al., 2001: 115) and the main force behind the foreign policy goal of addressing the global lack of equity. Now, two years after Thabo Mbeki took office in Pretoria, it has become clear as to where a major part of his efforts are targeted. During his time as president, he has proven his role, if not as the "developing countries' single most" (Barrell, 2000a), then at least as an important speaker on behalf of the South. One of the more recent initiatives introduced by him is the Millennium Plan for African Recovery, MAP, in co-operation with Nigeria's Olegun Obasanjo and Algeria's Abdelaziz Bouteflika.

In concluding this point, the roots and emergence of the "Mbeki Global Initiative" have been traced back. It was pointed out that South Africa's commitment towards Africa's and the less advanced world's development is not Mbeki's idea alone. However, it has to be attributed to a great extent to Mbeki's efforts that multilateralism has re-established its place high on Pretoria's foreign policy agenda from 1998/1999 onwards. The pursuance of global equity goals, in fact, was only introduced during Mbeki's presidency (Nel, et al., 2001: viii). As a consequence, it can

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be contended that Mbeki played the leading role in developing South Africa's foreign policy strategy to lift Africa out of its marginalised position and to promote its interests and those of the developing world. As head of government since 1999, he has increasingly been using his position as the most important actor in foreign policy making next to the minister of foreign affairs Nkosazana Dlamini-Zuma and has engaged actively in campaigning for global structural reforms. By this, Thabo Mbeki was an important force behind South Africa moving from a foreign policy of rhetoric and the search for general positions towards policy implementation. (Mills, 1999: 13).

The previous years saw the emergence of a series of other African leaders with a similar mindset to Mbeki's. These have joined him in his effort to campaign for Africa. Despite this, however, Mbeki remains a driving force in this new grouping.

Having outlined why it is justified to talk of a "*Mbeki* Global Initiative" the contents of this "Global Initiative" will now be explored in more detail.

### 3. THE "MBEKI GLOBAL INITIATIVE" - PLEA FOR A NEW WORLD ORDER?

#### 3.1 Mbeki's Vision for Change

"We must see our Movement [...] as a serious instrument for the transformation of a world driven by the process of globalisation, so that we meet the objectives of the upliftment of our peoples" (Mbeki, 1999a). In this fashion Thabo Mbeki addressed the participants of the twelfth NAM Summit in Durban on 31 August 1998, one of the first occasions in which he openly pronounced his vision of a new world economic order, a "new world order of prosperity and development for all and equality among the nations of the world" (Mbeki, 1998).

With powerful statements of this kind, Mbeki has been turning against the negative powers of globalisation, which have, instead of bringing about a more prosperous and stable world, led to a global structural divide between the North and the South of unprecedented severity. It is this lack of global equity which he is campaigning against. His pronounced objective is to eradicate poverty and to end the South's economic marginalisation and disadvantaged standing in the global division of labour. By criticising the status quo of "growing inequality within and among countries" (Mbeki, 1999b) and arguing that a more just world is to the benefit of all, including

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the countries of the North, Mbeki makes a plea for the evolution of "global solidarity", and a more humane world (Nel, et al., 2000: 2).

"[T]he political leaders of our contemporary world", as Mbeki contended, "should face up to the question as to whether universal human values have any place at all in the ordering of human affairs. How can it be permissible that some die of hunger and curable diseases and exposure to the elements because of poverty and perish in civil wars driven by competition for virtually non-existent resources, when the volumes of wealth concentrated in some parts of our globe are themselves becoming something of a destructive force!" (Mbeki, 1998)

Mbeki is condemning the skewed distribution of global power in favour of the North and giving expression to the urgent "need to restructure the parameters of the international economic system" (Mbeki, 1999a). Such remarks, almost revolutionary in their tone, seem to give a clear indication as to which standpoint Mbeki is arguing from and suggests the assumptions on which he is basing his Global Initiative. (Landsberg, 2000a) His questioning of the effects of the dominant form of economic development which has emerged in the more developed parts of the world underlines this impression that he is lobbying for some sort of *post-paradigm*, a post-orthodoxy, post-Washington Consensus or simply a "global rethink of 'neoliberal' [...] philosophy" (Bond, 2000: 3) in favour of global social democracy. However, as Nel, Taylor and Van der Westhuizen (2001) have pointed out, what sounds like revolutionary ideas and the call for rebellion is in reality a rather mild programme. This becomes visible if one looks at the concrete demands Mbeki is filling this vision with.

### 3.2 Objectives and Issues of Mbeki's "Global Initiative"

Mbeki does not stop at painting a vision. His pledge is filled with a concrete list of priorities for action, mostly targeted towards the developed West, since the problems of global imbalances "cannot be solved except in the context of the global human society" (Mbeki, 2000e). This being so, Mbeki's efforts mostly converge around issues of global governance and "typical" South issues which are not new on the agenda (Breytenbach, 1995: 231) These include debt relief, aid, trade and investment, technology transfer and the democratisation of global governance through reforms of international institutions (Mbeki, 2000d; Barrell, 2000a: 29).

The following are the most prominent of his objectives:

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### 3.2.1 Debt Cancellation

The debt problem of developing countries, most of it accumulated during the oil crisis of the 1970s and 1980s, is one of the most important barriers preventing poor countries from improving their developmental status. Due to their monetary and financial implications, foreign debts are preventing growth by impeding investment and directing resources away from where they are most needed. The majority of African states still suffer from severe debt problems and spend enormous percentages of their total annual exports on interest and debt servicing.

Initiatives to ease the debt burden of developing countries do exist. One notable example is the Heavily Indebted Poor Countries (HIPC) Initiative, which was put in place in 1996 by the World Bank and the International Monetary Fund. The criteria, however, are set so high that only few countries meet the requirements.<sup>5</sup> In addition to this, the G-8 has given this issue considerable room for discussion in two recent meetings. In Cologne (Germany) the G-8 presented a debt reduction plan in the form of the 'Cologne Initiative', and in Okinawa (Japan), in July 2000, Mbeki spoke on behalf of the NAM to lobby for an increase in the number of eligible countries through flexibilising the requirements for debt cancellation, as well as greater debt reduction for these countries<sup>6</sup> (On further debt reduction actions see ECOSOC, 1999). Action, however, has been sparse so far. Despite the fact that 41 countries worldwide, 33 of them in Africa, are now, after the broadening of the eligibility thresholds, potentially eligible for the HIPC, only half have been accepted into the HIPC programme while another 13 are still waiting to be approved (Debt reduction, 2001). Other commitments by industrialised countries to date have also fallen short.<sup>7</sup> (Le Pere, 1999: Mahatey, 2000: 12f; Landsberg, 2000a; Dent and Peters, 1999)

With the debt problem unchanged, any potential improvements in aid flows and other revenues to poor countries will not be able to lead to economic and social development.

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<sup>5</sup> Among other problems with the designing of the eligibility criteria, indicators actually serve the purpose of creditor countries, according to Kajimpanga (1998).

<sup>6</sup> It is interesting to see and important to note here that while Thabo Mbeki is lobbying globally for debt relief, the South African government is reluctant to support the Jubilee 2000 campaign to write off South Africa's debt (Van der Westhuizen: 2001: 50).

<sup>7</sup> The measures taken through the Cologne Scheme represent, according to Jubilee South, only 12 % of the debts of all 41 HIPCs (see Le Pere, 1999: 2).

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## Mbeki's "Global Initiative": Roots, Contents, Tactics and Criticisms

### 3.2.2 *Resource Transfers and Foreign Investment*

The trend in development aid has been negative in recent years. Most developed countries are far from sacrificing the 0.7% of their GNP, the amount which developed countries committed themselves in the 1970s to give annually to poor countries. This target has never been reached, and, instead of moving up to this level, official development assistance (ODA) has seen a decline since the end of the East West conflict so that expectations of the "peace dividend" have not materialised.<sup>8</sup> Apart from some Scandinavian countries, the average ODA ranges around 0.25%, with the United States only contributing a mere 0.1% of its annual GDP to the total annual amount (Sachs, 2001: 49). The amount of aid flowing to sub-Saharan Africa has shrunk from US\$ 18.9 billion in 1994 to US\$ 15.1 billion in 1997, and the least developed countries' share of the aid has declined from US\$ 16.7 billion in 1995 to US\$ 13.5 billion in 1997 (South Centre, 2001). In addition to these continuing drops in ODA, developing and least developed countries are now, after the end of bipolarity, competing with the newly democratising countries of the former Eastern Block for aid. Moreover, development aid is strongly influenced by strategic considerations and thus in many cases does not get where it is actually needed most.

A similar picture is apparent with foreign investment. Apart from the fact that only a mere 25% of private capital flows goes to developing countries, this amount is also distributed extremely unequally. China alone is the recipient of more than 60% of this capital. Considering that 80% of all private capital flows to the developing world is destined for only twelve countries, with Argentina, Brazil, China, Indonesia, Malaysia, and Mexico on top of the list, Africa, and particularly Sub-Saharan Africa, is left virtually devoid of investment capital (South Centre, 2001).

Despite the growing trend to replace aid through trade, resource transfers are still crucial for the developing world in order to "arrive at the point where they can achieve their own sustainable development" (Mbeki, 1998). This being the case, Mbeki is calling for both more aid and better management of it (Mbeki, 2000b).

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<sup>8</sup> It must also be considered here, that the official ODA figures do not represent what actually arrives in recipient countries. The real amount provided and reflected in developing countries' balance of payments differs from official data, which are received from donor countries since much of the ODA never leaves the North. (South Centre, 2001).

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### *3.2.3 Overcoming the Digital Divide*

Modern technology has reduced the distance between nations, on the one hand, while on the other hand it has emerged as the main cause of the growing gap between advanced and less advanced countries. While the developed North progresses with enormous speed as a result of new technological advances, be it in communication, bio-technology or other technology-driven fields, the South is more and more left behind. This leaves it with ever-diminishing chances of catching up or simply keeping. Estimations suggest that science and technology spending of the 24 richest countries is 250 times higher than that of the 50 poorest countries (Nhlapo, 2000: 19). Due to the central role technology has achieved for economic growth and development, developing countries' access to knowledge must be improved if they are to advance. In realisation of this, Western heads of state committed themselves at their July 2000 summit in Okinawa to establish a Digital Task Force intended to engage in developing IT policies and regulations (Landsberg, 2000a).

As another concrete measure for the facilitation of technology transfer, Pretoria wants the provisions for the Trade Related Intellectual Property Rights (TRIPS) agreement to be operationalised and further enhanced in order to make possible the transfer of technology on preferential terms (Mahatey, 2000: 13/32).

### *3.2.4 Levelling Playing Fields in Global Trade*

Equal market access has been a plea from the South for years, but despite global fora and organisations to reduce barriers to trade and create a fair and free trading system, the conditions of global trade are still greatly imbalanced. Particularly in agriculture, which constitutes a crucial pillar of many developing and emerging countries' economies, playing fields are still massively unlevel. In addition to the fact that developed countries spend enormous amounts on subsidising their agricultural sectors, developing countries face import barriers for agricultural produce, such as tariffs reaching up to five times more than those levied on manufactured goods. This hits developing countries particularly hard, as many of them, among them South Africa, are dependent on exporting agricultural products as an important source of foreign exchange. (Annan, 2001: 19; *The Economist*, 2001b: 25). Therefore, Mbeki is requesting a change in "the rules and regulations that make the world trading system unbalanced and biased against the very

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countries that need a fair trading system, so that these countries, which represent the majority of humanity, benefit from international rules of trade." (Mbeki, 2000b).

"We should address ...to negotiate a rebalancing of the agreements that govern the world trade and international systems. There is a range of areas where the outcomes of previous multilateral negotiations have been weighted against the developing countries. This is not only restrictive of our development but will soon also be a restraint on the continued growth and prosperity of the world economy." (Mbeki, 2000a)

### 3.2.5 *Democratisation of Global Governance*

Considering that the power relations in the Bretton Woods organisations are skewed towards countries like the USA<sup>9</sup> or that developing countries are not treated as equal partners in the WTO<sup>10</sup>, thus manifesting the structural imbalance between North and South, Mbeki is promoting the democratisation of global financial and trading institutions:

"For example with regards to the WTO there is a need to re-examine their rules [...]; and the structures of governance require reform to give greater weight to the concerns of the countries of the South. In a sense this would lay a basis to address the profound imbalances in the structure of the global economy." (Mbeki, 2001)

With regard to the United Nations system, which has failed to ensure a just and equitable distribution of global resources, Mbeki calls for their long-discussed restructuring "so that it pursues an agenda truly determined by the united nations of the world". (Mbeki, 1998). Apart from this, Mbeki has also put the reassessment of the role of the G-7 on its global agenda.

### 3.3 *Trans- or Reforming?*

When investigating Mbeki's vision together with its objectives, two observations are striking. Firstly, most of the concrete points are merely aimed at mitigating adverse effects of globalisation and at slightly improving the misery of poor countries - leaving them dependent on the "goodwill" of rich countries. Secondly, it is clear that Mbeki's objectives do not support his

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<sup>9</sup> In the Bretton Woods organisations (IMF and World Bank) the voting system includes an element of representation. The more shares, the more say a country has. The US holds 17% of the shares while 85% of all votes are necessary to effect change. Without the approval of the US, thus, no proposal has a chance. (Bond, 2000: 17/18).

<sup>10</sup> One striking example of how developing countries were not taken as equal partners is Seattle, where they were just shut out of key meetings. (See Islam 2000: 36-37).

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vision. Whereas on the one hand, he talks of a new world economic order and the emergence of global solidarity, on the other hand, he does not question the dominant order of the global economy and the exertion of power. In fact, Mbeki does not bring any new ideas into the debate of how to overcome poor countries' marginalised position in the world economy.

It must thus be suspected that his ideas about a real 'new world order' are nothing but propaganda in whose realisation he himself does not seem to believe. It is on the basis of this discrepancy that his Global Initiative has been termed "reformist" rather than "transformative" (Nel, et al., 2001).

Having outlined the central points of Mbeki's global agenda and shown that they lack force, it will now be shown how he is pursuing this programme.

### **4. MBEKI'S MEANS, STRATEGIES AND TACTICS**

#### **4.1 International Leadership Positions**

Since the country's re-integration into the international community, South Africa took over a number of leadership responsibilities in a variety of multilateral organisations (see Nel, et al., 2001: 1-2). In this, the country did not merely express her commitment towards multilateralism; the influential positions were used much more to contribute greatly to international agenda making. Among the variety of chairmanships, that of the Non-Aligned Movement, from 1998 to 2001 stands out. Before and during his presidency, Mbeki made use of this forum as a strategic platform from which to launch his call for change in the working and principles of the global economy. As referred to earlier, the then Deputy President's opening address of the Twelfth NAM conference in Durban in 1998 stands out as one of his most expressive mobilisation speeches in which he called the South to unite against the unequal distribution of powers and the negative impacts of globalisation. Another significant and influential leadership task was the chairmanship of UNCTAD, which South Africa obtained between 1996 to 1999, and which Mbeki used as another platform to call for the unification and mobilisation of the South. Apart from these international responsibilities, Mbeki is increasingly making use - or allowed to make use - of meetings of the Group of leading Western heads of states to make his plea for the South.

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Whereas the chairmanship of multilateral organisations since 1994 and his presence at Northern heads of states' summits represents the tactical means to launch his Initiative, the concept is "built on two legs - one each in the developing and developed worlds" (Mills, 1999: 8).

### 4.2 Uniting the Divided South: Increasing the Bargaining Position versus the North

In many instances, the South is not a monolithic block with one single face, nor is it a uniform collection of weak states (Breytenbach, 1995: 232). The diverse array of positions taken by developing countries in WTO trade negotiations is but one case where the divisions within the South, and the negative consequences of these diverging positions, becomes evident. There do exist a number of South-driven institutions, with UNCTAD, NAM, G-77, OAU, and ASEAN to name but a few. With the major exceptions of the G-77 and OPEC, however, these multilateral organisations "seldom act collectively on behalf of Southern interest externally" (Breytenbach, 1995: 232). Thus, the South has rarely anything to counter the North.

Mbeki's strategy is targeted at exactly this deficiency which impacts negatively on the South's bargaining power vis-a-vis the North. His message is that the South, if it wants to be heard, needs to organise itself and co-ordinate in order to be heard and taken seriously (Mbeki, 2000a). Co-operation among organisations of the South, thus:

"should be further strengthened and increased in order to harmonise the efforts and activities with a view to avoiding duplication and bringing greater coherence and consolidation to the unity and promotion of common interests on various global issues as well as in furthering greater interaction among the developing countries." (Mbeki, 2000d). "Furthermore, it is vital that the NAM and the Group of 77 plus China should have a common, coordinated and strategic approach in their interactions with organisations of the North such as the G8 and the European Union." (Mbeki, 1999a); "Further, it would seem to us that as a movement [NAM] we must radically review the manner in which we make our interventions into such important organisations as the World Trade Organisation, the International Monetary Fund and the World Bank." (Mbeki, 1998)

Another aspect of South-South co-ordination which Mbeki and his counterparts are increasingly realising is economic co-operation. Instead of concentrating solely on traditional trade patterns along North-South lines, Mbeki made a call at the Mercosur Summit in Brazil in December 2000 for a "concerted and systematic" (Mbeki, 2000a) approach among the countries of the South to

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refocus their attention on improving economic ties between each other and thus reduce the dependency on rich countries:

"As developing countries we have to *radically restructure our economic relations and increase economic cooperation, investments and trade flows between our countries in addition to the existing historical patterns of economic interaction with the developed countries of the North.*" (emphasis added) (Mbeki, 2000a)

### 4.2.1 G-South

As a co-operation movement which is particularly targeted towards strengthening the role of the South in the WTO, South Africa has initiated and is leading the establishment of a so-called G-South (sometimes also called G-5). This initiative emerged from organic co-operation at the WTO Seattle Conference in late 1999 and is an alliance of strategic players in the South who maintain strong positions in their respective regions. The then ad-hoc alliance of five countries with common interests, namely Brazil, Egypt, India, Nigeria and South Africa, proved successful in obtaining concessions from politically and economically more powerful trading partners at Seattle and is now intended to be a forum of middle income countries with a common agenda so that they may pose a counterweight to the rich countries' superior bargaining power. They are supposed to represent developing countries' concerns and interests and to ensure that these are taken seriously in the upcoming WTO negotiations planned to be held in Doha, Qatar. As such, the G-5 will follow in the footsteps of UNCTAD, which was founded to deal with trade issues among developing countries, but has proven to lack the necessary power to make an impact in GATT rounds (Lewis, 2001: 21). The G-5 is hoped to prove more effective and to be taken more seriously than the G-15, G-22 or G-77 (DTI, 2001b). There are plans to expand this G-5 over time into a G-8 of the South with, China featuring prominently in this line-up as an even stronger counterweight to the Northern alliances of G-7 and G-8.

### 4.2.2 Nigeria, Algeria and Senegal: MAP and NAI

Among the G-South, a particular alliance has emerged: between South Africa and Nigeria. Their countries' leaders show a "remarkable degree of convergence in their foreign economic strategies" (Landsberg, 2000a) and both see themselves as spokespersons for those countries which are negatively affected by globalisation. Among others, Mbeki co-operates with Nigeria's

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Olegun Obasanjo and Algeria's Abdelaziz Bouteflika as strategic support partners for his Millennium Plan for Africa (MAP), a plan of action to lift the African continent out of its economic paralysis (Dludlu, 2001a: 11). At the latest G-7 summit in Genoa in July 2001, the three leaders presented the most recent document with which Africa approaches the North for support, the New Africa Initiative (NAI). This programme is a merger between MAP and Senegalese President Abdoulaye Wade's previously competing Omegaplan.<sup>11</sup>

### 4.3 Revitalising North-South Dialogue: Co-operation, Not Confrontation

Aware that the grand problems of the South cannot be tackled without a holistic approach, the South recognises that it must engage in dialogue with the North. In a world of unrestricted financial and trade flows, issues like economic development and growth can no longer be dealt with in isolation (Mbeki, 2000e). The developing world thus is dependent on the co-operation of the developed world. This is particularly true when it comes to the development issues of debt relief, pharmaceuticals, and aid or technology transfers. Realising this interdependence, Mbeki has made a major pillar of his tactics to use high profile meetings of Northern élites to lobby for Africa's case, thus making the concerns and requests of the poor world heard.

"We must seek dialogue and partnership of the South and the North, which should encompass the strengthening of intergovernmental cooperation, including the necessary coherence of policies of multilateral institutions. Many international agreements, strenuously arrived at, constitute a sound basis for strengthening such global partnerships for development." (Mbeki, 1999a)

Mbeki's tactic relies on co-operation rather than confrontation, engaging the most powerful countries in a dialogue and obtaining concessions in return, instead of resisting them as strategic opponents as part of the South would prefer. He is often thus criticised for mingling too much with the North and being a playball of the North. However, Mbeki does not seem to waste any occasion to make a pledge for the South, remind the North of its responsibilities towards the South, and stress the potential of working to create mutually beneficial economic growth. At the EU-Africa Summit in Cairo in April 2000, Mbeki expressed the "need to establish a strategic partnership" (Mbeki, 2000f) between the two regions. In Okinawa two months later, he, together with other leaders of the South like Nigeria's Olegun Obasanjo, Algeria's Abdelaziz Bouteflika

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<sup>11</sup> The full text of the New Africa Initiative is available under <http://www.polity.org.za/govdocs/misc/mapomega.html>.

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and Thailand' representative, asked the G-8 to join the South in creating a partnership for a more humane world. Other important meetings included the Nordic Summit held in May 2000; the EU Summit held in Portugal in June 2000; and the Summit on Progressive Governance in June 2000 in Berlin. At many of these multilateral meetings, Mbeki was the sole representative of the South, letting no opportunity go by to lobby for his case. In fact, Mbeki managed to advance with time as "the primary Third World partner of choice for the developed world." (Fine, 2001: 9). Mbeki has developed even stronger relationships with several of the G-8 members, particularly with Britain's Labour and Germany's Social Democrats, who are - at least formally - allied with the ANC in the Socialist International.

### 5. CONCLUSION

The preceding assessment of the emergence, content, means and tactics of "Mbeki's Global Initiative" has shown that it is justified to call South Africa's global equity policy 'Mbeki-driven.' Many of the ideas and positions which he is promoting were elements of the ANC's and Pretoria's foreign policy stance. However, it has to be attributed to Thabo Mbeki that these positions were revitalised after a time in which South Africa's enthusiasm to engage strongly in international affairs had cooled down. Mbeki has to be merited for the implementation of many of these ideas. It was he who put them high on the international agenda and thus managed to rekindle the thinking about global equity issues.

The analysis of Mbeki's programme yields a fundamental inconsistency between vision and objectives. Many of his concrete objectives have not completely invented the wheel anew, but they do include 'traditional' concerns and problems of the South. With few exceptions they are aimed at *mitigating the negative effects* accompanying the dominant global order and are will not shake it at its fundamentals and ordering principles. Rather, his objectives move within the boundaries of the unquestioned current global order. Progressive ideas of how to achieve his proclaimed goals of global solidarity and the transformation of the world into a new world order are nowhere to be found in his concept. Instead, Mbeki's initiative underlines the South's dependence on the goodwill of the North to bring about change. In fact, the thinking behind Mbeki's new world order can be found within the framework of globalisation and its underlying ideology of neo-liberalism, imposed through Northern hegemony. Content analysis reveals that Mbeki's programme lacks the radicalism that his rhetoric suggests.

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Mbeki's strategy makes strong use of multilateral fora, both among the South and the North, as means to promote his programme and win supporters. Such events are used to promote his ideas and to mobilise developing countries to join him in pursuing them. His strategy in this way is two-fold: to improve and increase both North-South and South-South dialogue. The rationale behind the latter is to build a stronger Southern counterpart to the North. This approach of North-South co-operation rests on his assumption of international dependence in a globalised world and that the South will not be able to tackle their problems alone as most of them are 'international' problems.

Having built the basis for the evaluation of the Mbeki Global Initiative the question which logically follows from this "What" is the question "*Why* is he doing this?". What are the reasons that are driving him to launch this ambitious international programme, and why is he doing it the way he is doing it?

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## Personal Views, Domestic Constraints and International Expectations

*Foreign Policy begins  
where domestic policy ends.*

Henry Kissinger

### 1. INTRODUCTION

When evaluating foreign policy it is essential to bear in mind that it is neither occurring nor formulated in a vacuum; there is not one single and exclusively identifiable factor or sphere which determines its nature. Rather, foreign policy is made in a contentious environment of conflicting interests that are struggling for dominance. Furthermore, foreign policy making is not a one-way-street, nurtured from one side and working in one direction. It is much more a complex, ongoing process of swinging to and fro (Putnam, 1988).

As the head of state, Thabo Mbeki is one of the protagonists in South African foreign policy, next to the Minister of Foreign Affairs, Nkosazana Dlamini-Zuma. Thus, what has been said about the making of foreign policy must also apply to Mbeki's Global Initiative. The factors which influence foreign policy making derive from different levels of political life. It is generally accepted that three levels can be distinguished: the individual, the domestic and the international level<sup>1</sup>. All three levels will be investigated in the following chapter, and thus the variety of (likely) determinants of Mbeki's global approach will be shown.

Due to the restricted scope of this study, an assessment of which of these factors and levels has the biggest impact and determines recent outcomes most cannot be made. The aim here can only be to show the variety of factors which can be found in existing literature and to bring order into the complexity of socio-political life.

Based on the assumption that foreign policy does not take place in a vacuum, this chapter will try to find answers to the question *why* Thabo Mbeki is calling for global change in the form of his "Global Initiative". It will first examine the individual level, that is, the person Thabo Mbeki himself, his characteristics, views and perceptions.

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<sup>1</sup> The Level of Analysis problem goes back to Kenneth Waltz and his Ph.D. thesis "Man, the State and War" of 1954. Waltz identified three different types of explanations of war. Following these findings, which were mainly extended by Kaplan and Singer, the three levels mentioned are widely accepted today. On the level of analysis problem in international relations, see Buzan, 1995: 203.

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### 2. THE INDIVIDUAL LEVEL

#### 2.1 A Policy for the Encyclopedia?

The presidency of Thabo Mbeki is guided by a different ethos than that of Nelson Mandela. Whereas the Mandela presidency was dominated by the need for reconciliation and policy *development*, so is Mbeki's tenure confronted with the need to move beyond this - to proceed, and succeed, in the area of policy *implementation*. (Mills, 1999: 13). As heir to South Africa's first democratic president after apartheid, Nelson Mandela, Thabo Mbeki is, however, not only faced with implementing transformation and delivering political promises but also with the difficult task of succeeding this widely respected icon whose personality has earned him great popularity, both inside as well as outside the country. As a person differing in so many ways from Mandela's politically and socially outstanding personality, Thabo Mbeki is confronted with finding his own way of obtaining respect and recognition. Considering South Africa's domestic problems, which to a great extent are those typical for a developing country, Thabo Mbeki's chances of deriving success from domestic politics are considerably low, given the long-term nature of most of South Africa's internal problems and the fact that expectations on investment-led growth have not materialised so far. The international scene would in this regard constitute a welcome compensatory source for earning distinction and recognition and building up a distinct image which goes further than just 'Mandela's successor.' This contention that the gain of popularity and respect might be behind Mbeki's international ambitions finds further support in the fact that President Mbeki cannot scoop high popularity from inside his country.

However, there are voices arguing that "Mbeki's approach (...) is not about personal self-advancement" (Bond, 2000: 1). But what other factors can be brought forward on an individual level analysis that could influence this global activism?

#### 2.2 Thabo Mbeki and Transformation

According to Margaret Hermann, personal characteristics of high level policy makers can affect foreign policy outcomes given certain circumstances. 'Personal characteristics' refers to variables such as biographical data, training, work experience, personality traits, beliefs and attitudes, and values (Hermann, 1978: 64). The possibility and degree of such variables to affect a state's foreign policy behaviour, however, is more relevant if the leader is a high level

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policy maker with a considerable influence in foreign policy than if he is little involved in international affairs. In addition to this, the impact of a leader's characteristics depends on his interest in foreign affairs, his diplomatic experience, and sensitivity to his environment (Hermann, 1978: 49, 57). At least the former two can be said to apply with certainty in Thabo Mbeki's case since he is, as South Africa's head of state, one of the main players in the country's foreign policy making, next to the Minister of Foreign Affairs. Mbeki was a leading ANC representative in various countries, was one of the leading figures in the negotiations for South Africa's political transformation in the early 1990s and was in charge of Pretoria's foreign affairs under Mandela. Besides this, the condition applies that Mbeki's degree of influence is considerably high when it comes to South Africa's engagement for Africa and the rest of the global South (Hermann, 1978: 53).

Applying Hermann's model to Thabo Mbeki, how can his personal characteristics be influencing South Africa's foreign policy of promoting the interest of the South and developing an equitable global system?

Thabo Mbeki has the image of being a thinker. He has become known as a politician who - in contrast to the "reconciler" Nelson Mandela - is regarded as a "transformer" who prefers making policy at the desk rather than in townships. Having been "born into the struggle", as he is reported to have said once, and having joined the ANC Youth League at the age of 14, his whole life has been circling around the fight against apartheid, racial injustice and inequality.

In his character, Mbeki is portrayed as reserved, excelling in patience, and having proven more than once his fine negotiating skills. When dealing with potential opponents, Mbeki is said to try to listen to and understand the thinking and interests of the opposite side, trying to co-opt, rather than confront the opponent, and he is seemingly obsessed with the "conviction that peaceful negotiation [is] ... the only route to peace" (Hadland and Rantao, 1999: 65). His dislike of confrontation sometimes goes so far that the *Financial Mail* once attributed him with weakness. (Hadland and Rantao, 1999: 101). According to the descriptions of Hadland and Rantao, who give an extensive view on the person of Thabo Mbeki, the negotiations with

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the ruling elite of South Africa before and during the country's political transformation of the early 1990s give expression to Mbeki's moderate character:

"It was Thabo who first started meeting with Afrikaner intellectuals in the 1980s in a bid to understand their fears and needs and it was Thabo who ensured the political parties representing the Afrikaner were included in the 1994 election." (Hadland and Rantao, 1999: 143).

This diplomatic approach seems to be repeated in Mbeki's dealing with the G-7. As argued in Chapter II his tactics are characterised by a co-operative rather than confrontative approach. He is not opposing the powerful countries of the North, nor is he blaming them for the deterioration of living conditions in poor countries<sup>2</sup>, but he seems to try to elicit concessions from them by convincing them of his case. Thus, there seems to be a parallel between Mbeki's global approach and the way in which he approached the ruling elite of apartheid-South Africa, when he was trying "to understand and perhaps even co-opt the Afrikaner elite in exile" (Hadland and Rantao, 1999: 57).

In political terms, Mbeki is a rational pragmatic who prefers striving for the possible rather than fighting a hopeless battle for the impossible. A politician who, according to the authors of his biography "doesn't have a rabble-rouser approach to politics" (Hadland and Rantao, 1999: 105) but who has been known as "the voice of moderation within the ANC leadership" (Hadland and Rantao, 1999: 86), contrary to some of his more radical ANC colleagues such as Chris Hani.

This, however, does not seem to be the complete picture of Thabo Mbeki's character. Whereas boosters call him mild, suave and diplomatic, more critical sources picture him as a "manipulative and calculating" politician (in Nyatumba, 1998: 36). Particularly "when it comes to party politics, Mbeki has the reputation as a ruthless operator" (Schuler, 1999). According to Tom Lodge, veteran analyst of the ANC, "the grooming for leadership by a secretive, authoritarian organisation in exile helps to explain the manipulative style" of Mbeki. "He works behind the scenes. He doesn't welcome opposition." (in Schuler, 1999) Instead, he eliminates it. This was said to have been the case with his closest rival for the Deputy Presidency under Mandela, labour leader Cyril Ramaphosa, and was possibly the rationale behind the "highly doubtful" (Caromba, 2001) allegations of a plot against the

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<sup>2</sup> As Patrick Bond points out, Mbeki tries in no instance to draw the link between growing wealth in one part of the world with deteriorating prospects in the other, poorer part (Bond, 2000: 8).

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president in late April 2001. The probe into the alleged plot, said the ANC, was to "serve as a warning to potential opponents within the ANC to back down." (People's daily, 2001)

Mbeki's leadership style has found little admiration so far. Before South Africa's second president after apartheid took office in Pretoria in 1999, political scientist Robert Schrire had already predicted that Mbeki would surround himself with supporters and that his Cabinet "will [thus] be chosen on loyalty rather than on competency," (in Schuler, 1999). The accusation that his advisors are but "buddies" who avoid criticising the president but tell him what he wants to hear (Eedes, 2001: 53) is one of the criticisms which South Africa's president is regularly confronted with. Besides this, the *Mail and Guardian* warned in 1999 that "[u]nder Thabo Mbeki's leadership, we see an unashamed attempt by the African National Congress to accumulate and centralise power." (in Schuler, 1999) This prediction received a considerable degree of support in early 2001 with Frank Chikane's Report on the plans to restructure the Presidency<sup>3</sup>. The reform outlined in the report is said to make foreign policy making more effective in order to support "South Africa's vision of a better life for all at home, alongside a better world for all on the continent and beyond". "The Presidency'," says the report,

"has a bold promotional role to play in this area because effective international co-operation directly impacts on political, economic, scientific and technological developments here at home. Well-managed international relations are a vital ingredient in the mix that makes for peace, security and domestic prosperity." (Democratic Governance, 2001: 19-20).

"Because beliefs and motives suggest ways of interpreting the environment, the political leader is likely to urge his government to act in ways consistent with such images." (Hermann: 1978: 61) So what are Mbeki's views and assumptions about the global political economy? How does he perceive globalisation and its underlying neo-liberalist paradigm?

On the international scene, Mbeki's actions seem to a great extent determined by his *acceptance of the existing global economic framework* which - as was indicated in the previous chapter - he does not aim to radically change, despite his pleas of the need for a new economic world order. In fact, a great part of his rhetoric gives little indication that he is questioning globalisation and together with it the neo-liberal ideology. On the contrary, despite some critical comments about the negative impacts of globalisation within and among

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<sup>3</sup> Democratic Governance – a restructured Presidency at work 2000/2001, March 2001, available at <http://www.gov.za/reports/2001/presidency01.pdf> (October 15, 2001).

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countries, Thabo Mbeki accepts this phenomenon as an irreversible process which can only be adjusted but cannot be opposed entirely. He asserts that developing countries ought to engage more in this process since it

"has brought about many possibilities for rapid advancement of humanity, for poor and underdeveloped countries to take advantage of this process to take a quantum leap and close the huge technological and economic gap .... In other words, the world and particularly developing countries have an opportunity to advance faster than would have been the case previously." (Mbeki, 2000b)

Hence, in Mbeki's view, the challenge is not to find alternatives to globalisation, and "the choice for countries of the South is not whether to engage with globalisation or not, but how to engage with it." (Mbeki, 2001). In this way, Mbeki seems to be in line with Mandela, who ascribed negative effects only to *aspects* of globalisation, not the paradigm itself (Mandela, in Bond, 2001: 86). One of the negative side-effects of globalisation, the loss of national sovereignty, features relatively often in Mbeki's speeches, but while he requests heads of states to address this issue, he regards it as "foolish to try to resist globalisation". (Nel, 1999: 22).

As an essential pre-condition for economic growth, Mbeki believes strongly in the necessity of adopting neo-liberal economic policies. In doing this, he is denying the country the capacity to develop endogeneously in a globalised world:

"...the very fact of the process of globalisation, in all its forms, means that our own success as developing countries in terms of the upliftment of our peoples cannot be achieved in conditions of autarchy or self-contained development within our national boundaries or regions." (Mbeki, 1998)

This view receives expression in Mbeki's appreciation of the US African Growth and Opportunity Act (AGOA), whose approach confirms and re-affirms the dependence of a country like South Africa on one of the constituting countries of the neo-liberal paradigm, even though on a different occasion he concedes that the more developing countries become integrated into the global market, the more they become dependent on the global economy to end their poverty (Mbeki, 2000g).

Commenting on GEAR, Pretoria's domestic economic policy strategy reacting to the dominant global paradigm of neo-liberalism and as such adhering to the wisdom of the Washington Consensus, South Africa's then Deputy President Mbeki expressed in 1997 that there were no alternatives to a policy of this liberal kind and that "Anyone who is rational can't come to any conclusion other than our (economic) policies" (*Financial Mail*, 3 October

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1997, in Marais, 1998: 161)<sup>4</sup>. Indicative of Mbeki's outlook is his belief that developing countries are caught in a globalised world that is "an objective outcome of the development of the productive forces that create wealth, including their continuous improvement and expansion through the impact on them of advances in science, technology and engineering" (Mbeki, 2000c).

To sum up this point about the impact of Thabo Mbeki's leadership style, his views and beliefs about globalisation, and other personal traits, it has been argued here that in the case of his "Global Initiative", his personal characteristics can help in explaining both the strategy and style of Pretoria's foreign policy (Hermann, 1978: 60-61). Further, it has been argued that his approach to developing an equitable global system remains within the framework of neo-realism and globalisation, because Mbeki is convinced that this process is irreversible and that developing countries can benefit from engaging in it. The absence of radical characteristics in the programme reflects one part of his character of being moderate and pragmatic.

The political motives of leaders are another force which affects their policies. The following section will focus on whether this is an important rationale behind Mbeki's foreign policy.

### **3. DOMESTIC CHALLENGES: CONTENDING FORCES IN SOUTH AFRICA'S POST-APARTHEID SOCIETY**

Recent political theory acknowledges that the state is more than a black box or a unitary actor and that domestic political processes must be taken into consideration when trying to understand and interpret the foreign policy behaviour of a state. Understood as behaviour of its bureaucracy, "State behaviour reflects societal concerns and cleavages more than it does a calculation of 'abstract' state interests. Thus, to the extent that a state acts as a single actor, the interest of this actor depends on the mix of societal interests that it is supposed to 'honestly broker'" (Nel, et al. 2001: 15).

Pretoria's foreign policy has frequently been an object of criticism. Foreign policy has been criticised most for lacking consistency and coherence. This can to some extent be attributed to

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<sup>4</sup> In fact, Mbeki's view is influenced by the success of the ASEAN countries, whose economic success he sees as an example for South Africa (Mbeki, 1996b). It must be mentioned here, however, that the Asian Tiger's model for success cannot easily be transferred to South Africa, which is confronted with a completely different geographical, national and international situation from Asia (Marais, 1998: 131).

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another point of criticism, namely that Pretoria's foreign policy was lacking a clearly defined direction, but, as has been shown in recent literature, it faces the challenge of steering the multiplicity of contending social forces in South Africa's society into policy.

In the following, evidence will be provided for the argument that domestic forces and constraints are influencing Thabo Mbeki in pursuing a global equity programme, and the contending domestic forces in South Africa's society and the pressures and constraints for policy making which result from this shall be pointed out. The policy shift from RDP to GEAR will be investigated, as will the factors of corporatism and tripartism in South African policy making.

### *3.1 Victory of Neo-liberalism: GEAR instead of RDP*

Thabo Mbeki has frequently been criticised for spending too much of his time outside the country, far from his constituency, discussing rather abstract 'global matters' with the international élite instead of being present at home where needs are most pressing. As shown in the previous section, not only do popular politics not fit his personality, but another determinant of this behaviour is his assumptions about globalisation and the global economy and, directly related to this, his views on how to achieve economic development and growth in an interdependent world which, on one occasion in 1996, made him call himself a 'Thatcherite' (*Business Times*, June 16, 1996).

Based on Mbeki's assumptions and views,<sup>5</sup> the much-discussed GEAR was adopted in 1996 and promoted as supporting the economic goals expressed in the RDP according to official interpretations. In fact, it is based on a completely different wisdom of how to achieve growth and raise welfare levels, thus introducing a diametrically opposing economic strategy to the RDP<sup>6</sup>. This radical policy shift, from a strategy of redistribution, working bottom-up, to a neo-liberal approach based on trickle-down logic, come as a surprise to many - since the new programme was introduced in a rush, having been developed in an exclusive circle of high-

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<sup>5</sup> It is not contended here, that South Africa's neo-liberal economic policies rest solely on Thabo Mbeki's view on globalisation and the global political economy, and that other persons were not contributing to the adoption of GEAR and supporting his views.

<sup>6</sup> GEAR represented official World Bank and IMF economic wisdom and was formulated by economists of the Finance Ministry, the Development Bank of Southern Africa, the World Bank and the Bureau of Economic Research of the University of Stellenbosch (Bond, in Taylor 2000: 176).

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profile ANC officials, without consulting allied forces (Taylor, 2000: 175).<sup>7</sup> The change in policy evoked loud criticism from both outside *and* inside the ANC and the other parts of the alliance. Despite including redistribution in its name, GEAR had only very little relation to its predecessor, RDP, and despite arguments that it constituted just another way of realising the goal of redistribution, the term itself was only referred to four times in the document. Instead, GEAR bowed to 'common sense orthodoxy', serving the interests of capital at the expense of labour - symbolic of the dominant paradigm of the current new world order and the ANC élite's acceptance of this.

The reasons as to why GEAR was introduced in this way can be found by taking a closer look at the constellation of interests in different parts of South Africa's society, the constraints they pose on policy making, and particularly the clash of dominant interests from the left with the views of high-profile policy makers. Among the latter is Thabo Mbeki, who, without doubt, has been one of the masterminds behind many of South Africa's policies, including the country's economic policy.

### *3.2 Of Corporatism and Tripartism*

The achievement of liberation in the early 1990s left South Africa with a fragmented variety of political and economic views and opinions. Not only did the divide between the "internationalists", who favoured an ethical foreign policy, and the less idealistic "neo-mercantilists", supported by big business and conservative thinkers, make a clear and consistent foreign policy difficult, but there were also ideological clashes on the question of what internal economic strategy to pursue in order to reduce poverty and bring the country's economy back on the growth track.

In this political environment, one of the greatest challenges for the Government of National Unity between political elites of the ANC and the National Party certainly was to bring everybody on board by creating consensual harmony among the agonistic interests of key stakeholders (Marais, 1998: 147). With the ANC gradually finding an official economic stance, shifting from a more leftist interpretation of its economically rather neutral Freedom

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<sup>7</sup> It is agreed here with Marais (1998: 193) that GEAR did not so much reflect a shift in political economic thinking but rather a shift from ideological to technocratic forms of policy making. It is not new that the movement promotes the interest of capital. "During the liberation struggle, particularly before 1960, [the ANC] articulated an ideology favourable to the development of the Black capitalist class." (*Mail and Guardian*, May 21-27, 1999)

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Charter via the commitment to a mixed economy in the 1988 Constitutional Guidelines (Marais, 1998: 147), to a more capitalistic one in the early 1990s, the adoption of a neo-liberal tinted programme for economic recovery by the GNU was always going to provoke the dissent of a large part of the society. Particularly labour, represented by the Congress of South African Trade Unions (COSATU), had opposing views about a new South African macroeconomic policy. This posed to the government the threat of political instability. In addition to this, COSATU requested greater influence on economic policy making and suggested a National Economic Forum (NEF) which combined capital, state and labour in a tripartite forum. In its attempt to harmonise this complex suite of political considerations the GNU adopted a corporatist model of dealing with contending societal interests as "the most feasible response for state elites intent on neutralising a potential opposition while simultaneously retaining a sense of political stability." (Habib, in Van der Westhuizen, 1998: 443).

Apart from a corporatist organisation of economic policy making in South Africa, labour is incorporated into policy-making through the model of a tripartite alliance between the ANC, the South African Communist Party (SAPC) and COSATU. The relations among the three go back to pre-transformation times and were formalised in 1990.

The establishment of a tripartite alliance played an important role during South Africa's process of transformation. The inclusive policy making strategy of the alliance of the three organisations, whose memberships partly overlap, played a significant role: it helped to streamline a wide spectrum of societal forces and contributed to social stabilisation (Barchiesi, 1999: 21).

But despite the institutional link of the organisations, there are different camps prevalent in the alliance, and these camps regularly clash over politico-economic issues, particularly the question of what macroeconomic policies to adopt to achieve the common goal, the socio-economic upliftment of the majority of the population. This profound discrepancy has been threatening the continuance of the alliance. While the ANC in 1994 still supported the COSATU initiated RDP<sup>8</sup> which "seemed to accommodate the divergent interests of contesting social and economic forces" (Marais, 1998: 183), particularly as South Africa was heading towards elections, the ANC has since then, in a dominant act of its more capitalist wing,

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<sup>8</sup> It must be mentioned here, however, that the RDP then "had been pruned of most of its earlier, radical outgrowths" (Marais, 1998: 185), and included liberal elements.

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gradually distanced itself from accommodating many of COSATU's concerns, leading to a "rising subordination of COSATU [and SACP] to the ANC in the alliance context" (Barchiesi, 1999: 29). This culminated eventually in the replacement of the RDP by GEAR.

This switch to 'common sense' economic policies, however, not only ignored COSATU and SACP, but also more leftist forces *within the ANC*, which itself does not speak with one single voice but is an aggregate of diverse ideological views. GEAR was the decision of an exclusive circle of ANC elites, including Thabo Mbeki, who seemed convinced that

"Proceeding from the objective reality of the place and role of private capital ... which exists independent of our subjective wishes, the correct strategic decision the democratic movement must take is that the democratic state must establish a dialectical relationship with private capital as a social partner for developmental progress... This is meant to describe a complex, contradictory, co-operative and dynamic relationship, many of whose elements are formed or decided at the international level. What is certain is that there is a need for co-existence and co-operation between the democratic state and private capital in order to address social development... (ANC discussion document 1996, in Barchiesi, 1999: 26-27)

With the adoption of GEAR, capital had achieved a victory over labour and has since then prevailed in Pretoria's macro-economic strategy. "However, the shift to 'neo-liberalism' was in this case, compared to other African countries, less dependent on economic crisis and the constraints imposed by international financial institutions, and more a matter of contestation over strategic choices between labour, state and capital." (Barchiesi, 1999: 21)

The unsatisfied leftist wing within the ANC and entire alliance had to be accommodated in their concerns and interests for the sake of social peace and political strategic reasons, as well. However, as Howard Barrell notes, "No ruling party, especially one who makes revolutionary claims, can equally serve two contending classes." (Barrell, 2000b)

As an example of foreign policy as continuation of domestic policy, Mbeki's Global Initiative thus serves well as a lightning conductor for those societal forces whose interests are not served in domestic politics but have to be accommodated equally by him. By adopting a foreign policy stance sympathetic to the part of societal interests which were not addressed in domestic politics, Mbeki, as much as 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" (Nel, 1999: 23), even if this is, as Taylor adds, what has actually happened. (2000: 14). It is a strategy of "play[ing] to two audiences at the same time, with different sets of expectations"

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(Nel, 1999: 23), capital with a market-friendly macro-economic policy and mitigating labour with the pursuance of their interests on the international level.

### 4. THE INTERNATIONAL LEVEL: SOUTH AFRICA'S ROLE IN THE INTERNATIONAL SYSTEM

Having investigated the domestic and individual level of analysis, it is now asked in what way the system could encourage - or even request? - South Africa's president to raise his voice so strongly for the South and engage in dialogue about greater global equity with the North. Why is the North, represented best by the G-7, the group of world's leading countries, becoming so increasingly welcoming to Mbeki's propositions of greater global solidarity? Is the G-7 suddenly caught by a wave of morality or converted by the influence of Blair and Schröder to institutionalise a global "third way"? Or are Mbeki and his ideas perhaps just a welcome *deus ex machina* for the G-7 to soothe the protesting masses?

Before dealing in more detail with these questions, the following section outlines how the country Thabo Mbeki is heading is positioned in the international system and how this affects Mbeki's potential to emerge as leader of the South and promote his reformist ideas.

#### 4.1 South Africa as a Country Inbetween - an Emerging<sup>9</sup> Middle Power

##### 4.1.1 South Africa's Qualifications as a Middle Power

The fact that South Africa shows features of a developed as well of a developing country, and that it is member both of North and South-based organisations, enables it "to understand, and relate to, the concerns of both the South, as well as the North", (Nzo, 1996). What at first sight looks like the misfortune of sitting between two chairs, not really belonging to either of the two worlds, affords the opportunity to take on a mediating and bridge-building role between the two poles - an ideal position for negotiating international compromises (Breytenbach, 1995: 232).

This semiperipheral position South Africa occupies in the world system constitutes a necessary, but not a sufficient, condition to argue that South Africa is an emerging middle power and gives Mbeki a specific scope for action. In the understanding of Robert Cox "...the term 'middle power' points to a position within the broad or universal state system, based on

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<sup>9</sup> As opposed to "traditional" middle powers, "emerging" middle powers are part of the developing world.

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an assumption that there is some hierarchical order of states, no matter the theoretical notion of the idea of anarchy and the equality of all states." (Schoeman, 2000: 48).

But Pretoria confirms with her foreign policy practice the contention that the country is indeed a middle power. Not only has the *ex-pariah* state manifested its commitment to international co-operation by (re-)joining a variety of international organisations and signing diverse multilateral treaties<sup>10</sup> as well as taking over chairmanship positions of several multilateral organisations such as UNCTAD from 1996 to 1999, the Non-Aligned Movement from 1998 until the end of 2001 and the Commonwealth from 1999 to 2002. It has also on several occasions shown the typical characteristic of a middle power of supporting the prevalent order instead of questioning the existing organising principles of international life.<sup>11</sup>

Cox explains this with the contention that middle powers have an "interest in a stable and orderly environment" (Schoeman, 2000: 48). They seek a rules-based international system which provides them with a stable framework in which they can exert a reasonable amount of influence, and which prevents them from unilateral actions from dominant powers by binding these into this framework of coordinated behaviour. International institutions provide this framework. "Because ... a middle power ... cannot impose its own vision of such an ideal world in the presence of big superpowers, it would choose, almost logically, to exert influence at the multilateral level where it can build consensus around certain issues." (Schoeman, 2000: 48). Chairing multilateral organisations of the South, such as UNCTAD or NAM, is a powerful means of exerting influence in this regard.

The scope of a middle power to exert influence on a global level, however, is limited. Middle powers as powers in the intermediary of the hierarchical structure of the international system do not possess the necessary power to dominate, which in turn binds them to accept the prevailing order. This non-revolutionarism is a significant characteristic of South Africa's foreign policy behaviour. Being incorporated into the global division of labour, there are no chances to opt out of this structure. This leaves a middle power like South Africa with only the chance to try and modify this structure to their best advantage (Nel, et al., 2000b: 46).

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<sup>10</sup> For a comprehensive overview of South Africa's re-activated multilateral history since 1994, see Nel, et al., 2001: 126-132.

<sup>11</sup> In this way, as Nel et al. show, legitimising the existing order. The case of South Africa's support for the US proposal in the 1995 negotiations about the review and extension of the Nuclear Non-proliferation Treaty of 1970 is probably the most outstanding case in point here. See Nel, et al., 2000: 46-47, 49-51).

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The connection between middlepowermanship and the use of multilateral organisations is important in understanding Mbeki's activism in global politics. Mark Neufeld explains that "middlemanpowership *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." (emphasis added) (Neufeld, in Taylor, 2001: 69)

Looking at Thabo Mbeki's role from this systemic perspective, it can be argued that the system is another important variable which influences Mbeki's approach with it, not only making it possible for him to pursue the role as negotiator between the North and the South, but virtually pushing him into this role.

Connected with this new middle power position that South Africa occupies in the international system after the democratic change of 1994 are a series of expectations from outside which are likely to have encouraged Thabo Mbeki.

### *4.1.2 Expectations from the North*

South Africa's transition to democracy and re-integration into the international community in 1994 not only meant a number of new foreign policy options but also triggered high expectations from outside for the country and its role in the international system. While on an official visit in South Africa, Warren Christopher expressed such expectations with his remark that there were "few countries with greater potential to help shape the 21<sup>st</sup> century than the new South Africa." (Christopher, in Schoeman 2000: 50) This has certainly also opened space for Thabo Mbeki to launch his Global Initiative (Arnold, 2000: 159-161).

But it is not only that powerful countries imposed a degree of expectations on South Africa. More recently, the North seems to be opening up to the concerns and interests of the South. On several occasions the G-7 invited leaders of pivotal South countries to their global summits, and in particular "SA's president has, in a nutshell, become the primary Third World partner of choice for the developed world." (Fine, 2001: 9) It was Thabo Mbeki who was regularly given the space to present the view from the South. Already in 1995 Mbeki was asked to speak on the occasion of the G-7 Conference on the Information Society in Belgium. He spoke again at the Berlin Conference on Progressive Governance in June 2000 and

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represented the South at the Nordic Summit in Denmark in May of the same year, as well as at the Summit of the European Union, held in Portugal, one month later. In addition to this, he made his case next to Nigeria's Olegun Obasanjo and Algeria's Abdelaziz Bouteflika at the Okinawa Summit of the G-8, and at the recent economic summit of world leaders in Genoa in July 2001, he and other African leaders lobbied for Northern support for the New Africa Initiative.

Are these developments grounds for the assumption that the North is indeed committed to structural change and thus interested in Mbeki's propositions? Several reasons could be underlying this new trend in global politics that spurs Mbeki in his engagement.

### 4.2 Time for Change: Commitment or Hypocrisy?

There is actually a number of arguments on the basis of which the positive responses towards recent developing world initiatives by the North could be seen as honest and, indeed, committed to greater co-operation with the South.

The first argument is that there is growing realisation that the North's future well-being is inextricably connected with the fate of the South. Co-operation with the developing world would thus be beneficial to the North, as Mbeki asserts. A second factor that could have triggered the developed world to engage in dialogue with the marginalised countries is the growing resistance to globalisation and thus to the policies of the most powerful countries. In this case, Thabo Mbeki's ideas and ambitions would just be the *deus ex machina* for the G-7. Opening their exclusive circle to some prominent members of the South would represent a means to soothe a resistant mass and show that critiques of the North's global dominance are not justified. Letting Mbeki and his colleagues talk can only send mitigating signals; it does not necessarily mean that the North will answer with action. Another possible argument could be - and there are some indications for this - that there is a general global rethink, with impact on the G-7, which moves from the promotion of a Washington to a post-Washington Consensus.

So is there indeed a "turing point in defining new relations between the south and the north" visible, as proclaimed by Bheki Khumalo, presidential spokesman? (2001:7) The apparently new trend in the North of showing openness for the concerns of the marginalised world does not necessarily mean that a new era of global co-operation is on its way. It might be just

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another example of Northern hypocrisy. The following chapter will investigate this in more depth by taking a closer look at the happenings and outcomes of the latest G-7 in Genoa in July 2001.

### 5. CONCLUSION

The aim of this chapter has been to give a comprehensive overview of the factors influencing Thabo Mbeki in his efforts to engage the powerful nations of the world in the upliftment of the South, and in particular Africa. In order to bring structure into the complex web of influencing variables, the explanations found in the literature have been ordered around Waltz' three levels of analysis. The result of the literature review is that explanations for Mbeki's international engagement can be found in his personal characteristics, that is on the individual level, in South Africa's domestic political environment, the national level, as well as on the structural level in South Africa's role and standing in the international system.

Looking at the way Thabo Mbeki is currently portrayed in biographic literature as well as in the media leads one to conclude that some part of the answer to the "why" asked in this chapter is to be found in his leadership style, his personal attributes. Mbeki has committed a great part of his life to the achievement of political transformation in South Africa and the realisation of human rights and equality among its population. Now that this goal has, at least formally, been achieved, the new challenge is to continue the South African revolution on a global scale (Bond, 2000: 1). But despite his fight for change, various examples show that South Africa's second democratically elected president has never been a rebel or revolutionary. This is reflected in the strategy of his approach, which adopts a co-operative rather than a confrontative style, aiming at the best *possible* outcome instead of opting for all or nothing.

Investigating comments made by him on the issue of globalisation reveals that Mbeki sees this process as something unavoidable, something which cannot be changed but whose potentials have to be exploited better by developing countries. The latter must therefore try to integrate themselves into the global economy as an essential pre-requisite for ending their global marginalisation. Hence, his programme stays within the ideological framework of the current order and does not even attempt to overcome the underpinnings of the current order. This neo-liberal character of his programme might reflect solely his thinking about the global political economy. It might, however, also be a strategy by him to eliminate the opposing

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voices from COSATU and the rest of South Africa's political left – a trait which is frequently attributed to him by less favourable voices and which might have been the rationale behind the announced allegations of a plot against him. That Mbeki is in favour of central policy-making prove the plans to restructure the presidential office.

Academic research that takes South Africa's state-societal complex into consideration when interpreting the country's foreign policy behaviour suggests, in addition to the factors discussed above, that there is a concrete link between current South African foreign policy and "the contradictions and concessions that sprang from the historic compromise" (Taylor, 2001: 7). South African politics incorporates both a corporatist and a tripartist element. Both constructs bring together a wide spectrum of interests: in the case of corporatism, the state, labour and business, and in the case of the tripartist alliance, the ANC with the SACP and COSATU. Both can be said to be constructs which were critical in harmonising the vast array of fragmented interests in the country's society and thus ensuring a smooth political transformation. The adoption of a corporatist model in particular has been ascribed the attribute of having been a 'crisis response', a political answer to prevent instability from arising between two antagonistic forces, labour and capital, during the hot phase of South Africa's transformation. The tripartite bond between ANC, SACP and COSATU, on the other hand, goes back to apartheid times in which the three organisations strongly co-operated, partly with overlapping memberships.

With labour and capital being integrated elements of South African policy making, government is confronted with the dilemma of having to serve two masters. Confronted with the need to formulate an economic position after having been an exclusively political movement, the ANC, South Africa's ruling party from 1994, gradually adopted a business-friendly approach as its macro-economic position. This trend culminated in and is best exemplified by the switch from the RDP to GEAR, which was strongly supported by Thabo Mbeki but vehemently disapproved by party-members and alliance partners. The switch from RDP to GEAR equalled a victory of capital over labour, leaving labour's demands greatly ignored. It is here where the connection between domestic and foreign policy comes in. Under pressure to accommodate labour and to prove that government has not bowed completely to the diametrically opposed interest of business, Thabo Mbeki looks across the border. There, in talks with the global élite, he takes on a seemingly different approach than at home, criticising the current global order that puts the majority of countries at great disadvantage and fighting

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for the concerns of the poor. By the way that the global arena serves as a lightning conductor for those societal forces which are left unaddressed in domestic politics, it has been shown that, in the case of Mbeki's Global Initiative, Henry Kissinger's statement that foreign policy begins where domestic policy ends, does indeed apply.

The final sphere of observation, the system, opens another source of explanation for Mbeki's global activism. Analysis of the literature on South Africa's new role in the international system draws the conclusion that the international system is relatively conducive to Mbeki's ambitions. In fact, it is shown that the system not only *opens* space for him to take on the role of the mediator between the North and the South but that it seems to virtually *encourage* him to help shape the new century. However, this space is not indefinite, but rather it is limited by the interests of the dominant power, the United States, together with her partners in the G-7, who maintain a higher position in the hierarchically structured system of states. In this system, South Africa takes on the position of a middle power of the South.

Increasingly, there are global developments and trends that lead one to believe that the time is conducive to such change and that Mbeki's efforts may well be rewarded. The developments at the recent summit of the world leading countries in Genoa are the best example of this. In the following chapter, the potential for change, looked at from a systemic perspective, will be investigated further.

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## A Chance for Global Equity?

*The New World Order is nothing more than  
a continuation of the old order whereby  
the developed countries set the agenda and  
determine the nature of multilateral relations.*

Fantu Cheru<sup>1</sup>

### 1. INTRODUCTION

The end of bipolarity, which for a moment appeared to open the doors for a more democratic and polycentric world, has not brought about a more just and equal global order. "Instead of the announced development in the direction of the building of a multipolar world, we are now faced with the process of unipolarity" (Mitrovic, 1999: 4), strengthened by an "unprecedented co-operation among the advanced countries in maintaining the 'new world order'". (Steven, 1994: 292).

Since then, a series of new developments have taken place which might be interpreted at first sight as indications for coming change. One of the most recent cases in point is the Summit of the G-8 in Genoa in July 2001, at which the leaders of the North opened their exclusive circle and invited yet again a number of leaders from Africa and the developing world after the example of the G-8 summit in Okinawa, where Mbeki and others made a plea for debt relief for developing countries. In Okinawa, the leaders of the world's seven richest countries plus Russia re-affirmed the plan, developed in 1999 at their summit in Cologne, to give Mbeki and his Southern colleagues seats at the annual summit of the G-8 from the following year on, thus turning the club into a G-20. In view of such measures, the question arises whether the chances for a more democratic and equitable global order are indeed so far away.

The following part of this study is linked to the preceding chapter with respect to the global economic order and the role and power South Africa holds within it. Whereas the last section of the previous chapter concentrated on the space this international system is opening for Mbeki to advance as the voice of the South, the following will take a closer look at the system and the distribution of power in it, and will discuss the current chances for reaching a more

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<sup>1</sup> Cheru, 1997: 207.

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equal international order. Is it of any use that Mbeki spends so much effort and time overseas trying to unite the South and to convince the North of Africa's commitment to improve political conditions and the necessity to place hope in the continent? Some of Mbeki's critics argue that, instead of "stirring Africa and saving the world", he should rather concentrate on South Africa and its domestic problems. (Barrell, 2000c; Fine, 2000: 7). Besides this, will Mbeki's global activism eventually make a difference to those that it is said to be aimed at, the poor and all those whose livelihoods are becoming more and more insecure as a result of the forces of an ever-more globalised world?

The following evaluation will argue that there will be no *far-reaching* change as a consequence of the actions so far taken by the developing world, with Mbeki at the forefront. The power to effect change is in the hands of the North, and it is firstly not in their interest to make effusive concessions to the South, and secondly Mbeki and his peers are actually not asking for substantial change. It is quite likely that there will be some "minor tinkering" (Bond, 2000: 7) on the working of global governance, particularly after the summit in Genoa, which made the North realise more than ever that there has to be some sort of change with regard to global governance. It is argued here that the North is indeed realising that their undemocratic unipolar project cannot be continued as practised for the past years, whether out of moral sentiment, self-interest or as a consequence of pressure from society. After all, reform *is* in the interest of the G-8. Instead of achieving sustainable help for the continent and its people, however, Mbeki and his colleagues will help to strengthen exactly the system which works against their proclaimed goal of effecting the upliftment of Africa's population. Instead, it merely benefits a minority élitist class.

After clarifying where Thabo Mbeki finds himself in the international power system as president of a 'middle power', actions, re-actions and outcomes during and after the Genoa summit of July 2001 will be investigated in order to test whether the recent signs coming from the G-8 must indeed raise the expectations of global change.

## 2. POWER IN WORLD POLITICS: THE LIMITATIONS OF A MIDDLE POWER

As explained in chapter III South Africa's standing in the international system is characterised by a middle position, based on its power relative to other nations. This means on the one hand that it has the power to exert a reasonable degree of influence on other states, particularly those which have a lower position in the power hierarchy. This is largely visible in South

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Africa's role in Africa, especially in the Southern African region where it acts as a regional power<sup>2</sup>. Situated in a region of relatively weak peripheral states, this semi-peripheral country is a leader in the region, both politically and economically (See Ahwireng-Obeng and McGowan, 1998; Shoeman, 2000: 53-55). This means that a middle power like South Africa "possesses more agency than a small and invariably vulnerable state in the pursuance of its foreign policy, ....[on the other hand, however, it] lacks the structural position to dominate." (Taylor, 2000: 66). A middle power position implies being subordinate to a stronger power which can exert a greater degree of influence, not merely regionally, but on a more global scale. Thus, whereas South Africa holds a position at the top of the hierarchy of *developing* countries, making it one of the leading countries of the periphery, it is incorporated into a wider system of global power in which it is subordinate, with regard to economic and political power, to the economically more advanced and wealthy countries of the North, and in particular the G-8. It is this relatively small alliance of powerful countries that has a dominant voice in virtually all organisations of global governance. In fact it is they who have been shaping the global economy to what it has become at the present. These power discrepancies between the G-8 and the less developed world are symbolised by 'allowing' the African delegation to speak in front of the G-8 in Genoa. Mbeki and his colleagues appear little more than petitioners.

It thus becomes evident that it is not in the hands of a middle power to change the existing global order. Its own aspirations for change are limited to this order and can only take place within this. In an order of this type, Thabo Mbeki's aim to engage in shaping a new world according to his ideas of equity has, without the support of the dominant power(s), little chance to succeed. As Breytenbach summarises it, "*the rule-making monopoly still lies in the North, while the South can only try to influence the rules as well as their application.*" (emphasis added) (Breytenbach, 1995: 231). Any systemic evaluation as to how far Mbeki can succeed with his ideas must hence investigate closely the thinking and strategy of the North.

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<sup>2</sup> This regional power position is specific to Southern regional powers. It does not apply to Northern middle powers (Schoeman, 2000: 48).

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### 3. GLOBAL RE-THINK

If one investigates the topics of international meetings in which the future paths of the global economy are discussed, such as the annual World Economic Forum (WEF) or the summits of the G-7 and G-8, one can observe the trend for recent events increasingly to include on their agenda discussions on the reasonability and future of the Washington Consensus principles and the tackling of global imbalances. The WEF meeting in 1999 was interpreted by Hein Marais "as a kind of wake for the neo-liberal consensus, since "For the first time, Davos ... failed to maintain its air of stately calm and studied indifference to a world ... 'of greater income inequality than ever before in history'" (Marais, 1999). In June 2000, social democratic presidents and heads of state, with third way protagonists Bill Clinton, Tony Blair and Gerhard Schröder at their head, dedicated a meeting for the second time to discuss the consequences of the changes in the global economy and how to "modern govern in the 21<sup>st</sup> century." The final document of the meeting, in which, in addition to some Latin American countries' presidents, Thabo Mbeki took part, "rediscovered the primacy of politics", as *Die Welt* put it (Inacker, 2000: 3), and contained the agreement to fight poverty - even though this remained without any concrete promise - and to combine market economy with social responsibility so that "globalisation leads to an improvement of living standards for all instead of representing a destructive downward spiral" (own translation) (Inacker, 2000: 3). A new international social pact was needed to ensure that, as the leaders concluded "prosperity and chances are spread widely and sustainably between countries" (own translation) (Piper, 2000: 4).

Shortly afterwards, the G-8 summit in Okinawa made the debt problem of poor countries one of the central issues. The World Economic Forum (2001) gave attention to the backlash against globalisation and the overcoming of the gap between globalisation winners and losers. More and more, as well, there are voices questioning the conventional way of dealing with the current problems of the global economy. Even inside multilateral organisations there appear questions as to whether the current domination of neo-liberalism in the global economy should be continued. World Bank senior vice president and chief economist Joseph Stiglitz, for example, condemned the Washington Consensus in a speech in Helsinki, Finland, on January 7, 1998

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and called for an end to misguided policies from Washington. There, he gave expression to his conviction that

"the set of policies which underlay the Washington Consensus are neither necessary nor sufficient, either for macro-stability or longer-term development.' They are 'sometimes misguided', 'neglect .. fundamental issues', are 'sometimes even misleading, and do 'not even address ... vital questions'. ...

Russia followed the Washington Consensus line while China did not, ... and 'real incomes and consumption have fallen in the former Soviet empire, and real incomes and consumption have risen remarkably rapidly in China. 'The Washington Consensus only sought to achieve increases in measured GDP, whereas 'we seek increases in living standards including improved health and education. ... We seek equitable development which ensures that all groups in society enjoy the fruits of development, not just the few at the top. And we seek democratic development'." (Jubilee 2000, 1998)

At the World Economic Forum in January 1999, Stiglitz became more concrete, suggesting that "If car after car runs off the road at the same road ... maybe its time to redesign the road" (Stiglitz, in Marais, 1999). He is supported by the president of the World Bank, James Wolfensohn, who has been questioning the currently predominant path taken toward achieving development (Wolfensohn, 2000).

New voices are continuously joining the debates about a *post-Washington Consensus*. *The Economist* is nowadays taking up the debate on inequality and asking questions about distributional justice, because, as it argues, a backlash of the less-advantaged could vent itself in eventually harming the better-off (*The Economist*, 2001a: 11).

But how are such new tones and thinking on globalisation, global inequality and the way forward in the global political economy to be interpreted? Does this really mean that there are now better strategic opportunities for developing countries to contest the unfair international regime, as Marais interpreted the new focus on questions of equity in global fora in 1999 (Marais, 1999)?

It is not completely unlikely that the concerns of leaders à la Schröder, Blair or Chirac are real and honest - even if they might not be based exclusively on moral considerations and altruism. As interdependent as the world has become, these leaders must be aware that the North cannot just cut itself off from what goes on in the rest of the world. To marginalise Africa further will be of no benefit to them in the long-run. On the contrary, the less the continent and all other poor countries are able to cope with their problems themselves, the

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more it will be up to the rest of the world to support them. Enabling Africa and other poor countries to tackle their problems as independently as possible will, in the end, pay out to the North. Jeffrey Sachs, as a consequence, criticises the US, saying that by not stabilising their annual amount of official development aid, which is far below the internationally agreed 0.7% margin already, indeed by cutting it down year after year, the US does not seem to see that "What's good for the poor is good for America" (Sachs, 2001: 48). Take the example of Yugoslavia, where both Europe and the United States rejected the request of its last president, Ante Markovich, for concessions in debt-servicing obligations and financial support in order to stabilise its torn economy. Without this financial support, economic stabilisation failed, and it was an easy task for Slobodan Milosevic to win the masses to his interest. In the end, it was those who rejected help initially who then spent huge amounts of money on tackling the results.

The need for the North to re-think the way the political economy is working and to take the South more seriously in its needs and concerns is furthermore supported by both the North's fear of rising migration of people heading to greener pastures and concern that poor countries do not have the means to care about environmental problems that may have global consequences. Academics have established a link not only between growing *international* inequality but also inequality *within* states across the globe as an effect of globalisation. (Broad and Cavanagh, 1995/96: 26; Wood, 1997). It is no longer true that the absolute line dividing the winners and the losers of globalisation runs between the industrialised and the poor part of the world. "As corporations and governments alike strive to compete globally by cutting costs, the move to slash jobs [and working conditions] accelerates." (Broad and Cavanagh, 1995/96: 27), and this is the case in virtually every country. So it is not only developing countries' governments that have to struggle with the negative impact of globalisation on their population, but also Europe and the United States who are discovering unemployment as serious challenges to social welfare systems and government budgets, and ultimately their own internal stability. Growing anti-globalisation sentiments are not just the result of discontent with the way poorer countries and their populations are affected by this process, but also by growing dissatisfaction with the changes in the political economies of the industrialised world. In this way, Northern governments are also more and more under pressure to justify their macro-economic policies to their own constituencies.

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What the industrialised world might start to realise, apart from this, is that better co-operation with less advanced economies can bring precious synergy effects. With the importance of knowledge in today's economy and the nature of knowledge as a public good, its spread will ultimately be of greater benefit to the North than a restrictive use. The latter prevents it from spiralling into greater absolute benefits. Integrating less developed countries into the global economy might produce a stimulus to many industrialised countries' economies suffering from diminishing growth figures. Consequently, a change to relative benefit thinking in international relations might eventually be of greater benefit for saturating economies to increase the welfare of their constituencies than the persistence on relative advantage thinking. Finally, a better integration of the periphery would bring more consistency between what developed nations are proclaiming with their promotion of (neo-)liberalism and their actual behaviour. By not practising what they are preaching, rich nations are working against their own interests. Uplifting the South, on the other hand, might not only mean a safer world, but could even make it a more prosperous place for all (see Sachs, 2001: 49).

It is certainly possible that such thinking is behind the recent moves of the G-8 to co-operate on more equal terms with the less powerful of this world to give them a seat at their annual summits. Particularly Mbeki has, according to Alan Fine, "for the likes of Tony Blair, Gerhard Schröder and George Bush - as with predecessor Bill Clinton - ...[become] the developing world's man with whom they would most like to do business." (Fine, 2001, 9) But has he truly "helped prompt a perceptible shift in their agenda"? (Business Day, 2001d: 13)

### 4. GENOA - ON THE ROAD TO EQUITY?

The New Africa Initiative enjoyed a very positive reception by the G-8 leaders at their annual summit in Genoa. In general, their presidents and heads of government expressed their support for Africa's plans. Already before the meeting to which the creators of the NAI, Mbeki, Nigeria's Obasanjo, Algeria's Bouteflika and Senegal's Wade, supported by Kounare of Mali and the representatives of Bangladesh and El Salvador, were invited as special guests, Mbeki had lobbied for the New Initiative, which to a great extent carries his trademark, in bilateral meetings with G-8 members. The plan to move towards an African Union, manifested at the OAU summit in early July 2001, was supposed to give the movement from Africa another layer of credibility.

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Everybody, including the United States, gave their approval to Mbeki and his African colleagues and promised to help Africa in its struggle to overcome conflicts and instability and build stable economies through investment in human development, technology and other infrastructure, improvement of the diversification of exports, as well as the development of financing and investment mechanisms. Mbeki did not have to go out of his way to get this approval. On the contrary, the world's leaders seemed to embrace Africa's proposal virtually with open arms, while outside the meeting anti-globalisation protesters made their case in what emerged as the most violent outbreak of the movement since its inception in 1999 in Seattle. In fact, what happened on the streets of Genoa virtually competed with spectators's attention on what the officials negotiated in their highly exclusive circle. Even in the aftermath, the events outside evoked more reaction than the outcomes of the meeting.

The civil society and partly less-organised crowd of protesters did not achieve their goal of impeding the meeting fundamentally, and with the measures planned for upcoming summits, it cannot be foreseen whether they will meet their goal in the immediate future. What they did achieve, however, was to put the spotlight on the questionable legitimacy of the rich G-7 club plus Russia and system of world governance. While those who agreed to grant a Marshall Plan for Africa, as Tony Blair interpreted the NAI, comprise only a minority of the world, the guest speakers 'without vote' from the developing world represented more than two thirds of the global population. Before their pledge was heard, the big powers had focused on the problem of the global economic slowdown - with the traditional exclusion of non-G-8s.

### 4.1 The G-8's Reaction to the Ideological Backlash

Confronted with this legitimacy problem, to a great extent, by their own national constituencies<sup>3</sup> and the problem as to "how to discredit, weaken, manipulate and, if possible, annihilate the international citizens' movement which has disturbed the gatherings of the masters of the universe since Seattle" (George, 2001), the G-8 tried, by its attempt to portray the Genoa summit as an anti-poverty summit, to point out that they were not only making policies in favour of a wealthy minority. They intended to disprove the accusation that rich countries would not sufficiently take recognition of the poor and their needs (Business Day, 2001a: 4; Friedman, 2001). Not least, the German Press Agency, *dpa*, saw the fact that the

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<sup>3</sup> The protesters in Genoa were by no means only from developing countries but particularly from G-7 countries.

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poor were even invited to Genoa as the direct consequence of the growing anti-globalisation protests and demonstrations. (Dpa-online, 2001) "[E]xpanding the G8 to the G20 ... might defuse the protests against developed-world institutions, like the G8, by making them less of a target." (Mills, in: *The Star*, 2001). However, while activists made their voices and anger attract attention, the meeting went on in the normal fashion, with participants affirming the importance of unhindered markets and reacting to the chaos on the streets merely by agreeing to downsize future high-profile meetings of this kind and hold them - similar to the upcoming WTO talks in Doha - in remote and difficult areas to for protesters to access.

### 4.2 The New Dimension of Genoa - Basis for Success?

Thabo Mbeki and the rest of the African delegation returned to their countries satisfied faces. But what had they actually achieved? To be sure, in Genoa North-South dialogue entered a new dimension, but this was due to the new negotiating stance of the South rather than the acts of the North. For the first time, the South, with Mbeki at its head, negotiated not as an opponent to the North but as an ideological partner. Africa did not just come as a petitioner merely asking for financial support, but as an 'understanding co-operater' trying additionally to show its own commitment and to establish credibility for its ambitious programme to adjust to, and prepare itself better for, the new realities of globalisation. In this way, there was nothing of the traditional North-South tension present. In fact, one could say that the North South 'conflict' was openly buried in Genoa, the new tactics - and considering what was explained in Chapter II even conviction - of the marginalised being to comply with the rules of globalisation as the best means to help themselves out of the current economic and social despair.

The interruption of the current process of North-South dialogue along traditional lines, as is the aim of the globalisation activists, is in this regard not seen as in the interests of the developing world. Almost ironically, the African leaders in Genoa would probably not have hesitated for too long before agreeing to George Bush's statement that "The demonstrators are *condemning* people to poverty." (emphasis added) (George, 2001). This being so, it is not difficult for the G-8 to give the New Africa Initiative a go-ahead. Many of the plans of the programme will - if successful - also develop to their own benefit. And what more can they want than an Africa that wants to take its fate into its own hands? Apart from this, the G-7 plus Russia cannot have fundamental problems with Mbeki's plans. In the end, the Initiative

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does not call for major changes in North-South relations, since the concessions Africa is asking for are minor and not nearly as fundamental as the New International Economic Order of the 1970s (Nel and Taylor, forthcoming). This is why Mbeki actually has more chances of pushing his programme through with the North than did the NIEO.

For the G-8 and all the global institutions under their dominant leadership, which have to find credible ways of re-establishing their legitimacy after the Seattle Ministerial Conference in 1999, this move from Africa comes like a gift from heaven. With their modest request for support, the African delegation factually "enabled the G-8 to make a caring gesture to the developing world" (emphasis added) (*Business Day*, 2001d: 13).

To the protesting crowd and increasingly critical society, the G-8 can show both that they *are* co-operating with those that were for decades virtually voiceless, and that they *do* care about what they are requesting. By requesting help from the rich nations, the global South, via their representatives, actually approves of the order they find themselves in. They do not condemn the project of neo-liberalism, put into place under US hegemony, but merely ask to be more integrated into it. In this way, it is the South itself which legitimises the hegemonic project of neo-liberalism and the dominance of the wealthy.

After exploring the net outcomes of Genoa and taking a closer look at the G-8's behind the scenes reactions to Mbeki and the rest of the African delegation, the picture is less rosy than at first sight. Certainly, there is discussion and cautious signs of commitment among the G-8, driven by Italy's Foreign Minister Renato Ruggiero, US trade representative Robert Zoellick and Japan's Economy Minister Heizo Takenaka, to continue greater recognition of the periphery's interests, particularly by giving them a seat at their annual meetings. Whether this seat will be one which can be taken seriously or simply constitute a spectator membership as well as other details of the agreement, have been left for later discussion. What was heralded as a great achievement for Mbeki was in fact negligible. The agreement on debt relief was just another example of lip service on the part of Bush and his (neo-)liberal allies. It did not exceed the commitments under the HIPC Initiative, which has proven to be too far from progressive. With \$1.2 billion announced to be made available for the fight against HIV/Aids and other illnesses, this sum also stays far below what is actually needed to make progress on this terrain. The judgement of the altruistic nature of any move in this regard must furthermore be interpreted while considering that "Success in the battle against Aids will ultimately benefit the global economy and the rich world" (*Business Day*, 2001d: 13). Apart

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from this, the whole 'Marshall Plan for Africa' has so far remained largely unconcrete and lacking in detail (Friedman, 2001), thus having a high potential to become just another declaration of the North to help the poor, without substance. Seen like this, the promises given by the G-8 in Genoa cannot count as a milestone in North-South co-operation.

### 4.3 Africa's (In)Credibility

The North has its reasons for hesitating to take Africa as serious and wholly credible. How *can* it have full confidence in the *well-sounding* intentions of a selected group of representatives while conflict continues in 13 countries and many are a far cry from implementing democratic rule? The OAU foreign ministers' decision at their summit in Lusaka in early July 2001 to defend Zimbabwe's Robert Mugabe and his questionable method of redistributing white-owned land without compensation, against British criticism at that time, did not help send the message up North that Africa is truly acting according to what it is trying to convince others of. (*Business Day*, 2001f: 7). It also does not contribute to Mbeki's case for Africa's new commitment to the rule of democracy if he then attends meetings of organisations whose heads have just changed their country's constitution to run a third term, as was the case with the SADC summit in early August, headed by the president of Malawi. Reason enough for the North to doubt Mbeki's credibility, without having spoken of his reputation as an HIV/Aids denier in the North, where he is best known for not taking the fight against the lethal disease that is projected to become the greatest barrier to development in due course, particularly in a country such as South Africa which has the highest absolute infection rate in the world. With co-operation partners like this, argues *dpa*, even an amount of \$10 billion for a new health funds is "peanuts" in the fight against Aids (*Dpa-online*, 2001).

What, indeed, is Mbeki himself doing to get rid of corruption in his own country? Talking of a new Africa is good, and realising what must be taken in hand an even better step towards economic and social improvement, but it is by far not enough. "If Africa is to enjoy a sustained recovery, deserving of aid, worthy of debt relief and attractive to foreign investment, countries must pursue the path to democracy and adopt sound macro-economic policies," as the *Financial Times* believes, adding that "[t]his rules out most of the nations assembled in Lusaka" (*Business Day*, 2001c: 9) "Particularly those poor countries from sub-Saharan Africa represented in Genoa", affirms *dpa*, "are examples that a high degree of Africa's crisis is home-made". (own translation) (*Dpa-online*, 2001). No wonder US officials

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reacted with scepticism when they heard about the "self-policing" intentions of Mbeki's recovery plan in May this year. "It is very hard to believe African countries will condemn fellow governments that do not do the right thing", the officials commented with regards to MAP (*Business Day*, 2001e).

In such an environment, the visionary plans of an African Union are unlikely to help Africa make its case. While the European Union, a group of 15 geographically proximate and in term of culture relatively homogeneous countries with a high level of economic activity and integration, is struggling to co-ordinate its monetary policies, the ambitious ideas of an African Union must evoke serious doubts about the credibility of the continent and its leaders.

### 4.4 New Hope for the Poor?

With all the questions about the likelihood of the North to make a real and honest commitment towards Mbeki's vision, it should not be forgotten to ask whether it would actually make sense if they did. If the G-8 really conceded to what Mbeki is asking for, would it make a tangible difference to Africa and those who need it most? As outlined above, one of Mbeki's motivations to engage in this global change programme is the pressure from his alliance partners at home to achieve social and economic upliftment of the poor. This concern for the less privileged was assumed to have been the driving force enticing him to get the Commonwealth members to adopt the 'Fancourt Declaration on Globalisation and People-Centred Development' in November 1999. If one compares this picture Mbeki is trying to paint with what he is actually doing when meeting his colleagues from North America and Europe, there *are* indeed grounds for the assumption that he is doing all this merely to give himself a positive personal image.

By giving in to the pressures of the global economy and - pronouncedly - trying to achieve the betterment of the poor's living standards by pursuing an economic development along the principles of the Washington Consensus and by embracing globalisation even more, Mbeki will achieve exactly the opposite. It is inherent in the logic of globalisation that the system works against those who already have few possibilities and means at hand, who cannot live up to the requirements of the market and compete in order to improve their situation. Instead, such an approach will only serve the global elite (Barrell, 2000b; Nel and Taylor, forthcoming). Studies on the widening of the international and national income gaps give expression to this problem. Globalisation serves capital in achieving ever bigger profits.

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Public health and security systems, human resource development, and other government spending on the basic needs of its population, such as formal housing, running water and electricity, are, on the contrary, irreconcilable with public austerity. It is as difficult to achieve better lives for the employed work force through deregulating an already minorly regulated market. Making this point, Howard Barrell criticises the ANC for being

"irrevocably tied to a neo-liberal policy regime that cares more about the profiteering interests of investors than it does for the basic needs of workers ... it is the retrogressive change to basic conditions 'scrapping overtime pay for Sunday work and the prospect of increasing normal working hours' that shows the extent to which the ANC has gone in betraying the black working class." (Barrell, 2000b)

Admittedly, there are many cases in which liberalisation and privatisation policies do bring benefits. The crucial question that has to be asked here, and which Mbeki and his globalisation-embracing African allies dedicate too little thinking to, is whom these measures eventually benefit. There is ample evidence to show that the benefits of globalisation policies are most unequally distributed - and the indications of a trickle-down effect are not apparent, and so there are few signs of a better-off Africa.

Sharing views with leading European 'social democratic' politicians about *third ways* between polarised positions and interests, as Mbeki is doing with his British colleague Tony Blair, does not present the solution when this third way is in fact nothing more than a conservative programme wrapped in a mantle of social democratic rhetoric. In this way, the NAI has to be called counter-productive to its own aims. It will achieve exactly that which it is - supposedly - trying to fight against, the marginalisation and dependence of Africa and the entire South. Giving the latter a greater voice and audience in multilateral fora does not make the world a more equitable place.

### 5. THE SEPTEMBER 11 ATTACKS ON THE UNITED STATES – EFFECTUAL SPIN ON THE WHEEL?

The shortcomings of Mbeki's ambition when it comes to strategic and ideological underpinnings aside, timing should play a great supporting role for his case. Whereas the NIEO was introduced into a political environment which was little conducive to the advancement of its case, it seems that the opposite holds for Mbeki's new world dream. A picture of this has already been sketched above. The terrorist attacks on the United States of

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September 11 2001, which made the world feel the dimensions of global inter-connection even more, might evolve as a trigger to turn the current reformist tendencies and expressions of a less hierarchical global community into more effective action. The event has given a push to discussions about the unequal global distribution of power and US hegemony. Peter Vale interpreted the developments in the United States as implying the need for the United States at least to “reconsider its simple-minded approach to the world” (Vale, 2001: 22).<sup>4</sup>

What the terrorist attacks did, apart from exemplifying the need for change in the conduct of international affairs, was to raise awareness that what goes on in other parts of the world is indeed of relevance. It certainly made people feel that issues such as poverty alleviation and the fight against marginalisation are to be taken seriously as *global public goods*, not simply for the benefit of an unfortunate majority of less privileged. The Institute of Development Studies at the University of Sussex for instance has plans to incorporate the implications of the event into its further research and work in development. Poverty alleviation is among the issues on which the institute is planning to focus greater attention, and this not only because of calculations of the impact of the tragedy, that it will be the poor in Africa and other parts of the world that will feel the long-term effects of the crisis most (University of Sussex, 2001).

## 6. CONCLUSION

That the long-term prosperity of the North is dependent on the development of the South does not represent a new paradigm. The Brandt Reports have emphasised this already in the early 1970s. Still, this did not at that time trigger any change in the power play of the North, which has not given up pursuing relative gains in favour of more global interests. "All attempts by the UN ... to establish a new and just international economic relationships have unfortunately failed because they were sabotaged by the rich. The last such attempt was seen in the activity of the well-known Brandt Commission for the South..." (Mitrovic, 1999: 4).

Looking at the real outcomes of the 2001 G-8 summit in Genoa, the prospects that this situation will change are scant, even though there are more and more reasons why a change from the highly polarised working of the global political economy will also bring vital

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<sup>4</sup> Bjorn Hettne states that the September 11 attacks and its consequences could act as a trigger for the transformation of the current world order. These expectations derive from the fact that a war such as the war which the United States declared against Afghanistan, are key events through which the emergence of new orders are enhanced (Hettne, 2001).

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benefits to the industrialised part of the world. *Such gloomy prospects do not automatically mean that there are no moves at all towards a more equal say in global governance issues.* The G-8 are under increasing pressure to justify their legitimacy to determine global outcomes. Due to this increasing pressure, which found its severest expression in Genoa, they seem to be realising more and more that they have to make a move towards a more integrative global order if they want to maintain their power. This is surely in their interest. To concede a few adjustments to the system in favour of the South will be bearable and serve the maintenance of the fundamental underpinnings of the current system. In fact, it serves their case to bring the developing world on board and thus to close the legitimacy gap in global governance that has been receiving increasing criticism in recent years. By not asking for a fundamental restructuring of the system, but merely coming to the table as petitioners requesting financial support and more equal say, Mbeki and his African colleagues are legitimising the contemporary international order. In this way, the new initiatives from the South are helping to strengthen this order, and are not helpful in finding an alternative.

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## Summary, Conclusion, Recommendations and Outlook

### 1. SUMMARY

This study attempted to evaluate the prospects of Thabo Mbeki's ambition of ending the economic and political marginalisation of developing countries in the global political economy and achieving a more equitable world order, an ambition which he has been pursuing with vigour since he took over power from Nelson Mandela in June 1999. The analysis took into consideration most recent events, such as the G-8 summit in Genoa of July 2001 where Mbeki was supported by other African leaders in lobbying for the New Africa Initiative, and the impetus that the September 11 attacks on the United States gave to global considerations about the attractiveness of creating a less polarised world through the active eradication of poverty. In order to clarify what exactly it is that is under investigation and how Thabo Mbeki is attempting to achieve this, a detailed overview of his programme, described as the "Mbeki Global Initiative", has been given. In a second step, the various forces driving him to engage in this process were identified prior to the actual evaluation.

After Chapter I presented an outline of the background of the problem, the rationale for undertaking up the study as well as the method was provided. Chapter II laid the foundation for the evaluation by clarifying the development, content and strategy of the programme that Thabo Mbeki initiated. Before going deeper into the actual content of his programme for the recovery of Africa and the entire South, the roots of his activity were traced back in order to find out whether his global equity activism is rightfully associated with his person or whether it is not, rather, just an implementation of a party-political programme. The study concludes that, despite the fact that the ANC pointed out its commitment for Africa and the rest of the South as central objectives in South Africa's foreign policy since the early 1990s, it was Thabo Mbeki who developed this project over the years and gave the South-policy the importance it has achieved today. On the basis of this finding, it was argued that there is justification for the contention that Thabo Mbeki has become a leading figure for the South in its dialogue with the North. Other leaders have equally taken up the struggle for greater recognition of Southern interests by the North, but it is Thabo Mbeki who stands out as the protagonist in this campaign.

The content analysis of his programme, which he has been promoting at multiple international fora, both of the South and the North, found that the programme contains a fundamental inconsistency between the overarching, general vision and the objectives with which he is

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attempting to achieve it. Whereas Mbeki envisions the transformation of the current world order in which poor countries have little say, the concrete programme, which takes the character of a list of requests, remains far less revolutionary. Mbeki's objectives have a very pragmatic approach, mainly trying to tackle 'traditional' problems of developing countries, such as debt relief, aid and investment. Objectives of such a nature can ultimately merely help to mitigate the adverse effects of globalisation, but not to reverse the disadvantaged position of the South in international affairs, since such pragmatic objectives do not allow the South to break out of the current functional framework of international affairs. Mbeki makes no attempt at finding alternatives to the processes underlying the phenomenon of globalisation and, ultimately, the reasons for the economic deterioration of the greater part of developing countries. Consequently, Mbeki's programme merely aims at 'minor tinkering' of the global order, addressing the symptoms rather than the actual problem. On the basis of the content of the programme, Mbeki will not be able to achieve what he has in mind: the transformation of the system which is characterised by a skewed distribution of capabilities and power.

The strategy with which Mbeki is mobilising for his idea takes the form of a dual approach; first, to effect greater unification of the South, bringing it solidly behind his programme in order to pose a greater counterweight against the North, particularly at negotiations such as multilateral trade talks, where rich countries have traditionally been better able to push through their interests; and, second, to lobby with the powerful and convince them of his case so as to achieve their support. This he has been doing through mobilising speeches at various international meetings and summits, where he often featured prominently as the single representor of the South.

In order to determine what is driving Thabo Mbeki and what is the actual aim behind his activism, explanations in existing literature have been identified and ordered according to different categories of explanations. Three different levels have been analysed, and all three were found to generate an *impetus* for him to become equity-active on a global scale. On the individual level, the analysis of Mbeki's personality, on the basis of biographical data and information, explains his equity activity. He has dedicated a great part of his life to the fight against inequality in South Africa's political system. Now that equality has formally been achieved, there is a motivation for him to continue this struggle on a global scale. Possible reasons for the pragmatic approach that his programme is taking can be found in his personality - he has often been portrayed as a moderate rather than a radical, co-operative

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rather than confrontative - but can also be linked to his personal views on the nature of the global political economy. For Mbeki, globalisation is a fact, an objective phenomenon which cannot be reversed. This view is given expression in his "Global Initiative" programme, which does not even try to overcome the process which is in many respects responsible for growing poverty and the deterioration of living conditions of the less privileged, since there is 'no alternative' to it.

The domestic level analysis began with the observation that Mbeki's equity foreign policy is not consistent with domestic policies and revealed that contentious societal forces in South Africa have pushed him to pursue a foreign policy of poverty alleviation and the upliftment of the disadvantaged. South Africa adopted a corporatist compromise as a 'crisis response' during the early transformation period. Since Mbeki is convinced that the implementation of the Washington Consensus is the only way to go for South Africa domestically, and thus serving capital, not labour, despite the latter's alliance with the ANC, he is virtually forced to find a way to concede to the policy demands raised by labour. Since it is not possible for him to serve two conflicting interests in domestic politics, the international arena becomes the conductor for the pressure imposed by the alliance partners. By pushing for the rights of the poor on a global scale, he can prove to labour that, despite domestically implementing neo-liberal macroeconomic policies, he has not given in to capital fully but is still committed to the bigger part of his constituency, the less privileged and poor.

The international system is another source of explanation for Mbeki's activism. As a country with two faces, one of the developed world and one of poverty, South Africa is not only ideally positioned to be a negotiator between the North and the South, but there are even expectations projected on the country to become a mediator between the two global blocks. As an emerging middle power, South Africa is interested in a stable international order. Not able to opt out of this order, a middle power serves to stabilise - even legitimise - existing order. Thabo Mbeki is thus not only *allowed*, but even *welcomed* by the North to take the role he has taken internationally.

The fourth chapter evaluated "Mbeki's Global Initiative" by investigating it in depth as well as by interpreting what happened - and why - at the latest G-8 summit in July 2001 in Genoa. At this important summit, Mbeki, together with a delegation of other African leaders, presented the New Africa Initiative, a merger between Mbeki's Millennium Plan for the Recovery of Africa and Senegal's President Wade's Omegaplan. Analysis reveals that Mbeki and his

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supporters from the developing world will not be successful in achieving the transformation of the current international system. Firstly, it is not within the power of the South to decide about such a transformation, and secondly those that can effect change do not have an interest in sharing with the South their power to determine global political and economic outcomes. The recent moves by the North to show greater co-operation with the South - in the most concrete form by inviting Southern leaders to their meetings and the plans to incorporate them in a G-20 - must rather be interpreted as measures to re-establish their legitimacy, which has increasingly been questioned. Secondly, transformation is not what Mbeki is actually trying to achieve. On the contrary, he and his Southern allies only ask for better integration into the system, in other words, only a reform of the current order, while the broader framework, the underpinnings of this order, remain untouched. In doing this, they may even become helpful to the North, currently under pressure to justify its hegemony, by legitimising the current order of the system.

### 2. CONCLUSION AND RECOMMENDATIONS

Thabo Mbeki's project of ending the marginalisation of the South is not only praiseworthy and highly commendable, but in view of the ever growing discrepancy between the haves and the have-nots, more than necessary – not just for those that are actually suffering, but for the entire system. A system with a widening gap between the better-and-better off on the backs of the worse-and-worse off can - in the long run - not be sustained. Such polarisation must sooner or later lead to a destabilisation of the entire system. This can neither be in the South's nor in the North's interest. In view of such problems, the efforts that rich countries are making to 'help' overcome this problem are not adequate. For decades, the North managed to keep the South at arm's length, making half-hearted promises of which they implemented only a few. On the basis of the above analysis of the outcomes of the 2001 G-8 summit in Genoa, there is, so far, still no real change in sight, despite the various pressures from both (civil) society and the system. The terrorist attacks on the United States of September 2001 might have the potential to give a spin to the wheel of change in global affairs, but it is as yet too early to know if this will be the case or not.

Just as the efforts of the North are not sufficient, neither is what Mbeki and his colleagues are aiming at sufficient. With their programme as it is constructed at the moment, they might perhaps elicit some more minor concessions from the North and a slight improvement of the

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current situation of their political marginalisation in world affairs. However, Mbeki and his colleagues are giving in too easily to the power play of the G-7. After all, they have welcomed the outcomes of Genoa as a great gesture. With its modest behaviour already winning praise, the North does not really have great incentives to stretch too far in its 'co-operation' with the South.

Certainly, Mbeki knows that he does not really increase his chances of being heard by the powerful if he confronts them with the demand to give up their power. In this way, his approach is wise and – measured against its objectives – probably more effective in the end. But he must be aware that by doing what he is doing he is never going to change the real problem and the real source of the global division between rich and poor, the fundamental problem of his approach being his assumptions about globalisation. There can hardly be anything more *un*-logical than to react to a problem as severe as the degradation of the living conditions of the majority of the African population and so many others in poor countries outside the continent by confirming exactly that which is causing it. In this way, instead of leading to any change, his policy is more self-reinforcing. It prevents, in the end, the changes that it proclaims to be aimed at and will perpetuate the marginalisation of those who do not have the means to succeed in a globalised world.

Besides this, instead of putting his and all other marginalised countries' fate virtually entirely into the hands of the North, Mbeki should not forget the endogenous potential of achieving change. To talk to the G-7 whenever he can is wise and, tactically, certainly necessary. Above all, however, he should not neglect what is happening in his own country while abroad. Mobilising and motivating one's constituency and giving them a perspective as well as executing a consistent policy on the continent, which can then be taken seriously, is certainly as important as asking for debt cancellation, equal say in global organisations or the far away - and rather scepticism-evoking - plans to build an African Union. Surely, this attempt must be interpreted as one pillar of working towards Africa's betterment and is intended to send signals of commitment and unity. This qualitatively new approach in North-South relations, the *realisation* that Africa must contribute with sound political conditions at home for its situation to improve, is an important step towards change which Thabo Mbeki has to be credited with. However, implementation in his own country as well as in his foreign policy towards other African countries must follow.

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### 3. OUTLOOK

The first real test for the 'new commitment' of the North towards the South will be in Doha, late this year, where the second attempt to start a new round of WTO trade talks is supposed to start. Then, it will become evident whether America and Europe are truly committed to the poor or whether Genoa must indeed be regarded as just another talk-shop. Surely, there are more factors at hand in multilateral trade talks which prevent better outcomes for poor countries than a simple reluctance on the part of industrialised countries (see Naim, 2001: 16). Still, it is of no use to promise and preach of a 'more social' world in which opportunities are distributed more equally, if there is no implementation of such rhetoric – and equitable trade is one of the main mechanisms through which this can be achieved.

If one believes Hein Marais, then today the "Group of Seven industrialised countries seem more prone to relent slightly". For real change to happen, however, more than slight relent is necessary, since the extent, he continues, "would be determined mainly by where the US draws the line of shifting the sands" (Marais, 1999). Thus, there rests great responsibility on the United States' shoulders. As long as they, however, do not realise that the eradication of poverty is a global public good, real, structural change, is not in sight. To realise this, the United States needs a visionary leader who is strong enough to put America's interest alongside the common global goal.

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