

Switzerland's Relations with South Africa (1994-2001)

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“Declaration

I, the undersigned hereby declare that the work contained in this thesis 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.

Date: *15 November 2003*”

ABSTRACT

The transformation of South Africa from a pariah state to an accepted and admired member of the international community is widely considered a “miracle”. Switzerland, like other western nations, pledged its moral and financial support towards the transition period which followed the first democratic elections in April 1994. The cordial relations between the two countries have, however, been overshadowed by the ongoing debate questioning Swiss-South African links during the apartheid era.

This is a qualitative study which has as its main purpose the analysis i.e. description and explanation of Switzerland’s relations with South Africa from 1994 to 2001. Although Switzerland’s foreign policy towards South Africa will be the main focus of the thesis, the importance of the various state and non-state actors, as well as the various issues that have influenced these relations will also be highlighted. Swiss-South African relations for the given period will be examined by viewing the domains of diplomacy, economy, development and culture.

The major finding is that the Swiss government is constrained in its foreign policy decision-making by both domestic and foreign factors. Internally, the political institutions limit the executive powers of the federal government. Externally, the principles of neutrality and universality have provided the Swiss government with greater leeway within the international arena (economically and politically), but they have also evoked much criticism.

Due to their firmly rooted adherence to neutrality and universality, the Swiss government and business community continued their ties with apartheid-South Africa, despite domestic and international criticism. A policy of discreet diplomacy was preferred above isolation. Present-day relations continue to be strong, but the Swiss government and business community should deal with their past, while South Africa must continue to seek workable solutions for its myriad of problems in order to ensure that Swiss interest remains focused on the country.

OPSOMMING

Suid-Afrika se transformasie van 'n pariah staat tot 'n aanvaarbare en gewaardeerde lid van die internasionale gemeenskap word algemeen as 'n “wonderwerk” beskou. Soos ander westerse nasies, het Switserland ook morele en finansiële ondersteuning vir die oorgangsfase na die eerste demokratiese verkiesing in April 1994 belowe. Die vriendelike betrekkinge tussen die twee lande word egter oorskadu deur die voortslepende debat rondom Switserse en Suid-Afrikaanse betrekkinge tydens die apartheid era.

Die navorsing wat onderneem word in hierdie studie is van 'n kwalitatiewe aard. Die hoofdoel is om die betrekkinge tussen Switserland en Suid-Afrika tussen 1994 en 2001 te analiseer, d.w.s. te beskryf en te verduidelik. Alhoewel die fokus hoofsaaklik op Switserse buitelandse beleid ten opsigte van Suid-Afrika is, sal daar ook kennis geneem word van die verskeie staat en nie-staat rolspelers, asook die verskeie kwessies wat 'n invloed op hierdie betrekkinge het. Switserse-Suid-Afrikaanse betrekkinge vir die gegewe periode sal bestudeer word deur te kyk na die diplomatieke, ekonomiese, ontwikkelings- en kulturele terreine.

Die hoofbevinding is dat die Switserse regering se besluitneming t.o.v. buitelandse beleid beperk word deur interne en eksterne faktore. Intern, beperk die politieke instellings die uitvoerende mag van die federale regering. Ekstern, het die beginsels van neutraliteit en universaliteit die Switserse regering met 'n groter mate van beweegruimte binne die internasionale arena gelaat (ekonomies en polities), maar dit het ook ernstige kritiek uitgelok.

As gevolg van sy diep geankerde neutraliteit en universaliteit, het die Switserse regering en sakegemeenskap hul bande met apartheid-Suid-Afrika behou, ten spyte van plaaslike en internasionale kritiek. 'n Beleid van diskrete diplomatie is verkies bo isolasie. Huidige betrekkinge is baie goed, maar die Switserse regering en sakegemeenskap behoort verantwoordelikheid te neem vir hulle handeling in die verlede, terwyl Suid-Afrika voort moet gaan om werkbare oplossings te vind vir die talryke probleme, ten einde die belangstelling van Switserland te behou.

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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND

With the demise of the apartheid regime and rise of a new democratically elected government in South Africa, it was thought that the decades long, much-debated chapter of Swiss-South African relations would also be closed. However, the accusations of maintaining a “double morality” and “profiteering while human rights were being violated” continued to haunt the Swiss government and the Swiss business community as they came under renewed attack at the end of the 1990s for their alleged relations with apartheid-South Africa. What were these relations and to what extent did they have an effect on post-apartheid relations between the two countries? These are some of the questions that I will be pursuing in this thesis.

Both the Swiss government and business community had faced similar accusations at the beginning of the 1990s when Swiss links with Nazi Germany were recalled fifty years after the Second World War. These accusations and the subsequent reparation payments to holocaust victims were not only a painful admittance of past wrongdoing, but it also tarnished Switzerland’s “clean” international image and questioned its integrity. As a result, Swiss society has become particularly sensitive that a renewed onslaught on the Swiss authorities and business community will again bring the country into international disrepute.

Feeding the debate are the former anti-apartheid organizations in Switzerland that have once again been united into a solidarity movement, *Kampagne für Entschuldung und Entschädigung im Südlichen Afrika (KEESA)*. The movement supports the calls of Jubilee South Africa for the cancellation of apartheid debt and the making of reparations to the victims of apartheid. Although South Africa has been a (controversial) theme on the Swiss political agenda for several decades, supporters of the latest debate contend that the Swiss authorities and business community should learn from their mistakes and not postpone dealing with and taking responsibility for

their past links with the apartheid government. Now is the opportune time for the truth to be revealed.

Although it was Switzerland's strong political and business links with South Africa during the 1900s which have mainly been emphasised, it is noteworthy that the Swiss presence was already recorded in 1658 with the settling of the first Swiss citizen from Geneva in the Dutch Cape Colony. This was to be the beginning of a steady flow of Swiss citizens who settled in South Africa. Today, South Africa hosts the largest Swiss community on the African continent totalling 9000 Swiss passport-holders. The Swiss settlers brought with them various skills and professions, in particular the Swiss Mission. The important role of the Swiss Mission should not be underestimated, as it did not only engage in purely evangelical activities, but also initiated social projects such as schools, hospitals and clinics. The Swiss Mission was also to become instrumental in the struggle against apartheid by highlighting the injustices of the regime's discriminatory policies in Switzerland (*Schweizer Monatshefte*, February 2000: 9-10).

Swiss economic relations with South Africa can be traced back to the 1800s with the founding of the Friendship, Commerce and Reciprocal Establishment in 1885. The purpose of the agreement was to "... accroître par tous les moyens à leur disposition les relations commerciales entre leurs citoyens respectifs..." ["... increase by all means available the commercial relations between their respective citizens..."]. In the 13 articles and additional protocol enclosed in the treaty, both governments agreed on and stipulated the legal, commercial and diplomatic tenets that were to underpin and steer relations. Emphasis was specifically placed on the citizens of the respective countries who were provided with the same rights as local citizens in terms of freedom of movement, speech, ownership and trade¹⁾.

Switzerland established its first diplomatic relations in 1888 with the then Boer Republic of Transvaal when it opened an Honorary Consulate in Pretoria. This Honorary Consulate was moved to Johannesburg in 1895. A second Consulate was

¹⁾ Swiss Federal Archives: Traité d'amitié, d'établissement et de commerce entre la Suisse et la République sud-africaine (6 November 1885).

established in Cape Town in 1916. In 1952 Switzerland took up full diplomatic relations with the Union of South Africa and later with the Republic of South Africa²⁾. Switzerland opened an embassy in Pretoria in 1960 and Ambassador Franz Kappeler became the first Swiss Ambassador to South Africa³⁾.

Under the leadership of the National Party (the ruling party from 1948), the South African government commenced its adoption and implementation of the apartheid policies. As the outcry by the international world against these policies became more vocal and better organised, Switzerland came under strong criticism, since it did not adhere to the United Nations' calls for sanctions (with the exception of the weapons embargo which it enforced in 1963). Despite the UN declaring the apartheid regime as a "crime against humanity", the Swiss government continued to follow a foreign policy of discreet diplomacy based on neutrality and universality until the demise of the apartheid government.

With the first democratic elections in 1994 when South Africans of all races were allowed to vote, apartheid was officially over. South Africa could finally shed its pariah status and take its rightful place within the international community. Like other western nation-states, the Swiss government also offered its moral and financial support for this fledgling democracy in its period of transition and its formidable task of reconstructing the country. However, the allegations of close economic and military cooperation with the apartheid regime, have cast a shadow on present-day relations. Although the South African government has distanced itself from the debate, the Swiss authorities have taken several steps in an attempt to assess and clarify past connections.

1.2 PROBLEM STATEMENT

Switzerland has often been viewed as a reference model for political stability. However, establishing this stability has been an arduous task, as the Swiss people have had to overcome a history of internal conflict caused by deep divisions along

²⁾ In 1961 Hendrik Verwoerd withdrew from the Commonwealth and declared South Africa a Republic.

³⁾ Archivbestände und parlamentarische Vorstösse - Schweiz-Südafrika 1948-1994, 2000: 262.

political, cultural and religious cleavages. Until today, there is no one ethnic affinity, language or religion holding the nation together. Instead, unity has been achieved through the strong will of the Swiss people towards self-governance within a democratic regime. Thus, Switzerland is referred to in German as a *Willensnation*.

In maintaining international relations with other states, the Swiss government has to take into account these internal realities and guard against a foreign policy that could lead to tensions and divisions amongst the different cleavages of society within Switzerland. Crucial remits influencing foreign policy formulation include Switzerland's domestic federal institutions with special features such as direct democracy and consensus-seeking through a concordance government, as well as the hallmarks of Swiss foreign policy including neutrality, sovereignty and universality.

A further significant formative force in Swiss foreign policy is the country's lack of raw materials and its heavy dependence on foreign trade. Few countries are so dependent on others or so integrated in the outside world⁴⁾. Within the global economy, therefore, Switzerland is constantly seeking markets for its manufactured goods, while simultaneously securing a reliable supply and access to goods which it does not possess or possess in insufficient quantities. As interdependence renders the country extremely vulnerable during times of global recession and economic crises, Switzerland uses various international forums and platforms at its disposal in order to encourage progress towards a healthy world economy.

The phenomenon of globalisation has also been fully exploited by the Swiss with the Swiss economy being closely linked to the world markets through foreign direct investments (FDI). Switzerland has historically been a major outward investor. Furgler (2000: 128) notes:

On a per capita basis, [Switzerland] has the highest stock of outward investments per person of all OECD member countries reporting stock figures, and ranks seventh in terms of value of overseas investments. Swiss firms employ 1.4 million workers outside Switzerland, equivalent to roughly one-third of the Swiss labour force and also similar to the number of foreigners

⁴⁾ "No less than 42 per cent of the gross national product is accounted for by services to foreign countries. In other words, *almost half of the money earned comes from abroad*" (Frei, 1987: 8).

living in Switzerland. During these last years, the jobs offered by Swiss firms abroad increased, whereas the number of persons employed in Switzerland has stagnated. Since the 1960s, Swiss FDI has increased dramatically, the stock of Swiss FDI being more than 12 times the amount registered in 1960⁵⁾.

A few important Swiss multinational corporations (MNCs) have been the driving force in rooting Switzerland firmly in the global market and leading the way in Swiss outward investment. With major sales markets, as well as their major production located abroad, these MNCs can be labelled as being truly global. These firms have benefited from the advantages offered by cross-border production activities and international division of labour, as well as from the assets available throughout the corporate system. The ability of Swiss companies to compete in international markets successfully, has been vital in providing the competitive edge over their rivals⁶⁾. On an ideological level, these companies and like-minded think tanks such as the World Economic Forum (WEF) have also played a leading role in uncritically propagating the advantages of globalisation and global competitiveness.

In its relations with South Africa, commercial ties (note again the above-mentioned Friendship Treaty of 1885) were also to pave the way for diplomatic relations between the two countries. In its search for new markets, as well as reliable sources of raw materials, South Africa was initially viewed as a valuable partner on the African continent. With the emergence of the Cold War, the country was also regarded as a strategic ally in the fight against Communism. As will be seen in the following chapters, Swiss-South African relations were to mutually benefit both countries.

The purpose of the study is to analyse - i.e. to describe and explain - Switzerland's relations with South Africa from 1994 to 2001. By describing and analysing these relations, the researcher will seek to determine how Switzerland has acted towards and interacted with South Africa. In explaining these relations, an attempt will be

⁵⁾ Worldwide, Gabriel (2000:2) places Swiss companies 5th behind the USA, UK, Japan and Germany, for FDI in foreign countries. He notes that the European Union remains the most important economic partner of Switzerland.

⁶⁾ The ranking of the Fortune 100 transnational corporations composite index of transnationality shows that four Swiss firms are among the top ten: Nestlé first, Holderbank third, ABB sixth and Roche tenth (Furgler, 2000: 128).

made to identify the appropriate concepts and theoretical constructs with which to trace the link between domestic conditions within Switzerland and the nature of the relationship between Switzerland and South Africa. No attempt will be made to generalise these findings across the whole spectrum of Swiss foreign relations.

Although Swiss-South African relations have received extensive attention and been the subject of in-depth research within the Swiss government, the media, academic and non-governmental circles, no South African researcher has previously undertaken a comprehensive study of the subject matter in question. This thesis is, therefore, an attempt to address the current lack of information in South Africa regarding Swiss-South African relations.

The following questions will also be considered as part of the research problem, as they contribute to providing a comprehensive analysis of the research subject. Given the fact that South Africa was increasingly being isolated by the international community due to its overtly racist policies:

1. What role did the political regime (i.e. political institutions, laws, rules and regulations) of Switzerland play regarding foreign policy formulation?
2. What are the important remits or conceptions that can be viewed as directing Swiss foreign policy?
3. How did Switzerland's position in the world economy affect its position and foreign policy towards South Africa?
4. What role did state and non-state actors play in the development of relations between Switzerland and South Africa?

Furthermore, the relations between Switzerland and South Africa will be placed within a framework, so that the reader can connect and better understand the diverse phenomena of the interactions between the two countries. The thesis also aims to show the reader some of the difficulties governments may face in positioning themselves within the international arena, as well as in implementing foreign policy.

The reason that this study will concentrate primarily on the period 1994 to 2001 is two-fold: firstly, this time period marked the new beginnings for South Africa with the country being viewed by the international world as a political "miracle".

Secondly, with the surfacing of the new debate concerning Switzerland's ties with South Africa during the apartheid era, several Swiss scholars are engaged in scientific research to ascertain the extent of Swiss-South African relations pre-1994. It would, therefore, have served little purpose to delve into the past given that these scholars have obtained access to documents held in the Swiss State Archives.

1.3 CORE CONCEPTS AND THE LEVEL OF ANALYSIS PROBLEM

As was already stated the problem statement, the research undertaken in this thesis will focus on the international relations between Switzerland and South Africa. The study will concentrate predominantly on Swiss foreign policy towards South Africa and the state actors who have been involved in developing relations between the two countries. Although the main emphasis will be on the international relations between two sovereign nation-states, it will also become clear as the thesis unfolds, that non-state actors represented by pressure groups within the Swiss business community and civil society, played a significant role in their efforts to influence and guide Swiss government policies.

In order to avoid confusion, it is important to draw a distinction between the central concepts "foreign policy", "international politics" and "international relations". Foreign policy making is deemed as the exclusive domain of the state and falls within the ambit of those bureaucracies responsible for pursuing the state's "national interest" within the context of the external environment. Essentially, foreign policy focuses on the strategies and actions of the state towards the external environment and the conditions (usually domestic) under which those strategies and actions are formulated (Holsti, 1983: 20). Wilkenfeld et al. (1980: 110) view foreign policy as "consisting of those official actions (and reactions) which sovereign states initiate (or receive and subsequently react to) for the purposes of altering or creating a condition (or problem) outside their territorial-sovereign boundaries."

According to Deutsch (1988: 97) foreign policy is predominantly concerned with the preservation of a state's sovereignty and its physical security and secondly, with the maintenance and expansion of its economic interests. The concept "national interest" can, therefore, be viewed as being multi-dimensional with nation-states pursuing

broad goals related to the acquisition of power, improving their economic strength and developing a strong ideology. It is, however, also a concept that has created much ambiguity as governments have used it to justify subjectively defined politics (Papp, 1984: 23-26). Holsti (1983: 19-20) succinctly describes the difference between foreign policy and international politics as "... roughly the difference between the objectives and actions (decisions and policies) of a state or states, and the interactions between two or more states". Both the studying of foreign policy formulation and international politics place the state as the main level of analysis, as the focus is mainly the political activities between states.

By focusing on sovereign nation-states and viewing "power politics" as a core concept, scholars of International Relations move within the realist realm which has been the dominant paradigm in contemporary thinking (Mansbach and Vasquez, 1981: 4-5). The realist paradigm consists of three fundamental assumptions:

1. Nation-states are the only actors who can exert significant influence in the international system;
2. Political life is divided into "domestic" and "international" spheres. Domestic events can have no bearing on the international interactions of a state;
3. The maximisation of power is the overriding interest of the state.

The realist understanding of power underpins the above-mentioned assumptions. Nation-states are viewed as the dominant actors in international relations, as they are sovereign entities, able to muster the necessary resources to wield power. In domestic politics, the state is able to relegate non-state actors to a subordinate position. In the absence of a world government within the international arena, the anarchical environment forces nation-states to increase their power in order to survive. Young (1972: 126-127) further emphasises the dominance of the state-centric view by contending that international politics postulate the nation-state as the fundamental unit of world politics, nation-states are the recipients of the highest human loyalties, sovereign states are the only subjects of international law and international organizations are inclined to provide membership to states only. There is, therefore, no higher power than the sovereign nation-state.

Although foreign policy focuses mainly on the state as the level of analysis, a study focusing on international relations would be incomplete without recognition being given to the effect of the international system, as well as the influence of non-state actors on the foreign policy process. International relations, as used in this study, refers to all forms of interaction between the members of separate societies, irrespective of whether they are initiated by the state. International relations would include the analysis of foreign policies and political processes between states, as well as international trade, tourism and communication. Leysens (1991: 21) contends that once trade is used by a government to achieve military or political goals (e.g. embargoes), scholars are no longer engaged solely in international relations, but have moved into the field of international politics. When focusing on international relations, the net needs to be cast wider to enable us to understand properly the complex relations between the various actors in the international system.

In doing so, cognisance should be taken of the increasing challenge which International Relations (IR) scholars have shown towards the orthodoxies of the state-centric view of world politics and each of its three fundamental assumptions. The question can be posed to what extent the picture projected by the state-centric worldview gives an accurate reflection of the contemporary realities of world politics. This does not imply that nation-states are likely to become unimportant as actors in world politics. Furthermore, the conclusion has not been drawn that security no longer deserves a place on the agenda of issues. Instead, the decline of the Cold War and the emergence of a new agenda of issues pose complex questions which the old paradigm cannot answer adequately.

The pluralist paradigm presents the world as a multi-centric, rather than state-centric system of relationships. Thus, a world perceived as constituting a complex network of many different actors and various issues. Various IR scholars have written widely in an attempt to show the shortcomings and weaknesses of the realist paradigm. The three fundamental assumptions have also been seriously questioned. Challenging the dominance of the nation-state within international relations, Keohane and Nye (1971: 16-17) in their volume *Transnational Relations and World Politics* highlighted the “transnational behaviour” which is being displayed by actors such as multinational corporations. The authors argue that “[t]he difference ... can be clarified most easily



by focusing on the nature of the actors. The world politics paradigm attempts to transcend the “level of analysis” problem both by broadening the conception of actors to include transnational actors and by conceptually breaking down the “hard shell” of nation-state.” Mansbach and Vasquez (1981: 7-8) agree with Keohane and Nye that not only do governments have competitors in the international realms, but also within the government itself; bureaucracies and individual officials may act independently or even compete with central decision makers.

To challenge the second assumption which contends that political life is bifurcated into “domestic” and “international” spheres, Rosenau (1966: 63-71) employed the concept “penetrated political system” to give recognition to foreign actors who participate and often have an authoritative voice in domestic decision making. He contends that actors that could “penetrate” the jurisdiction of another nation-state included international organizations, other national societies or multinational corporations. In his contribution to the inter-paradigm debate, Burton (1985: 51-52) argues that all foreign policy can be explained by domestic factors, an ultimate contradiction of realism. By maintaining that conflict within the international system is caused by the failings of the domestic system, the division between the international and domestic political spheres is questioned.

The final assumption which holds that the struggle for power is the dominant issue in international relations, has also been challenged by scholars who identify many issue areas in world politics, and who argue that each issue area entails its own “logic” and “rules of the game”. Power is not necessarily fungible across these different issue areas, so that military preponderance does not necessarily guarantee success in, say, a bid to stage the Olympic Games. Swiss foreign policy exemplifies this point very well, showing how a nation with limited military capability can still manage to punch above its weight in global financial matters, for instance. Rosenau (1966: 71-92) states that by maintaining the maximisation of power as the core issue in thinking about world politics, there is a failure to accommodate the multiplicity of values and stakes for which actors both cooperate and compete. Recognition of “issue-areas” is important as it can influence the functioning of a political system and the decision-making processes. It is not within the scope of this thesis to present a comprehensive analysis of the inter-paradigm debate. The brief description should, however, provide

the reader with some of the different worldviews held within the discipline of International Relations.

The purpose of the thesis, which is to undertake a descriptive and explanatory study of Swiss relations with South Africa, will be better served within the broader framework which the pluralist paradigm offers. Although security issues remain a dominant theme amongst foreign policy makers, there are other issues which also need to be considered. Furthermore, state actors are not the only actors who play a role in Switzerland's international relations with South Africa. The merits of using a pluralistic approach in the analysis of international relations lies in the fact that it allows for the consideration of multiple actors and various issues. The pluralist paradigm is well-suited to present a comprehensive picture of Swiss relations with South Africa, as scope is allowed for both official state initiatives, as well as the unofficial activities of non-state actors within the domains of diplomacy, economy, development cooperation and culture.

Another important concept which needs to be clarified is "pressure groups" (also referred to as interest or lobby groups). Pressure groups describe organised groups of people who seek to influence political decisions. The term "pressure group" emphasises the manner in which such groups try to bring about social change, as it is by applying pressure that they enter the political domain (Willetts, 1982: 1). Pressure groups often constitute a legal entity in the form of a non-governmental organization (NGO). Commenting on the activities of NGOs, Hurrell (1995: 145-146) contends that such organizations have achieved notable success in shifting public and political attitudes and influencing political agendas. By publicising the nature and seriousness of the problem, disseminating scientific research and in organising and orchestrating pressure on states, companies and international organizations, NGOs have been able to place their issues high on the political agenda.

Pressure groups, however, are not active in politics all the time. They focus on specific issues. Wallace (in Willetts, 1982: 22-24) places the emphasis on issue salience when viewing the actions of pressure groups, as these groups will attempt to influence outcomes on issues which are salient to them. Therefore, they become active when their specific interest is directly affected. Since pressure groups are not

usually part of the daily political agenda, they attempt to use political channels – political parties and their members to execute their goals. Although pressure groups have traditionally been considered relevant to the study of domestic politics, Wallace maintains that these groups would exert pressure on any government in any country to ensure the desired outcome. The increased level of globalisation has also provided the infrastructure for increased social communication, thus connecting like-minded groups to organise across national boundaries. This emergence of a transnational civil society challenges the state-centredness of traditional or realist international theory, and is another reason why I opt for a more pluralistic approach in this thesis.

The term “state actor” refers to all entities i.e. agencies and individuals (politicians, officials and personnel) that constitute the state apparatus. This is meant to include the legislative and executive branches (and their supporting departments) of the central government. In this study, relations between state actors and entities in a foreign nation-state will also be referred to as official international relations.

A “non-state actor” refers to all organizations and individuals who are subject to the regulation of a central government, but are not in the service of the state. Entities such as multinational companies, cultural organizations, professional organizations and business organizations can be viewed as non-state actors. When non-state actors engage in activities that lie outside the system of which they are legally part, they are engaging in transnational relations. In this study, relations between non-state actors and entities in a foreign nation-state, will be referred to as unofficial international relations.

1.4 METHODOLOGY

In accordance with the research aim of the thesis a qualitative approach will be followed in the collection and analysis of information, as well as the reporting on findings. The qualitative approach is especially suited to the demands of a descriptive and explanatory study. The purpose of this study is not only to describe and analyse the international relations between Switzerland and South Africa, but to inform the reader about the various state and non-state actors that have been active in influencing Swiss domestic and foreign policy.

The primary method of data collection was through interviews and written communiqués with representatives of various state and non-state organizations who are actively involved in the different fields of Switzerland's international relations with South Africa.

Interviews and written communiqués were conducted with:

- Diplomatic representatives from the South African Embassy in Berne
- Diplomatic representatives from the Swiss Embassy in Pretoria
- Representatives of the Swiss Federal Department of Foreign Affairs and Swiss Federal Department of Economic Affairs
- Members of the Swiss parliament
- Members of the National Research Programme 42+
- Representatives of the Swiss Arts Council, Pro Helvetia
- Researchers who specialise in Swiss foreign policy
- Members of the Swiss business community
- Members of the *Kampagne für Entschuldung und Entschädigung im Südlichen Afrika* (KEESA)
- Individuals who have engaged in initiatives to promote Swiss-South African relations

The purpose of the interviews was twofold: firstly, the interviews were used to gather specific information on how the various state and non-state actors viewed Swiss-South African relations in the various domains. Secondly, interviews were useful in providing greater background knowledge to the research topic and often led to the identification of additional sources of information. The one-to-one interviews were conducted in a semi-structured way with a limited number of “probe questions” prepared beforehand. Respondents were, however, encouraged to describe their own experiences, to emphasise the salient issues as they saw them and to offer opinions where they deemed necessary.

The merits of an interview is that “informants can provide historical information... [while allowing] the researcher control over the line of questioning” (Cresswell, 1994: 150). The disadvantage is that indirect information (the views of the interviewee) filters through (Cresswell, 1994: 150). As will be seen in the following chapters, the

Swiss government and business community had close links with the apartheid government and went against international and domestic calls to isolate South Africa. Despite the political and economic adversity that caused other companies to disinvest from South Africa throughout the past decades, Swiss companies opted to stay in South Africa and to increase their investments into the new democratic era. The writer made a concerted effort to interview a wide spectrum of state and non-state actors, in order to come to grips with the research topic. Interviews were also used to cross-check information in order to develop a deeper understanding of the dynamics of the relationship which certain persons had with the past government.

In addition to the interviews, secondary data were collected, through the utilisation of documentary sources. These include library material (books and periodicals) from the Central Library of the University of Zurich, mass media articles and documentary material from the Swiss State Archives and the Archives of the South African Department of Foreign Affairs. Due to a moratorium on later files, 1982 is the cut-off date for information gathered from the Archives of the Department of Foreign Affairs. The search for additional information such as overviews and background information on the various state and non-state organizations, was conducted through the Internet.

Overall, the writer had little difficulty in gaining access to relevant persons and documentary sources in Switzerland (the exception is the Friendship, Commerce and Reciprocal Treaty which took two months to locate). Although a substantial amount of work on the Swiss-South African theme has been written in English, the writer had to peruse numerous sources which were written in one of the official languages of Switzerland. This was a time-consuming task, as great care had to be taken to obtain an accurate synopsis of each reading. It should, however, be noted that the research in the following chapters provides but a cursory view of the complexity of the relations between Switzerland and South Africa. It is outside the scope of this study, to explore and expound every domain comprehensively over several decades.

1.5 OUTLINE

The following structure will be used in the main body of the thesis. Chapter Two will focus on the nature of Swiss foreign policy and the interplay between domestic and

foreign politics. Chapter Three will describe how Switzerland conducted its foreign relations with South Africa during the apartheid era. The role of Swiss pressure groups during this period will also be viewed. In Chapter Four, Switzerland's official and unofficial relations with South Africa will be described for the period 1994 to 2001. Relations will be viewed within the domains of diplomacy, economy, development cooperation and culture. Chapter Five will explore the renewed interest which Swiss pressure groups, members of parliament and the media have shown concerning the links of the Swiss government and business community with apartheid-South Africa. The study concludes by viewing and interpreting the findings from Chapters Two to Five and offering some suggestions for possible future research.

CHAPTER TWO

THE NATURE OF SWISS FOREIGN POLICY

2.1 INTRODUCTION

When discussing Swiss foreign policy, an understanding of Swiss domestic politics is essential, since it is often internal constraints that play a vital and directive role in the making of Swiss foreign policy. Church (2000: 137) states "... Switzerland does not have a foreign policy, only domestic policy aimed at preventing external events from disturbing the internal balance and status quo." According to Gabriel, professor at the Centre for International Studies of the Swiss Federal Institute of Technology (Interview), an interesting dualism can be observed in Switzerland: economically, scientifically and culturally, the country is extremely interdependent internationally, however, simultaneously there is a great emphasis to remain independent. This worldview is also evident in Switzerland's foreign policy. As internationalists, the Swiss have been excellent globalizers and free traders, but reluctance to participate actively in international politics and join international organisations has rendered them isolationist and protectionist.

Gabriel (1992: 1-2; 2000: 9) further explains that what is often called *Sonderfall* or "political uniqueness" is a useful concept underpinning the Swiss conviction that their domestic and foreign politics are unique in comparison with other countries. Domestically, this uniqueness can be found in the country's political institutions based on a strong federal system, while containing special features such as direct democracy that ultimately hold far-reaching implications for Swiss foreign policy. Sovereignty and neutrality, the hallmarks of Swiss foreign policy, are central to an understanding of Swiss foreign policy. Both concepts of sovereignty and neutrality are also closely tied to domestic politics. Gabriel concludes that the difficulty of Switzerland to adjust to a changing international world is, to a large extent, explained by this close interplay between domestic and foreign politics.

The next section will focus broadly on the nature of Swiss foreign policy. It will be divided into three parts. Part one will give a cursory view of the actors influencing the

formulation of Swiss foreign policy. Part two will refer to the internal institutions that affect foreign policy decision-making. In part three, attention will be given to the Swiss conception of sovereignty and neutrality and how these components influence foreign policy. Throughout the chapter, emphasis will be placed on how internal and external politics are linked.

2.2 SWISS FOREIGN POLICY FORMULATION

The formative forces of Swiss foreign policy formulation are closely linked with Switzerland's position in Europe, the country's dependence on foreign trade and the interaction between domestic and foreign politics. The institutional framework responsible for foreign policy formulation consists of the Minister of Foreign Affairs and the Federal Department of Foreign Affairs (the main actors)⁷⁾, the other federal departments⁸⁾ and the Swiss parliament. The Swiss parliament or Federal Assembly plays an advisory role and ratifies the institutional framework for foreign policy formulation. In Switzerland, the local governments and cantons⁹⁾, as well as the public can also play an important role in foreign policy making. According to the constitution, the people have the final authority. Through a political system based on federalism and direct democracy the cantons and the Swiss people have been able to influence foreign policy decisions (Gabriel, 1997: 171; Frei, 1987: 9, 12)¹⁰⁾.

Gabriel (1998: 18-19) argues that in practice and especially during the last century, foreign policy formulation remained a secretive activity, dominated by a small elite group of politicians with close ties to the business community. Hughes (1962: 33-34) commented four decades earlier that the Swiss democracy encouraged the rise of pressure groups and referred to the then *Vorort* which is today known as the *Economiesuisse* (the umbrella organisation for Swiss Industry and Trade) as the strongest "unofficial political force". The strength of the business sector is a result of

⁷⁾ See www.eda.admin.ch.

⁸⁾ All the federal departments are in fact engaged in foreign relations within their respective domains. For instance, during the debate on noise pollution caused by the aeroplanes flying over Germany to the Swiss international airport (Kloten) outside Zurich, it was the Minister of Transport who dealt with his counterpart in Germany.

⁹⁾ The political structure of Switzerland consists of the Confederation (the State), 26 Cantons and 2873 Communes.

¹⁰⁾ Swiss Embassy, Switzerland-State and Politics: 1993.

the Swiss' dependence on trade. Switzerland's interdependence with the rest of the world was born out of necessity (lack of raw materials, sources of energy, food) and the Swiss business community played a crucial role in integrating Switzerland in the international community. As it was in the country's interest that a healthy world economy be maintained where Swiss businesses could operate unhindered, the influence of business on foreign policy formulation was significant (Frei, 1987: 7).

Although parliament and the general public have means to monitor executive decisions, there are certain factors that restrict their contribution to foreign policy formulation. Firstly, a government based on consensus weakens the opposition considerably. Furthermore, in ruling by concordance (meaning joint consultation and decision-making, joint external representation and joint responsibility for the consequences of the decision), it is not uncommon for disagreement amongst Federal Councillors to lead to total stagnation when taking controversial policy decisions (Gabriel, 1997: 73; 2000: 5).

Secondly, there are also various factors limiting the work of the parliament (Federal Assembly). Switzerland does not have a professional parliament, but a parliament based on a militia system. The Federal Assembly meets four times a year for sessions lasting three weeks. During these sessions, the primary functions of the two Chambers pertain to its legislative competences. Parliamentarians are to debate any amendments to the Constitution, decide on the enactment, amendment or rescinding of federal laws and take other generally binding decisions for the Confederation. The Federal Assembly also has certain international competences. The Chambers play an advisory role pertaining to foreign affairs bills. In this regard, it is especially the standing committees for Foreign Affairs for the respective chambers that can provide an important contribution.

The composition of the committee and the appointment of the chairperson are based on the strength of the various parliamentary groups and also take into consideration language and religion. The main work of the parliamentary group meetings is to have preliminary discussions concerning Council business and to find consensus on proposals to be made during parliamentary debates. The meetings are held behind closed doors in order to allow council members to have an open discussion in a

protected environment and to facilitate consensus. As a rule, once consensus is reached in the standing committee, the Councils adopt the proposals. The committee can therefore, steer the political decisions taken on bills proposed by the Government. However, as Gabriel (2000: 5) points out, if the two Foreign Affairs Committees provide opposing proposals (as happened with the initiative regarding negotiations with the European Union) the political process can be paralysed. With the exception of competences which fall under the exclusive jurisdiction of the Federal Council, the Federal Assembly ratifies international treaties (Gabriel: 1997: 71)¹¹).

Thirdly, the Swiss people have shown a dislike for a foreign policy which is too “active”. They prefer a government that focuses on domestic affairs, to one with a focus on external issues. Given the realities present in domestic affairs, a policy of permanent neutrality has been favoured, since this is a means of keeping contentious issues at bay. Through referendums and initiatives, the public has often displayed a more conservative stance towards progressive foreign policy, severely impeding the government. For instance, in March 1986 the citizens could decide whether Switzerland should join the United Nations. Three quarters of the population voted against membership. It should also be mentioned that the opponents to progressive foreign policy decisions have often been more successful in bringing their message across and rallying the public behind them. Pressure groups can therefore to some extent affect the course of Swiss foreign policy (Frei, 1987: 12; Gabriel, 1997: 171, 2000: 4; Church, 2000: 147-148)¹²).

In the next section, the internal and external factors which affect Swiss foreign policy will be discussed.

¹¹) Swiss Federal Chancellery: The Swiss Confederation – A brief guide 2002: 19, 21, 23.
See also <http://www.parlament.ch/poly/Framesets/E/Frame-E.htm> for the powers of the Federal Assembly.

¹²) Swiss Federal Chancellery: The Swiss Confederation – A brief guide 2002: 6.

2.3 CHARACTERISTICS OF DOMESTIC SWISS POLITICS¹³⁾

2.3.1 Federalism and Collegiality

Switzerland became a federation consisting of 25 (later 26) cantons in 1848. There is much dividing the Swiss people given the heterogeneity of Swiss society. In recognising these vast differences, the Swiss constitution set out formal political institutions such as *federalism and collegiality* as a means to include and represent the country's different groupings. Although the cantons abandoned some of their sovereignty in 1848, the federal government was deliberately kept weak. There has also been a trend towards greater centralisation, but cantons continue to guard their autonomy jealously. Federalism is also reflected in the bicameral structure of the national legislature. In order to accommodate the cantons, there is not only a chamber representing the people numerically, namely the National Council, but also a "Council of States" in which all cantons are treated equally. Together the National Council and the Council of States constitute the Legislative authority (Gabriel, 2000: 10-11)¹⁴⁾.

The shape of the executive is also distinct. The executive, a seven-member Federal Council, are elected by a joint meeting of the two chambers for a period of four years. The seven members have equal rights and are meant to promote a unified front and to practice collegiality. The system discourages the emergence of a leading figure. There is no publicly elected president or appointment of a prime minister. Instead the council is presided over by a chairman called the President of the Confederation, a position that is rotated annually among the seven council members¹⁵⁾.

Although the executive are meant to govern jointly, members have been divided, resulting in tedious decision-making. The stability of the executive should not be equated with strength. In the area of foreign policy for example, it is important to note that unlike the United States, Britain, France or Germany, members of the executive do not enter government on a specific foreign policy platform. Furthermore, it is the

¹³⁾ See also Kobach, KW. 1993. *The Referendum: Direct Democracy in Switzerland*. Dartmouth Publishing Company Ltd: Hants.

¹⁴⁾ See: <http://www.parlament.ch/poly/Framesets/E/Frame-E.htm> for a description of the political structure of Switzerland.

¹⁵⁾ Swiss Embassy, Switzerland-State and Politics: 1993: 30.

public's view that the government's main function is to administer the country and not to decide the direction of policies. The latter should be the task of the people. This constraint holds serious foreign policy implications (Gabriel: Interview).

2.3.2 Concordance

In addition to the formal political institutions already cited, "unity in diversity" is further achieved through a system of *Konkordanzdemokratie*. This informal arrangement refers to the distribution of chairs among the seven members of government. After 1848, the Radical Democrats (Liberals) dominated the Swiss government for nearly half a century. Since 1959, however, the composition of the Federal Council has been determined by a set formula based on proportional representation which has remained unchanged for the past forty years: two Radicals, two Social Democrats, two Christian Democrats and one member of the Swiss People's Party. Having all the important political parties represented in the government further enforces integration and the permanent striving for political compromise in parliamentary decision-making. The downside is that a situation can result in total stagnation when there is disagreement amongst the "governing four" (Gabriel, 1997: 73-83, 2000: 5; Linder, 2000: 101-102).

The implication of concordance on foreign policy is that there is no real, coherent opposition in parliament. Frei (1987: 9) comments that the delicate balance that exists between the ruling parties can only continue if the internal equilibrium is spared the strain of sensational and adventurous foreign policy. An active foreign policy would inevitably result in the widening of differences and presumably soon mark the end of the "arrangement" between the parties. This system of consensus democracy, ruled by a permanently oversized coalition, is another feature of domestic politics that impedes foreign policy decision-making.

2.3.3 Direct Democracy

According to the Federal Constitution, the Swiss people are sovereign and ultimately the supreme political authority. The Swiss vote on all levels and on almost all issues through referendums and popular initiatives. The direct involvement of citizens in

political decisions is also viewed as crucial within the Swiss political culture. If the strong will for self-governance and independence unites the Swiss people, it is through the vote that political tension becomes evident. In a pluralistic society, direct democracy has the potential of becoming highly divisive, polarising the public and providing an outlet for populist rhetoric.

Hughes (1962: 33-34) maintains that the Swiss democracy is geared to pressure groups with the referendum giving them a further implied constitutional sanction. He further contends that it is a form of government calculated to call such pressure groups into existence and giving them power. Thus, any group whose capability to petition a referendum is taken seriously, automatically acquires a certain influence. Such groups will usually also be consulted in the informal negotiations which take place before parliament discusses the issue (Linder, 2000: 99-102).

The most important link between external relations and domestic affairs is reflected in the *Referendum on Federal Laws and Treaties with Foreign Powers*. Article 89 of the Federal Constitution stipulates that accession to international organisations (e.g. NATO or the European Union) requires the sanctioning of the people and cantons in a referendum. Parliament can also submit other international treaties to referendum. If 50,000 signatures are collected demanding a referendum, the proposed treaty must be put before the people for approval (Frei, 1987: 9, 12; Linder, 2000: 99-102).

Williams (2000: 115) states that given the dependence of foreign policy on the decisions of a democratic citizenry, policy formulation can be a very frustrating exercise. The referendum acts as a “lever” by which the electorate can exert its influence on the conduct of foreign policy. The public vote has a rather conservative influence in the area of foreign affairs and tends to act as a “brake” on the shaping of progressive foreign policy. The basic attitude of the Swiss people even leans towards isolationism (Frei, 1987: 12; Gabriel, 151-152). Gabriel contends that direct democracy is the single most important factor explaining Switzerland’s foreign policy dualism.

2.3.4 Kleinstaatlichkeit

Kleinstaatlichkeit or “smallness” is another feature of Swiss political culture. The Swiss are extremely aware of being a small polity and regard this as very important. Gabriel (2000: 11-12) contends that “smallness” has a domestic and foreign dimension. Inside Switzerland there is a strong tradition of local identity and autonomy, while the foreign dimension has to do with the country’s relative lack of power in the international arena. The Swiss are also sceptical of large political units. The rise and fall of world powers (e.g. the Soviet Empire) reinforce the Swiss conviction that large political entities are inherently unstable and bound to fail. From this perspective, they have assumed a wait-and-see attitude concerning the integration of Europe and there is still not sufficient proof that the integration process will be successful.

The combination of federalism, collegiality, concordance, direct democracy and “smallness” constitute a political system the Swiss strongly identify with, consider to be unique and want to preserve. The Swiss are reluctant to change these institutions and they are extremely sensitive when they come under foreign pressure to do so. Actually, foreign policy is largely seen as an instrument useful to defend the Swiss political system against “imposed” political change from abroad, be it democratic superpowers or international organisations.

2.4 CHARACTERISTICS OF SWISS FOREIGN POLICY

2.4.1 Sovereignty

Over the centuries, and especially as a result of being surrounded by fascist powers during the Second World War, sovereignty is held in high esteem by the Swiss people. The Swiss tend to be very sensitive towards any infringements or diminishing of sovereignty. Instead of seeing sovereignty as an instrument to preserve more basic values, such as individual freedoms, security and economic well-being, there is a tendency to regard it as an end in itself and to equate it with a maximum of political independence. Any diminution of sovereignty is seen as a loss of “national freedom”. The idea of sharing sovereignty with others, a notion common in today’s Europe, is

unknown to most Swiss. They make no distinction, therefore, between a voluntary and an involuntary transfer of sovereignty (Gabriel, 1992: 4-5).

2.4.2 Neutrality

Neutrality, like sovereignty, is an important component of Swiss foreign policy. Through a policy of permanent neutrality, Switzerland hopes to establish predictability and stability in its relations with the rest of the international community. Neutrality has both an internal and external dimension. In Switzerland, a country consisting of several cultures, languages and religions, neutrality has always helped to guarantee internal cohesion. Thus, in the past, the principle of neutrality was also applied to conflicts within the Confederation. During the two world wars in the 20th century, siding with alliances would have precipitated a national crisis. In this case, external neutrality guaranteed internal cohesion. Today, neutrality is part of the Swiss tradition, history and consciousness of its citizens (Gabriel, 1992: 1-2, 2000: 12 Williams, 2000: 113-114).

Many ideas held by the public regarding neutrality were cemented during the Second World War when the country was surrounded by Germany. It was also during this period that a gap started to develop concerning the federal government and public's understanding of neutrality. It is important to draw a distinction between neutral law and neutral policy when viewing neutrality, since the former is rooted in a framework based on international law, while the latter refers to self-imposed or voluntary measures (Gabriel, 1992: 5-6).

Switzerland gained the status of permanent neutrality during the Vienna Convention of 1815 and together with the constitutions of 1848 and 1874, neutrality became a foreign policy norm for the Swiss authorities. Its permanent neutrality rests on the classical definition of neutrality under international law as codified in the *Hague Conventions on Rights and Duties of Neutral States* of 1907. Thus, the conventions provided a legal framework allowing neutrals not to participate in war between other sovereign states. Neutrality is therefore a means of security for a neutral during war. Once under siege, the neutral is allowed to enter into an alliance. The Hague Conventions also grant neutrals certain rights and impose certain duties. For instance,

a neutral country could not support belligerent states with troupes and it had to prevent the misuse of its territory. Important to note is that neutrality law does not impede the right of neutral countries to engage in free trade with both sides during times of war (Gabriel, 1992: 4-5; Frei, 1987: 13-16; Williams, 2000: 113-114).

The practising of neutral policy during times of peace was viewed by the Swiss as necessary to strengthen the country's credibility. Neutrality in this instance referred to self-imposed or voluntary measures taken at the discretion of the Swiss government. These measures included not entering into a military alliance, setting up its own army and non-participation in economic sanctions. Thus, the political dimension of neutrality became a maxim that could always be flexibly adapted to the circumstances and applied according to the interests of the country. Complementary to the principle of neutrality was the principle of universality in the conduct of Switzerland's foreign relations. This meant that Switzerland maintained official relations with all countries (recognised states and not governments), despite their internal political and economic systems (Frei, 1987: 13-16; Gabriel, 1990: 234-236).

Swiss neutrality has also shown degrees of strictness or "purity". As a member of the League of Nations, Switzerland had been willing to participate in economic sanctions and to practice what was called "differential neutrality". However, with the outbreak of the Ethiopian war, all League members did not apply economic sanctions as agreed, and the Swiss government came to regret its decision to compromise integral neutrality. In 1938, with the eminence of Hitler increasing, Switzerland returned to integral neutrality. This meant that the country once again refrained from imposing economic sanctions.

Although the government openly held to the stance of integral neutrality, it was economic interdependence and pressure from the Swiss business community that hindered their unilateral actions. The United States was later to exert pressure on Switzerland to participate secretly and informally in NATO's East-West embargo (Comcom sanctions). Thus, throughout the Cold War, the Swiss covertly participated in economic sanctions, while publicly claiming neutrality (Gabriel, 1990: 236-241; 1998: 6-7, 15-18, 2000: 6-7).

Four features which are related to neutrality and which affect foreign policy will be viewed briefly.

2.4.2.1 Alliances

The strict interpretation of neutrality and its lack of compatibility with multilateral alliances have deep roots in the Swiss political consciousness. As mentioned already, the Swiss adopted the position of permanent neutrality at the Congress of Vienna and promised not to enter into preventative alliances, unless it was being violated. In the moderate international system in the 19th century where wars were of a limited nature in time, intensity and scope, the Swiss policy of neutrality could be maintained. However, the 20th century saw the advent of total war and remaining aloof during times of war became more problematic for neutrals. Even though the Swiss government had engaged covertly in attempts to form preventative alliances during the Second World War, the Swiss public perceived permanent neutrality as excluding any type of military cooperation, thus resulting in the notion of dying as a neutral rather than surviving as an ally (Gabriel, 2000: 12).

2.4.2.2 Abstention from economic sanctions

Neutral law did not include any notion of economic sanctions during times of war. As long as neutral states treated belligerent states equally regarding the supplying of arms and ammunition, free trade could be continued unhindered. Keeping in line with this right, Switzerland voluntarily imposed the duty referred to as “courant normal”. This meant that the volume of trade during times of war could not exceed pre-war levels. By this measure, the country also tried to avoid the accusation of “war-profiteering”. The “courant normal” applied equally to all warring parties. The Swiss went even further by abstaining from economic sanctions during times of war and peace. This was another means of reinforcing its credibility in anticipation of future conflicts (Gabriel, 1990: 240-241, 1992: 6-7, 1998: 4-5; Frei, 1987: 13-16).

2.4.2.3 Armed neutrality

Under the Hague Convention, neutral states had to ensure that their territory was not violated by the different states engaged in war. This meant that neutral countries had to maintain armed forces that could fulfil this duty. However, under international law, it was not expected of neutrals to win a war autonomously. In the case of Switzerland, it opted for the establishment of a large army based on universal conscription that could defend the country independently. Today, although the size of the armed forces has been reduced drastically, the idea of a militia army as an integral part of armed neutrality remains firmly rooted in the Swiss political culture (Frei, 1987: 30-32; Gabriel, 2000: 12).

2.4.2.4 Good offices

The policy of solidarity and availability as reflected in the provision of good offices is another feature closely linked to Swiss neutrality. The Swiss people, preferring an unobtrusive foreign policy, have also favoured this instrument of quiet diplomacy. The offering of good offices was especially significant when countries broke off diplomatic relations and a third country was needed to act as a custodian. Traditionally, such services called “protecting mandates” were bilateral and of a technical rather than a political nature, excluding mediation of the actual conflict. The Swiss government has been more cautious about acting as an international mediator, firstly because it did not have a successful track record in previous mediation efforts and secondly it recognised its “smallness” and lack of power to be an international peace broker. Furthermore, the provision of good offices also includes the willingness of Switzerland to use its territory for reconciliatory efforts. The perception is that neutral soil is more conducive to promoting peace and understanding and international reconciliation (*Völkerversöhnung*). The city of Geneva in particular, became an important site for diplomatic conferences. Many of the special agencies of the United Nations also have their headquarters in Geneva. Such services are rendered in support of the principle of availability to provide good offices. It should be noted that Switzerland did not withhold its good offices, even though its use was sometimes highly unconventional.

Finally, the International Committee of the Red Cross (ICRC) has given a humanitarian dimension to the Swiss provision of good offices. It is a private organisation that protects military and civilian victims of war. The ICRC is a fully Swiss institution, with close ties to the Swiss government. The Swiss government finances part of the ICRC budget and senior positions in the institution are normally filled by high-level federal government members. Neutrality is also mentioned as part of the ICRC's operating principles. The organisation is therefore viewed by many as practising "active neutrality" in world politics (Frei, 1987: 28-30; Gabriel, 1992: 7-8, 2000: 13-14; Williams, 2000: 116-117).

2.5 SUMMARY

Switzerland is a country with a highly educated, multicultural population and an extremely interdependent economy, yet it has experienced great difficulty adapting to the changes in the international political environment. This can largely be explained by the country's unique political culture. As can be seen in the explanation above, the nature of Swiss foreign policy is influenced by both internal and external factors. With the end of the Cold War, however, Swiss institutions are under renewed pressure. Both components of foreign policy, sovereignty and neutrality, have come under the spotlight. It is clear that in a poly-centric world, the international position which Switzerland held of "going it alone" can no longer be maintained.

In addressing this challenge, the Federal Council's 1993 Foreign policy report was an initial step towards redefining basic concepts. Sovereign independence was no longer the undisputed goal of Swiss foreign policy and the importance of neutrality has been reduced. Instead, the new goals include peace and security, economic well-being, democracy and human rights, social justice and ecological balance. These goals were again reiterated in the Foreign Policy Report 2000¹⁶⁾.

¹⁶⁾ See: <http://www.eda.admin.ch/eda/e/home/recent/rep/forpol.html> for the Swiss Policy Report 2000.

Chapter Three will examine how the Swiss government applied its foreign policy of neutrality and universality towards South Africa during the apartheid era. The role Swiss pressure groups played in influencing bilateral relations between the countries will also be looked at.

CHAPTER THREE

SWITZERLAND'S FOREIGN POLICY TOWARDS APARTHEID-SOUTH AFRICA

3.1 INTRODUCTION

As a permanent neutral and adhering to the principle of universality, Switzerland continued its relations with South Africa throughout the apartheid era, despite vehement criticism domestically and from abroad. Addressing the members of the Swiss-South African Association in 1958, the former Swiss ambassador to the Union of South Africa, Dr F Kappeler, described Swiss-South African relations as “excellent.” Letters and annual reports written by South Africa’s representatives in Switzerland also confirmed that notwithstanding the actions of opposition groups within and outside the country, bilateral relations remained on a sound footing.

We always had the impression that while the Swiss disagreed in certain respects with us, and clearly were sceptical of the long-term success of our policies, they were far from swallowing whole arguments of our opponents, were prepared to give us a chance, and regarded the matter as one in which no one had the right to meddle, least of all the United Nations (South African Embassy, Report 1963).

Soos 1980 was 1981 'n goeie jaar vir Switserse-Suid-Afrikaanse verhoudings ten spyte van die optrede van die kant van verskillende anti-Suid-Afrikaanse organisasies. Daar was geen bilaterale probleme wat die verhoudings moontlik nadelig kon raak nie en het die Ambassade voortgegaan om kontakte uit te brei en die bande van vriendskap verder te versterk. [Like 1980, 1981 was a good year for Swiss-South African relations despite the actions of different anti-South African organisations. There were no bilateral problems that could affect the relations negatively and the Embassy continued to broaden contacts and to reinforce the friendship] (SA Embassy, Annual Review 1981).

3.2 SWITZERLAND AND THE UNITED NATIONS AND ITS SPECIALISED AGENCIES

As was already mentioned in the previous chapter, maintaining a position of perpetual neutrality became increasingly difficult in a postwar era characterised by polarisation and a newly found solidarity as manifested in the framework of the United Nations. However, at the time, Switzerland only had observer status in the UN General Assembly, as it viewed membership to the UN as incompatible with perpetual neutrality¹⁷⁾. Although the country abstained from joining the UN, it collaborated actively in many UN specialised agencies, commissions and committees. Joining these organisations was permissible, since they were regarded as “technical” rather than “political” in nature (Frei, 1987: 36-37).

It was also the UN that was to provide a major international forum for keeping the issue of South Africa under the attention of the international community. With the demise of colonialism and the emergence of a plethora of new states, the UN experienced a drastic expansion in the number of African members. Together with Asian countries, these newly independent states, sensitive about issues such as colonialism and racism, were fervent in their efforts to bring an end to what was regarded as the last vestige of the colonial period on the African continent. Given the growing influence of the Afro-Asian bloc in the UN and its specialised agencies, apartheid-South Africa remained on the agenda. Notable successes (see Table 3.1) were also achieved with the passing of resolutions isolating South Africa internationally and condemning its racial policies. South Africa’s opponents, however, could not manage to get the country’s membership to the UN revoked (Geldenhuys, 1984: 206-208).

¹⁷⁾ The “Yes” vote for joining the United Nations was achieved on 3 March 2002. 55% of the voters favoured UN membership. It is, however, significant to note that the cantonal majority was only 12 to 11.

Table 3.1**Actions by the Afro-Asian bloc**

Through the persistence of the Afro-Asian bloc some notable successes were achieved in isolating South Africa.

- 1960 – The recognition by the Security Council that apartheid could pose a threat to international peace
- 1962 – The passing of a resolution calling for the implementation of diplomatic and economic sanctions against South Africa and the formation of the United Nations Special Committee against Apartheid
- 1963 – The adoption of a Security Council resolution calling for an arms embargo
- 1974 – Prohibition of South Africa's participation in the activities of the General Assembly
- 1977 – Imposition of a mandatory arms embargo by the Security Council

Although Switzerland was not a member of the UN, it was also called upon to comply with UN resolutions regarding South Africa. The Swiss, however, citing their status of permanent neutrality, continued relations with South Africa. It was in the special agencies of the UN where Switzerland was to encounter difficulties, as these organisations provided a forum for the passing of motions and for debating actions against South Africa. Switzerland strongly disapproved of the tendency of many member states to bring purely political issues before the special agencies. In reaction, the Swiss delegation attempted to resist such tendencies or abstained from voting as a matter of principle, if resolutions were submitted on extraneous issues (Frei, 1997: 37). In 1966, the Swiss Minister of Foreign Affairs, Dr Wahlen, made a special appeal to developing countries to confine their political problems to political forums (SA Embassy, Annual Review 1965).

The year 1963, saw the beginning of a barrage of attacks against South Africa with the Afro-Asian bloc flexing its muscles in the International Labour Organisation and the Education Conference. In the South African Embassy's Annual Review of 1963, it is recorded that the actions in Geneva, although receiving negative reporting in the Swiss press, brought home to the Swiss a realisation of the strength in international

politics of the Afro-Asian bloc against a small state like South Africa, or for that matter Switzerland. At the conferences the Swiss tried to play a moderating role (for example, in 1966 the Swiss were helpful in working for a compromise to enable South Africa to retain its membership in the organisations, by excluding the country from the African region), but soon realised that it was within the power of the Afro-Asian bloc to wreck all the specialised agencies in which they had a majority, if their wishes were not carried out. The events in Geneva highlighted in a very dramatic way the dilemma faced by every Western nation, viz. “for us or for South Africa”.

Not being a member of the UN, Switzerland regarded the specialised agencies as a useful platform in the international arena. Furthermore, Switzerland did not want to jeopardise its ties with the newly independent African states. In finding a solution to the challenge, Switzerland adapted its policy of neutrality to the prevailing circumstances. Swiss neutrality, having the country’s national interest at its core, was to be used partially if Swiss national interest was at stake.

3.3 THE STANCE OF THE SWISS FEDERAL GOVERNMENT

The imposition of the arms embargo, a matter that will be discussed later in this chapter, did not deter good relations between the two countries. As mentioned in the SA Annual Review of 1963, the South African government maintained its support among the powerful conservative-minded elements in Switzerland. Despite criticism voiced by the socialists and the socialist press, an official party stand against South Africa was never taken. Throughout the apartheid era, parliamentarians peppered the Federal Council with parliamentary questions concerning South Africa. Every year from 1963, except 1971, questions relating to various aspects of Swiss relations with South Africa were posed. Questions generally pertained to resolutions adopted by the UN, events that took place in South Africa (the student uprising of 1976-1977, the state of emergency of the 1980s) and to local events (the actions of the anti-Apartheid organisations and the Bührle affair). Questions were normally raised by parliamentarians left of the political spectrum¹⁸⁾.

¹⁸⁾ Archivbestände und parlamentarische Vorstösse - Schweiz-Südafrika 1948-1994, 2000: 21-22.

The Federal Council, preferring a policy of discrete or quiet diplomacy, was not willing to take an unequivocal stand against South Africa. In fact, the Swiss position throughout the apartheid era was that apartheid was a domestic matter and had to be dealt with by the South African government. It was only in 1963, when Switzerland imposed the arms embargo, that the then Minister of Foreign Affairs, Dr Wahlen, in his statement to parliament, included a short paragraph condemning South Africa's racial policies (SA Embassy, Annual Review 1963). This was the first time that a Federal Councillor spoke out against South Africa in parliament. Ambassador August Lindt, heading the Swiss delegation to the UN Conference on Human Rights in Teheran in 1968, pronounced the first official moral condemnation of South Africa, describing its racial policies as a flagrant violation of human rights. In the *Erklärung des Bundesrates* of 22 September 1986, the Swiss government once again condemned apartheid and racial discrimination, as well as the violation of human rights. In the same declaration, the Swiss government called for the release of political prisoners, spoke against imposing economic sanctions, supported "positive measures" to help the disadvantaged people of South Africa and expressed their willingness to facilitate the dialogue between the South African government and representatives of the opposition¹⁹⁾.

3.4 CHARACTERISTICS OF SWISS FOREIGN POLICY TOWARDS SOUTH AFRICA

In the next section, various aspects of Swiss foreign policy towards South Africa will be described.

3.4.1 Arms Embargo

In 1963, the Swiss government imposed an arms embargo on South Africa in response to the leaking of information to the press that the South African government had placed an order with Oerlikon for anti-aircraft batteries. The Swiss government was placed under tremendous pressure, internally and externally, to distance itself from South Africa and to adhere to the UN arms embargo. In answering the questions

¹⁹⁾ Archivbestände und parlamentarische Vorstösse - Schweiz-Südafrika 1948-1994, 2000: 45-47.

posed by Communist and Socialist parliamentarians, the Swiss Foreign Minister, Dr Wahlen, declared categorically on 6 December 1963 that Switzerland would disallow the export of weapons to South Africa. The decision was based on the policy that weapons cannot be sold to countries where there is violence or the threat of violence.

This sudden deterioration of bilateral relations was not anticipated by the South African authorities as it had sold Centurion tanks to the Federal Military Department as late as 1959 without much internal reaction. Furthermore, other Western nations normally allowed an order to be completed before breaking relations. Although not bound by UN resolutions, this reaction by the Swiss government did not bode well for the South African government. It was clear that the Swiss government could no longer act impartially when facing immense pressure and South Africa had to experience this first-hand with the arms embargo imposed on them (SA Embassy, 14 February 1964).

The Bührle affair of 1968 (the illegal sale of weapons to South Africa) and the order of Pilatus (PC-7) aeroplanes²⁰⁾ by the South African Defence Force in 1992, again unleashed a huge domestic and international protest. Once again the Federal Council was bombarded with parliamentary questions relating to the export of arms to South Africa and had to face accusations that the UN weapons embargo was being violated. The Swiss government, responding on the matter of the PC-7 planes, stated that these were excluded from the law concerning the export of war materials. Although the UN arms embargo against South Africa included aeroplanes, Switzerland as a non-member was not bound by UN decisions. Under great pressure, and after negotiations with Thabo Mbeki and Joe Modise from the African Nationalist Congress, the Swiss government confirmed that technical changes would be made so that the aeroplanes could not be modified into war planes and that delivery would only take place in August 1994, after the first democratic elections (Madörin, 2000:85-92).

3.4.2 Economic Sanctions

When the UN called for economic sanctions against South Africa, Switzerland did not comply. This issue was often raised through motions in the Swiss Federal Assembly,

²⁰⁾ The Swiss arms embargo did not include material manufactured under license outside the country or the PC-7 training aircraft (Interdepartmental Working Group, Switzerland-South Africa: 1999).

but the large majority agreed with the position of the Federal Council and rejected economic sanctions against South Africa. In its Declaration of 1986, the Federal Council explained that it did not view economic sanctions as an appropriate measure to bring about change. Furthermore, such drastic action could adversely affect the whole of southern Africa and create an economic crisis in the region. However, it is emphasised that this non-compliance was not to be seen as supporting the apartheid government. Gabriel (Interview) contends that Switzerland was especially sensitive towards foreign restrictions imposed by international organisations on economic and military matters. With Switzerland being so dependent on foreign trade, the Federal Council pursued an extremely cautious policy in the area of export controls involving “strategic goods”.

Against the value of large investments in South Africa and the lucrative trade with the country, the Swiss government acknowledged that it had to maintain its “world credibility” – neutrality is only valid if it is accepted as such by other nations. The Swiss government, therefore, decided to restrict capital exports to a ceiling of CHF 250 million in 1974 (raised to CHF 300 million in 1980). In 1978, motions calling for the abolishment of the double taxation agreement and the export risk guarantee were not approved.

After its declaration in 1985, the Federal Council also introduced the “statistical monitoring” of trade flows. In the mid-1980s at the height of calls for economic sanctions, motions dealt with by the Swiss government included the freezing of loans to the South African government and parastatals, the interruption of air traffic, a ban on the import of Krugerrands, the prohibition of sales of materials and patents in the area of nuclear technology and IT, and a ban on new investments and the importing of gold, diamonds, coal, iron, steel and agricultural products. All these motions were rejected. Instead, the application of the “courant normal” was maintained, that merely guaranteed that the Swiss could not be accused of profiteering from the situation and of serving as a platform for the circumvention of United Nations sanctions²¹⁾.

²¹⁾ SA Embassy, 15 June 1979; Department of Foreign Affairs: Letter of Pik Botha 1979; Interdepartmental Working Group, Switzerland-South Africa: 1999.

The Swiss government also adhered to the principle of universality in trading with South Africa and did not dictate to Swiss banks or companies doing business in South Africa. Concerning the activities of three Swiss banks who purchased South African gold, the Minister of Foreign Affairs, Willy Spühler, responded to a question by the Socialist parliamentarian, Didier Wyler, that the Federal Council was not prepared to dictate to the banks how they should operate in South Africa (SA Embassy, 14 October 1969).

Responding to another question by a Socialist parliamentarian, Hanna Sahlfeld, in 1973 regarding a report by *Centre Europe – Tiers Monde* claiming that Swiss companies were engaged in discriminatory practices by paying black employees less than white employees, and moreover below a subsistence wage, the Federal Council stated:

Die schweizerischen Behörden vertreten den Grundsatz, dass die Angehörigen aller Rassen einander gleichgestellt sein sollten und dass in diesem Sinne die Rassenzugehörigkeit eines Menschen nicht zu dessen Bevorteilung oder Benachteiligung führen darf. [The Swiss authorities support the principle that members of all races should be regarded as equal and that the race of a person should not privilege or disadvantage him.]

Die Bundesbehörden haben keine Möglichkeit, in einem Drittstaat schweizerischen Unternehmen sozialpolitische Richtlinien zu erteilen, da unsere Auslandsniederlassungen ausschliesslich der im Niederlassungsstaate geltende Gesetzgebung unterstehen. Sie geben indessen der Hoffnung Ausdruck, dass die Südafrika niedergelassenen schweizerischen Unternehmen im Rahmen des ihnen zustehenden gesetzlichen Spielraums bemüht sind - dies im Gesamtinteresse der schweizerischen Wirtschaft und ihres internationalen Rufs - ihrer Arbeiterschaft die bestmöglichen sozialen Bedingungen einzuräumen und allenfalls noch vorhandene Benachteiligungen abzubauen. [The Federal authorities do not have the right to impose socio-political guidelines on Swiss firms operating in another country as this is exclusively a matter falling under national legislation. It is, however, hoped that the Swiss firms will endeavour within the framework of the existing legal leeway - in the joint interest of Swiss

business and their international standing- to provide the best possible social conditions for their employees and in any event reduce any shortcomings which may exist.]²²⁾

3.4.3 Provision of Good Offices

Switzerland also provided its good offices to South Africa. When diplomatic relations with Peru were terminated in 1985, Switzerland received the protecting mandate and performed the function of custodian (South African Yearbook, 1987-1988). In 1988, Switzerland also attempted through mediation to bring the apartheid regime and African National Congress (ANC) to the negotiation table. The mission was initiated in 1987 by the Cape Town based advocate, Richard Rosenthal²³⁾. In seeking a partner to aid the mission diplomatically and financially, Switzerland was suggested, since it was regarded as a neutral country with the ability to mediate in conflict situations. In addition, Switzerland had reasonable ties with both sides. Eventually, the mission did not succeed, partly because of a diplomatic blunder on the part of the Swiss Minister of Foreign Affairs, René Felber when he agreed to meet PW Botha in Switzerland on 14 October 1988. In December 1988, Switzerland made a second attempt to rescue the mission. Rosenthal was asked to give a letter to PW Botha, containing the proposal that the Swiss would finance a secret meeting on Swiss soil with the ANC before the end of January 1989. The ANC had given written consent that it would participate in such a meeting. Whether the letter came to PW Botha's attention is unknown, but on 17 January 1989, the President suffered a stroke, which was later given as the reason for his retirement from the political arena (*SonntagsZeitung*, 2 May 1999).

3.4.4 Positive Measures

In the declaration of 22 September 1986, the Swiss embarked on a new policy regarding South Africa; namely applying "positive measures". The emphasis of these measures fell on human rights, education, the reintegration of refugees and returnees

²²⁾ Archivbestände und parlamentarische Vorstösse - Schweiz-Südafrika 1948-1994, 2000: 55.

²³⁾ See: Rosenthal, Richard. 1998. *Mission Improbable: A piece of the South African Story*. David Philip Publishers: Cape Town.

and encouraging dialogue between South Africans with a view to democratisation. Funding totalling CHF 50 million was channelled exclusively through South African non-governmental organisations (NGOs). The Swiss Agency for Development and Cooperation (SDC) also supported the efforts by the Institute for Democracy in South Africa (IDASA) to facilitate a dialogue between members of the ANC and the South African business community. Funding was provided for two conferences in Dakar (July 1987) and Lausanne (November 1990). However, while maintaining normal relations with South Africa, the Swiss were also providing funding to encourage dialogue between opponents. This financial support had to be done in an extremely discreet way²⁴⁾.

The *Hilfswerk der Evangelischen Kirche Schweiz* (HEKS) was one of the private, church-based organisations used by the Swiss government to fund “positive measures” in South Africa. The involvement of HEKS in South Africa dates back to the 1970s when support was given to church organisations. Until 1992/1993 HEKS supported programmes together with church-based organisations and NGOs particularly in the areas of human rights and the social programmes for victims of apartheid. The two programmes funded by HEKS with a SDC mandate included study scholarships for Black and Coloured students and a repatriation programme for South Africans returning from exile. The former programme was especially intended to increase the numbers of the “non-white” elite in South Africa²⁵⁾.

3.5 THE INFLUENCE OF PRESSURE GROUPS AND THE PRINTED MEDIA

3.5.1 Swiss-South African Association

Throughout the apartheid years, the South African Embassy in Berne emphasised the valuable role of the Swiss-South African Association (SSAA) in countering allegations made against the policies of the South African government. According to the President of SSAA, Dr Anton Schrafl, the Association was founded in November

²⁴⁾ Interview with Ambassador Schaller: 6 April 2001; Interdepartmental Working Group, Switzerland-South Africa: 1999; Swiss Embassy, Fact Sheet: Swiss Agency for Development and Cooperation.

²⁵⁾ Das Südafrika-Programm des HEKS, February 1998; Interdepartmental Working Group, 1999.

1956 by prominent leaders of Swiss corporations with business interests in South Africa. The founding members were the cement multinational, Holderbank, and the Schweizerische Bankgesellschaft (SBG). The Association was to be economically oriented, but also had as an aim the fostering of links with the South African government (*Schweizer Monatshefte*, February 2000: 31-33).

However, the historian David Gygax, in a book describing the history of the SSAA²⁶⁾, maintains that the Association was a highly sophisticated instrument of the Swiss business and finance sectors. It was not only an Association promoting bilateral trade, but also became a means to explain publicly the point of view of Swiss firms who were operating in South Africa (Gygax, 2001: 69-71, 258). Effectively, it became a justification for apartheid. Through its well-established network, the SSAA became a powerful lobby group in Switzerland and anchored itself firmly within South African business and political circles. The SA Embassy regarded the SSAA as particularly important, as it provided the widest possible forum in the Swiss business and financial worlds and “an ear” to the very influential *Neue Zürcher Zeitung* (SA Embassy, 8 October 1965).

The book highlights three points concerning the SSAA. Firstly, South Africa was regarded as an important country for economic reasons. With influential members representing corporations such as Schmidheiny, Schindler, Sulzer, Escher, Bührle, Motor-Columbus, Holderbank, UBS, Roche, Nestlé, Credit Suisse and Georg Fischer to name but a few, it became increasingly important to protect the vested business interests of Swiss corporations. South Africa also benefited from strong links with the Swiss business community. In pre-empting the visit of the Minister of Foreign Affairs, Pierre Aubert, to Africa, representatives of the multinationals Brown Boveri, Ciba-Geigy, Hoffmann La Roche and Sulzer (all members of SSAA) advised the Minister to be cautious in making declarations concerning South Africa, in order to avoid jeopardising trade relations between the two countries²⁷⁾.

²⁶⁾ See: Gygax, David. 2001. *La Swiss-South African Association (1956-2000) – Un organe helvétique en Afrique du Sud*. Fribourg University, Fribourg.

²⁷⁾ *afrika-bulletin*, February/March 2002; *Die Wochenzeitung*, 20 December 2002; SA Embassy, 5 January 1979.

A second aspect of the activities of the SSAA is that it was engaged in parallel diplomacy. In official documents of the South African Embassy, it is mentioned time and again that South Africa could depend on the support of the SSAA. This support is evident in the comments and actions of the SSAA. At a time when the Swiss government maintained a distance from South Africa, the SSAA also played a vital role in receiving leading political figures in Switzerland and facilitating visits of politicians and newspaper editors to South Africa.

The visits by prominent Swiss opinion makers were usually conducted in their private capacity. It is noted that Dr Pio Eggstein, the representative of Credit Suisse in South Africa (and a member of the SSAA) was particularly active in the area of unofficial visits between the two countries (SA Embassy, 12 May 1978). In an interview with Dr Eggstein, he remembered extending invitations to leading political figures in Switzerland. He was also able to communicate directly with the office of the South African prime minister. This parallel diplomacy reached a high point with the visits of the Minister of Defence, Magnus Malan and President PW Botha during 1987 and 1988 respectively²⁸⁾.

The third aspect that reinforced the close ties between South Africa and the SSAA, was that the white population was viewed as being part of western civilisation and that the country was regarded as fighting against communism. Dr Kappeler in his speech to members of the SSAA in 1958 comments that his personal impressions of the white population were that “[he has] also been pleased to see how naturally and easily one can get acquainted with and understand South Africans and how much their mentality resembles ours in so many ways”. Furthermore, he mentions that the country’s “... intelligent and amiable Native population also contributes to the development by its work. They, in themselves, are rather conservative and passive and, apart from a few rare exceptions, will need more than only a generation before

²⁸⁾ The Swiss-South African Association played a crucial role in facilitating these unofficial visits. All the ministers mentioned below addressed the SSAA during their visit to Switzerland:

1965-Minister Connie Mulder	1979-Minister Roelof (Pik) Botha
1985-Minister Owen Horwood	1986-Minister Frederik Willem (FW) de Klerk
1987-Minister Magnus Malan	1988- State President Pieter Willem (PW) Botha, Minister Pik Botha
1988- Minister Barend du Plessis	1990- State President FW de Klerk
1991-Minister Dawie de Villiers	1992-Minister Magnus Malan
1992-Minister Derek Keys	1993-Minister Pik Botha

they will be able to adapt themselves in their intellectual and cultural development to the requirements of a modern state". Madörin (*Wochenzeitung*, 20 December 2002) contends that apartheid was a civilisation project for leading representatives of Swiss business.

3.5.2 Arbeitsgruppe Südliches Afrika

The *Arbeitsgruppe südliches Afrika (asa)*²⁹⁾, was politically the most influential group to support South Africa during the turbulent 1980s. Asa was founded by Christoph Blocher, a member of parliament for the Swiss People's Party and a rich industrialist. Blocher was also the president of *asa* until 1990. The committee of patrons of the study group included members of the National Council and Council of States. Asa articulated its aims as follows on the title page of its *Bulletin*.³⁰⁾

Arbeitsgruppe südliches Afrika (asa] wurde im Sommer 1982 gegründet. Sie besteht aus Wissenschaftern, Politikern, Militärs und Journalisten und wird präsiert von Nationalrat Dr. Christoph Blocher, Meilen. Als eine in jeder Beziehung unabhängige schweizerische Organisation verfolgt sie das Ziel, die oft einseitige, teils ideologische motivierte Berichtstattung über das südliche Afrika durch sachliche Hintergrundberichte zu ergänzen und die Vorträge in dieser aufgrund ihres Rohstoffreichtums und ihrer Lage an der Kaproute strategisch äusserst wichtigen Region in der Welt in grössere Zusammenhänge zu bringen. [The Study Group for Southern Africa was founded in 1982. It consists of academics, politicians, military personnel and journalists and is presided over by the National Councillor Dr Christoph Blocher. As an independent Swiss organisation, their goal is to supplement the often biased, partly ideologically motivated reporting regarding southern Africa with background information and presentations, in order to place into context the importance of its wealth in raw materials and its strategic position along the Cape Route.]

²⁹⁾ ASA was dissolved on 31 December 2001.

³⁰⁾ *Bulletin: Arbeitsgruppe südliches Afrika*. Zollikon: Arbeitsgruppe südliches Afrika asa, 1982.

Besides the publication of the *asa Bulletin*, several seminars dealing with South Africa were also arranged where academics, politicians and other speakers were invited to participate. The position of *asa* during its formative years can be described as conservative, since it did not reject apartheid as a matter of principle. Instead, the study group came to represent the outlook of the white population in South Africa (Pfister, 2000: 6-7).

3.5.3 Club of Friends of South Africa

The Club of Friends of South Africa (CFS) was another useful channel for the South African government in countering the anti-apartheid organisations and even anti-South Africa politicians. The CFS, founded in 1973, consisted of Swiss people who had returned to Switzerland after living in South Africa. These returnees did not agree with the manner in which South Africa was reflected through the anti-apartheid movement and the press and aimed at rectifying these “distorted” views based on non-factual information. The Club was, therefore, established to contribute to a better understanding of the problems facing South Africa and its people. The CFS acted by attending meetings of the anti-apartheid organisations and responding with letters concerning incorrect media coverage (Interview with Haller). In documents of the South African Embassy, the CFS is described as an “ally”. In countering the activities and the propaganda of the anti-apartheid organisations, the CFS members “infiltrate and participate in symposia on SA which in recent months have been held at various times by Protestant Churches.”³¹⁾

Members of the CFS also intervened when the Minister of Foreign Affairs, Pierre Aubert, commented on a question posed by the *Appenzeller Zeitung*, stating that if he had to choose between Black Africa and South Africa, he would choose the former (*Appenzeller Zeitung*, 9 December 1978). The Minister’s comment was vehemently criticised by the Swiss press, since a Federal Councillor is not allowed to utter such personal opinions in public. The CFS responded by writing an open letter to Minister Aubert criticising his stance towards South Africa. On 11 January 1979, a press conference was held where the Minister distanced himself from the allegation.

³¹⁾ SA Embassy, 10 July 1973; 25 August 1981; 22 January 1982.

In the SA Embassy correspondence (16 January 1979) the Ambassador writes that:

...die optrede van die Club 'n bewys is dat ons wel die kanale het om die Switsers te laat bont staan indien daar onverantwoordelikhede kwytgeraak word.
[... the action of the Club is proof that we have the channels to put the Swiss on the spot, if irresponsible comments are made.]

3.5.4 Anti-Apartheid Organisations

The activities of the anti-apartheid organisations were a continuing theme in the correspondence of the South African Embassy during the apartheid era. Although the Anti-Apartheid Movement (AAM) was not as strong as in the United Kingdom for example, it became a growing problem for the South African authorities given its efforts to influence the Swiss government and the Swiss public in general (See Table 3.2). In the correspondence of the South African Embassy during 1973, it is noted that the cooperation of the World Council of Churches and the Anti-Apartheid Movement on the one hand and the Protestant and Catholic churches on the other hand, is a disconcerting new trend. “This is a comparatively new development which points to the mobilisation of forces against us and which is becoming increasingly difficult to counter.”

The AAM and the churches used every opportunity to criticise South Africa’s policies in the form of letters, media releases, parliamentary questions, calling for boycotts of South African products, the closing of bank accounts with Swiss banks operating in South Africa and petitioning and public demonstrations. The South African Embassy (31 March 1978) expressed its concern at the tremendous damage caused by the anti-apartheid organisations’ determination to reach the broad masses, by hammering the ordinary people with anti-South Africa propaganda.

Although the AAM was able to attract a few prominent personalities and wide media coverage to its cause, as well as increase official and public awareness of the plight of South Africans under the apartheid regime, its successes were marginal. In response to questions posed concerning Swiss loans to South Africa or the activities of Swiss businesses, the official Swiss position remained that of non-interference in the

economic sector. A petition containing 27 000 signatures was also handed over to the Swiss Parliament demanding the severing of ties with South Africa. The petition was defeated by 97 to 27 votes in the National Council, and led to Federal Councillor Aubert reconfirming that the universality of Swiss foreign policy also applied to South Africa (SA Embassy, September 1972, 15 June 1979).

Table 3.2

Incoherency of Swiss foreign policy towards South Africa – An example

The Status of the Homelands

During the parliamentary session from July to September 1976, a question was raised regarding the independence of the Transkei. The Swiss government responded that it would not recognise Transkei as an independent, sovereign state. This official position of non-recognition was also held towards Ciskei, Bophutatswana and Venda. However, in 1984 a bank loan of CHF 9,5 million was organised for the Transkei. In reaction to the letter of protest by Paul Rutishauser (President of the AAM), the Minister of Foreign Affairs, Pierre Aubert, stated that the Federal authorities could not act, since private credit is only granted from CHF 10 million. Aubert also reiterated that despite the loan, non-recognition of Transkei would continue.

The matter of citizenship was also particularly problematic, as citizenship was prescribed by the South African authorities. From 1947, South Africans could travel to Switzerland without requiring a visa, their citizenship and a South African passport being recognised as valid for travelling. However, those persons living in homelands lost their South African citizenship and were issued with a “homeland’s passport”. For those travelling on a “homeland’s passport” the Swiss authorities requested a visa, thus publicly distinguishing between citizens of South Africa and of the homelands. The contradiction highlighted by the anti-apartheid organisations was that citizens from homelands in fact needed visas, because they had no South African passports. However, “homeland’s passports” were recognised, but not the homeland itself. To be consequent, these persons had to be seen as South Africans, thus not needing any visa. In such matters, anti-apartheid organisations were especially attentive to emphasise the incoherency of Swiss foreign policy towards South Africa (Richner, 2000: 25-28).

3.5.5 The Printed Media

It is noteworthy that the South African Embassy described the Swiss media as sometimes critical, but generally factual and fair. Except for the socialist press that was consistently unfavourable and often very hostile towards South Africa and remained true to party lines, many influential newspapers like the *Neue Zürcher Zeitung* remained balanced in their reporting, calling for an understanding of South Africa's problems.

Events in South Africa, the actions of the AAM in Switzerland and the decisions taken against South Africa in the UN and its specialised agencies, kept the attention of the Swiss media focused on South Africa and thus in the minds of the Swiss people. As a non-member of the UN, the Swiss press showed little restraint in criticising the world organisation (SA Embassy, 18 May 1964). The mainstream press was also very supportive and strictly adhered to a policy of neutrality and non-interference in trade relations. Therefore, when the Minister of Foreign Affairs, Pierre Aubert, commented that if given the choice between black Africa and South Africa, he would choose black Africa, this was perceived as highly controversial and he was severely criticised by the press (*Tages-Anzeiger*, 12 January 1979; *Neue Zürcher Zeitung*, 11 January 1979; *Zürichsee-Zeitung*, 12 January 1979; *Basler Zeitung*, 12 January 1979; *Journal de Genève*, 16 January 1979).

The South African authorities, with the assistance of the SSAA, went to great lengths to nurture relations with editors of newspapers. These relations paid off in positive contributions by those Swiss who had visited South Africa. Prof Röpke of the University of Basel, Alfred Isler, managing editor of a leading financial publication, Dr Hoffmann of the *Schaffhauser Nachrichten*, Dr Fred Luchsinger, a chief editor and respected journalist and Dr Lang of *Radio Berne*, were a few of the media leaders who were in a position to place South Africa in a positive light (SA Embassy, *Developments in Switzerland 1963*; 12 May 1978).

3.6 SOUTH AFRICA'S EFFORTS TO BUILD A SYMPATHETIC CORE IN SWITZERLAND

It has already been noted that the South African government could always depend on the conservative elements within the Swiss government. In a letter written in 1979 by the then South African Minister of Foreign Affairs, Pik Botha, relations with Switzerland were described as being based on “nugtere pragmatisme” [“sober pragmatism”] and the country was viewed as “’n groot en invloedryke welwillendheidsbron” [“a great and influential source of goodwill”]. It is important to note, however, that the South African representatives in Switzerland were constantly building up a sympathetic core in the Swiss parliament and in the media. In doing so, their close ties with the Swiss business community through the SSAA, served as a useful platform. Close contacts were maintained with parliamentarians and editors and visits to South Africa were facilitated so that these opinion makers could get first hand experience of the country.

The South African Embassy paid especially close attention to the appointments of Federal Councillors, evaluating each one as anti- or pro-South Africa. The position of Minister of Foreign Affairs was of particular interest. Taking into account the set formula of the Federal Council, the position of Minister of Foreign Affairs traditionally went to a Social Democrat during the Cold War era. Thus, Swiss foreign policy was shaped by the Social Democrats from 1961 to 1993. Gabriel (Interview) states that the Social Democrats took a cautious stance towards apartheid. This is also clear from the SA Embassy documents (14 October 1969, 24 December 1969) which record that all the Federal Councillors responsible for Foreign Affairs held an unsympathetic stance towards South Africa³²⁾.

However, it is clear from SA Embassy correspondence that when comparing the position of South Africa and the anti-apartheid organisations, the former had sufficient support inside the Swiss government and its ministries to withstand internal

³²⁾ Friederich Traugott Wahlen 1961-1965; Willy Spühler 1966-1970; Pierre Graber 1970-1978; Pierre Aubert 1978-1987; René Felber 1988-1993.
Since 1993, this position has been held by members of the Christian Democratic People's Party.

and external attacks³³). In his account of the pressure groups active in Switzerland during the apartheid era, Pfister (2000: 9-10) concludes that the pro-South Africa groups had access to better political channels to further their cause. In contrast, the AAM and other anti-South Africa groups, did not have the necessary political clout to influence Swiss foreign policy towards South Africa fundamentally.

3.7 SUMMARY

The guiding principles of Swiss foreign policy, namely neutrality and universality, meant that South Africa could count on the protection of an economically powerful nation like Switzerland. In addition, within the context of the Cold War, South Africa was not only viewed favourably for the vast business opportunities and economic advantages it had to offer, but also as an ally in the fight against communism. Ultimately, the Swiss government viewed the system of apartheid as a domestic South African issue. Although Switzerland came under great pressure, domestically and abroad, to dilute its relations with South Africa, this did not occur. On the contrary, relations were strengthened during this period. Although the Swiss government condemned apartheid on moral grounds, the means with which to bring about change in South Africa was questioned. In line with the general public view that foreign policy should be unobtrusive, the Swiss government's foreign policy towards South Africa was characterised by discreetness.

However, as will be seen in Chapter Five, Swiss-South African relations were again placed on the Swiss political agenda towards the end of the 1990s. Former anti-apartheid organisations joined forces and gained political support amongst green-red parliamentarians, as well as the Swiss media, in a call on the Swiss government and Swiss business community to re-examine past links with the apartheid government. It is clear that the contentious foreign policy of "silent diplomacy" and "courant normal" pursued during the apartheid era, has returned to haunt the Swiss government.

³³) SA Embassy, 8 October 1965; 10 March 1971; 16 February 1979; 25 August 1981; 6 November 1981.

In Chapter Four, the relations between Switzerland and South Africa from 1994 to 2001 will be described. Various state and non-state actors, who have contributed to the development and strengthening of bilateral relations between the two countries in the transitional years after the first democratic elections, are identified and described.

CHAPTER FOUR

SWISS RELATIONS WITH SOUTH AFRICA: 1994 - 2001

4.1 INTRODUCTION

It was noted in Chapter Three, that Switzerland did not sever its official ties with South Africa during the apartheid era. These ties date back to 1952 when Switzerland opened an embassy in Pretoria first taking up diplomatic relations with the Union of South Africa and later the Republic of South Africa. Although the international community and domestic anti-apartheid organisations strongly disapproved of the close ties between Switzerland and South Africa, the Swiss government was not deterred from following its foreign policy of neutrality and universality. In addition, the significance of the close economic interaction between the two countries should also be noted. As was emphasised in the previous chapter, the Swiss business community led by certain major Swiss corporations and business leaders, was highly influential in guiding relations with South Africa.

Swiss-South African relations were to enter a new phase with the birth of the democratic South Africa in 1994. As emphasised by Ambassador Schaller (Interview) South Africa was Switzerland's most important trading partner in Africa during the apartheid years, a position which the country still holds today. Furthermore, expectations remain that a prosperous South Africa will play a leading role regarding the social and economic development of the African continent. The Swiss government, however, recognised that the dismantling of the apartheid system and the laying of a foundation for a true democracy, as well as addressing the multitude of social problems, would pose immense challenges to the new South African government. Switzerland, therefore, showed its willingness to strengthen bilateral relations by pledging its moral and financial support and to assist South Africa through its period of transition (*Neue Zürcher Zeitung*, 5 August 1998).

In this chapter, Swiss-South African relations from 1994 to 2001 will be described and analysed by focusing on both official and unofficial relations within the domains of diplomacy, economy, development cooperation and culture. The aim of this chapter

is not to provide an exhaustive study concerning the relations between the two countries, instead it should serve as a synopsis of Switzerland's official and non-official efforts to reinforce and broaden its relations with South Africa.

4.2 OFFICIAL RELATIONS BETWEEN SWITZERLAND AND SOUTH AFRICA

4.2.1 The Diplomatic Domain

Swiss representation in South Africa includes the Embassy in Pretoria (with an office in Cape Town open during the parliamentary sessions), a Consulate General in Johannesburg and a Consulate in Cape Town responsible for trade relations. Although South Africa does not qualify for development assistance as it is regarded as a middle income country, the Swiss government decided to initiate a special programme to support the country in its democratisation process. Given South Africa's hegemonic position in the region, it is believed that the success of South Africa could have far-reaching benefits not only for the Southern African region, but also for the whole African continent. Thus the Swiss Agency for Development and Cooperation established an office in Johannesburg (now located in Pretoria) in 1995. Cultural relations were also boosted with the opening of an antenna office of Pro Helvetia, the Swiss Arts Council in November 1998. The antenna office became the second such office on the African continent. As Ambassador Schaller mentioned, he is one of few Swiss Ambassadors to have so many activities converging in one country. This is a further sign that South Africa is regarded as significant within the scope of Swiss foreign policy.

A series of high-level official (government-to-government) meetings (see Table 4.1) have also strengthened the contacts between Switzerland and South Africa. Since 1994, regular official visits by Swiss and South African dignitaries have been taking place³⁴). It is significant to note that official communiqués and comments by Swiss

³⁴) As noted in Chapter Three, Switzerland received South African dignitaries during the apartheid era, but visits were very low profile and often not regarded as official. Swiss officials visiting South Africa normally conducted these visits in their private capacity.

and South African diplomats after such official visits emphasise the cordial atmosphere in which meetings were conducted.

Table 4.1

High-ranking bilateral visits between Switzerland and South Africa

Swiss Federal Councillors' visits to South Africa

- 1994 – Federal Councillor Cotti (Minister of Foreign Affairs)
- 1996 – Federal President Delamuraz (meeting held in the framework of UNCTAD IX)
- 1998 – Federal President Cotti
- 1999 – Federal Councillor Deiss (Minister of Foreign Affairs)

South African government visits to Switzerland

- 1995 – President Mandela and Vice-President Mbeki
- 1996 – Vice-President Mbeki (meeting held in the framework of the World Economic Forum)
- 1997 – President Mandela (meeting held in the framework of the 50th Jubilee of GATT)
- 1998 – Vice-President Mbeki (meeting held in the framework of the World Economic Forum)
- 1998 – President Mandela
- 1999 – President Mandela (meeting held in the framework of the World Economic Forum)
- 2000 – President Mbeki (meeting held in the framework of the World Economic Forum)
- 2001 – President Mbeki (meeting held in the framework of the World Economic Forum)

The presence of important South African delegations at the World Economic Forum in Davos and the Forum of Crans-Montana³⁵⁾ also provided the opportunity for bilateral contacts to be deepened. In addition, the visits of a delegation of Swiss parliamentarians (July 1998) and two economic delegations (March 1995 and August 1998) to assess the political and economic developments in South Africa and to establish local contacts, further promoted bilateral relations. The importance of these regular high-level meetings lies firstly, in the fact that the leaders of the two countries have the opportunity to bring salient issues to the attention of their counterpart. For instance, during the visit of President Mbeki in 2001, he used the meeting to inform the Swiss government of the progress of the New Partnership for Africa's Development (NEPAD). Secondly, the Memorandum of Understanding of 1994 and the Declaration of Intent on Joint Activities of 1998 were signed during the visits of Federal President Cotti. During the visit of Federal Councillor Deiss in 1999, an agreement was signed to extend the period for development aid until 2004. Thirdly, the high-level visits also assist in keeping the attention of the Swiss media and public focused on Switzerland's relations with South Africa³⁶⁾.

4.2.2 The Economic Domain

4.2.2.1 Bilateral trade (1994-2001)

In Chapter Three it was noted that economic relations continued throughout the apartheid era and remained intact during the transition years of the democratically elected government. Entering the 1990s, South Africa remained by far Switzerland's most important trading partner on the African continent. South Africa belongs to Switzerland's medium size trading partners world-wide. Likewise, Switzerland has ranked as one of the top ten South African trading partners for decades. The Swiss business community also saw the potential of maintaining commercial links with

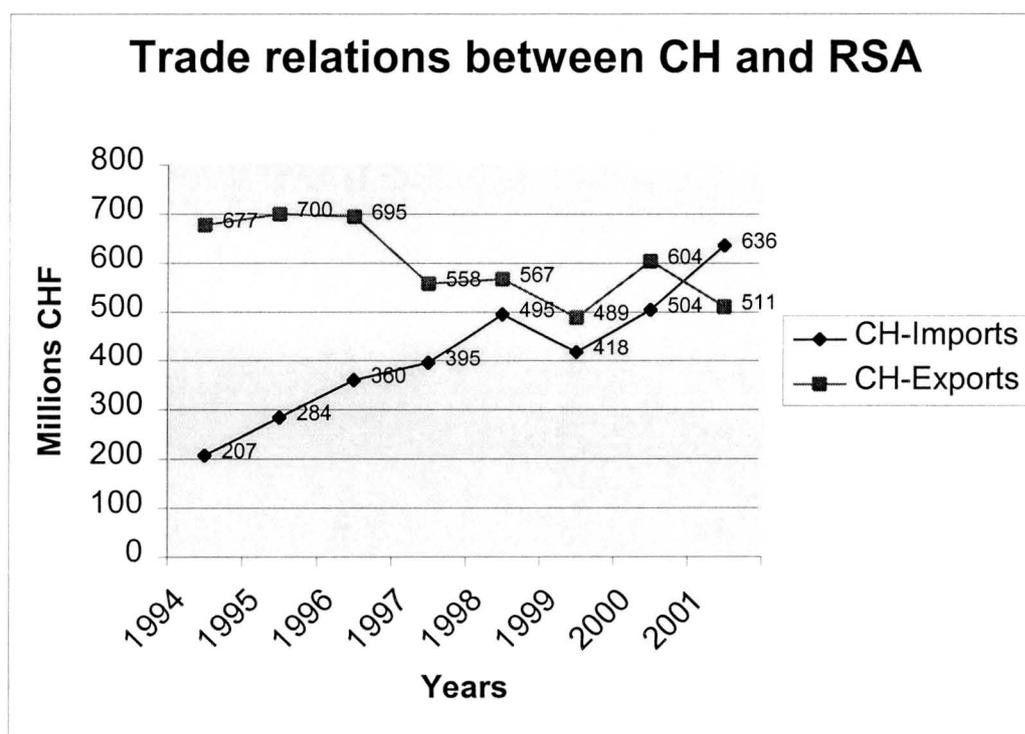
³⁵⁾ In 1997 South Africa was invited as a guest country to the Forum of Crans Montana. The aim of the forum is to introduce new and emerging market countries to Western Europe. With delegates representing some of the most powerful economic nations, the greatest benefit for South Africa would be the opening of new investment possibilities. The 35 person delegation was led by Minister Pallo Jordan (*Beeld*, 11 June 1997).

³⁶⁾ Swiss Embassy, October 2000, *Neue Zürcher Zeitung*, 3 August 1998; *The Sunday Independent*, 12 July 1998.

South Africa. Today, most of Switzerland's major corporations have well established business relations with the country.

Agreements such as the double taxation agreement (1968), the bilateral investment protection agreement (1995), as well as the inclusion of South Africa on the list of the beneficiary countries of the Swiss preference scheme (1997) have further strengthened bilateral trade relations. South Africa was also targeted as a priority country by the *Swiss Organisation for Facilitating Investment* (SOFI). Having this status, South Africa can benefit from investment projects between Swiss companies and local partners and the positive spin-offs such as the transfer of capital, technology and managerial know-how³⁷⁾. In 1998, an agreement was also signed concerning the exchange of trainees (Interdepartmental Working Group, Switzerland-South Africa: 1999).

Figure 4.1



³⁷⁾ A pilot project of SOFI is the Inqaba Biotechnical Industries based in Pretoria. See www.sofi.ch and www.inqaba.com.

Table 4.2**Trade relations between Switzerland and South Africa**

	1994	1995	1996	1997	1998	1999	2000	2001
CH-Imports	207	284	360	395	495	418	504	636
CH-Exports	677	700	695	558	567	489	604	511

The trade figures are given in current Swiss Francs and are not corrected for the rate of inflation.
[Source: Swiss Customs Service]

According to Swiss statistics (excluding gold, as it is not included in Switzerland's foreign trade statistics)³⁸⁾, the overall trade volume between Switzerland and South Africa rose from CHF 884 million in 1994 to CHF 1.147 billion in 2001 (See Table 4.2). In terms of the percentage of Switzerland's overall foreign trade volume, South Africa occupies a fairly modest position. In 2000 South Africa ranked 22nd in Switzerland's export of goods and 27th in Switzerland's import of goods. However, bilateral trade volume is equivalent to the cumulative trade-exchanges of Switzerland with the rest of Africa. As can be seen in Figure 4.1, with the exception of 1994, the trade volume has exceeded CHF 900 million. The overall trade volume between Switzerland and South Africa was at its lowest between 1998 and 1999, but still exceeded CHF 900 million. The year 2000, once again saw a sharp rise in bilateral trade with the overall trade volume increasing to more than CHF 1 billion. From 1994 the trade surplus favoured Switzerland. However, after reaching a level of CHF 700 million between 1995 and 1996, Swiss exports fell steadily while Swiss imports increased. Significantly, Swiss imports exceeded Swiss exports in 2001. The high world price offered for platinum, partly accounts for the increase of imports from South Africa³⁹⁾. The weakening of the South African economy (including the constant devaluation of the South African rand, see Table 4.3) has also had a negative influence on Swiss exports. Switzerland's traditional export commodities to South Africa are primarily machinery, chemicals, pharmaceuticals and instruments. Swiss

³⁸⁾ The South African statistics on foreign trade with Switzerland will give a different picture, as gold ingots are included.

³⁹⁾ Platinum constitutes 75% of total imports by Switzerland from South Africa.

imports consist largely of precious metals, followed by raw materials and agricultural products.⁴⁰⁾

Table 4.3

Exchange rate between the SA rand and Swiss franc

<i>Year</i>	<i>SA rand per Swiss franc</i>	<i>Year</i>	<i>Swiss franc per SA rand</i>
1994	2.60	1994	0.39
1995	3.07	1995	0.33
1996	3.47	1996	0.29
1997	3.18	1997	0.31
1998	3.83	1998	0.26
1999	4.07	1999	0.25
2000	4.10	2000	0.24
2001	5.10	2001	0.20

[Source: <http://www.oanda.com/convert/fxaverage>]

4.2.2.2 Foreign Direct Investment since 1994

Switzerland is also an important foreign investor. Since the change to a democratic dispensation in South Africa in 1994, new Swiss foreign direct investment (FDI) is estimated at approximately five billion Rand (see Table 4.4). According to the statistics of the South African Reserve Bank (see Table 4.5), Switzerland is the fifth largest investor after the United Kingdom, the United States, Germany and the Netherlands.

⁴⁰⁾ See: Interdepartmental Working Group, Switzerland-South Africa: 1999 for the complete overview of bilateral trade between South Africa and Switzerland, as well as Swiss Customs Service at www.zoll.admin.ch.

Table 4.4**Swiss Foreign Direct Investment (FDI) - 1994 to 2000**

Swiss FDI into SA		% of Total FDI into SA
Year	Totals in R millions	
1994	180	2.87%
1995	677	11.85%
1996	409	4.49%
1997	345	2.18%
1998	1,750	9.47%
1999	1,400	5.52%
2000	708	5.20%

[Source: BusinessMap Foundation Foreign Direct Investment Database.]

Table 4.5**Foreign liabilities of SA**

Ranking	Foreign Investor	*(R millions)
1	UK	242,926
2	USA	19,625
3	GERMANY	19,090
4	NETHERLANDS	11,006
5	SWITZERLAND	10,263

* Figures represent stock, i.e. accumulated book value of foreign-owned assets in South Africa as on 31 December 2000.

[Source: SA Reserve Bank]

More than 250 Swiss companies, including most of Switzerland's multinationals, are represented in South Africa. Companies are concentrated mainly in the machinery, chemical, pharmaceutical and food industries, as well as the service sector. More than 21 000 people are employed by Swiss owned companies. With links dating back to the turn of the 20th century, many of these companies have become household names in South Africa. Some of the "big names" represented in South Africa include:

- Food industry
 - Nestlé South Africa (see Box 4.1)

- Pharmaceutical and Chemicals sector
Novartis South Africa, Roche Products, Ciba Speciality Chemicals
- Engineering and Machinery sector
ABB Holding, Holderbank, Bühler, Schindler, Sulzer
- Service sector
UBS AG, Credit Suisse South Africa and Credit Suisse First Boston (Banks)
Swiss Re Southern Africa (Insurance)

Box 4.1**Nestlé - South Africa's fourth biggest foreign employer**

Nescafé, Smarties, Maggi, Cremora and *Huskies* are all well-known brand names in South Africa and all products of Nestlé. With 14 manufacturing sites and providing employment for almost 5 000 people, Nestlé South Africa is the most important Swiss investor in South Africa and the African continent. The history of the corporation in South Africa spans several decades with Nestlé products first being imported and offered for sale by agents in 1870. Nestlé was registered as a local company in 1916. Through a development strategy of new product development and acquisition, Nestlé merged with Alimentana S.A. (1947), acquired Crosse & Blackwell (1960), acquired the Carnation Company and Lopis Pet Care Company (1985), acquired Buitoni-Perugina and Rowntree (1988), purchased Tru-Can (Pty) Ltd (1992), acquired Valvita and Schoonspruit (2000) and acquired a 100% stake in Dairymaid-Nestlé (2002). Today, Nestlé manufactures a wide range of products in the areas of confectionary, groceries, ice cream, water products, milk, nutritional products and pet food⁴¹⁾.

Nestlé South Africa has also committed funds since the 1980s to help address the many social challenges facing the country. The focus of the social responsibility programme has been to find sustainable solutions to problems in the areas of health, food and water security, sanitation, unemployment and the environment. Non-governmental organisations, particularly community based development organisations, have been targeted to implement these programmes, thus creating

⁴¹⁾ See www.nestle.co.za.

employment opportunities and equipping local communities with much needed skills. Projects supported by Nestlé SA include:

Ecolink's Earthcare programme and *LEAP* - water harvesting and food gardening projects

WARMTH programme – community based feeding scheme

Valley Trust – promotion of health care project

Project HeadStart - training unskilled caregivers working with pre-school children

Nestlé was, however, also implicated in a report by the *Centre Europe – Tiers Monde* for exploiting its workers and paying unequal wages. In 1971, the problem of discrimination against black workers regarding wages and retirement funds was raised at a general meeting of Nestlé in Lausanne. Although the President of the company promised to address the issue, the matter was not followed up. Nearly three decades later, the involvement of Swiss businesses in apartheid-South Africa is again under the spotlight. Nestlé, like other Swiss firms, stands accused of supporting the apartheid regime, since the corporation adhered to discriminatory practises by not treating its workforce equally and by refusing to participate in the disinvestments campaign.

Today, Nestlé is committed to Employment Equity in line with the company's Basic Management and Leadership Principles. Nestlé South Africa has an Advisory Board which comprises nine members of whom five are African, three White and one of Indian descent. Furthermore, on the Management Board of Nestlé, the Human Resources Director, as well as the Milk and Nutrition Business Manager are both African. The Director of Communication and Public Affairs and the MIS Manager are both of Indian descent. Thus a substantial part of the top management is not white, and plans to extend this further are already underway⁴²⁾.

⁴²⁾ Alfred Kaelin, Managing Director of Nestlé South Africa.

4.2.3 The Development Cooperation Domain

4.2.3.1 Swiss Agency for Development and Cooperation

Following the South African elections in 1994, the Swiss Government decided to expand its development assistance with the aim of supporting the crucial transition process towards the formation of a truly democratic society. Under the normal criteria of Swiss development policy, South Africa was not eligible for Swiss aid, since funding is usually geared towards the poorest countries of the world. However, South Africa was viewed as a unique case. Firstly, South Africa is Switzerland's most important trade and investment partner in Africa and the country is also home to approximately 9 000 Swiss nationals. Secondly, South Africa holds a significant position on the African continent and is often referred to as a "model" for the rest of the region. The relevance of the transition process for South Africa, as well as the African continent, therefore justified a special programme. It is also clear that Switzerland has many vested interests in South Africa and that assisting the country would be mutually beneficial. Furthermore, it shows that the Swiss government has confidence in the potential that a transformed and economically prosperous South Africa holds.

In September 1994, a Memorandum of Understanding was signed with the Swiss Government formalising its commitment for development cooperation for a period of five years (1994-1999). The Swiss Agency for Development and Cooperation (SDC)⁴³⁾, earmarked CHF 60 million for programmes in the areas of land reform, education, democracy and human rights. Since the transformation process in South Africa took longer than originally anticipated, a second round of development cooperation was approved by the Swiss Government. The SDC mandate was extended for an additional four years (2000-2004) with the signing of a second agreement for development aid by Federal Councillor Deiss in October 1999. The SDC was

⁴³⁾ Both the SDC and Political Affairs Division IV (earlier Political Affairs Division III) form part of the Federal Department of Foreign Affairs. The SDC is the official aid agency of the Swiss government, while the PA IV is responsible for peace policy and human security and peace promotion.

allocated an annual budget of CHF 7 million until the termination of its mandate at the end of 2004.

As stated in the *SDC Strategy 2000-2004* document, the overall goal of the SDC Programme in South Africa is “[to] contribute to a reduced potential for internal conflicts and greater development prospects, through reduction of inequality, the integration of social groups, better governance, and more deeply rooted democratic institutions.” Regarding the region the overall goal is “[to] contribute to an increased interaction of SADC countries with each other, through regional projects, as well as through political dialogue and donor dialogue.”

Unlike the pre-1994 period, the South African government now became a partner together with the NGOs. According to Remy Duiven, Project Manager of the SDC in Pretoria, projects were aimed at improving the quality of life of ordinary South Africans. In selecting a target region, the SDC decided on the Eastern Cape Province as it was one of the poorest regions of South Africa. In addition, most of the SDC partners were already located in this province. He states that certain projects have been very successful in developing mechanisms that could be replicated. In other instances, projects faced difficulties, primarily due to the lack of implementation capacities of the SDC partners, be it NGOs or the South African government.

Bilateral cooperation⁴⁴⁾ included a wide variety of projects in the key sectors that were identified⁴⁵⁾ (see Box 4.2 for a description of the Swiss-South African Cooperation Initiative, a joint effort between the SDC and the Swiss business community).

- Education

Funding amounting to CHF 6 million was given for bursaries to students from disadvantaged groups during the first round of SDC funding. The funding was channelled through the Tertiary Fund of South Africa (TEFSA).

⁴⁴⁾ *Die Burger*, 29 July 1998, 4 Augustus 1998; *The Star*, 30 July 1998, 30 July 1999; *Eastern Province Herald*, 17 June 2000.

⁴⁵⁾ See appendix 1 for a complete list of SDC partners.

- Land reform
Support was given for tenure reform and decentralisation programmes of the Department of Agriculture. Land reform is a priority area of the SDC's involvement in South Africa and funding will be provided until 2004.

- Supporting development in the Eastern Cape Province
The most comprehensive development aid went to the improvement of life in the townships, especially in Port Elizabeth. It is estimated that up to 2 800 families will have benefited from the upgrading of townships. Support for this province will continue until 2004.

- South African Constitution
The writing of the new South African Constitution was supported with CHF 1 million during the first round of SDC funding.

- Truth and Reconciliation Commission (TRC)
CHF 1 Million was also contributed in support of the work of the TRC during the first round of SDC funding.

For the second period of development aid, the focus of the SDC programmes remained the South African transitional process, but the scope was widened to include the whole region (namely members of the Southern African Development Community). Four changes were also introduced in the second programme. Firstly, greater focus was placed on the Eastern Cape Province. Secondly, there was a shift from NGO implementation to more state implementation. Thirdly, taking into account the phasing out of SDC activities in South Africa, NGOs were encouraged to enlarge their domestic funding base. Fourthly, initiatives were taken to move towards a more regional approach, by launching pilot projects in other countries of the region.

Box 4.2**Swiss-South African Cooperation Initiative (SSACI)**

The Swiss-South African Cooperation Initiative is a joint initiative between the SDC and Swiss private companies operating in South Africa. What makes SSACI unique is that it has brought together an international donor agency (the SDC) and the private sector of a recipient country (South Africa). This is a new approach for the Swiss, since there is normally a strict separation between the private and public sectors. The reasons for this initiative were twofold: firstly, the SDC saw the need to encourage long-term local participation in its development programme in South Africa and secondly, several private companies already funding local community projects decided to pool their corporate social investment budgets in order to increase their impact.

SSACI is registered as a public-benefit trust in South Africa, with trustees representing the Swiss government, sponsors and the wider South African community. The founding corporate sponsors include Alpha Cement, Ciba Speciality Chemicals, Credit Suisse, Givaudan-Roure, Novartis Pharmaceuticals, Schindler Lifts, Sika Finanz, Swiss Re, UBS and Xstrata. The corporate sponsors collectively agreed to contribute CHF 1 million annually for a period of five years. The SDC undertook to match the total corporate donation. According to Duiven, the formal commitment for SDC funding is until the end of 2004. A decision on further funding will be taken at a later stage, taking into account the responses from the business community. The Trust is intended to be a permanent entity and to continue in perpetuity.

SSACI's principal objective is to reduce poverty and promote social and economic development in South Africa by funding projects and programmes that focus on educational and vocational opportunities, as well as job creation for unemployed, out-of-school youths (target group aged 16-26 years) from disadvantaged backgrounds. The ultimate aim is to improve the employment prospects of young South Africans. A secondary objective is to foster a culture of corporate sponsorship among Swiss and South African private companies and to encourage dialogue amongst companies on subjects relating to corporate responsibility, community development and poverty

alleviation. The SSACI has forged partnerships with non-governmental and community based organisations for the implementation of projects. By June 2001, SSACI had committed funds to seven projects in its effort to improve the lot of marginalized youths (Ken Duncan – Fax communiqué).

4.2.3.2 Political Affairs Division IV – Peace-building⁴⁶⁾

Under the Memorandum of Understanding, the Political Affairs Division III contributed CHF 20 million for the period 1994 to 1999 aimed at promoting and maintaining peace with collaboration focused specifically on South Africa. With the signing of the *Declaration of Intent on Joint Activities* in August 1998 (during the visit of Federal President Cotti), the cooperation between the two countries gained a greater regional scope with Political Affairs Division III forging and reinforcing partnerships with various South African organisations in the fields of conflict resolution and conflict prevention inside South Africa, the SADC region and other countries in Sub-Saharan Africa. The declaration is in line with Swiss Peace Policy which intends to contribute to the strengthening of African capacity to assume the responsibility and the development of African-specific solutions to crises and violent conflicts on the continent. With an annual budget of between CHF 2,5 million for the period 2000 to 2004 (and beyond), the Political Affairs Division IV will continue supporting projects and programmes in the Southern African region.

Partnerships (and programmes) have been maintained with the following organisations:

- The Institute for Security Studies (ISS)
 - Containment of the proliferation of small arms
 - Early warning programme
- The African Centre for the Constructive Resolution of Disputes (ACCORD)
 - Constitutional questions

⁴⁶⁾ Political Affairs Division III was initially responsible for the cooperation with South Africa in programmes relating to peace building and human rights. In 2001, the responsibility for cooperation with South Africa was shifted to the Political Affairs Division IV. Both Divisions form part of the Federal Department of Foreign Affairs.

- The South African Institute of International Affairs (SAIIA)
The peace process in Angola
- The International Labour Organisation (ILO)
The resolution of labour conflict
- The Association of Western European Parliamentarians for Africa (AWEPA)
The reinforcement of parliaments in Southern Africa

In particular, the Institute for Security Studies (see Box 4.3) based in Pretoria, has benefited greatly from Swiss cooperation and has received substantial funding for its projects⁴⁷⁾.

Box 4.3

Institute for Security Studies (ISS)⁴⁸⁾

The Institute for Security Studies (ISS), formerly known as the Institute for Defence Policy has been a recipient of Swiss funding since 1995. The PA IV provided 1,2 million USD to support the ISS programme to combat the uncontrolled spread of small arms in Africa. Central to the research undertaken at the Institute is its early warning programme, the African Security Analysis Programme (ASAP) which has received funding amounting to 910 000 USD since 1998. This programme monitors African events, identifies threats to human security on the continent and provides analyses for governments and international organisations which can be used towards the development of policy options for conflict prevention, conflict management and conflict resolution. In 2002, the ISS received a positive evaluation mandated by the Swiss government and received the recommendation that the programme be continued. The ASAP has gained the recognition of being a reference point for consultation on future development in the region (Center for Peacebuilding-KOFF Newsletter, March 2002).

⁴⁷⁾ *Neue Zürcher Zeitung*, 13 October 1999; *Tages-Anzeiger*, 13 October 1999; *SDC Strategy 2000-2004* document.

⁴⁸⁾ See www.iss.co.za.

4.2.3.3 State Secretariat for Economic Affairs (seco)

The private sector in South Africa has also benefited from financial support of the Swiss Federal Department of Economic Affairs. The State Secretariat for Economic Affairs (seco) provided CHF 10 million for the period 1994 to 1999 for the development of small and medium sized enterprises targeting entrepreneurs from the historically disadvantaged groups. Seco forged partnerships with local financial institutions, particularly Venture Capital Fund of Msele Nedeventure Ltd, for the implementation of its programme. Box 4.4 describes the support seco provided to launch the Trade Law Centre for Southern Africa.

Box 4.4

Trade Law Centre for Southern Africa (TRALAC)⁴⁹⁾

Based at the University of Stellenbosch since 2002, TRALAC is one of the most important recipients of Swiss government funding. It is an autonomous regional organisation, founded and supported by the State Secretariat for Economic Affairs (seco), the University of Stellenbosch Faculty of Law and the University of Namibia Faculty of Law. With an estimated annual budget of 800 000 USD, seco has contributed approximately 30 million rand towards the establishment of the centre. Seco decided to support the initiative, as it wanted to assist in tackling the problem of the lack of knowledge concerning the legal aspects of international trade. By providing funding to the centre, it aims to give beneficiary countries a means to build and improve their own capacities so that they can be better prepared for future trade negotiations. By supporting TRALAC, seco has also furthered the Swiss desire of creating a healthy world economy (including the economic development of underdeveloped and developing countries) as alluded to in Chapter One. Financial support by seco has been approved for a period of three years. After the completion of this initial stage, an external evaluation will determine a two-year phasing out strategy.

⁴⁹⁾ See: www.tralac.org.

The aims of seco are reflected in the needs identified by TRALAC. In order for the Southern African region to participate effectively in both regional as well as global trade, capacity and competence in the legal aspects of trade need to be developed and strengthened. TRALAC's mission is "to build trade law intellectual capital to facilitate the integration of the [Southern African] region into the global trade system". In reaching its aims, the centre intends to create, accumulate and disseminate relevant knowledge and information concerning general trade law. The governments, universities as well as the private sector of the Southern African region, stand to benefit from the research undertaken by TRALAC.

4.2.4 The Cultural Domain

4.2.4.1 Pro Helvetia⁵⁰⁾

Although cultural links existed during the apartheid era⁵¹⁾, the Swiss had no formal cultural representation in South Africa. In recent years, an impetus for cultural exchange between Switzerland and South Africa was given by the Arts Council of Switzerland, known as Pro Helvetia. Although the advancement of arts is a cantonal responsibility, Pro Helvetia, a non-aligned cultural foundation funded by the Swiss government, was created in 1939 to emphasise the value and significance of Swiss culture. Today, however, Pro Helvetia's work at home and abroad is defined by other priorities focusing attention on promoting the arts and furthering cultural dialogue and exchange. In fostering cultural foreign relations, Pro Helvetia's head office based in Zurich, together with the liaison offices and cultural centres abroad, the Swiss diplomatic service as well as domestic and foreign institutions showcase Swiss art in foreign countries, while simultaneously promoting reciprocal cultural exchanges and the building up of a network of international partnerships.

⁵⁰⁾ See www.prohelvetia.ch.

⁵¹⁾ A Council responsible for the cultural affairs was accredited in 1982 (SA Embassy, Annual Report 1982). Various opera and musical groups, including the Lucerne Festival Strings, also visited South Africa (SA Embassy 1965).

The establishment of Pro Helvetia's Liaison Office South Africa (PHLOSA) based in Cape Town brought a significant growth in cultural exchange between Switzerland and South Africa. This office, the second satellite office of the Arts Council of Switzerland on African soil, opened officially in 1998. According to Laely, the Head of the International Cultural Exchange Unit at Pro Helvetia, the closing of an antenna office in Berlin in 1996 and the subsequent availability of funding motivated the grounding of a new office abroad. Research studies were also undertaken in India and South America, but South Africa was selected as it provided a dynamic backdrop for the building of cultural relations. Since cultural links already existed between India and South America, South Africa's position was further strengthened as the country had been isolated culturally during the apartheid era. Whereas relations with the other two regions could have been maintained by the Pro Helvetia head office, it was deemed too difficult to initiate cultural relations without a satellite office in place.

South Africa appealed to Pro Helvetia and Swiss artists for several reasons. Firstly, similar to Switzerland, South Africa is a multi-faceted society in a continuing process to find a shared identity. Secondly, the discussions between "white-centred art" and "black-centred art" and the fact that the South African arts community was already accustomed to moving between different worlds, heightened interest. Thirdly, the infrastructure available to the arts is better developed in South Africa than in other developing countries. Laely denies that the decision to establish an office in South Africa had an underlying political motive – it was not an act of reconciliation on the part of Switzerland after its involvement with the apartheid government (*Afrika Bulletin*; November/December 1997).

PHLOSA works within all the arts disciplines and the focus is on three main activities; namely: the showcasing of Swiss events in South Africa, as well as Southern Africa; the participation of Swiss and South African artists in the cultural exchange programme; and the funding of local cultural events, infrastructure support and educational workshops. The latter activity did not initially form part of Pro Helvetia's mandate, as activities always had to be linked to the Swiss arts. However, it was soon realised that there were many projects that did not necessarily have an artistic link to Switzerland, but were worthy of fostering. Thus, the contract signed with the Swiss Agency for Development and Cooperation (SDC) in May 1999

enabling the funding of capacity building, knowledge transfer and infrastructure projects, filled an urgent need. As stated by Mirjam Asmal, Office Manager of PHLOSA, the development and education approach of the SDC complements the “high arts” approach of Pro Helvetia. The diversity is evident in the projects that Pro Helvetia has supported. These range from the *Ballet du Grand de Geneve* (co-funded by the French Institute) and artist-in-residence programmes in various Swiss cities to the supporting of local events such as the *One City Festival* in Cape Town (mandate funds of SDC) and the joint South African tour of the *Company Nomades le Loft* from Switzerland and the *Jazzart Dance Theatre* from South Africa.

For the period 1998 to 2000, Pro Helvetia administered a budget of CHF 1 169 532 (roughly 5 million Rand) for the Southern African region. The contribution of the SDC to this budget amounted to 24%. Over the three years, the distribution of the budget was 21% for 1998, 34% in 1999 and 45% in 2000. Projects supported by PHLOSA increased from 15 in 1998 to 41 in 2000. In a general evaluation⁵²⁾ of the initial period 1998 to 2000, an external audit stated that Pro Helvetia had made a significant impact on the arts and cultural life in South Africa, given the adverse developments in this domain over the past years. In a questionnaire to a selection of partners, all agreed that the importance of international agencies in assisting the arts could not be overemphasised as the arts sector was in dire need of additional funding.

Table 4.6 shows the total distribution of projects during the first three years. It can be concluded that a mutually beneficial cultural exchange programme is in place with a similar number of visits between Switzerland and South Africa (except that South African artists travelling to Switzerland often go as individuals or in pairs, while several Swiss groups have travelled to South Africa).

⁵²⁾ The external audit/evaluation was done by Article 27, Mike van Graan, in Cape Town.

Table 4.6**Total distribution of PHLOSA projects for 1998 to 2000**

National i.e. taking place in more than one city	10
Cape Town i.e. taking place only in Cape Town	12
Durban i.e. taking place only in Durban	2
Johannesburg i.e. taking place only in Johannesburg/Pretoria	7
Eastern Cape	1
Southern Africa	1
Switzerland to South Africa	18
South Africa to Switzerland	21
Southern Africa to South Africa	0
South Africa to Southern Africa	2
Southern Africa to Switzerland	1
Total	75

Finally, after the external audit was undertaken in 2001, it was decided to continue the office for a further period of four years. The SDC has allocated CHF 200 000 per year for this period⁵³⁾, while PHLOSA has a project budget of CHF 246 000 for 2002. Thus, South African artists and local arts and cultural projects will continue to receive much needed funding, be exposed to excellent examples of Swiss art, benefit from projects aiding in the building of local capacity and be given the opportunity to do in-residency programmes and research tours in Switzerland.

4.3 UNOFFICIAL RELATIONS BETWEEN SWITZERLAND AND SOUTH AFRICA

4.3.1 The Economic Domain

Within the business sector, there are four private and independent bodies promoting bilateral economic relations between Switzerland and South Africa.

⁵³⁾ The SDC will be phasing out its activities at the end of 2004, meaning that PHLOSA will be losing a valuable partner and source of funding.

4.3.1.1 Swiss-South African Association (SSAA)

The Swiss-South African Association (SSAA) is the oldest of the three organisations that have promoted relations with South Africa since 1956. The organisation has been heavily criticised by the former anti-apartheid organisations in Switzerland for its close links to the apartheid government. As was noted in Chapter Three, it is clear that the SSAA played a pivotal role in keeping *both* economic and political relations between the two countries on a sound footing during the apartheid era. Gauged against world and domestic opinion towards the policy of apartheid, criticism that the SSAA supported the apartheid regime can be justified. The SSAA has continued its activities and has reformulated its purpose within the context of the new South Africa.

The purpose of the Swiss-South African Association is to foster the relationship between Switzerland and modern South Africa and to enhance the understanding of the Swiss for the various challenges of South Africa. This is not only the case for economic issues, but also for political and social questions. The Swiss-South African Association is aware of the key role South Africa plays in the development of the whole continent⁵⁴⁾.

According to Dr Anton Schrafl, President of the SSAA since 1983, the Association wants to make a positive contribution to the South African economy. With the change of government, good relations have been fostered between the SSAA and the ANC-led government. The SSAA hosted Nelson Mandela for one day during his visit to Switzerland in 1997 and President Mandela also addressed a meeting of the SSAA members. Furthermore, Dr Schrafl became South Africa's Honorary Consul in 2000, the second member of the SSAA to fulfil this role (Willy Staehelin being the first). This appointment was not welcomed by the former anti-apartheid organisations, because Dr Schrafl is seen as a supporter of the former apartheid government. The *South Africa Bulletin* (July 2000), however, noted that their President's appointment as proof that the South African government was forward-looking. It recognised the value of bringing someone on board with such vast experience in the business sector and Swiss-South African relations in general.

⁵⁴⁾ *Schweizer Monatshefte* – Vol 2, February 2000, 31-33.

Working towards this goal, the Association continues to organise regular meetings and invites key persons in the political, economic and social sphere to inform its members of the challenges facing South Africa⁵⁵⁾. The Association also facilitates contacts between government departments, economic and development organisations and universities in both Switzerland and South Africa. In this context the Association supports the initiatives of the respective governments and organisations in strengthening Swiss-South African relations and coordinates its efforts with them.

4.3.1.2 Swiss Business Council (SBC)

A partner to the Swiss-South African Association, the Swiss Business Council (SBC) founded in 1996, is a powerful lobby group in South Africa representing the interests of 40 mainly Swiss multinational corporations. The SBC is the successor organisation of the former Swiss Committee which formed part of the South Africa Foundation. After the re-organisation of the SA Foundation in the early 1990s and the subsequent disbanding of the Swiss Committee, the SBC was established. The SBC was founded to provide members with a forum to promote their common interests and to represent the Swiss business community with the relevant authorities in South Africa and Switzerland. Furthermore, the SBC undertakes to promote and develop trade, commercial and financial links between the two countries and to contribute to the enhancement of their respective images (Constitution of the Swiss Business Council, 1996).

4.3.1.3 Swiss-South African Chamber of Commerce and Industry (CCISSA)

The Swiss-South African Chamber of Commerce and Industry (CCISSA) and its sister chamber in South Africa, the Chamber of Commerce and Industries Southern Africa-Switzerland, was initiated in 1996 by the South African, Albie Geldenhuys⁵⁶⁾ as neither the SSAA or the SBC fulfilled the role of a chamber of commerce. The Chamber's main objective is to provide small, medium and micro sized enterprises

⁵⁵⁾ Since 1994 speakers have included Alec Erwin (1995), Cyril Ramaphosa (1997), Johann Rupert (1999) and Tito Mboweni (2001).

⁵⁶⁾ Albie Geldenhuys is a former South African diplomat and also represented the Department of Manpower at the International Labour Organisation in Geneva. He held managerial positions with the fertilizer company *Triomf* and the parastatal *Phoskor*. Since 1986, he is self-employed.

(SMEs and SMMEs) in Switzerland with the opportunity to enter the South African and Southern African economy. Similarly, the sister chamber in South Africa assists interested businesses to gain access to a Swiss business network. The CCISSA also invites prominent South Africans to address its members on the South African economy and investment possibilities⁵⁷).

Although similarities exist in the objectives of the three organisations and membership often overlapping, the organisations function independently. The main differences between the three organisations are that the SSAA and SBC focus mainly on big Swiss corporations, while the CCISSA targets SMEs and SMMEs in both Switzerland and South Africa. Secondly, the SSAA and SBC do not disseminate business information, hold regular seminars or maintain an up-to-date website to inform businesses in the respective countries about business opportunities (i.e. they are not engaged in the activities of a chamber of commerce). Thirdly, the SSAA and SBC have as their main emphasis the representation of Swiss companies and Swiss interest, while the CCISSA aims to foster bilateral relations between the two countries⁵⁸).

Some joint efforts have been undertaken. Since July 1999, the publication “*South Africa – Bulletin für Informationen, zu Wirtschaft, Politik, Bildung and Kultur*” is published jointly by the SSAA and CCISSA and members are informed and invited to the events of both organisations. Despite cooperation between the CCISSA and the SSAA and SBC, relations between the organisations (the Chamber on the one hand and the SSAA and SBC on the other) have not been without tension. Talks of a possible merger between the Chamber and the SBC ended in a deadlock. The Chamber and its activities have also been regarded with a certain aloofness from the side of the South African Embassy in Berne. It is difficult to determine the root cause of the animosity, as the different protagonists are very vague in their assessment of the matter. It would appear that it could be a combination of personalities clashing, some “business jealousy” at the surprising success of a group of “outsiders” or “upstarts” in initiating a chamber of commerce without the participation of the “established” organisations and the differences in foci, especially concerning

⁵⁷) Past speakers include Neil van Heerden (1999), Johann Rupert (1999) and Kevin Wakeford (2000).

⁵⁸) See www.chsa.ch and www.saswiss.co.za.

membership. However, in viewing the aims and objectives, as well as the activities of the three organisations, it seems unnecessary that tension should exist, since there is no apparent encroachment on the interests of the other. In the writer's opinion, it would be far more beneficial to all the organisations if they support one another and view each other as complementary rather than standing in opposition.

4.3.1.4 Südafrikamesse.ch

The Südafrikamesse.ch (South African Fair in Switzerland) was the brain-child of a handful of self confessed "*Südafrikabegeisterten*" who wanted to rectify the misconceptions that were so often portrayed of South Africa in Switzerland (the Swiss media regularly focus on South Africa as a crime-ridden, violent and dangerous country that cannot come to grips with its social problems, especially HIV/AIDS) and to broaden the understanding of South Africa and the challenges facing the country. The organisational team embarked on the initiative to hold a South African Fair, in order to move the image of South Africa beyond that displayed on billboards and in advertisements, and to provide a visible platform for displaying the country's diversity, vibrancy and potential business opportunities. Through the enthusiasm of the organisational team, the first South African Fair was launched in Zurich in 2001. After the success of the first fair (close to 3000 people visited the fair during the course of one day), the second fair was held in Zurich in May 2002. The second fair focused on five themes including tourism, trade and commerce, food and wine, charity and entertainment, culture and lifestyle. It is estimated that 5000 people visited the fair over two days. Despite its initial success, the organising team is yet to convince major Swiss and South African companies to become involved, especially through sponsorships. The fair remains unique as it focuses on one country only and it has been excellent in showcasing South Africa, its people and its products. However, its continued success will only be secured once it moves beyond a few key personalities and gains broader-based support⁵⁹⁾.

⁵⁹⁾ See www.suedafrikamesse.ch.

4.3.2 The Cultural Domain

4.3.2.1 Club of Friends of South Africa

The Club of Friends of South Africa and the South African Club in Switzerland, are two clubs of a more social nature.

The Club of Friends of South Africa (CFS) like the SSAA had to re-orientate its objectives after the new democratic government was instated in South Africa. In Chapter Three it was already stated that the Club played an important role to bring about greater understanding of the political situation during the apartheid era. After experiencing internal problems, the Club is being revamped under a new committee. The main goal of the Club is to contribute to a better understanding in Switzerland of the multi-cultural South African society, through arranging contacts in the areas of politics, economics and culture, organising lectures, participating in events related to South Africa and by publishing a newsletter. The CFS also supports social programmes in South Africa and has contributed to sponsoring South African organisations on their visits to Switzerland. Although the Club's membership is considerably smaller than in its hey-day (497 in 2001, down from 1341 in 1991), members continue to meet on a regular basis not only for social events, but also to exchange views on political, economic and social issues⁶⁰⁾.

4.3.2.2 South African Club of Switzerland

The South African Club of Switzerland⁶¹⁾ was formed during 1993 to create a social outlet for South Africans living in Switzerland. The emphasis in this club is to assist new arrivals in settling down and to give people the opportunity of meeting fellow South Africans, people from Southern Africa and the Swiss. Unlike CFA, SACS is run on a very informal basis. There is no active membership and their website is the main means to inform interested persons of upcoming events. During the second half of 2001, a possible merging of the two clubs was discussed, but subsequently voted

⁶⁰⁾ See www.suedafrika.ch.

⁶¹⁾ See www.southernafrica.ch.

against. Although a merger is not on the agenda, it remains a point of consideration for the future.

4.4 SUMMARY

This chapter focused on Switzerland's relations with South Africa for the period 1994 to 2001. Despite its links with the apartheid regime, Switzerland has continued its pragmatic approach towards South Africa and the authorities have been able to forge cordial links with the new incumbents. As former President Mandela said during the state visit of Federal President Cotti in 1998, "... schliesslich seien [wir] Freunde, die sich eine ganze Zeit nicht gesehen haben" ["... after all we are friends that have not seen each other for a long time] (*Neue Zürcher Zeitung*, 4 August 1998).

When viewing official relations between the two countries within the domains of diplomacy, economy, development cooperation and culture, it is clear that the Swiss government has made a concerted effort to strengthen bilateral links. In the diplomatic domain, the increasing number of contacts between not only the heads of states of both countries, but also between various ministers, senior officials and economic and parliamentary delegations have reinforced relations. The regular hosting of international conferences in Switzerland and South Africa, has also opened additional opportunities for the nurturing of official links. These high profile bilateral visits has laid the foundation for closer cooperation and mutual understanding between the two countries.

In its efforts to support the democratic process in South Africa, Switzerland has provided substantial funding for development aid. The special joint programme of the Swiss Agency for Development Cooperation and the Political Affairs Division IV, has been instrumental in addressing the grave social problems and the question of human security which pose real threats to the stability of South Africa's fragile democracy. In addition, the promotion of economic relations remains a priority. Both Switzerland and South Africa view each other as valuable trade partners. In order to enhance relations, a number of agreements have been put in place to facilitate free trade to be conducted as unhindered as possible. It must, however, be emphasised that the strong presence of the Swiss business community in South Africa together with the support

of organisations such as the Swiss-South African Association and Swiss Business Council should not be underestimated. The livelihoods of thousands of South Africans are dependent on the employment provided by Swiss companies. South Africa has also received much needed foreign direct investment from Swiss companies.

In the cultural domain, Pro Helvetia has become an important foreign funding agency for the South African cultural scene. It is clear that the local arts face an immense struggle to secure sufficient funding and in this respect PHLOSA has played a vital role in supporting the myriad of financial needs. Finally, goodwill towards South Africa has also been shown by individual Swiss people who take a keen interest in the country and in their private capacity engage in activities to improve the image of South Africa in Switzerland and to encourage a deeper understanding of the complexities of the South African society.

In Chapter Five, the new debate which was initiated by Swiss pressure groups and their supporters in the Swiss parliament, will be described. This debate which has elicited considerable media coverage, also shows the influence non-state actors can exert on local authorities and domestic policies.

CHAPTER FIVE

SWISS-SOUTH AFRICAN RELATIONS DURING THE APARTHEID ERA: THE DEBATE CONTINUES

5.1 INTRODUCTION

Swiss-South African relations during the apartheid era, an issue that has neither featured on the South African government's political agenda nor received extensive coverage in the South African media, has been the topic of much controversy and debate within the Swiss media, parliament and former anti-apartheid organisations. With the ANC taking over political power in 1994, anti-apartheid organisations in particular had to re-evaluate their position, since their main *raison d'être*, the toppling of the apartheid regime, had been achieved. However, towards the end of the 1990s, the former anti-apartheid organisations gained new momentum by pledging their solidarity with *Jubilee South Africa*, an organisation with the explicit mandate to pursue a campaign whereby creditor nations were called upon to cancel debts arising from the apartheid era (odious debts), as well as providing reparation to victims of apartheid, who had their suffering prolonged by banks and corporations that had propped up the apartheid regime. In this chapter, the different state and non-state actors and their actions in this recent debate that has flared up, will be explained.

5.2 REVISITING SWITZERLAND'S PAST RELATIONS WITH SOUTH AFRICA

In Chapter Three it was noted that South Africa has for decades been a theme in the Swiss public and official arena. However, the most recent debate reflects on a wider issue which has profoundly affected Swiss society; namely, the role of Switzerland during the Second World War. The shadows which findings cast over the integrity and honesty of the Swiss government and banks had far-reaching repercussions and created a new sensitivity for allegations of unlawful profiteering during times of conflict. In South Africa, the findings of the Truth and Reconciliation Commission (TRC), which included investigations concerning international aspects of the apartheid regime, brought Switzerland and the activities of the Swiss business

community and intelligence service under the spotlight. In his article “*Die Schweiz und Südafrika während der Apartheid: Kontroverse und “Agenda –Setting” nach 1998*”, Pfister (2000: 1-25) aptly describes the influence of pressure groups on Swiss domestic policy and provides greater insight into this new debate.

In his article, Pfister (2000: 10) refers to National Councillor Pia Hollenstein (Member of the Green Party: St Gallen) as a key figure in keeping the debate on South Africa alive in the Swiss parliament and Federal Council through her parliamentary requests (16 requests between 1997 and 2001)⁶²⁾. An ordinary question, “Switzerland should explain its relations with South Africa”, posed by Hollenstein on 20 March 1997, provided the first impetus for the most recent Swiss-South African debate. In its response, the Federal Council viewed its past policy stance towards South Africa in a critical light for the first time and declared that in hindsight, its neutral political decisions concerning non-participation in economic sanctions were understandable in the Cold War context, but could not be perceived as politically far-sighted⁶³⁾.

One year later, on 20 March 1998, the second parliamentary demand came as a parliamentary initiative requesting “Re-examining of Switzerland’s relations with South Africa during the years 1948-1994”. The parliamentary initiative was supported by 28 parliamentarians (Social Democratic Party-SPS 18, Green Party 5, Christian Democratic People’s Party-CVP 3, Radical Free Democratic Party-FDP 2). The demand for a simple Federal decision (*einfacher Bundesbeschluss*) meant that the initiative was first channelled to the Legal Commission of the National Council. The Initiative was only to be dealt with in January 1999 by the Legal Commission and in March 1999 by the National Council, indicating that the subject of Swiss-South African relations during the apartheid era was not regarded as a matter of urgency. In the meantime, the Green Party of the National Council forwarded an interpellation on 25 June 1998, raising the issue of the involvement of the Swiss National Bank in South Africa, but no discussion on the topic took place in the National Council. Through her initiative, Hollenstein and extra-parliamentary pressure groups (former anti-apartheid organisations and church groups) had hoped for a commission to be set

⁶²⁾ See appendix 2 for an overview of the requests regarding South Africa made by Pia Hollenstein.

⁶³⁾ Archivbestände und parlamentarische Vorstösse - Schweiz-Südafrika 1948-1994, 2000: 98-102.

up, similar to the Bergier Commission⁶⁴⁾ that investigated the cooperation between Switzerland and Nazi-Germany during the Second World War, but this was not to be. In a media release on 26 January 1999, the Legal Commission declared:

Die Kommission (Rechtskommission des NR) ist der Auffassung, dass die Beziehungen zwischen der Schweiz und Südafrika eingehend geprüft werden müssen. Die Mehrheit der Kommission ist jedoch der Meinung, dass ihnen nicht dieselbe Bedeutung zukommt wie den Beziehungen der Schweiz während des Zweiten Weltkrieges, so dass es unverhältnismässig wäre, eine entsprechende unabhängige Expertenkommission wie die Kommission *Schweiz-Zweiter Weltkrieg* einzusetzen. [The Commission (Legal Commission of the National Assembly) holds the view that the relations between Switzerland and South Africa should be thoroughly scrutinised. However, the majority of the Commission is of the opinion, that the same meaning is not applicable as for Swiss relations during the Second World War, so that it would be incongruous to appoint a corresponding independent Commission of Experts like the Commission *Switzerland-Second World War*.]⁶⁵⁾

Instead, the Swiss National Science Foundation was instructed to initiate and finance a research project in order to investigate political and business relations between Switzerland and South Africa during the apartheid era. The Federal Council, however, disallowed access to secret military and corporate archives (private archives were opened for the investigations of the Bergier Commission). Pfister (2000: 13) contends that during this initial period, the question of Swiss-South African relations was not yet regarded as a dominant political theme by the Swiss authorities or the media, and opponents lacked the necessary political clout to exercise greater pressure on the Federal Council.

⁶⁴⁾ During the early 1990s, the Swiss banks and Swiss government came under heavy criticism for their collaboration in gold trade with Nazi Germany and for their refusal to pay restitution to the Nazi victims after the Second World War. It was especially pressure groups (from the politically and economically influential Jewish-American community) in the USA that led the way in “bashing Switzerland”. In response, the Swiss government called on the Bergier Commission to investigate the allegations. The Federal Council also ruled that private archives should be opened for scrutiny. Through the successful class action lawsuits against the Swiss banks, American lawyers were able to force the banks to pay holocaust victims substantial amounts in restitution (Linder: 2000: 98).

⁶⁵⁾ Communiqué to the media by the Legal Commission of the National Council, 26 January 1999.

With the launching of Jubilee 2000 South Africa – The Apartheid Debt and Reparations Campaign – in November 1998, a coalition of Swiss NGOs⁶⁶⁾ including the *AAB Südliches Afrika* (the former AAM), and the *Aktion Finanzplatz*⁶⁷⁾, together with church-based⁶⁸⁾ organisations found a new means to exert political pressure on the Swiss government. Through their activities the coalition, *Kampagne für Entschuldung und Entschädigung in Südlichen Afrika (KEESA)*, has succeeded in taking the campaign beyond a few civil society organisations to the level of a national debate - a debate that is still ongoing. These groups have been extremely active in doing extensive research⁶⁹⁾, participating in public debates and protest meetings, organising conferences, workshops, seminars, publishing related articles in newspapers and journals and holding public and media events. In addition, there has been considerable engagement with political leaders. In this regard, Hollenstein⁷⁰⁾ has committed herself in promoting the campaign of Jubilee 2000 South Africa at a national level, thus adding significant political weight to goals being pursued by the extra-parliamentary groups.

Proponents of KEESA also believe that the coalition is sufficiently strong to bring its message to the Swiss public. During the apartheid era, the anti-apartheid organisations were significantly involved with the public, but their impact on the media and political parties in parliament was negligible. Considering this new debate, the coalition has been able to gain stronger support in the Swiss parliament and the

⁶⁶⁾ See Appendix 3 for the Swiss partners of Jubilee 2000 South Africa.

⁶⁷⁾ See www.aktionfinanzplatz.ch.

⁶⁸⁾ See Appendix 3 for the interventions by the churches regarding the role of Swiss Banks in financing Apartheid.

⁶⁹⁾ *Apartheid Connections 1 - Odious Debts. Hinterlassenschaften der Diktatoren*
Apartheid Connections 2 - Diskrete Diplomatie als Alibi: Die Schweizer Aussenpolitik gegenüber der Apartheid, Zeitzeuginnen erinnern sich
Apartheid Connections 3 - Entschädigung ist ein Menschenrecht: Konzepte und Analysen zur Debatte um Wiedergutmachung bei Menschenrechtsverletzungen
Apartheidschulden Der Anteil Deutschland und der Schweiz
Forschungsreise in die Ökonomie – Zwei südafrikanische Konzerne in der Schweiz
Kredite an Eskom – Ein Beispiel von Kollaboration mit dem Apartheidregime
Chronologie Schweiz-Südafrika

⁷⁰⁾ In 2000, Pia Hollenstein together with other members of the National Council (Fulvio Pelli - FDP, Kathy Ricklin - CVP and Nils de Dardel – SP), formed a parliamentary group, aimed at keeping the theme of South Africa on the Swiss political agenda. The parliamentary group has a dual objective: firstly, it will continue to exercise pressure on the Federal Council regarding Swiss-South African relations during the apartheid era and secondly, it wants to play an active role in current relations between the two countries. In fulfilling its second objective, the group intends to meet with visitors from Southern African and to maintain contacts and exchange information with NGOs locally and in South Africa.

media. KEESA consists of several supporting organisations and its activities are coordinated by a coordination committee headed by *Aktion Finanzplatz*. In addition, a research group coordinated by *Solifonds* has been established to undertake independent research concerning past Swiss-South African relations. An additional strength of KEESA is that all the supporting organisations maintain independent links with South Africa. Thus Jubilee 2000 does not stand in isolation, but forms part of a greater Swiss NGO and church-based engagement in the country.

Also noteworthy, is the increased media interest in this issue. Over the past five years, numerous articles in influential newspapers (in particular leading newspapers targeting the German-speaking population of Switzerland) have persistently brought the subject of Swiss-South African relations to the attention of the Swiss public. The apparent reluctance of the Swiss government to reach a full historical understanding of Switzerland's relations with the apartheid state, has been viewed in a very critical light by journalists⁷¹).

Swiss journalists have also at times been instrumental in furthering the debate with their investigative journalism. The investigations of journalist Jean-Phillipe Ceppi into the military links between the Swiss and South African Intelligence Services and the subsequent airing of his documentary "*Schweizer Spuren von Apartheid-Chemikern*" on *Temps Présent* (Swiss television station TSR) contributed to the intensification of the debate. Specifically the Division Head, Peter Regli was singled out as having had close links with Wouter Basson, who headed the biological and chemical weapons programme in South Africa (*Wochenzeitung*, 29 April 1999). These new revelations in past Swiss-South African relations, not only brought the business ties under the spotlight, but also questioned the role of the Swiss military and Intelligence Service. Commenting on the controversy, the journalist Res Strehle of the *Weltwoche* (25 March 1999) maintained:

⁷¹) The following selection of newspaper articles include interviews with proponents from different groups and provide greater in-depth reporting on Swiss-South African relations during the apartheid era.

Facts, 27 June 2002; *Neue Züricher Zeitung*, 3-4 July 1999; *Schweiz global*, 1999/2; *Sonntags Zeitung*, 2 May 1999; *Weltwoche*, 26 November 1998; 25 March 1999, 8 April 1999, 22 November 2001, 6 December 2001, 26 June 2002, 27 June 2002; *Wochenzeitung*, 25 March 1999, 20 December 2001.

Wenn die Geschichte des Schweizer Engagement am Kap nicht systematisch aufgearbeitet wird, bekommen wir sie in homöopathischen Dosen verabreicht. Aussitzen geht nicht: Gegenwärtig ist der Chef der militärische Geheimdienstes dran. [...] Wer ist der nächste? [If the story of the Swiss involvement in the Cape is not re-examined systematically, we will get it delivered in homeopathic dosages. Sitting out is not possible: Presently the head of the military Intelligence service is involved [...] Who is next?]

Of paramount importance to KEESA is that Switzerland must deal with its past and refrain from defending itself as being small and powerless within the international arena. Proponents in the coalition accuse Swiss companies of colluding with the South African government for profit. In addition, the Swiss companies also colluded with the Swiss government because by law companies had to be registered and supply annual reports indicating their profit structure. By maintaining a position of neutrality, Switzerland also had more leeway politically and economically. The coalition calls on the Swiss government and the Swiss business community to acknowledge their history with apartheid-South Africa and to deal with the past by providing financial support to the victims of apartheid. Furthermore, proponents from the coalition believe that once the Swiss government is engaged in the process of reparation, it can be ensured that history is not repeated (Interviews with Müller & Loebell-Ryan).

5.3 THE RESPONSE BY THE SWISS BUSINESS COMMUNITY

The overwhelming response to the accusations being levelled at the Swiss business community, has been that they saw no wrong-doing in their relations which were with South Africa. Business was conducted as usual⁷²⁾. Accusations focus on the involvement of the Swiss banks in rescheduling South Africa's debt and providing credit during the mid-1980s and the refusal of Swiss corporations to disinvest and withdraw from the country as called for by economic sanctions. Jubilee 2000 South Africa and its supporters view these actions as having prolonged the reign of the

⁷²⁾ See also Thöni, F. 1988. *Die sozio-politischen Strategien von schweizerischen, multinationalen Industrie-unternehmungen in Südafrika* for a description of the activities of Swiss multinationals in South Africa.

apartheid regime⁷³⁾. Box 5.1 provides a brief summary of the main points of contention.

Box 5.1

Propping up the apartheid government

Rescheduling of debt⁷⁴⁾

In the mid-1980s South Africa was faced with a financial crisis that led to the government unilaterally declaring a moratorium on foreign debt. Fritz Leutwiler, the former President of the Swiss National Bank, played a leading role during the first round of negotiations for the rescheduling of short-term loans and acted as intermediary between the South African government and the commercial banks concerned. Between 1986 and 1993, four interim debt agreements were concluded with the creditor banks including Credit Suisse, UBS and Swiss Bank Corporation (today UBS). There are no known figures concerning the precise proportion of debts owed to Swiss banks, but they were collectively listed as the fifth largest creditor behind their counterparts in the United Kingdom, the United States of America, Luxembourg and France. The rescheduling of debt irked anti-apartheid organisations, because banks did not take heed of their calls to lay down specific political conditions so that the apartheid government could be forced to the negotiations table.

A study prepared by Madörin, Wellmer and Egli cites the total of R50 billion (approximately CHF 12.5 billion) as South African debt arising from the apartheid era. According to the study of the interdepartmental working group, this is a matter of considerable contention. The working group states that the organisers of Jubilee 2000 have chosen a very broad definition that incorporates debts at the local and provincial levels, as well as those on the part of government and semi-government institutions. They appear to have included certain equities held by investors abroad. The South African government stated that public debt from the apartheid era only amounted to

⁷³⁾ *Die Burger*, 3 July 1998; *Beeld*, 18 June 1999; *The Citizen*, 11 May 2000.

⁷⁴⁾ *The Sunday Star*, 15 September 1985; *Weekly Mail*, 21 August 1986; *The New Nation*, 19 October 1989.

R235.8 million (CHF 60 million) of the total national debts of approximately R300 billion (CHF 75 billion).⁷⁵⁾

The role of gold⁷⁶⁾

South Africa's important position as the leading gold producing country in the world, provided the initial link between Swiss big banks and South Africa. In the 1950s gold constituted 50% of South Africa's world exports and in the 1970s South Africa contributed 80% of world gold production. During the international currency crisis that saw the temporary closure of the London market in 1968, the three big Swiss banks seized the opportunity and founded the Zurich gold pool taking over the marketing of the newly-mined gold from the world's two largest suppliers, South Africa and the Soviet Union. During the 1970s, Zurich accounted for three quarters of the share of South African gold sales, this figure being reduced to between 50%-60% in 1980. Zurich was to become the most important market for gold trading for ten years.

The gold boom between 1960 and 1980 (gold increased from \$35 per ounce to \$850 per ounce in 1979) and the move by South African mining houses to deep level mining (with mine shafts dropping to 4000 meters at a temperature of 70° Celsius) created ample opportunities for Swiss firms to get involved in the gold industry. Vital industries like cement and steel plants, electricity (particularly ESKOM, a major recipient of Swiss investment funding) and water works, as well as the construction of infrastructure, paved the way for Swiss companies like Brown Boveri, Elektrowatt, Motor Columbus, Holderbank, Sulzer and Schindler Lifts to benefit from the industrialisation around mining concerns. The big banks and insurance companies also followed to provide the necessary credit and insurance.

⁷⁵⁾ Interdepartmental Working Group, Switzerland – South Africa 1999; HEKS report; See www.sacct.org.za/j2ksa/contents.html for a translation of the Madörin et al. report.

⁷⁶⁾ Eggstein, Interview, Contribution to the HOLCIM commemorative volume; *Rand Daily Mail*, 27 December 1980.

In countering the attacks, business leaders⁷⁷⁾ (all members of the Swiss-South African Association) have contended that the Swiss business community seized the opportunity to do business in South Africa. They emphasise that South Africa was important for its raw materials and its geo-political positioning – it was an ally to the western nations against communism. Business leaders deny that the demise of apartheid could have been expedited by multinational corporations withdrawing from South Africa and banks not providing credit, arguing that such actions would have led to greater unemployment, famine and social chaos. Furthermore, the apartheid apparatus had at its disposal a loyal military and any forceful unseating of the government would have led to a brutal civil war. In addition, due to the Cold War, South Africa was also able to muster support from powerful western nations. Given this political scenario, Eggstein concludes that no realistic expectation would have foreseen a successful assault on the apartheid regime in the mid-1980s. Saager also comments on the biased reporting by certain Swiss newspapers implying that Swiss corporations were profiteering during apartheid. He is critical of their stance “Wir sind die Guten und die Vertreter der Wirtschaft sind die Bösen.” [“We are the good ones and the representatives of business are the bad ones”]. Saager welcomes the national research programme on Swiss-South African relations and he hopes that it will show the investments the Swiss business community made in supporting essential infrastructure in South Africa (Interviews with Eggstein & Schrafl)⁷⁸⁾.

5.4 STUDIES/INVESTIGATIONS UNDERTAKEN BY THE SWISS FEDERAL GOVERNMENT

5.4.1 The Interdepartmental Working Group

The Swiss government, in view of the ongoing interest in the topic, decided to re-assess relations between Switzerland and South Africa during the apartheid era. The first study which was launched in March 1999, called on an interdepartmental

⁷⁷⁾ Business leaders who are referred to in this section include Dr Anton Schrafl (Vice-President of Holderbank), Dr Pio Eggstein (former representative of Credit Suisse), Hansjürg Saager (son of Bruno M Saager, the first general director of SBG in South Africa and founding member of the SSAA) and Nikolaus Senn (Honorary President of UBS).

⁷⁸⁾ *Cash*, 28 June 2002; *Schweizer Illustrierte*, 24 June 2002; *South Africa Bulletin*, 5 May 1999; See also *Der Staatsbürger*, for an interview with Dr Schrafl concerning the presence of Swiss companies in South Africa during the 1980s.

working group⁷⁹⁾ to examine the legal and political context in which the relations between the two countries unfolded, as well as to review the behaviour of other countries during the period concerned. The interdepartmental working group had a limited mandate and the report did not deal with certain contentious issues such as the relations between the Swiss Intelligence Service and South African agencies and representatives. In addition, information was gleaned from existing federal government files without consulting federal or other external archives.

In its general remarks, the report concludes that given the political climate of the Cold War Era, Switzerland's stance towards South Africa was understandable. However, in a changing international arena with the policy of neutrality being applied in a more flexible manner, such a cautious stance, especially regarding economic sanctions, would no longer be justified. The report's findings provided a good economic overview of Swiss-South African relations, but failed to contribute to a greater understanding of Swiss foreign policy in the political sphere. Even though the report only touched the surface of many areas, it was useful in formulating leading questions and reinforcing the need for a greater study to examine the complexity of the themes concerning Swiss-South African relations (Interview with Hollenstein)⁸⁰⁾.

5.4.2 The National Research Programme 42+

Following the report of the interdepartmental working group and after the successful passing of a postulate in the Swiss parliament, the Federal Government instructed the Swiss National Science Foundation in May 2000 to add a supplementary module to the already existing *National Forschungsprogramm 42* (NFP 42), "Foundation and

⁷⁹⁾ DFA/Centre for Analysis and Prospective Studies
 DFA/Swiss Agency for Development and Cooperation
 DFA/Directorate for International Law
 DFA/Economic and Financial Division
 DFA/PD II
 Federal Department of Home Affairs/Swiss Federal Archive
 Federal Department of Finance/Federal Finance Administration
 Federal Department of Justice and Police/Office of the Federal Prosecutor
 Federal Department of Environment, Transport, Energy and Communications/ General Secretariat
 Federal Department of Defence, Civil Protection and Sport
 Federal Department of Economic Affairs
 Federal Office of Foreign Trade
 Swiss National Bank

Possibilities of Swiss Foreign Policy”. The additional module, NFP42+, was to focus specifically on Swiss relations with South Africa during the apartheid years. The research programme NFP42+ was allocated a modest budget of CHF 2 million and has a duration of two years with the date of completion being the end of 2003. This was the second time that the Federal Council had taken such a step, the first being for the research concerning the role of Switzerland during the Second World War. The principal goal of the NFP 42+ is to develop a scientific basis for assessing Switzerland’s policy towards South Africa by focusing on a small number of coordinated research projects which are by nature multidisciplinary oriented. Special consideration was given to issues in the following domains:

1. The economic domain - the impact of sanctions on Switzerland and South Africa;
2. The legal domain - the compatibility of neutrality, the interest of business and human rights;
3. The political domain - the interaction between officials in Berne, as well extra-parliamentary groups;
4. The historical domain - the image of Switzerland domestically and internationally.

The ten projects approved within the framework of the research programme included the following themes:

- The Economic relations between Switzerland and South Africa, 1945-1990
- Switzerland and South Africa under Apartheid: the idea of development
- South Africa Policy in the UN System and in Switzerland
- Swiss-South African relationships during apartheid in public political communications
- Designing a Swiss-South African image in the Federal Administration
- Legal Room for Manoeuvre in Swiss Foreign Policy against states that violate international law
- Perception and opinion forming in Swiss Foreign Policy
- Effects of Sanctions during apartheid - the role of Switzerland
- The Coherence of Swiss Policy toward South Africa

⁸⁰⁾ Interdepartmental Working Group: Switzerland-South Africa, July 1999; *Neue Zürcher Zeitung*, 2 October 1999.

- Designing Swiss-South African relations - A Comparison across time

Although opponents laud the NFP 42+ as a “step in the right direction” and the lifting of the 30 year moratorium on the states archives is welcomed⁸¹⁾, the research programme is not without criticism. Guhl (*Die Weltwoche*, 5 October 2000) points out that the leader of the NFP 42 research programme and designated leader for the NFP 42+ programme, Prof Jürg Gabriel from the Swiss Federal Institute for Technology, resigned out of protest because the authorities in Berne were impeding any comprehensive analysis with their reluctance to demand that banks and private companies open their archives for scientific scrutiny. In doing so, the Federal Council had spared the business sector the task of opening up the past and promoting a process of transparency. Furthermore, the NFP42+ only targets Swiss researchers (or persons with close links to Switzerland), thus providing an additional drawback as the research expertise available in Switzerland on this topic is limited. In the introduction of the NFP42+ information booklet, Prof Georg Kreis, the leader of the NFP42+ states that “[it] would certainly have been desirable if the South African research forces could have been engaged to a greater extent on a simultaneous on-site companion study of Swiss policy on South Africa”.

The concerns of Gabriel are echoed by KEESA and parliamentary groups. To counter the exclusion of many local and South African organisations in this process, an independent research group, coordinated by Solifonds, was formed. Together with South African partners, the research group intends to maintain the pressure on the NFP42+ research programme. Guhl, however, also points out that the areas under investigation are essentially harmless. He expresses the fear (also cited by officials in the Federal Department of Foreign Affairs) that no new findings will come to light and that answers to many of the questions are already known, thus rendering the research programme as potentially redundant. Müller, a junior researcher on the project “Perception and opinion forming in Swiss Foreign Policy” and an independent researcher for the *Afrika Komitee* maintains that even if no new findings are found, it is important that the story of Swiss-South African relations during the apartheid era be

⁸¹⁾ The moratorium excludes any files of the Intelligence service.

repeated, but this time based on scholarly research. In her opinion, the stamp of scientific research validation is important in furthering the debate on the issue.

5.4.3 Investigations regarding the alleged cooperation between the Swiss Intelligence Service and South Africa

After the revelations of Jean-Philippe Ceppi and the findings of the Truth and Reconciliation Commission indicating that links existed between the Swiss intelligence service and their counterparts in South Africa, the head of the Swiss Federal Department of Defence, Civil Protection and Sports, Federal Councillor Adolf Ogi, on 20 March 1999 called for an investigation concerning the relations between the intelligence service and foreign intelligence agencies since 1960. Although Swiss-South African links were only part of the study, it was mainly this controversy that triggered the investigation. As Division Head of the Intelligence Service, Peter Regli was instructed to order the files concerning this matter and to hand the relevant information over to the Military Archives. After an investigation regarding Regli's alleged links with South Africa's apartheid regime, he was cleared of any wrongdoing. In addition, Regli was declared as "fully rehabilitated" on 2 December 1999. The final report remained highly confidential and was not even at the disposal of high ranking officials in the Swiss authorities.

Simultaneously, a delegation of the Public Procedures Control Commission of the Swiss Parliament also initiated an investigation on 17 March 1999. The investigation focused on the connection between the Swiss Intelligence Service and especially Peter Regli's links with the apartheid regime. The alleged help given by the Swiss Intelligence Service for the building up of the biological and chemical weapons programme (B and C weapons programme) in South Africa, was also highlighted. As part of its investigations, the Commission also questioned Peter Regli. In reporting on its findings on 1 December 1999, the Commission criticised the fact that Regli had been given permission to destroy certain intelligence files, but could not find any incriminating information connecting him to Wouter Basson. For the Federal Department of Defence and the Public Procedures Control Commission the investigations had been concluded.

Peter Regli was sent into early retirement in March 2000, but he was not to disappear quietly from the public arena. During the course of 2001, Wouter Basson made new revelations implicating Peter Regli as an accomplice in support of the apartheid regime. He maintained that Regli had full knowledge of the B and C weapons programme in South Africa, allegations that were denied by Regli. Spurred on by these new allegations, KEESA ensured that Regli was again in the public arena. With new evidence coming to the fore, Federal Councillor Samuel Schmid from the Federal Department of Defence, Civil Protection and Sports ordered a second investigation to be done by the Federal Administration into relations between the Swiss intelligence service and South Africa. This investigation had to clarify the alleged existence of an agreement between Switzerland and South Africa concerning B and C weapons, as well as the questions regarding the intelligence files that were destroyed by Regli.

Running parallel to this investigation, the Public Procedures Control Commission was once again re-activated, with the same goal as in 1999. In announcing the follow-up investigation, the leader of the Commission stated that the first report contained many unanswered questions. In view of the new allegations, it was hoped that with further investigations in Switzerland, as well as South Africa, the full extent of cooperation could be established⁸²⁾.

In March 2002, representatives from the Federal Administration and the Federal Police visited South Africa to examine intelligence files concerning the illegal trade of arms and to question relevant persons, including former high-ranking South African officials. The Swiss officials were unable to question Wouter Basson, as he was still embroiled in legal proceedings in the South African high court (*Tagesblatt*, 3 April 2002). In July 2002 Advocate Ackermann, the prosecutor in the Basson case addressed the Commission (*SonntagsZeitung*, 16 June 2002). Investigations, however, face difficulties as the work of the Intelligence Service is covert and agreements or cooperation are not necessarily written down. Furthermore, the relevant investigative

⁸²⁾ *Berner Zeitung*, 12 September 2001; *Neue Züricher Zeitung*, 13 August 2001, 13 November 2001; *Tages-Anzeiger*, 27 August 2001, 11 September 2001, 24 September 2001, 13 November 2001, 1 December 2001; *WochenZeitung*, 4 October 2001. See Media Communiqués by the Department of Federal Defence, Civil Protection and Sport on 17 September 1999, March 2000, November 2001, March 2000 at www.admin.ch.

bodies are aware that Regli most probably destroyed any relevant or incriminating files. The investigations continue.

5.5 THE RESPONSE BY THE SOUTH AFRICAN GOVERNMENT

The South African government (to the relief of the Swiss authorities) has regarded the ongoing debate concerning Switzerland's relations with South Africa during the apartheid era as an internal issue. Both President Mbeki and Minister Nkosazana Zuma indicated that the South African government will not participate in this domestic matter. The calls by Jubilee 2000 South Africa for debt cancellation and reparations have also not received official support. The South African government, fears that debt cancellation will affect the country's credit rating negatively, thus risking higher interest rates. Taking into consideration this position on debt cancellation, the Federal Council responded to the interpellation submitted by the Social Democratic Party faction on 1 March 1999, stating that it did not deem it necessary to enter into talks concerning a cancellation of debt. There has also been a struggle to increase the levels of foreign direct investment in South Africa. Unfortunately, the international attention that was focused on the country in 1994 did not necessary translate into substantial flows of new investment. Any action which is likely to discourage potential investors, is now considered as contra-productive. This includes opposing the big banks and corporations.

The alleged contact between Wouter Basson and Peter Regli, the former head of Swiss Intelligence, on collaboration in the field of biological and chemical weapons, does not feature as an issue on President Mbeki's agenda during his meetings with the Swiss authorities. It is evident that the South African government under the leadership of President Mbeki does not want to venture into the past, but has a pragmatic and economic oriented view regarding future relations with Switzerland. Furthermore, the stance of the South African Embassy in Switzerland is to take note of the ongoing debate, but there is no intention of becoming actively involved in this matter (Interview with Basson)⁸³⁾.

⁸³⁾ *Neue Zürcher Zeitung*, 13 October 1999; *Tages-Anzeiger*, 13 October 1999.

In commenting on the South African government's reaction to the calls by Jubilee 2000 South Africa and the continuing pressure being placed on the Swiss government and business community, both Müller and Loebell-Ryan state that the diplomatic aloofness displayed by the South African authorities is not viewed as unusual. As an emerging economy, South Africa is struggling to increase its levels of foreign direct investment. In addition, the country must deal with the vulnerabilities of the global economy and world markets. It is therefore understandable that South Africa's stance will be noticeably cautious. However, they also emphasise that the debate should not only be reduced to economics. A broader perspective, comprising the right of apartheid victims to be given compensation, should be included in the Swiss-South African agenda.

5.6 SUMMARY

The renewed interest vis-à-vis the relations between Switzerland and South Africa during the apartheid era, has seen members of parliament, non-governmental organisations, churches and members of the media, joining forces in order to exercise increased pressure on the Swiss government, banks and business to deal with the issue of apartheid debt and reparations. Jubilee 2000 South Africa has given this internal debate an external dimension, while also uniting former anti-apartheid organisations. These well established ties have proved to be very beneficial in rallying support for their new cause. Additional leverage has also been achieved by gaining the support of members of parliament.

With the South African government distancing itself from Jubilee 2000 South Africa, the Swiss government has not deemed it necessary to take any drastic actions in investigating Swiss-South African relations during the apartheid era. In addition, the Swiss business community has viewed calls for reparation as "absurd" and companies have been reluctant to take any official stance on the matter. However, the threat of legal proceedings in the form of class-action lawsuits for apartheid debt cancellation and reparations may force them out of their inaction. Leading American lawyers Ed Fagan and Michael Hausfeld (both participated in successful class-action lawsuits against Swiss banks on behalf of holocaust survivors) have agreed to help the victims

of apartheid to force corporations that aided and abetted the apartheid regime to pay compensation⁸⁴⁾.

The possibility of American lawyers entering the fray, has brought both advantages and disadvantages for the campaign led by KEESA. The greatest advantage has been that the media has given the campaign extensive coverage, thus the Swiss public has been kept informed of the ongoing debate and the Swiss government and business community have been forced to take the matter seriously. The drawback has been that the sensationalism of the headlines has often detracted from the main themes of the debate. To counter these negative effects, KEESA has opted to maintain its focus on documenting the past and then bringing it to the attention of the Swiss media, government and the public.

In summing up the current debate, Urs Sekinger, Coordinator of the Solifonds, contends that central to this political debate is the conflict between proponents who support a moralistic foreign policy guided by the protection of universal human rights and proponents who promote a foreign policy based on an export-orientated economy. With Switzerland's immense dependence on foreign trade, the business sector and Swiss foreign trade policy have maintained the upper hand in directing Swiss foreign policy. It can, therefore, be stated that business dominated in what were essentially political issues. However, in the Post-Cold War era, the protection of human rights has emerged as an important prerequisite for engaging in international relations. A shift of emphasis away from exports, can strengthen the hand of those in Switzerland who support a values-oriented foreign policy.

⁸⁴⁾ *Facts*, 27 June 2002; *Tages-Anzeiger*, 19 June 2002, 20 June 2002; *Weltwoche*, 27 June 2002. *Wochenzeitung*, 20 June 2002

CHAPTER SIX

CONCLUSION

In Chapter One it was stated that the research aim of this study is to analyse – i.e. to describe and explain - Swiss-South African relations from 1994 to 2001. The research was undertaken within the framework of the pluralist paradigm which takes cognisance of the fact that actors in the international system mobilise support around a wide variety issues. Thus a multi-actor (state and non-state actors), multi-level (domestic, national and international) and multi-issue framework was used to describe and explain Swiss-South African relations.

The study was deemed necessary as no comprehensive research has been undertaken in South Africa regarding the subject matter in question. The following questions were posed as part of the research problem.

1. What role did the political regime of Switzerland play regarding foreign policy formulation?
2. What are the important remits or conceptions that can be viewed as directing Swiss foreign policy?
3. How did Switzerland's position in the world economy affect its position and foreign policy towards South Africa?
4. What role did state and non-state actors play in the development of relations between Switzerland and South Africa?

In Chapter Two, it was shown that the distinct political regime of Switzerland has been instrumental in shaping the foreign policy of the country. The interplay between internal and external politics must be emphasised if Swiss foreign policy formulation is to be understood. Constitutionalised political institutions such as federalism, a government of concordance and direct democracy have been vital in determining Swiss foreign policy. Furthermore, policy makers must take into account the two cornerstones guiding foreign policy, namely the principles of sovereignty and neutrality. These are two features which are firmly rooted in the Swiss political culture.

In conducting international relations with other states, internal and external factors had to be considered. Internally, Switzerland recognised that it is a small entity, politically powerless and extremely dependent on foreign trade. Externally, the bipolar international system which emerged after the Second World War, was a further contributing factor in Switzerland's foreign relations. During the Cold War era, Switzerland was constantly striving to affirm the role that neutral powers could play in easing tensions across the East-West divide. By adhering to a policy of neutrality in world politics, the Swiss were regarded as dependable trustees and negotiators and could gain a significant amount of quiet leverage. It can be stated that postwar Swiss foreign policy can be characterised as *neutralité engagée* or neutrally engaged.

It is also this East-West divide which provided the backdrop for Swiss-South African relations. In Chapter Three, it was noted that relations with South Africa were based on both strategic imperatives and economic necessity. Geopolitically, the country was a strategic partner in the fight against communism and economically South Africa was identified as a country rich in raw materials. With Switzerland's adherence to a foreign policy based on sovereignty and neutrality (including important aspects such as non-interference in domestic affairs and non-compliance with economic sanctions) and its trade policy encouraging close economic cooperation, South Africa could benefit from having links with a reputable western nation. Furthermore, the Swiss government was not convinced that isolating the apartheid regime politically or economically would result in bringing about the domestic changes needed in South Africa. During the apartheid era, it can be noted that neither economic nor political relations were scaled down between the two countries. After the first democratic elections in South Africa in 1994, Switzerland remained one of South Africa's most important western supporters and present-day relations between the two countries are described in official communiqués as extremely good and very cordial.

The role and interaction of state and non-state actors in Swiss-South African relations has also been significant. In Chapters Three to Five, the activities of these actors were described both during the apartheid era and during the transition period of South Africa's new democratic society. Chapters Three and Five have a common theme, Switzerland's relations with the apartheid regime. However, the difference between

the two chapters lies in the fact that the new debate follows a decade during which the Swiss government and banks were forced to deal with their Nazi connections 50 years after the end of the Second World War. Internationally, the good, “clean” governance image which Switzerland had always portrayed, was tarnished and the integrity of the Swiss questioned. Furthermore, in contrast with pre-1994, the relations were dissected critically and publicly and received greater media and political attention.

Taking into consideration the various state actors who played a role in the development of Swiss-South African relations, it is clear from Chapter Three that the apartheid regime had sufficient support amongst the members of the Swiss Federal Assembly, Federal Council, the diplomatic representatives and state officials, to avoid being marginalized. Although the Swiss government condemned apartheid morally, discreet diplomacy was still the preferred line to follow. In addition, the Swiss government did not deem it necessary to dictate to the Swiss business community how to conduct its business relations in South Africa.

Chapter Four described the various domains where official relations have been forged between the two countries since 1994. Within all the domains described – diplomacy, economy, development cooperation and culture – South Africa maintained a significant position and has received substantial financial support from Switzerland. However, certain Swiss NGOs question their government’s motives, cautioning that Swiss government aid could merely be a pseudo-moral justification of what is in fact support for Swiss business relations with South Africa. The NGOs maintain that the Swiss government turned a blind eye to the gross human rights abuses committed under apartheid, and that development aid is not sufficient to rectify the wrongs of the past.

When referring to the role of non-state actors in the development of relations between Switzerland and South Africa, it is the Swiss business community that often provided the platform for both economic and political relations during the apartheid era. In Chapter Three it was shown that economic support for South Africa continued unabated and even escalated during a period when other western nations were applying economic sanctions and disinvesting. The perception exists that “White South Africa” appealed to the Swiss people, and the business community saw it as

their task not only to nurture commercial links, but also to ensure that western civilisation became firmly grounded in South Africa.

Viewing current business relations, non-state actors such as the Swiss-South African Association, the Swiss Business Council and the Swiss-South African Chamber of Commerce and Industry, continue to forge close economic links between the two countries. Many of Switzerland's most important corporations are established in South Africa and the Chamber of Commerce and Industry is helping SMEs and SMMEs to enter the respective markets. In addition, the South African Trade attaché based at the South African Embassy in Berne, has also targeted foreign direct investment as a top priority. For South Africa to benefit fully from all the efforts made on these different fronts, the various bodies should strive towards greater cooperation and sharing of knowledge and information.

The former anti-apartheid organisations are the final group of non-state actors who have played a significant role in highlighting relations between Switzerland and South Africa. Like the presence of the Swiss business community in South Africa, these organisations have also been on the political scene for several decades. However, in contrast to the tacit support which the business community gave the apartheid regime, these organisations were lobbying for the fall of the South African government. The anti-apartheid organisations, were not able to wield sufficient influence to change the Swiss government's policy towards South Africa. However, with the new debate regarding Swiss-South African relations unfolding, the coalition of organisations supporting Jubilee 2000 South Africa, KEESA, as well as the campaign's supporters in the Swiss parliament, have touched a moral nerve. Should the black majority in South Africa pay a second time for apartheid? They claim that the cancellation of apartheid debt and reparation for the victims of apartheid by the Swiss government and Swiss business community, are necessary to address the continuing injustice.

Currently, the prominence which the apartheid theme has maintained in Switzerland, still raises many unanswered questions. Firstly, despite the launching of the National Research Programme 42+, NGOs are questioning whether the whole truth about past Swiss-South African relations will be revealed. Secondly, it is unclear how the Swiss government intends to use the research being undertaken within the ten research

projects and what actions will be taken in the future. Thirdly, by disallowing researchers access to the files of the secret service and private sector (big banks and corporations), the Swiss authorities are accused by opponents of a “cover-up”. During the apartheid era, it was the anti-apartheid organisations that kept the Swiss government informed of the human rights violations in South Africa. Through independent investigations and research, KEESA continues to bring the “Apartheid Connections” to the attention of the Swiss government, media and public.

As stated earlier, this study provides a framework which will give the reader a better understanding of the wide and diverse scope of interactions between Switzerland and South Africa and the foreign policies which have guided the relations between the two countries. This thesis can, however, also be regarded as an initial introduction to the Swiss-South Africa theme, thus paving the way for more in-depth studies. In the problem statement it was stated that there is currently a lack of information concerning this subject in South Africa. South African researchers, therefore, need to mirror the research that has already been done by their Swiss counterparts regarding Swiss-South African relations by scrutinising relevant documents from the South African Archives, State Departments and private sources. As most of the research produced in Switzerland is either in German or French, it would be useful if regular studies were undertaken to provide at least translated summaries highlighting the main findings of these studies. This will not only provide a more complete picture of Swiss-South African relations, but could also contribute and support the formulation of foreign policy regarding Switzerland.

In examining past and present Swiss-South African relations, the reader can also learn to appreciate the delicate space available to South Africa’s diplomatic representatives in Switzerland for political manoeuvring. They have to navigate Swiss-South African relations taking into consideration the current debate and the tensions existing between the different groups. Crucial in walking this fine line is that diplomatic representatives must assess the different protagonists involved, come to understand their philosophy and then strategise the position South Africa should maintain considering all the different points of view. Ultimately, state and non-state actors in Switzerland would like to assist South Africa (and are already actively involved in

South Africa) in its reconstruction process and it would be deconstructive to fuel antagonism between the opposing groups.

Unlike the apartheid era and the transitional period following the first democratic elections, South Africa is no longer the focal point of international interest. Despite the continued efforts in creating opportunities to maintain world attention (e.g. the profile of President Mbeki as a leading figure on the African continent and the country as a centre for international conferences), South Africa must not rest on its laurels, as many developing countries are vying for the attention of industrialised nations. For decades Switzerland has been a keen supporter of South Africa. The question can be posed whether Switzerland's attitude towards South Africa will harden if the country fails in its efforts to become a fully-fledged democracy and the government is incapable of leading the majority of the country's people to greater prosperity. The South African government must, therefore, constantly strive for good governance based on the rule of law, maintain a healthy economy by implementing sound and stable macro-economic policies and tackle the social problems facing the country (especially crime and HIV/AIDS) with urgency and conviction. Creating and maintaining a stable environment and narrowing the gap between the "haves" and "have-nots" is the key to guarding South Africa's status as the gateway to Africa.

Appendix 1

SDC Partners in South Africa

- Black Sash
- Board of Sheriffs, Department of Justice
- Border Rural Committee (BRC)
- Catholic Education Aid Programme (CEAP)
- Centre for Conflict Resolution (CCR)
- Centre for Study of Violence and Reconciliation (CSV)
- Department of Land Affairs/KZN (DLA)
- Eastern Cape Transformation Authority (ECTA)
- Electoral Institute of Southern Africa (EISA)
- Environmental and Development Trust (EDA)
- Human Rights Commission, Roll Back Xenophobia Campaign
- Human Rights Trust (HRT)
- Ikwezi Whole School Development Project
- Institute for Democracy South Africa (IDASA)
- Institute of Training and Education for Capacity Building (ITEC)
- Lawyers for Human Rights (LHR)
- Legal Resources Centre (LRS)
- Media in Education Trust (MIET)
- National Land Committee (NLC)
- Nelson Mandela Municipality
- Programme for Land and Agrarian Studies (PLAAS)
- Provincial Affairs and Intergovernmental Relations Institute (PAIR)
- Swiss-South African Cooperation Initiative (SSACI)
 - *Amsai Primary School*
 - *Bahloki Steelpoort Unemployment Association*
 - *Forest Town Foundation*
 - *Furntrain*
 - *Outward Bound*
 - *Siyavuka Lateral Improvement Foundation*
 - *Youth Empowerment Network*
- South African Institute for Distance Education (SAIDE)
- Southern Cape Land Committee Trust (SCLCT)
- UNDP – Department of Justice

Appendix 2

Parliamentary demands⁸⁵⁾ by National Councillor, Pia Hollenstein (Year, procedural form, demand)

2002

Question hour

Reactivation of the interdepartmental group Switzerland/South Africa

Question hour

Complete transparency regarding the statements in South Africa concerning Switzerland

2001

Parliamentary initiative

Public procedures control Commission. Intelligence service and Apartheid

Question Hour

Peter Regli. Investigation. Information from South Africa

Question Hour

Peter Regli. Access to sources for the investigation

⁸⁵⁾ Source: www.parlament.ch, see Demands and Definitions.

Parliamentary initiative

The “right of initiative” enables a member to submit a rough draft of a constitutional article, law or decree or to propose in general terms that such a text be drafted.

Interpellation

“Interpellation” enables the members of Parliament to request information on events or problems relating to foreign or domestic policy or administration. Interpellation can be designated as urgent. The Council can resolve on further discussion.

Ordinary question

A miniature version of an interpellation, the “ordinary question” can be used to request explanations on a federal issue. The Federal Council must provide a written answer to such questions before the session following the one during which the question was submitted.

Question Hour (only National Council)

At the beginning of the second and third week of each session, the Federal Council give oral answers to the questions submitted by the National Councillors in writing the preceding week.

Interpellation

Switzerland/South Africa. When will the information be forthcoming?

Ordinary question

NFP42+. Part Swiss-South Africa

Ordinary question

Transparency regarding the statements in South Africa concerning Switzerland

2000

Question hour

Official position of the Federal Council regarding Namibia in the mid-1960s to 1980s

Ordinary question

Executive committee of the NFP study commission to re-examine Swiss/South African relations

1999

Question Hour

Dubious archiving command to Peter Regli

Interpellation

Federal archive. Files of the Federal Department of Defence

Interpellation

Relations between Switzerland/South Africa. Access to the sources of the Intelligence service

Interpellation

Exchange of pilots with South Africa. Judgement

Ordinary question

Stay of officials in South Africa, 1948 to 1994

Ordinary question

Investigation of relations between Switzerland and South Africa. Constitutional questions

1998

Parliamentary initiative

Re-examining relations between Switzerland and South Africa during the years 1948-1994

1997

Ordinary question

Switzerland should explain its relations with South Africa

Appendix 3

Swiss partner organisations of Jubilee 2000 South Africa

- AAB Südliches Afrika
- Afrika-Komitee
- Aktion Finanzplatz Schweiz
- Centrale Sanitaire Suisse, Regionalsektion deutschsprachige Schweiz
- Centre Europe Tiers Monde CETIM
- Comité pour l'annulation de la dette du tiers monde CADTM
- CO-OPERAID
- Erklärung von Bern / Déclaration de Berne
- Fonds für Entwicklung und Partnerschaft in Afrika FEPA
- Forum für Friedenserziehung
- Freundeskreis Schweiz-Zambia
- Schweizerisches ArbeiterInnenhilfswerk SAH
- Solifonds
- Terre des Hommes Schweiz
- Terre des Hommes Suisse
- Verein Solidarität mit Moçambique
- Vereinigung Schweiz-Zimbabwe

Church-based organisations

- Bethlehem Mission Immensee
- Bundeschlussgruppe der Petrus-Gemeinde Bern
- Brot für alle
- Commission Tiers Monde de l'Eglise catholique COTMEC
- DM échange et mission
- Fachstelle OeME Bern
- Gerechtigkeit, Frieden und Bewahrung der Schöpfung der OeME St.Gallen
- Groupe Eglise-Nouvelle Afrique du Sud
- Groupe Volontaires Outre-Mer GVOM
- Hilfswerk Evangelischer Kirchen der Schweiz HEKS
- Jeunesse étudiante chrétienne à Genève JEC
- Jeunesses alternatives Genève

- Mission 21 - Evangelisches Missionswerk Basel
- Laienmissionarinnen
- Mission der Brüdergemeine
- OeME St.Gallen / Thurgau / Appenzell
- OeME und Bundesschlussgruppe Thurnen
- Pain pour le prochain
- Pax Christi Suisse
- Südafrika-Mission SAM
- Table ronde Afrique australe du conseil missionnaire catholique, Fribourg
- Theologische Bewegung für Solidarität und Befreiung

Appendix 4

*Church Interventions Regarding the Role of Swiss Banks in Financing Apartheid*⁸⁶⁾

- 15.06.1999 Jubilee 2000 South Africa delegation meets Swiss government officials and parliamentarians regarding apartheid debt cancellation and reparations
- 13.10.1999 Open letter to Swiss President regarding apartheid debt cancellation and reparations for the peoples of Southern Africa
- 07.05.2000 Visit of Archbishop Njongonkulu Ndungane, Anglican Archbishop of Cape Town⁸⁷⁾ and Mr Neville Gabriel, National Secretary of Jubilee 2000 SA. Various public meetings were addressed and meetings were held with:
- Swiss Minister of Foreign Affairs
 - Churches
 - Parliamentarians
 - Swiss Campaign for Apartheid Debt Cancellation & Reparations
 - NGOs
 - World Council of Churches
- March 2001 Swiss Lenten Campaign theme “Money Needs a New Note”, South African apartheid debt cancellation and reparations as a theme with Neville Gabriel as a guest speaker.

⁸⁶⁾ Source: HEKS.

⁸⁷⁾ Tages-Anzeiger, 13 May 2000; Die Weltwoche, 11 May 2000.

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