

South Africa and Africa!

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The liberation of South Africa from white minority apartheid rule formally ended the formal political decolonisation of Africa as a whole. South Africa has the biggest economy in Africa, in fact 30 % of the economy of Africa as a whole. Its own size relative to other economies is no larger than that of the economy of Hong Kong, but when looked at in relation to Africa it has a very big economy. This is even more interesting given its population is 5 % of the population of the rest of Africa. The question that is relevant is this: Is South Africa integrating with the rest of Africa? If so, is the integration beneficial to the rest of Africa as it is for itself? Who benefits and loses in Africa and South Africa with South Africa's integration in and with the rest of Africa? Is the integration of South Africa a new opportunity or a danger to the rest of Africa? One can only welcome liberated South Africa with open arms to join the rest of Africa. South Africa is a new comer in its present form to the rest of Africa after years of exclusion. We should expect problems and mistakes would occur in the process of South Africa's integration with the rest of the continent. It would be surprising were South Africa not to make mistakes given the very many intractable conflicts and problems in the continent that defy often reason and commonsense. Recognising fully the problems, on balance the expectation is that South Africa learns to play a constructive role in and for Africa's renewal despite some anxiety in the continent that at present its economic engagement is more exploitative than productive. I shall try to draw some observations related both to the good things that South Africa has come to mean to the rest of Africa whilst pointing to some of the issues that need to be addressed to make the relationship a happy and enduring one.

The positive Contributions to Africa from South Africa

First: Without doubt the historic contribution to the rest of Africa, the African Diaspora and indeed to the human race is the very liberation of South Africa from white minority rule. Things could have gone haywire like Palestine and Israel and we could have had an intractable situation in Africa with the added difficulty of consuming Africa's meagre political, intellectual and economic resources. Thanks to the ANC, its leadership and some of the leaders from the old apartheid party, a negotiated settlement took place in spite of so many dangers and threats to derail it by white supremacist reactionaries and their allies from within the armed forces. South Africa's liberation remains a wonderful liberation in the history of liberation movements and the wisdom of the liberation leadership has a lot to be noted for this sterling accomplishment. This remained by far the best contribution of the South African people, liberation movement and leaders to Africa and indeed to the world.

Second: The important and critical other contribution is the speed with which the ANC leadership tried to talk up Africa by rejecting Afro-pessimism and declaring a period of African renaissance to coincide with South Africa's liberation and its coming to the common Africa home. In this way South Africa's liberation was positioned as the harbinger of a post-pessimist turn or the launching of an African optimist historical chapter in Africa's long history.

The African National Congress and the leadership did not take a long time from declaring that South Africa's liberation is also the liberation of Africa including African people the world over. The ANC and its leaders especially under president Thabo Mbeki revived the concept of

African renaissance to describe and interlink South Africa with the rest of Africa. As Thabo Mbeki put it: “Other regions of the world, including the most developed countries, are hard at work to change their neighbourhoods for the better. South Africa can only ignore or minimise this task. At our own peril, driven by a lingering sense that we are not an integral part of the African continent”(2004). The ANC puts forward a strong argument for being in Africa by saying that not to invest in the rest of Africa and stop devoting the energies of South Africa would create the danger that South Africa too can fall victim to the forces that have brought ruin to other parts of Africa. The notion that as what happened in South Africa during the years of oppression and resistance and liberation affected the fate of the rest of the continent, so will what happens in the rest of Africa impact on the fate of South Africa. ANC leaders are of the view that their foreign policy should reflect not only their own national interest but also that of Africa as a whole. At the level of intention and desire, there is no doubt South Africa’s leaders wish to contribute positively to the rest of Africa.

Thirdly, there is even a deeper matter the rest of Africa can learn from South Africa’s successful democratic transition. As everyone knows many African states are run with strong men who on accession to power end up quickly putting their signature on that often destructive and unproductive power as their birth right and try to even change constitutions to extend and perpetuate their power tenure and their South Africa’s ultimate liberation has produced two significant achievements with universal value pertinent to bringing about respect for human rights, democratisation and the building of good governance and democratic institutions. South Africa’s liberation movement succeeded to make a peaceful democratic transition by employing the concept of a transitional national unity government for the first years of freedom from apartheid rule. Subsequently its first liberation leader voluntarily gave up power and resigned from running once more for re-election. A key achievement of the South African process is also the ability of the emerging constellation of political forces to draft a constitution that has been infused both in spirit and letter with full recognition of all the freedoms for citizens, respect for human rights, democracy, rule of law, good government and building democratic institutions that combine social justice with recognition of those who wish to accumulate wealth by means of legally protected rights of property ownership combining traditional and modern systems of governance.

Fourthly, South Africa contributed also something of a universal significance in handling conflict resolution. It instituted what is known as a peace and reconciliation commission where immunity from persecution was exchanged for a full disclosure of all the crimes committed during the apartheid period. That has indeed helped to bring about a much needed relief and perhaps therapy by a people filled with too much anger and pent up frustrations built over years of brutality and mistreatment of the majority population. Whilst it is not easy to say that this has resolved the brutal legacy of apartheid colonialism in South Africa, there is no doubt it has helped to avoid revenge and other possible reprisals of the victimized population against the racist colonizers and de-humanisers. Much of the rest of Africa needs to learn from South Africa in trying to find a negotiated end to conflicts and deal with peace and reconciliation with the post-conflict problems bequeathed from the past.

Whatever problems may exist between South Africa and the rest of Africa, its liberation was hugely significant for Africa. Its African renaissance that aligns South Africa with the rest of Africa has been a strong weapon to beat back the prevailing Afro-pessimism temper that continues to oppress the African imagination to unite in order to be free, and to be free in order

to unite. Afro-pessimism fossilizes and essentialises Africa's problems and projects a prognosis of description/diagnosis and pessimism of destiny. Africa's striving to shape a shared purpose is undermined and the differences are rendered permanent. South Africa's rejection of Afro-pessimism officially and its engagement in trying to bring conflicting parties to resolve their problems is clearly critical.

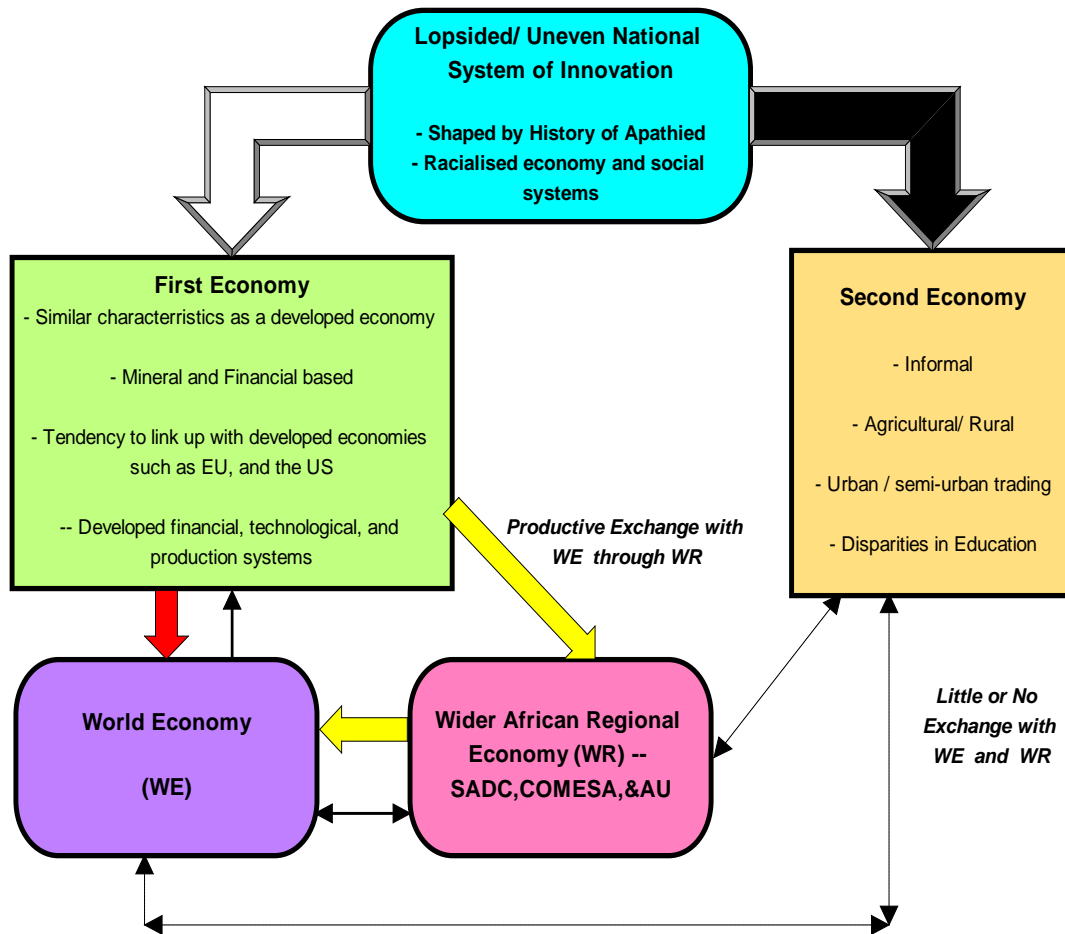
Its constitution is the envy of the world, and its truth and reconciliation commission is an example to the rest of Africa.

Fifthly South Africa has been contributing in building continental institutions such as the African Union and NEPAD, the Peace and Security Council, and the African parliament.

The Opportunity or Danger of the Link of South Africa with the rest of Africa

Having outlined the positive contributions, it is true that South Africa looks as if it is combining Europe and Africa at the same time both literally and figuratively especially in its economic structures. The country still has not done away racial division and income, class and gender inequalities. Translating this bifurcation into Europe and Africa into a description of the South African economy, what looks like the European part is conceptualised in turn by President Mbeki as describing something like the first economy; what looks like the African part is described as a second economy. The linkage between the two can be described by something at present akin to an economic apartheid. The problem of this radical bifurcation makes the issue of who is linking from South Africa with whom in the rest of Africa, and who in South Africa is benefiting from this linkage with the rest of Africa highly pertinent. Intuitively some analysts say that those who have the crown may not have much connection economically, but those who have the jewel have such economic connections. This makes it clear that intuitively the whites in South Africa still call the economic tune. Loss of political tune has occurred but the realisation of this into economic power by the hitherto disenfranchised majority is still to take place.

Figure 2: South Africa -- First and Second Economy and their Links with the African Region and the World Economy



Source: Authors

Figure 2 attempts to capture the links of first and second economies with the wider African region and the global economy. The figure illustrates the dilemma faced by South Africa. Its first economy manages to integrate in the world economy and shows a regional reach to the rest of Africa. But its second economy is separate from the first economy and world economy though it is likely in principle to create links with both independently of the economies of the wider region or through them.

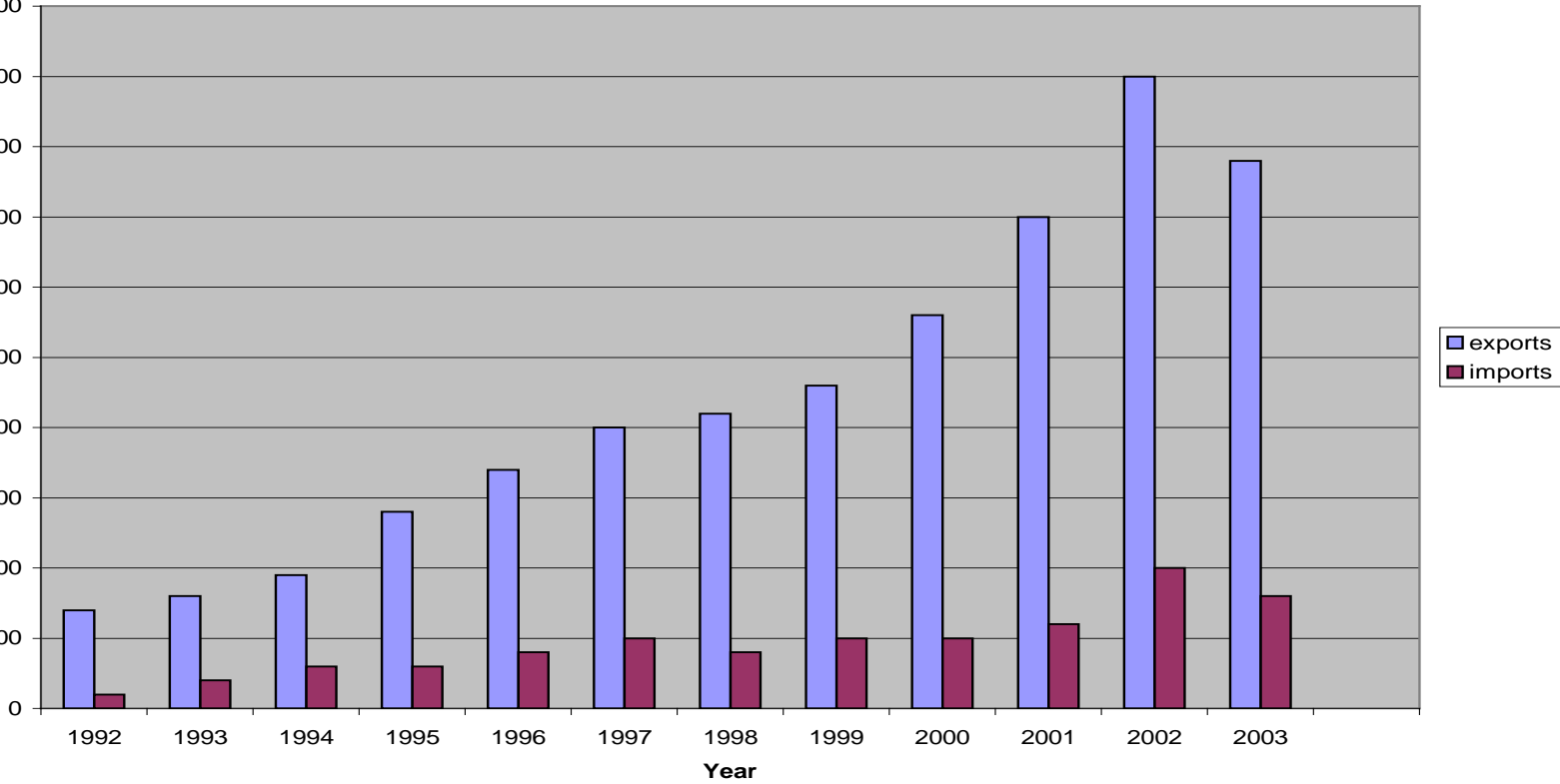
There is thus a real problem between how the first and second economy interlink to the wider problem of how South Africa and the rest of Africa are connected. If the first economy continues to privilege its links with the rest of the world economy and neglects and even worse makes the second economy marginally functional to it without any transformation, then it means that it is more likely that the first economy is to exploit the opportunities of its new found liberties to be at the front in connecting with the rest of Africa. The key issue is that whether the link with the rest of Africa will be productive or exploitive. The second economy is largely domestic and inward orientated. The first economy is outward orientated. The first economy is dominated by corporations that have also international connections and act as multi-national

companies with perhaps joint or share ownership from partners in Europe and America. The full story of how the first and second economy in South Africa is playing out needs to be researched. The connection this internal interaction in South Africa has must be studied in the context of its larger influence in the rest of Africa.

Some Indicators of South African Economic Penetration in the rest of Africa

Some preliminary linkages that are taking place show that of the one hundred companies that are registered in the Johannesburg Securities Exchange, 94 have a clear Africa focus and operation. South Africa competes for foreign direct investment with the rest of Africa while it itself has emerged as the premier foreign direct investor in the rest of Africa.

South African Trade Relations with Africa 1992-2003



- 94 of the 100 top corporations listed in the JHB Securities Exchange) involved in the rest of Africa
- Food retailer (Shoprite Checkers) has more than 70 shops in 14 African states
- MTN mobile provider is in Nigeria, Rwanda, Uganda, Cameroon and Swaziland
- SABMiller, second-largest beer brewer in the world is market leader in 13 states
- South African Transport runs Cameroon's rail road
- South Africa manages power plants in Mali and Zambia
- It controls banks and supermarkets in Tanzania, Mozambique and Kenya

Companies involved in different sectors include:

- Mining-Anglo Gold-Ashanti, De Beers
- Energy/utility-Sasol, Eskom enterprises, Umgeni Water
- Telecommunications-MTN, Vodacom
- Transport-Transnet, Unitrans
- Construction-Murray and Rob Retail and wholesale (market seeking)-Shoprite, Massmart Group
- Financial Services-Stanbic, IDC
- Tourism-Southern Sun, Protea
- Manufacturing-SABMiller, Barlow, World, Nampakerts /Group5/Grinaker LTA

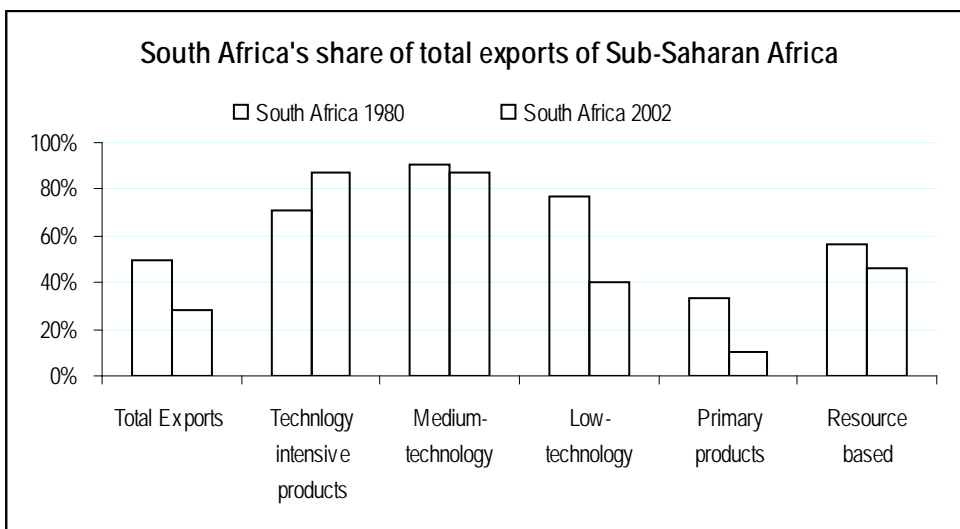
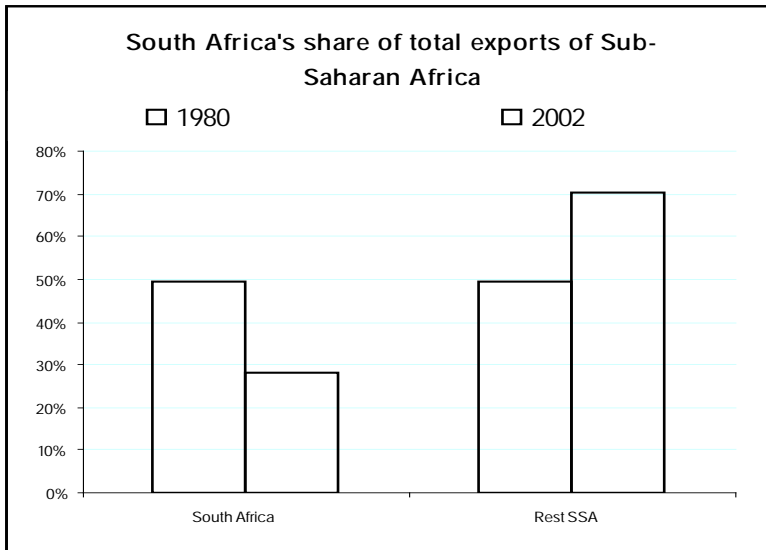
Sectors in which South African companies operate:

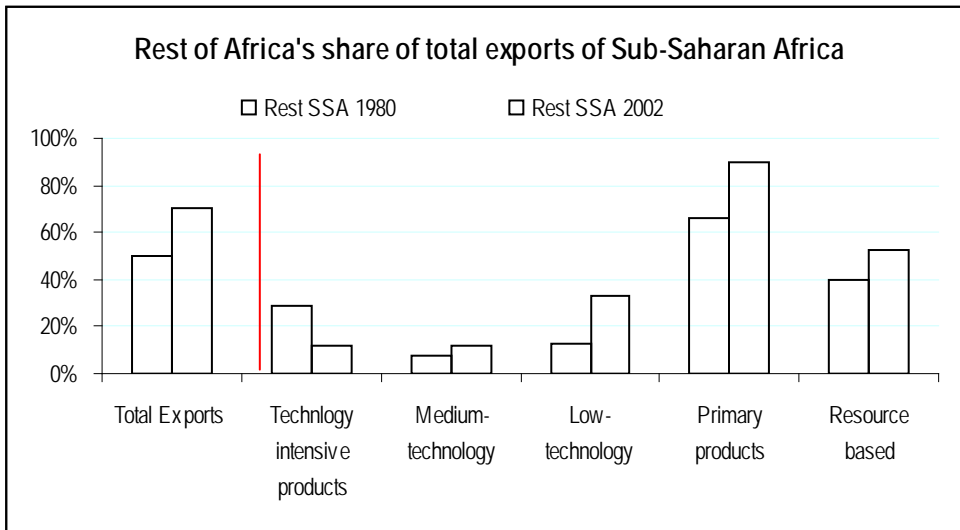
- Transport
- Construction
- Financial services
- Tourism
- Mining and energy
- Telecommunication
- Retail
- Hydropower: Mega-project e.g. Inga dam project in DRC

South Africa's Impact on Africa (South of the Sahara)

- 1) Some graphs to show the dimension of South African economy in relation to the rest of Sub-Saharan Africa
- South Africa represented 50% of African exports to the world in 1980 but this share has decreased to about 30% in the year 2002.

- However it is important to see the “quality” of that statement. South Africa seems to have increased its share in those activities that are more competitive, and more intensive in technology, whereas it has diminished in those activities that rely more in resources and primary products.





2) Some graphs showing the role of South Africa in SSA in comparison to the rest of SSA.

- The “internal” trade in Sub-Saharan Africa seems to be more in terms of complex products. Note; by simple products I mean products that are resource based and row primary product. By complex products I refer to those that involve significant manufacturing skills. This graph shows the percentage of South African exports and Sub-Saharan Exports that are destined to Africa, and also provides some information on the complexity of these commercial relationships. Regardless of what is commonly believed, most of the commercial relationships within Africa are for complex products. This means, Africa exports internationally its resources and trades its more advanced products internally. This supports the idea of a **NEED FOR AFRICAN COLLABORATION** in trade for these products. Who says there is not enough demand for these products within Africa??!!!
- The next graph also shows that the top destination for ICT products from South Africa (within developing regions) is Sub-Saharan Africa.
- Africa needs to develop trade schemes to promote competition within Africa in higher technology products. – Avoid historical dependence of FDI oriented to low valued activities (mining, resources, etc) South Africa as a major player must open negotiations in this line.