

**2030 HORIZON SCANNING:
SOUTH AFRICA AS A REGIONAL POWER?
What it means & the challenges to 2030**

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Executive summary

South Africa's status as an economic, political and military powerhouse in Africa has immense potential of promoting Africa's stability, development and participation in global governance. The future of South Africa's regional and global engagement continues to be framed by views of its emerging regional power or a 'regional superpower' status: the largest GDP in Africa (\$254,992-millions ranked 27 globally in 2006); the largest defense budget of any single African country (\$1.75, billion); large capital with unfettered role in Africa; and increasing role of its diplomats in the regional multilateral structures and global governance.

But its effectiveness in accomplishing these roles is impeded by several factors at the national regional and global levels. At the national level are the challenges of capacity constraints, including lack of human resources and skills, and an elite too divided to agree on strategy of service delivery and poverty alleviation. Its Accelerated and Shared Growth Initiative for South Africa (ASGISA) and its human resource and skills development component, the Joint Initiative on Priority Skills Acquisition (JIPSA) are yet to gather momentum and the requisite focus to support its regional and global agenda. At the regional level, South Africa faces the challenge of power rivalry and need to take a strong stand on governance and human rights issues. Globally, the rise of China and the imperatives of the US-led 'war on terrorism' offer both opportunities and challenges.

- *Uniting the 'two countries':* Accelerating land reform, poverty reduction and skills development with a focus on gender, racial and ethnic disparities are key to avoiding the risk of regional instability. This calls for the mobilization of resources and involvement of multiple actors and partnerships to avoid a future risk of instability.
- *Stabilising Africa:* Supporting South Africa's capacity to play a leading role on the continent, especially its mediation of volatile situations and peace-keeping might require innovative ways of enhancing its mediation capacity and strengthening the role of its military and police in peace support operations. Its role in SADC's mediation resolve the Zimbabwe crisis is central.
- *Africa's multilateral capacity:* Support for the regional brigade of the African Union's Standby—including the SADC brigade—and the capabilities in the AU, NEPAD and SADC has the potential of promoting these values and culture.
- *Land reform:* Building partnerships and promoting measure to accelerate land reform in Southern Africa can potentially reduce the risk of conflicts in the volatile region.
- *Working with China:* Promoting forums for China-Africa dialogue and constant research on these relations to highlight their impact on Africa have the potential of ensuring profitable relations.
- *Increased role in global governance:* Support for the on-going reform of the UN system offers an opportunity to increase Africa's role in global governance. A permanent seat in a reformed UN Security Council for Africa and Africa is central to enhancing Africa's role in role in multilateral global governance.

1 The policy context

South Africa is widely visualized as a regional power—but increasingly encumbered by facts of its own history, complex realities of Africa’s diplomacy and rapid shifts in global power relations. As Africa’s economic and military powerhouse, South Africa has most of the ingredients of a regional power status: the largest GDP in Africa (\$254,992-millions ranked 27 globally in 2006); the largest defense budget of any single African country (\$1.75, billion); unfettered of its corporations in the entire Southern Africa with its companies taking over local firms; and its diplomats playing an increasingly influential role in the regional multilateral structures and global governance. South Africa may be rightly ranked together with other emerging regional powers in the Third World such as China, India and Brazil, and seen as being in the same league with such global middle powers as Canada, the Netherlands and Norway. But it faces major challenges at the regional and global levels, which have far-reaching policy implications to 2030 and beyond.

1.1 A Regional Hegemon?

Discussion on the future of South Africa’s regional and global engagement is framed by hubristic celebration of Africa’s youngest, wealthiest, most energetic, but divided nation as an African equivalent for America in global politics: variously tout as an emerging regional power or a ‘regional superpower’. ‘Given South Africa’s moral standing and its military and economic resources,’ argues Adam Habib and Nthekang Selinyane, ‘it will always be expected to play a hegemonic role in the region and beyond’. Another view highlights South Africa, together with Nigeria, as forming an ‘axis of virtue’ that has spearheaded the establishment of an African peace and security architecture to end the continent’s conflicts. But relations with Nigeria have become increasingly frosty--fuelled largely by competition over the UN Security Council seat.

Disputing accounts highlight the notion of South Africa as a ‘gently giant’ rather than a ‘big brother’, now driving the Mbeki administration. South Africa does not possess the military capacity at present to assume the status of a hegemon, argues two of Pretoria’s academics, Le Roux and Boshoff. Zimbabwean scholar, Sachikonye, rightly depicts ‘quiet diplomacy’ as a strategic response to powerlessness. If South Africa was a hegemon, he argues, ‘it would surely have had more success in dealing with the extended crisis in the country, and its policy would not have been quiet’. At the present, the horizons of South Africa’s engagement at the regional and global level to 2030 and beyond will continue to be defined by four challenges: power rivalry with Southern Africa and beyond on the continent; challenge of former colonial powers like France; the increasing role of an energy-hungry, better-resourced and more strategic China into Africa; and super-power expectations of South Africa’s role as a pivotal state especially in the US-led ‘war on terrorism’.

1.2 Domestic Capacity constraints

Capacity is, and will remain, a major constraint to South Africa's regional engagement. "Nothing short of a skills revolution will extricate us from the crisis we face" proclaimed President Thabo Mbeki's deputy, Phumzile Mlambo-Ngcuka. Although Cabinet unveiled the Accelerated and Shared Growth Initiative for South Africa (ASGISA) and its human resource and skills development component, the Joint Initiative on Priority Skills Acquisition (JIPSA) in July 2005, it is still to gather momentum. The initiative's narrow domestic focus is also unlikely to support South Africa's grand African goals.

Further, the future of South Africa depends on a decision to strike a balance between its African involvement and challenges of service delivery at home. Key to this is dealing with what America scholar Jeffrey Herbst aptly describes as 'two countries' living side by side: one poor and black, another wealthy and predominantly white. While attracting foreign direct investments might help to create jobs ease chronic unemployment, accelerated land reform is also key to Pretoria joining the ranks of global middle powers like Canada and Norway by 2030. Distributing the 84% of land currently dominated by less than 10% of the population is central avoiding the risk of instability and has the potential of accelerating self-employment and poverty alleviation.

Another challenge is ideological divisions within South Africa's elite, which continues to undermine the coherence and effectiveness of policy formulation and implementation machinery. While the idealists continue to expand Pretoria's involvement in mediation, peacekeeping and building the capacity of African institutions, the realists clamouring for paring down of interests to the challenges of service delivery at home, special interests like Zimbabwe while deepening engagement with EU and other western economies.

Although former president Nelson Mandela proclaimed "human rights [as] the core concern of [South Africa's] foreign policy", realities of African diplomacy continue to impede a robust public human rights activism by Mandela's successors. South Africa has to figure out how to ensure that multilateral institutions like NEPAD's Peer review mechanism deliver on the governance front in Africa.

South Africa's role as a peacemaker—involving mainly exporting the 'miracle' of its own transition from apartheid to democracy to unite divided nations in Africa and the world, faces the challenge of a military said to be overstretched, aging and ailing. There is also less collaborating with other African powers (particularly Nigeria, Libya, Angola and Zimbabwe) and competition from former colonial powers like France. Figuring out how to be more assertive without being hegemonic is South Africa's main challenge to 2030 and beyond.

2 The regional horizon

Intra-African power rivalry threatens South Africa's regional power ambitions both in Southern Africa and on the continental stage. Added to inter-African rivalry is the role of former colonial powers in regional politics, now compounded by the growing role of China in Africa.

Although the SADC countries supported the ANC's liberation struggle, they have remained sceptical of Pretoria's role as a regional powerhouse—having struggled for decades to lessen their economic dependence on apartheid South Africa. More assertive and bolder as regional players is the triad of Angola, Namibia and Zimbabwe, which ignored South Africa's view and sent thousands of troops to the Congo under the auspices of the SADC to support Laurent Kabila. Pretoria's own invasion of Lesotho in 1998 fuelled the situation.

Since 2000, Mbeki has intervened diplomatically to resolve the political and economic impasse in Zimbabwe, but the policy of 'quiet diplomacy' has emboldened the regime in Harare. Hope lies in the success in SADC's intervention to ensure a free and fair presidential election in 2008. A victory by the badly splintered opposition is unlikely, but Mugabe's victory is likely to increase international pressure on South Africa to harden its position. Zimbabwe's land reform has a potential domino impact in Namibia and South Africa, whose situation mirrors Zimbabwe.

The resource-rich Angola has a new ally in China, which has acquired control over oil shares. Angola has immense economic and strategic interests in the Democratic Republic of Congo, where African states clashed in the civil war between 1998 and 2003. Angola-South Africa rivalry over the DRC, especially water resources, is likely to intensify in the coming years.

Farther a field on the continent, Mbeki's precept of 'African Renaissance' continue to galvanize the transformation of the African continent: the formation of the African Union (AU), and the refurbishing of the peacemaking capacity of Africa's multilateral institutions like the AU, the New Partnership for Africa's Development (NEPAD) and Regional Economic Communities (RECs). Mbeki's multilateral strategy has successfully blunted the view of South Africa as 'the West's lackey on the Southern tip of Africa', but it needs fine tuning to become an efficient vehicle of South Africa's foreign policy goals: human rights, democracy and economic development.

However, Libya's Muammar Gaddafi is posing an ideological challenge to South Africa by pushing for an immediate implementation of "a 'United States of Africa': a five-year term of presidency, a single military force and a common African currency, with the new organisation's headquarters in Tripoli". The issue of the African Union Government dominated the AU meeting in Accra, Ghana. The challenge to 2030 is how to steer the debate in a way that leads to realistic timeframe of implementing the union government without jeopardizing what is already being accomplished.

Many view mending dipped relations with its regional ally, Nigeria, as a key challenge. As Abdul Lamin has shown, South Africa's mediation in Cote d'Ivoire in 2004-2005

fuelled rivalry with Nigeria, which considers the West African region as its turf. It also irked the ire of France, Cote d'Ivoire's former colonial power. While some view the election of Umaru Yar'Adua as a window for South Africa-Nigeria détente, in the future a lot of diplomatic spade work is needed. A related challenge is how to ensure that South Africa's continental image does not suffer from the export of illicit arms by its arms companies and involvement of its mercenaries in Africa's theatres of conflict—including the widely publicized 2005 apartheid-style effort to topple the government of the oil-rich Equatorial Guinea. Tighter surveillance and stronger legislative measures are necessary.

South Africa's role in the UNSC as a non-permanent member (December 2006-2008) is a significant step to becoming a permanent veto-wielding power that links African agenda to global politics. The main challenge is the confrontation with the US, which feels that Pretoria has not played a forceful role in the War on terror.

3 The global horizon

The horizons of South Africa's global involvement are marked by the 'securitization' of politics in the post-September 11 2001 world, including the use of the military to proselyte democracy and to consolidate control over energy sources, especially oil. Some are viewing the dominance of new security thinking in Africa as a serious challenge into the future. The logic of securitization, argues Rita Abrahamsen, has merely helped legitimise the "war on terrorism" with very little to offer for Africa's development.

3.1 China's footprints

As a developing country, with deep historical ties with African nationalist movements, huge resources and political capital as a veto-wielding power, China has both the potential to facilitate partnership in trade, and infrastructural and economic development, and to undercut South Africa's regional power ambitions on the continent.

With China's share of African oil representing 30% of its oil imports, (more than 765,000 barrels per day by 2005), some are fretting about China's imperial power status and 'neo-colonialism' in Africa. But China is considered a friend not a foe across Africa, owing to strong bonds of solidarity dating back to China's support for Africa's struggle for independence after 1949--while its imperial past still haunts Pretoria's. China's has invoked its identity as a 'developing country' and challenge of 'the injustice and inequality in the current international system... [which] hinder the development of the south' to win the hearts and minds of Africans in what is touted as 'a new scramble for Africa'.

China has more economic aid to offer Africa than South Africa can mobilise, including cancelling the debt of 31 African countries amounting to \$1.3-billion in

2000 and giving tax havens to 26 poor African countries. With no governance conditions attached, except the requirement that its partner countries do not recognise Taiwan, China has effectively narrowed the space for the potential of Pretoria's public criticism of illiberal regimes in Africa. Pretoria has no veto power in the United Nation's Security Council. In contrast, as the only non-western veto-wielding power, China's global power is viewed as an asset by countries like Sudan and Zimbabwe facing pressure from the West.

The China-Africa Cooperation Forum (CACF), established in Beijing in 2000 as a vehicle of Sino-Africa partnership, is almost eclipsing South Africa-led cooperation initiatives such as the New Partnership for Africa's Development (NEPAD). China is Africa's third most important trading partner, behind the US and France, with Sino-African trade standing at \$30-billion by 2006 and 674 Chinese state companies operating in 49 African countries. Although South Africa's bilateral trade with China is booming, it has a trade deficit with China of over US\$400-million, and cheap Chinese imports are feared to be fuelling job loss.

Although it has donated \$400,000 as support to the African Union's continental peace efforts in April 2005, deployed its People's Liberation Army to Liberia and Congo as peacekeepers under the UN auspices since 2003, and has pledged engineering and medical troops to support the deployment in Sudan in accordance with UN resolution 1590, China is rolling back the gains made by South Africa and others to stabilize Africa. China made a kill, selling US\$1-billion worth of arms to both sides during the ruinous 1998-2000 Ethiopia-Eritrea war. China has supplied arms to Sudan (contributing to nearly 50 percent of China's total oil imports from Africa), where it is backing, where the state-sponsored Janjaweed militias are accused of killing more than 200,000 and displacing 1.2-million civilians in the Darfur region, and where the war has spilled over and destabilized the neighbouring Chad and the Central Africa Republic. China is the single largest investor in Zimbabwe, and the country's biggest source of investment in 2004, providing the country with US\$600-million in investment in manufacturing and tourism.

3.2 America's "war on terror"

South Africa received US\$-million to support its mediation in Burundi in 2002-2003, and has US backing for its peacemaking efforts in the Democratic Republic of Congo, Sudan and Cote d'Ivoire, and is one of the beneficiaries of some \$30 billion the Bush administration's President's Emergency Plan for AIDS Relief (PEPFAR) set aside in May 2007 to fight HIV and AIDS around the world.

Although President George W. Bush's visit to South Africa in July 2003 cemented relations with Pretoria, post-apartheid South Africa's strong sense of sovereignty and commitments to regional and south-south solidarity have strained their relations. Washington has not been particularly enamoured by some of the positions that South Africa has taken on critical international trade negotiations, particularly its stand on the failed WTO talks in Cancun in September 2003. After September 11, the US *National Security Strategy* identifies South Africa, together with Nigeria, Kenya and Ethiopia, as 'anchors for regional engagement' for its 'war on terror'. But South Africa's preference for a soft power alternative to Washington's military-heavy

approach to counter-terrorism, Pretoria's public criticism of its pre-emption strategy and the war in Iraq created tension.

Pretoria's decision not to sign the agreement exempting US citizens and soldiers operating on its territory from the jurisdiction of the International Criminal Court (ICC), provided in article 98 of the ICC statute, led to suspension of \$7.5 annual military aid to South Africa. Also fuelling tensions is South Africa's opposition to the newly launched Africa Command (Africom), seen as a new US offensive on the continent to control oil resources and contain China. South Africa's realists call for closing ranks with the US and supporting its efforts, but liberation diplomats on the hill insists on treading a sovereign like as the surest guarantee of Pretoria's future.

4 Policy Implications

The above scanning of the policy horizons presents alternative scenarios and policy implications for DFID.

- *Uniting the 'two countries':* Failure to accelerate land reform, poverty reduction and skills development with a focus on gender, racial and ethnic disparities has poses the risk of instability. Mobilizing resources and involving multiple actors in the processes has the potential of avoiding this risk.
- *Stabilising Africa:* Lack of capacity to support its African agenda might undermine South Africa's role on the continent, especially its mediation of volatile situations and peace-keeping. One alternative is for DFID to support the capacity of South Africa's mediation processes and of its military and police to play a role in peace support operations. More urgently, South Africa's role in SADC's mediation to ensure free and fair elections in 2008, economic recovery, and peaceful settlement of Zimbabwe's crisis, now threatening regional stability.
- *Africa's multilateral capacity:* Absence of adequate capacity for South Africa to backstop the building of regional institutions has a drawback to ensuring regional governance, peace and security as requisites for regional economic development. Support for the regional brigade of the African Union's Standby—including the SADC brigade—and the capabilities in the AU, NEPAD and SADC has the potential of promoting these values and culture.
- *Land reform:* Lack of adequate response to the simmering conflicts over land across Southern Africa can lead to implosion of stable countries. In this regard, accelerating land reform in Southern Africa has the potential of reducing the risk of conflicts in the volatile region. DFID can support.
- *Working with China:* China's forceful entry into Africa offers challenges and opportunities for economic and political partnership with South Africa. Working with China to ensure a peaceful and prosperous Africa is key to this engagement. Promoting forums for China-Africa dialogue and constant research on these relations to highlight their impact on Africa have the potential of ensuring profitable relations.
- *Increased role in global governance:* Africa's reduced role in global governance, especially the UN Security Council may contribute to their declining role in

multilateral processes. The on-going reform of the UN system offers an opportunity to increase Africa's role. Africa and its major countries like South Africa is seeking a permanent seat in a reformed UN Security Council as part of this process. Support for Africa's increased role in the UN and other forums is key to enhancing Africa's role in multilateral governance.

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