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Author(s): Sehlare Makgetlaneng

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Sehlare Makgetlaneng*

Abstract

Our paper provides a critical analysis of the dynamics of South African economic and trade policy in Africa in the post-settler colonial era. The dynamics of South African economic and trade policy in Africa are situated within the country's position in a hierarchy of economic, political, financial, technological, trade and military international power relations which extend from the United States of America at the centre of global capitalism to the African continent at the periphery of capitalism. South Africa's intermediate position in international power relations helps to explain why South Africa's trade and economic relations with the rest of Africa are increasingly in favour of South Africa. Its Africa economic and trade policy is the product of this position. Discussing the strategic importance of other African countries to South Africa's economic and trade interests, our paper also discusses the reality that socio-political and economic policies of other African countries particularly those of Southern Africa enabled South Africa to achieve its economic and trade objectives throughout the continent. It concludes by indicating the enormous privileges and advantages South Africa enjoys in its economic and trade relations with the rest of Africa.

Introduction

Our paper discusses key factors characterising the political economy of South African economic and trade policy in Africa. It situates South Africa's Africa economic and trade policy within its position in a hierarchy of international power relations, its national capital accumulation, its relative international strength in relation to national capital accumulation and international strength of the developed countries and its considerable regional and continental strength. Discussing the strategic importance of other African countries to South Africa's economic and trade interests, it also highlights

* Dr Sehlare Makgetlaneng, Senior Research Specialist, Southern African Area Studies, Africa Institute of South Africa, Pretoria

how socio-political and economic policies of other African countries particularly those of Southern Africa enabled South Africa to achieve its economic and trade objectives throughout the continent.

Features of South African Economic and Trade Policy in the Rest of Africa

South Africa's Africa economic and trade policy is the socio-historical product of its intermediate position in a hierarchy of economic, political, financial, technological, trade and military international power relations which extend from the United States of America at the centre of capitalism to the African continent at the periphery of capitalism. While South Africa's position in a hierarchy of international power relations does not give its national capital accumulation and relative international strength sufficient relative autonomy from national capital accumulation and international strength of the countries of the centre, its position in a hierarchy of African continental power relations gives its capital accumulation, relative international strength and considerable regional and continental strength and enormous advantages as well as privileges in its Africa economic and trade policy. Its economic and trade policy is primarily determined by two interlinked national and international dynamics.

The first is the dependent nature of its national capital accumulation and its relative international strength. The second is the balance of social forces nationally and internationally. Its dependent capital accumulation process, relative international strength and considerable regional and continental strength are interlinked with the issue of balance of social forces nationally, regionally, continentally and internationally. For the concrete understanding of the national and international dynamics characterising South Africa's Africa economic and trade policy, we should take into account, among others, firstly, the structural interlocking network of strategic socio-political and economic interests, interlinkages and ties that countries of the centre of capitalism developed and maintain with South Africa. Secondly, the reality that its national economy is dominated by finance capital of the centre and the reality that the relationship between the state and capital, because of its history of settler colonialism, is characterised by conflicts and tensions some of which are racial and racist. Thirdly, is the reality that Southern Africa is relatively more developed and integrated into international capitalism and the centre than all other sub-Saharan African regions and the reality that South Africa is dominant in this process. South African economic policy in Africa and beyond should be viewed in the context of South African socio-political and economic development, international capitalist development, inter-imperialist and capitalist rivalries, African regional powers and regional powers of other countries of the periphery. This global context is the arena of internationalisation of competition which involves not only forms of capitalist integration and patterns of co-operation, but also competition among capitalists nationally, regionally, continentally and internationally, supported by their national state.

South Africa's Africa economic and trade policy is the product of its intermediate position within the international division of labour (Makgetlaneng, 2001; Makgetlaneng, 2000). While South Africa serves as the source of raw materials, the market for manufactured products, the outlet for export of capital and the reserve for cheap labour for the developed countries, other Southern African countries serve as sources of raw materials, markets for manufactured products, outlets for export of capital and reserves for cheap labour for South Africa. South Africa's position within the international division of labour is characterised by the fact that it exports raw materials and semi-manufactured products and it imports manufactured products which are essential for the operation of its economy. Unlike other African countries, South Africa occupies intermediate position within the international division of labour. While South Africa has not been successful in its struggle to become a significant exporter of manufactured products in the multilateral international markets, other African countries constitute the main markets for its manufactured products.

South African economic and trade policy is first and foremost a reflection, if not an extension of its domestic socio-political and economic policy. Its domestic policy is in turn a mirror of the socio-political and economic structures, which underlie the relationship between the different and antagonistic social forces constituted by its socio-economic order.

The form and content of the social fabric of South Africa, its foreign economic and trade policy is a reflection, if not an extension of its domestic socio-political and economic policy. Its domestic policy is a mirror of its socio-political and economic structures which underlie the relationship between its social forces constituted by its socio-economic order, the international structural network of class interests and commonality of interests. These involve strategic and tactical social, political, economic, military and cultural interests, interlinkages and ties, and characterised by a commonality of interests between those who control the state and the economy in South Africa and in other countries. In turn, these common interests have profound, enormous impact on the formulation and implementation of South Africa's economic and trade policy.

South African economic and trade policy has not only socio-political and economic opponents, rivals or competitors in front of it, but also a national home behind it. It has rivals and opponents as well as allies and supporters internally in South Africa and externally in the rest of Africa and beyond. It is the process in which those in power economically in South Africa, in their struggle for the defence and expansion of the class interests of the South African dominant political and economic social forces, the interests of other South African social forces and the interests of South Africa as a social formation, are contending with their opponents or rivals externally and are also fighting for the defence and expansion of these interests internally in South Africa in which they are contending with their national enemies and opponents. They respond not only to the programme of action of their enemies and opponents externally but also - to the greater extent - to the programme of action of their enemies and opponents of their homeland, whose concerns are primarily national.

South African economic and trade policy in Africa is enabled to achieve its objectives by the fact that the country's foreign policy bears the double responsibility of embarking upon the programme of action that defends and expands not only the interests of its social forces and its interests as a social formation throughout the world, but also the interests inherent in the status of South Africa as the regional power in Southern Africa. As the pre-eminent African continental power, it has to lead in the call for the socio-political and economic transformation of Africa, the transformation of Africa's status in international affairs and the transformation of international power relations and the international trade, international capitalism, the International Monetary Fund, the World Bank and the World Trade Organisation in the interests of Africa and the South in general. These often contradict themselves.

South African economic and trade policy is enabled to achieve its objectives also by the fact that South African foreign policy also bears the responsibility of embarking upon the programme of action in taking care of socio-political and economic developments internally, and also in Southern Africa and throughout the continent. It also has to see to it that these developments do not and should not have negative impact not only on South Africa, but also on Southern Africa and the continent and on the relationships between South Africa, Southern Africa and the continent on one hand and the centre on the other hand.

South Africa's Africa economic and trade policy is determined, to a great extent, by its assessment of relative power between itself and other African countries - particularly countries which are regional powers - within the context of power relations regionally, continentally and internationally. Relative power is the issue, which should be viewed and understood in terms of South African socio-political, economic and trade interests and its view of those of other African countries. It should be viewed and understood also in terms of the level of the socio-political, economic, human resources development, financial, trade, technological and military capabilities, resources of South Africa in relation to the level of capabilities and resources of other African countries and the strategic importance of other African countries to South Africa.

The unevenness in the level of the socio-political, economic, human resources development, financial, trade, technological and military development between South Africa and other sub-Saharan African countries helps to explain the form and content of economic and trade relations between the country and other sub-Saharan African countries. These are generally in favour of South Africa. Despite the fact that the size of the markets of other African countries is limited, these countries are of strategic importance to South African companies. South African companies have comparative advantage over companies of the developed countries and other developing countries in their economic and trade activities in other African countries in terms of proximity to the national markets of other African countries. The fact that the distance to the markets of other African countries is shorter and that transportation costs are generally lower means a greater cost advantage to the South African companies. Another issue is the fact that the South African products are tailored to African socio-economic conditions. These factors are some of various crucial weapons used by the South African companies in their competition with companies of the developed countries and other developing countries in Southern Africa. This is the case given the fact that other Southern African countries serve as sources of raw materials, markets for manufactured products, outlets for export of capital and reserves for cheap labour for the companies of South Africa, the developed countries and other developing countries.

South Africa formulates and implements its Africa economic and trade policy within the limits of its capabilities and resources and in the light of the capabilities and resources of other African and non-African countries particularly those of the centre to frustrate its efforts and ability to pursue and achieve its interests. Thus, South African economic and trade policy should be examined, among others, from the point of view of the aspirations and capability of South African state and capital in the country's relations with other countries and the country's conception of the aspirations of other countries in their relations with South Africa. Its policy should also be viewed and understood beyond declarations of its state and capital.

The reality that Africa, the continent with the largest concentration of the poorest countries in the world and with weak and underdeveloped economies, is behind the rest of the South in socio-economic development is one of the factors which enables South Africa to achieve its economic and trade policy objectives in the rest of Africa. This can best be understood if we take into account that the poverty and weakness of the majority of African countries are negative socio-political and economic factors in terms of the position they occupy not only in international power relations, but also in continental power relations. Briefly, one of the key factors characterising South African economic and trade policy in Africa is the reality that South Africa operates continentally within a continental balance of social forces which is increasingly in its favour.

Globalisation and South African Regional and Continental Economic and Trade Policy

South African capital is structurally and constantly required and compelled to increase its external expansion or its penetration of the internal markets of other countries. It has to participate in the exploitation of labour, resources and markets of other countries in order to make profit sufficient to compensate for the tendency of the rate of profit to fall and to exchange its products, particularly mineral, agricultural and manufactured products on the world markets in order to maintain the material basis for the expanded reproduction of total social capital internally. It is structurally essential for South African capital to have access to labour, resources and markets of other countries if the restructuring of capital and the socio-economic programmes necessary for the survival of South African capitalism are to be carried out. South African capital is further integrating itself into international capitalism in order to have a share in the opportunities for the expansion and accumulation of capital throughout the world. This programme of action is necessary for the survival of South African capitalism. South African state is supportive of this process. The reality that the national territory of any capitalist nation cannot serve as the sole site for the expansion and accumulation of capital has intensified reliance of the capitalist countries on the process of the external expansion and transactions. South Africa is not an exception to this rule.

South Africa's regional and continental economic and trade policy should be related to its capital accumulation which is characterised by the fact that export earnings are mainly derived from the limited number of products of its mining and agricultural sectors. While the South African mining and agricultural sectors have a high propensity to export and a low propensity to import, its manufacturing sector has a low propensity to export and a high propensity to import. It is because of the nature of the relations between these sectors that its economy is disarticulated, not articulated. South African capital accumulation requires South Africa to find and increase markets for manufactured products outside the developed countries where protectionist policy measures prevent the developing countries from effectively selling their manufactured products.

Table 1 provides information on South African regional, continental and international trade. It basically provides information on the characteristic features and consequences of capital accumulation in South Africa which

Table 1: Product Profile of South African Foreign Trade (Value: South African Rands Millions)

	January to December 1998				% Change over previous year	
Section	**Imports**	**%age**	**Exports**	**%age**	**Imports**	**Exports**
Live animals, animal products	1,101.2	1%	1,949.3	1%	–25%	25%
Vegetable Products	2,882.5	2%	5,592.1	4%	0%	–4%
Edible fats and oils	1,415.5	1%	276,195,782	0%	18%	8%
Prepared foodstuffs, beverages & tobacco	3,179.6	2%	5,929.5	4%	3%	8%
Mineral products	12,928.8	9%	19,024.1	13%	–23%	2%
Chemicals	15,648.8	11%	9,281.2	6%	13%	3%
Plastics & rubber & articles thereof	5,836.7	4%	3,062.6	2%	8%	56%
Hides, skins & leather products	820.6	1%	1,164.2	1%	2%	–8%
Wood and articles thereof	877.9	1%	1,417.8	1%	–10%	26%
Pulp, paper & paper products	3,224.6	2%	4,147.6	3%	7%	17%
Textiles & textile articles	5,213.5	4%	3,221.2	2%	–96%	–7%
Footwear, headgear, umbrellas etc	1,061.3	1%	143.4	0%	2%	–6%
Articles of stone, cement, asbestos, mica, ceramics and glass	1,997.4	1%	928.7	1%	16%	16%
Precious & semi-precious stones & metals	2,172.6	2%	35,135.3	24%	3%	–16%
Base metals & articles thereof	6,581.7	5%	22,684.3	15%	18%	6%
Machinery & mechanical appliances, electrical equipment	51,888.0	36%	10,271.1	7%	26%	17%
Vehicles, aircraft, vessels & transport equipment	8,822.2	6%	8,023.6	5%	9%	21%
High precision instruments and apparatus	5,677,526,212	4%	829.4	1%	18%	4%
Miscellaneous manufactures	2,315.2	2%	2,717.6	2%	27%	19%
Works of art	58,715.8	0%	93.0	0%	–4%	84%
Unclassified	274.5	0%	12,078.2	8%	8%	35%
OEM	9,377.4	7%	23.7	0%	4%	89%
TOTAL	143,356.1	100%	147,994.0	100%	10%	3%

Source: http://www.mbendi.co.za/import/sa/succeed-samarket.htm (25 January 2000).

are essential to the concrete understanding of the South African regional, continental and international economic and trade policy.

South Africa is structurally required to pursue a broad strategy of increased economic and trade presence regionally and continentally. It is structurally required that this strategy involve efforts to increase manufactured exports in order to overcome the balance of payments constraints on economic growth and development. South African capital accumulation process which is subordinate to the international capital accumulation is of crucial importance to the concrete understanding of demands placed on

South Africa's Africa economic and trade policy and the structural need to expand its economic and trade interests into the rest of Africa. We have already pointed out that South Africa's Africa economic and trade policy is the socio-political product of South Africa's intermediate position in a hierarchy of economic, political, financial, technological, trade and military international power relations which extend from the United States of America at the centre of capitalism to the African continent at the periphery of capitalism. Although South Africa's position in a hierarchy of international power relations does not give its national capital accumulation and relative international strength sufficient relative autonomy from national capital accumulation and international strength of the centre, the power of South African state has increased and its capital competes for markets throughout Africa and beyond. South African state and capital act as rivals not only of the state and capital of other African countries, but also of the developed countries and other non-African developing countries throughout Africa and beyond. The aim of South African state is to use political power to extend and expand South African external trade and economic interests in conjunction with its foreign policy. The key objective is to secure privileged access to national markets of other African countries and the rest of the South for the South African goods and services. This process is led by its private capital.

The reality that the South African manufacturing industry is not internationally competitive and that it has been dependent on the mining and agricultural sectors has led to concerted efforts on the further concentrated development of the manufacturing industry. If South Africa is to be able to effectively maintain or sustain the material basis of its expanded reproduction of capital, it has to solve the structural problem of its economy, namely, the uncompetitive nature of its manufacturing industry on the world markets. It means that it has to transform its manufacturing industry from being a major liability in the balance of payments or as a major net consumer of foreign exchange into being a major exporter or as a major net earner of foreign exchange.

The problem South Africa is facing in transforming its manufacturing industry from being a major liability in balance of payments terms into being a major exporter has been compounded by the fact that the manufacturing industry has been neither able to make a sufficient breakthrough into external export markets nor generate internal production of capital goods. Far from making a breakthrough into external export markets, it has become more and more vulnerable to foreign competition on its internal market. The South African manufacturing industry has become less and less internationally competitive.

The position that South Africa has "limited weight globally," that it "does not have the wherewithal to compete on the global terrain" given the fact that it "is neither the newly industrialising country nor a near-newly industrialising country," that it "is not one of the most important players on the globe" and that although the "Mandela factor has undoubtedly elevated its position" internationally, it "is just another above-average Third World country" (Ajulu in Landsberg, le Pere and van Nieuwkerk, 1995: 50-1) and that "South Africa's geo-strategic location and relatively high profile, given" its "international image" and that of "President" Mandela "are no guarantee for entry into" or its role in "the international arena on" its "own terms," particularly given the fact that "in global terms," South Africa is "a small, middle-income country" as the African National Congress maintains in its 1997 foreign policy discussion document (http://gopher.anc.org.za/ancdocs/discussion/ foreign.htm) helps to explain the intensified economic and trade expansion of South Africa into the rest of Africa.

South Africa has other disadvantages which increase the strategic importance of other African countries to its economic and trade interests. Firstly, the size of its national market is relatively limited. Secondly, South Africa is far from the large developed international markets. Related to its relative limited national market and its distance from the large developed international markets are high logistical costs which its companies struggle to be compensated for by the markets of other African countries. The fact that the national market of South Africa is relatively limited and that South Africa is far from the large developed international markets increases the strategic importance of other African countries to the South African companies. This is the case despite the fact that the size of their markets is limited.

According to Jean-Pierre Cling, South Africa's "main comparative disadvantages are in energy (petrol) and most complex industrial products: transport equipment (detachment parts and automobiles in particular), capital goods (engines, specialised machinery, information and telecommunications equipment) and intermediary goods (electrical supplies, hardware, plastics articles)" (Cling, 2001:109-110). "Most of" its "comparative disadvantages relate to products that are declining in global trade." The "only exceptions are furniture and paper, whose share of exports, however, is relatively marginal." Moreover, South Africa "demonstrates an absence of specialisation in those products that are most dynamic in global trade, such as those related to information technologies, machines, and transport equipment, which constitute its main comparative disadvantage" (Cling, 2001:110).

The rest of Africa is of strategic importance to the "objectives of South Africa's post-1994 trade strategy" which "have been to overcome the country's previous isolation from international markets and to grow exports and inward investment through, inter alia, establishing long-term access to key markets" (Department of Trade and Industry (DTI), 2002:1)

According to the South African Department of Trade and Industry, maintaining and expanding economic and trade links with the rest of Africa is of strategic importance to South Africa's foreign economic and trade policy for two reasons. Firstly, being "the leading economy in Africa presents the country both with unique trade and investment opportunities, but" also "with the challenge of systematically contributing to the continent's economic revival and development." Secondly, South Africa "faces potential market competition on the continent from major developed countries such as the European Union and the United States whose own trade strategies envisage securing preferential market access for themselves on the continent" (DTI, 2002:4).

These two reasons are of strategic challenge to South Africa given the fact that central to its economic and trade policy is the struggle not only to have better secure long-term access to the large developed international markets, but also to maintain and expand or "widen and deepen" this access (DTI, 2002:1–4). Companies of South Africa, the developed countries and other developing countries, using various weapons of economic and trade war, are engaged in competition in African countries in which they struggle to capture or seize the largest possible share of the markets, to maintain and expand their share of the markets, to attack their competitors and defend themselves against their onslaughts, and to supplant their competitors and exclude them from the markets. It is for this reason that the South African state and capital are "ensuring that the country's own access to these strategic markets is not overtaken by other major trading powers such as the European Union and the United States" (DTI, 2002:6). This task is central in South African economic and trade policy. The key reason for this is the fact that South African manufacturing industry is not internationally competitive, that it cannot effectively penetrate the internal markets of the developed countries with its products and that, given this reality, it has concentrated in penetrating the national markets of other African countries with its products and that they are the main markets for its products.

The intensified call for the export-led growth programme or for the South African manufacturing industry to be internationally competitive in order to be the cornerstone of the South African economy is a response to the problem of the international uncompetitive nature of the South African manufacturing industry and its consequences. This call has intensified in the post-settler colonial South Africa. The intensified struggle to transform the South African manufacturing industry into an internationally competitive industry as the national task is articulated by President Thabo Mbeki as follows:

> You are aware of the fact that a central objective of our economic policy is and has been the expansion and modernisation of the manufacturing sector of our economy and the shifting of our export mix in favour of manufactured goods. Given our strong resource base, this must mean, among other things, that we

add value to the resources we produce, so that we supply highly sophisticated intermediate products to the world industrial economy (Mbeki, 2000).

South African manufacturing companies do not effectively compete in the multilateral export markets for manufactured products. The multilateral export markets for manufactured products are characterised by intensified competition, in which the leading transnational corporations of the centre are dominant. They do not effectively penetrate the internal markets of the centre for their manufactured products. This stems from the fact that the South African manufacturing industry has been crucially developed and expanded through the assistance of the transnational corporations of the countries of the centre which produce for their internal markets and for the markets of other countries. It stems also from the fact that the internal markets of the centre are extremely well-protected from effective penetration by the manufactured products of the periphery and from South Africa's critical dependence on the transnational corporations of the centre for the advanced science–based production methods for the operation of its economy and its manufacturing sector.

South African firms have been successful in their intensified programme of action to find and expand markets for their manufactured products in Southern Africa. The advantages they enjoy over competitors of countries outside Southern Africa in the region, based on lower transportation costs and shorter delivery times, South Africa's relatively developed transport and communication networks, the position it occupied in its settler colonial era as the relay station, staging-post and regional nerve centre of imperialism in the struggle for the maintenance and expansion of its interests in Southern Africa, are some of the factors behind this success. The relatively developed marketing, managerial and technological resources enjoyed by South African capital compared to those possessed by its counterpart in other Southern African countries have enabled it to establish itself in various operations such as the provision of computer technology and back up services, mining, agriculture, manufacturing, explosives, oil and gas explorations, machines, engine and railway parts, electricity, telecommunications, food and beverages, retail concerns, hotel and leisure operations. The concentrated efforts of South African companies to penetrate the internal markets of the country's neighbours with their manufactured products, capital, goods and services has been constrained and limited by the fact that these markets are small and by the fact that they are also contested by companies of the centre and of some developing countries. It is for this reason, among others, that South African companies are structurally impelled to go beyond the region and the continent in their operations.

Some South African businesses have, to some extent, been successful in their intensified programme of action to find and expand markets for their manufactured products throughout Africa. Their success in increasing their economic and trade relations with countries of Southern and Eastern Africa has led some members of their capital and state officials to complain that South Africa has not restructured its economic and trade relations with them to promote fair and mutually beneficial interests. It is maintained that "what the apartheid regime could not achieve politically is now increasingly being accomplished through the structural power of South African capital" (Iheduru, 1996:4). "Indeed," it is maintained that, "what P.W. Botha failed to achieve through his 'constellation of Southern African states' and 'transport diplomacy' in the 1970s appears to have been gained by apartheid's beneficiaries through the emergence of a 'constellation of Southern African economies' led by private capital" (Iheduru, 1996:22). The conclusion is that South African private capital has created a "constellation of Southern African economies."

South African companies face competition from companies of the developed countries and some other developing countries in their programme of action to find and expand markets for their manufactured products in Southern Africa. Success on this issue may be negatively affected by the possibility that some Southern African countries are being attracted by manufactured products from the relatively cheaper corporate suppliers of developed countries. These suppliers can and do produce manufactured goods of high quality more cheaply because of their dominant position on research and development and advanced science-based production methods. They have effective access to small and large markets on the international scale, which the South African manufacturing companies do not have. Their dominant position on research and development and advanced technology enables them to have effective competitive advantage and to command higher prices for their products on the world markets. It enables them to dominate and maintain their domination of the world market.

The South African manufacturing industry is not internationally competitive. It cannot effectively penetrate the internal markets of developed countries with its products. Given this reality, it has concentrated in penetrating the national markets of other African countries with its products. The success it has achieved on this issue has led some writers to maintain incorrectly that African countries, not developed countries, are South Africa's main trading partners. Those who maintain this position exclude South Africa's imports particularly of manufactured products from developed countries. Central to this position is the question as to whether South Africa is a partner or "hegemon" in the rest of Africa, as if "hegemonic" countries are not partners of those they dominate, and the replacement of the domination of Southern African countries by the centre with South Africa which is itself dominated by the centre. This position is maintained, among others, by McGowan and Ahwireng-Obeng (1998).

The position that South Africa is "a strategic regional trading and financial centre in Africa" or "a centre for the collection of surplus (profits) for transmission to the core and for the administration of core and South African investments in the African periphery" (McGowan and Ahwireng-Obeng, 1998b) is used by some writers in justifying their position that South Africa is the regional and continental superpower. While for McGowan, South Africa is "a regional superpower" (1993:36) and not part of Africa or "the African part of the world's periphery" (1993:37), for Greg Mills, it is the "continental superpower" (2000:15) which in Southern Africa is "an island of wealth and excellence in a surrounding sea of regional poverty" or "an island of prosperity in a sea of poverty" in which some countries are "a sea of misgovernance and turmoil" and "contamination zones" from which "the only way in which" South Africa "can differentiate itself" is "to stake its claim as an island of good practice and stability in a sea of misgovernance and turmoil" and into which South Africa must "try and instil the values" of "democracy, human rights, tolerance, economic transparency and reform, and fiscal discipline" and that "what is good for South Africa is probably good for other Southern African Development Community" member "states" (Mills and Moon, 2001:12). For Mills, South Africa bears "the African burden" because of its "geographic location and perception as part of Africa, the continent described by some as the 'Third World's Third World,' marginal in the international mainstream and incapable of solving its own difficulties" and that as "an African state, South Africa has also an additional burden to bear" which "bluntly put" is that it "is Africa's last hope and best chance of getting things right. Any failure will hasten the exodus of world interest and concern" (Mills in Mills, Berg and van Nieuwkerk, 1995:11,12 and 12). Frederic Sicre, the Managing Director of the World Economic Forum, supports the position that South Africa is the 'locomotive' of the socio-economic growth and development of the rest of Africa when he points out that "On the African continent South Africa as the economic superpower is crucial for the development of the whole region" (Sicre in Ryan, 2001:9). This position does not take into account the dialectical reality that South Africa is relatively more developed than all sub-Saharan African countries particularly as far as the issue of addressing the demands, needs and exigencies of its people is concerned. There is also the fundamental need to provide a sober, objective and rigorous analysis of the structural constraints imposed on South Africa to play the role expected of it of serving as the "locomotive" of the development of the rest of Africa. Furthermore, it has to be noted that the regional environment of South Africa is different from that of other regional powers. In the case of sub-Saharan Africa, the continental environment of South Africa is different from that of other regional powers. If this is taken into account, the position that South Africa is the "locomotive" of the growth and development of the rest of Africa might turn out to be a mere wish that South Africa should serve as the "locomotive" of the growth and development of the rest of Africa.

According to Fantu Cheru:

> While South Africa could play a meaningful role in the region's development, the internal development problems of the country will consume the bulk of its energies and resources. The injustices inflicted by apartheid have left the majority of South Africans with poor living standards and insufficient opportunities for employment, and with only limited access to adequate education, health care and housing. A post-apartheid government that fails to correct the legacies of apartheid cannot hope to get popular support for its economic programme and is bound to face serious political crisis and civil strife, further undermining business confidence. Therefore, a democratic South Africa should not be seen as the 'locomotive' of Africa's development, and may even pursue policies that will be counterproductive for some of its neighbours (Cheru, 1996:63).

In his "challenge" to "those who paint a rosy picture of the future of Southern Africa's economic integration" as a result of the elimination of settler colonial rule in South Africa, Cheru pointed out in 1991 that:

> Despite repeated reassurances by ANC officials that a democratic South Africa will not try to dominate the region, a post-apartheid government will be forced to aggressively pursue trade relations to penetrate the African market on behalf of the business community and the new social classes (Cheru, 1992:7)

The South African companies controlled by South African Europeans are the primary beneficiaries of the post-settler colonial South Africa's economic and trade relations with the rest of Africa. This is a reflection, if not an extension of their dominance of the South African national economy. This raises the fundamental question as to how the same companies which dominate South Africa's economic and trade relations with the rest of Africa can serve as the locomotive of growth and development of the rest of Africa. These are the very same companies which are not serving as the leaders in the socio-economic growth and development of African, Asian and Coloured South Africans.

Pointing out that "South Africa does not have the manufacturing and technological base to represent by itself a substantial center of accumulation on a large scale enough to propel development in its wake," Manuel Castells maintains that "the version of a new South Africa becoming the engine of development for much of the continent, through its multilayered incorporation into the global economy ... seems, at close examination, utterly unrealistic" (Castells, 1998:127). The position that South Africa is the "locomotive" of the growth and development of the rest of Africa is the position that the rest of "Africa's hope" is through "the South African connection." Answering the question as to whether the rest of "Africa's hope" is through "the South African connection," Castells points out that

> on strictly empirical grounds, the end of apartheid in South Africa, and the potential linkage between a democratic, black-majority ruled South Africa and African countries, at least those in eastern/southern Africa, allows us to examine the hypothesis of the incorporation of Africa into global capitalism under new, more favorable conditions via the South African connection (1998: 122).

McGowan and Ahwireng-Obeng question the fact that Botswana, Lesotho, Namibia and Swaziland are independent when they maintain that they "may be juridically independent, sovereign states, but from the point of view of regional trade they are totally dependent on South Africa" (1998a: 10). Part one of their work addresses itself to uneven development between South Africa and its neighbours and the fact that trade relationship between South Africa and its neighbours is in favour of South Africa. These two issues also characterise the relationship between some other countries in the region. If these issues are not seriously, objectively and critically addressed, the position that South Africa is one bloc and other countries in the region and in the sub-Saharan Africa are another bloc competing between themselves, and that the South African block is "unjust" and the rest of Africa bloc is "just" may create tensions between South African Africans and Africans of the rest of Africa. This will also help oppressive African leaders who are against socio-political and economic development of their countries and people, and who facilitate South African capital to easily penetrate national markets of their countries to further visit oppression against some members of their societies including capital. This is an important issue which should be addressed seriously, objectively and critically in the arena of the socio-political, educational, cultural, economic, trade and military relations among sub-Saharan African countries.

Table 2 provides the conclusive evidence that the developed countries, not African countries, are the major trading partners of South Africa. The United States, Germany, the United Kingdom and Japan were among the top five in 1998. Only eight African countries, majority of them the Southern African Development Community members, were among South Africa's top forty international trading partners. The terms of trade with African countries remain extremely in favour of South Africa.

The position of McGowan and Ahwireng-Obeng that "today, South African businesses and their government have been expanding aggressively into the rest of Africa" and that by "the beginning of 1995 government had already established 22 trade missions in African countries and the South African budget for the financial year 1997/98 includes a new provision that will make foreign exchange more available to South African firms investing in other" Southern African Development Community "countries than those

Table 2: South Africa's Top Forty Trading Partners – 1998
(Value: South African Rands Millions)

		1998 Trade				% Change over previous year	
Rank	**Country**	**Exports**	**Imports**	**Total Trade**	**Exports**	**Imports**	**Total Trade**
1	USA	10,326.6	19,447.7	29,774.3	30%	21%	24%
2	Germany	8,135.4	20,574.0	28,709.4	41%	18%	24%
3	United Kingdom	11,592.2	14,190.0	25,782.2	–33%	–2%	–19%
4	Japan	7,174.1	11,207.8	18,381.9	2%	16%	10%
5	Netherlands	6,213.9	3,745.1	9,959.0	47%	14%	32%
6	Italy	4,004.6	5,739.8	9,744.4	24%	16%	19%
7	France	2,780.0	6,241.9	9,021.9	53%	34%	39%
8	Belgium	4,544.2	2,484.1	7,028.3	29%	9%	21%
9	Taiwan	3,089.8	3,664.4	6,754.2	–18%	1%	–9%
10	Zimbabwe	5,192.0	1,099.5	6,291.5	–9%	–19%	–11%
11	Switzerland	1,537.0	3,808.0	5,345.0	–49%	33%	–9%
12	Australia	1,823.9	3,500.8	5,324.7	10%	7%	8%
13	Peoples Republic of China	917.8	4,330.7	5,248.5	–11%	33%	23%
14	Korea	2,466.0	2,711.7	5,177.7	–31%	0%	–17%
15	Spain	2,662.1	2,265.0	4,927.1	–12%	73%	14%
16	Hong Kong	1,822.9	1,751.5	3,574.4	–16%	–8%	–12%
17	Iran	352.2	3,214.5	3,566.7	–21%	–54%	–52%
18	India	1,432.5	1,629.9	3,062.4	17%	4%	10%
19	Israel	1,971.5	1,050.4	3,021.9	6%	23%	11%
20	Sweden	446.1	2,477.5	2,923.6	215%	16%	28%
21	Canada	1,334.2	1,504.4	2,838.6	44%	–8%	10%
22	Mozambique	173.3	2,646.9	2,820.2	–94%	1474%	–2%
23	Saudi Arabia	623.1	2,181.8	2,804.9	–14%	69%	39%
24	Kuwait	109.3	2,425.8	2,535.1	13%	5%	5%
25	Singapore	806.0	1,581.4	2,387.4	–27%	28%	2%
26	Zambia	216.7	2,111.5	2,328.2	–90%	1046%	–1%
27	Brazil	1,073.9	1,243.8	2,317.7	–25%	–15%	–20%
28	Ireland	383.0	1,912.4	2,295.4	33%	45%	43%
29	Malaysia	420.9	1,788.7	2,209.6	–64%	36%	–11%
30	Thailand	620.9	1,312.4	1,933.3	–30%	50%	10%
31	Argentina	560.7	1,149.9	1,710.6	23%	–8%	0%
32	Malawi	459.9	1,209.0	1,668.9	–59%	203%	9%
33	Austria	433.5	1,171.5	1,605.0	24%	37%	33%
34	United Arab Emirates	736.1	742.8	1,478.9	26%	–5%	8%
35	Indonesia	517.2	902.7	1,419.9	–55%	37%	–22%
36	Kenya	63.1	1,277.4	1,340.5	–96%	1388%	–21%
37	Angola	14.8	1,083.0	1,097.8	–98%	419%	1%
38	Democratic Republic of Congo	24.9	1,043.6	1,068.5	–97%	155%	–20%
39	Mauritius	28.0	1,028.6	1,056.6	–98%	3764%	–13%
40	Denmark	359.2	585.7	944.9	–45%	16%	–18%
	Total Trade	147,994.0	143,356.1	291,350.1	3%	10%	6%

Source: http://www.mbendi.co.za/import/sa/succeed-samarket.htm (25 January 2000).

investing elsewhere" (1998 part one: 24-5) lumps the state and capital together in South African economic and trade expansion into the rest of Africa. One of the key questions here is the extent to which capital effectively uses the support and incentives provided by the state. The point is that in the settler colonial era, the state was playing a leading role in this process. In the post-settler colonial era, private capital has been so far, playing a leading role. The socio-political and economic policies of some countries of Southern Africa enabled South Africa to achieve its economic and trade objectives in Southern Africa. This included their adoption and implementation of structural adjustment programmes. One of the key issues which is behind South Africa's success in its economic and trade expansion into Southern Africa is the fact that the achievement of political independence in South Africa

> coincided with the internal and external liberalisation of its regional partners. At the very moment when South Africa was looking to new economic expansion in Africa, its neighbours opened their doors by lifting protection measures on external trade, privatising public companies, restructuring and requesting financing for state-subsidised companies, accepting foreign direct investments, liberalising capital flows and returning to currency convertibility. Thus there was simultaneously South Africa's will to export its goods and capital and the lifting of obstacles to imports and a call for foreign investments by its African partners.
>
> In other words, the former SADCC [Southern African Development Co-ordination Conference] countries accepted a return to capitalism at the same time that the South African private sector was pushing for an international expansion of capital. The present growth in inter-African relations in Southern Africa is thus not, or at least not principally, due to a policy of regionalisation through trade and/or regional institutions (even if both exist). It is above all a return to capitalism by supply and demand of private investment in the region. South African capitalism resumes, in the "New Scramble for Africa,' an old tradition of northwards expansion. ...
>
> The difference is great compared to development in West, Central and East Africa where the majority of countries have not had long-term experience with socialism (Coussy, 1996:21-2).

The second difference between Southern Africa and "other regions of sub-Saharan Africa," the process which enabled South Africa in its penetration of the markets of the region, is that in Southern Africa "from the beginning, the return to capitalism was based on a logic of corporate capitalism holding strong relations with the state. This logic certainly exploited the opportunities presented by the adjustment programmes and the return to a market economy" (Coussy, 1996:22).

Table 3, like Table 2, supports the view that the Southern African Development Community countries occupy the leading position in South Africa's continental trade.

Table 3: South Africa's top 15 African Trading Partners Outside The South African Customs Union

	Value of trade 1998, South African Rands				% change 1998/97	
Rank	**Country**	**Exports**	**Imports**	**Total Trade**	**Exports**	**Imports**
1	ZIMBABWE	1,099,585,239	5,192,047,402	6,291,632,641	–19%	–9%
2	MOZAMBIQUE	173,369,243	2,646,952,337	2,820,321,580	3%	–3%
3	ZAMBIA	216,723,327	2,111,543,869	2,328,267,196	18%	–3%
4	MALAWI	456,906,223	1,209,006,644	1,665,912,867	14%	7%
5	KENYA	63,104,671	1,277,491,936	1,340,596,607	–26%	–21%
6	ANGOLA	14,837,479	1,083,026,607	1,097,864,086	–93%	23%
7	DRC	24,903,220	1,043,678,768	1,068,581,988	–94%	13%
8	MAURITIUS	28,014,690	1,028,526,781	1,056,541,471	5%	–14%
9	TANZANIA	25,465,486	998,568,654	1,024,034,140	35%	3%
10	NIGERIA	437,572,850	294,893,855	732,466,705	–48%	45%
11	GHANA	27,606,615	489,088,073	516,694,688	66%	25%
12	EGYPT	298,641,082	130,171,933	428,813,015	58%	–12%
13	COTE D`IVOIRE	132,399,666	183,394,506	315,794,172	4%	67%
14	UGANDA	10,735,701	299,841,803	310,577,504	471%	88%
15	MADAGASCAR	339,541,268	256,540,726	296,081,994	124%	–14%

Source: http://www.mbendi.co.za/import/sa/succeed-samarket.htm (25 January 2000).

Summary and Conclusion

South Africa enjoys enormous privileges and advantages in its economic and trade relations with the rest of Africa, particularly sub-Saharan Africa, for various reasons.

Firstly, South Africa is relatively more developed socio-politically, economically, financially, technologically, militarily, and in terms of human resources development and trade than other sub-Saharan African countries.

Secondly, South Africa's geographical proximity to internal markets of other African countries provides the South African suppliers with advantages through lower transportation costs and the relatively shorter delivery distance. The cost of supplying other African countries with goods is less than from other countries outside Africa. The fact that the distance is shorter and freight costs are generally lower is such that the South African suppliers enjoy a greater cost advantage.

Thirdly, South Africa's socio-economic development is linked with the socio-economic development of Southern Africa. It is in the long-term interest of South Africa to contribute towards the development of industrial capacity of its neighbours. Southern African countries increase their importance to South Africa to the extent their industrial development increases.

The more their industrial development increases, the greater their share of manufactured imports from South Africa. Increasing their industrial development, production and distribution of wealth, reducing poverty and underdevelopment and increasing living standards and the resultant sustained economic growth are issues, which are essential to contributing towards their further importance to South Africa. The more their industrial development improves, the more they will structurally be impelled to consume more manufactured products from South Africa. In the process, their importance as markets for capital, manufactured products, goods and services for South Africa will increase. Central in this process is bound to be increased economic, trade and investment relations among Southern African countries, not only between South Africa and other countries in the region. This will also help to decrease uneven development between South Africa and its neighbours and substantially decrease migration of labour and professionals of other countries in the region to South Africa.

Fourthly, since the 1994 political transformation in the country, a number of transnational corporations of the centre have continued using the country as their regional relay station, staging-post and nerve centre. Their regional offices being in South Africa, they have been making economic, trade and investment relations in the country on the basis that the country is a reliable springboard for operations throughout the region and the continent. South African companies have also been making and increasing economic, trade and investment relations throughout the region and the continent.

Fifthly, successful trade and economic relations depend on the mobility of people, capital, goods and information. There are effective, reliable road transportation networks linking South Africa with the rest of Southern Africa. This gives South African companies competitive advantage in the region, as road transport is quicker and cheaper. South Africa has various transportation networks which link the country with the rest of Africa. Southern African countries, particularly landlocked formations depend on these networks for their regional, continental and international trade relations. South African Airways, the largest airline in Africa, with landing rights throughout the region, is the main air freight carrier within the region and between the continent and the rest of the world. South Africa has effective direct telecommunications networks with all African countries.

Finally, South Africa's exports to the continent have been increasing significantly since 1994. In 1998, total trade was valued at some R25 billion (US$4 billion) with African countries accounting for some fourteen per cent of total exports. The significance of South Africa's trade with the rest of Africa is that it is mainly in manufactured products with over sixty per cent of exports to the rest of Africa in categories of prepared foods, chemicals, base metals and articles, machinery and motor vehicles and parts. A further characteristic feature of South Africa's trade with the rest of Africa is that seventy-five per cent of its trade is with the Southern African Development Community countries.

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