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The role and responsibilities of the European Community

Britain is not the only country in the European Community which is linked historically with southern Africa. The Netherlands was the original colonial power in South Africa; Germany originally colonised Tanzania and Namibia; and, until relatively recently, Angola and Mozambique were Portuguese territories.

In contemporary terms, the relationship between the European Community (the EC') can be considered on three main levels. Firstly, the twelve individual EC states have their own, national ties with and policies towards southern Africa. Secondly, at Community level, the EC has direct (bilateral) links to each SADCC country, and its own (multilateral) relations with SADCC. The EC's special relationship with the 66 African, Caribbean, and Pacific states which have historical ties with its members is governed by the terms of the 'Lomé Convention', an international treaty first incorporated in 1975, which is mainly concerned with preferential aid and technical cooperation, and trade, and was designed to promote a 'New International Economic Order'. All the SADCC states are signatories to the Lomé Convention and Namibia is expected to accede on independence. (The fourth Lomé Agreement was ratified in December 1989.) Thirdly, at Community level, the EC has adopted a Common Policy intended to abolish apartheid.

Separately and together, the nations of the European Community have an important role to play in contributing to stability and development in southern Africa.

Economic links with southern Africa

EC trade with the SADCC region

South Africa's importance to the EC in comparison with other states of the region is reflected in the pattern and levels of EC trade (see table 11.1). In 1988, the value of exports from the whole SADCC region to the EC totalled only some 20 per cent of the value of South Africa's exports to the EC, while for imports the figure was about 35 per cent.²

The economic crisis which the SADCC region experienced during the 1980s is reflected in the substantial decline in EC exports to the SADCC region. It has been estimated that Europe has lost some 1.2 bn. ECUs in export orders.³

Nevertheless the twelve member states of the EC form an extremely important trading region for the SADCC countries (see table 8.1), and the future development of EC trade policies under the Lomé Convention — particularly when the Single European Market comes into operation — is

Table 11.1: EC trade with southern Africa (1988)

a. Exports from EC countries* to southern Africa, 1988: percentages of total exports

	SA**	Ang.	Bot.	Les.	Mal.	Moz.	Swa.	Tan.	Zam.	Zim.	Total
West Germany	33.93	0.69	0.08	0.02	0.23	0.28	0.05	0.91	0.71	1.05	37.95
UK	19.19	0.46	0.48	0.02	0.50	0.44	0.03	1.57	1.51	1.04	25.24
France	6.64	1.52	0.25	0.05	0.08	0.46	0	0.20	0.35	0.39	9.95
Italy	6.34	0.65	0.03	0.01	0.08	0.98	0.06	0.72	0.35	0.23	9.44
Netherlands	3.49	1.07	0.01	0.01	0.06	0.20	0.02	0.42	0.18	0.32	5.78
Belgium	3.74	0.34	0.08	0	0.02	0.05	0	0.15	0.11	0.12	4.61
Portugal	0.32	1.86	0	0	0.01	0.30	0	0.03	0	0.02	2.53
Spain	1.47	0.57	0.13	0	0	0.07	0.01	0.09	0.01	0.04	2.39
Denmark	0.15	0.08	0.06	0.03	0.04	0.05	0.02	0.40	0.08	0.15	1.06
Ireland	0.88	0.04	0	0	0.01	0	0.02	0.02	0.05	0.03	1.05
Total	76.15	7.26	1.14	0.15	1.02	2.83	0.22	4.52	3.33	3.39	100.00

* excluding Greece (no data available)

** including Namibia

important to the development of SADCC's strategy of investment in production.

EC trade with South Africa

Europe is a key trading bloc for South Africa. In 1987 Western Europe accounted for 55 per cent of South Africa's total trade.⁴ There have been changes in the pattern of trade in recent years, primarily as a result of sanctions measures. Comparing 1987 levels with an average for 1983-85, we see that West Germany, Italy, and Spain were among the countries which increased the value of their trade with South Africa, while the UK, Denmark, and Ireland reduced theirs.⁵

In 1987, Japan was South Africa's foremost trading partner, while the data published by the European Community Statistical Office for 1988 put the UK in first position as South Africa's main export market. An important factor behind both British and West German trade with South Africa is those countries' importance as a source of investment. According to UN data on the major sources (by home country) of foreign direct investment in South

b. Imports to EC countries* from southern Africa, 1988: percentages of total imports

	SA**	Ang.	Bot.	Les.	Mal.	Moz.	Swa.	Tan.	Zam.	Zim.	Total
UK	47.58	0.10	0.08	0.01	0.39	0.05	0.34	0.25	0.27	1.08	50.14
Italy	12.53	0.24	0.03	0	0	0	0.02	0.15	0.65	0.65	14.27
West Germany	9.59	1.45	0.13	0.01	0.13	0.03	0.03	0.40	0.11	1.19	13.07
Belgium	6.93	0.95	0.02	0.01	0.04	0	0.05	0.08	0.29	0.28	8.64
France	4.29	0.48	0	0.08	0.07	0.07	0.23	0.05	0.54	0.14	5.95
Netherlands	1.71	0.98	0.01	0	0.20	0.01	0.03	0.14	0.02	0.38	3.49
Spain	1.96	0.50	0.03	0.03	0.01	0.20	0.01	0.04	0.01	0.12	2.91
Portugal	0.65	0.18	0	0	0.02	0.04	0.08	0.11	0.01	0.19	1.29
Ireland	0.07	0	0	0	0	0	0.01	0	0	0.02	0.11
Total	85.34	4.87	0.30	0.14	0.89	0.41	0.80	1.24	1.90	4.10	100.00

* excluding Greece (no data available)

** including Namibia

(Source: "External Trade", Eurostat, 1989)

Africa between 1981 and 1986, the UK and West Germany came in first and third places respectively. Further, the UK and West Germany are among the countries which received foreign investment from South African TNCs during the 1980s.⁶

EC loans to South Africa

EC member states' banks are heavily exposed in South Africa, especially those based in the UK, France, West Germany, Italy, the Netherlands, and Belgium (as ranked in descending order of importance according to early 1989 data), with a total of \$8.9 bn exposed.⁷

EC aid to southern Africa

EC aid to southern Africa is a major source of the region's total aid flows. There are three main types.

On an individual, national level, member states have their own aid programmes. At Community level, they contribute to the EC's aid programme, most of which is channelled through the National Indicative Programmes, negotiated with each recipient country (see table 11.2⁸). In addition, the EC has other aid budgets which benefit the SADCC region,

Table 11.2: Lomé III: EC aid allocated to SADCC states under National Indicative Programmes, 1985-1990 (ECU m.)

Angola	109
Botswana	35
Lesotho	51
Malawi	139
Mozambique	205
Swaziland	31
Tanzania	218
Zambia	90
Zimbabwe	81
Total	959

Note: Figures include extra allocations made during the mid-term review. In addition, 141 m. ECU was allocated under Lomé III to SADCC's Programme of Action.

Table 11.3: EC aid to its Special Programme in South Africa and Namibia

1986	ECU 10 m.
1987	ECU 20 m.
1988	ECU 30 m.
1989	ECU 25 m. (proposed)

including a special multilateral facility for funding SADCC;⁹ emergency relief; aid to refugees and returnees; food aid; the STABEX and SYSMIN facilities (which partly compensate countries in the South for loss of export earnings due to circumstances beyond their control); and a special aid fund to support countries undertaking structural adjustment programmes.

And lastly, at Community level, as part of its policy to hasten the end of apartheid in South Africa, the EC has provided financial support to some South African and Namibian organisations. (See table 11.3,¹⁰ and the section on the EC Special Programme for the Victims of Apartheid below.)

EC policy towards southern Africa

EC policy on SADCC

During the late 1970s, the EC was a major backer of the SADCC idea. It gave useful support, both political and material, to the southern African states trying to establish their own regional economic cooperation body. EC assistance to correct the SADCC region's structural economic deformities (in its relationship with South Africa, and with the North) is seen as especially important. At Community level it represented a shift of emphasis away from Europe's traditional preoccupation with trade and investment in South Africa.

During the early 1980s, EC bilateral and multilateral aid to SADCC was disappointing, largely due to the prevailing lack of British and West German support for SADCC's goal of reducing its dependency on South Africa. However, EC funding for SADCC was markedly stepped in response to increasing pressure for sanctions

EC aid to SADCC states

EC bilateral and multilateral aid to the SADCC region has increased in volume since the mid-1980s, and has been a valuable source of support. However, there are two key conditions affecting EC bilateral aid which hinder

growth with equity in the SADCC region.

One condition is an increasing insistence on structural adjustment programmes. The EC — in common with other major bilateral and multilateral aid donors — is increasingly making aid conditional on the recipient country implementing structural adjustment measures as approved by the World Bank and the IMF.¹¹

As we have seen, although some aspects of this structural adjustment model are beneficial, it has also proved to have special disadvantages for some social groups, and for the long-term prospects of commodity-dependent countries. Moreover, there needs to be a special practical emphasis on helping the destabilised SADCC states to adjust with equity.

The other condition is the provision of tied aid. There has been a marked trend among EC member states towards linking their bilateral aid to export opportunities. Given the SADCC region's need to develop its own integrated production and market base, such restrictions are not normally helpful: they reinforce the South's trading dependence on the North for manufactures and capital equipment. An important feature of the EC's aid funding is that its aid is tied to the use of goods from EC or ACP (African, Caribbean and Pacific) countries. Where possible, therefore, all EC and member states' bilateral aid to SADCC should encourage the purchase of inputs from the SADCC region.

Britain has taken a lead here, for example, in purchasing food aid from within the region.

Trade policy

The European Community is a major trading partner of the SADCC region. Furthermore, special measures have been introduced under Lomé agreements to cushion the effects on southern Africa of the sharp decline and fluctuations of the commodity markets. These include the STABEX and SYSMIN programmes for agricultural commodities and minerals respectively, and special protocol agreements.

When these measures were first introduced,¹² it was thought that they would be an important preliminary step to balancing out North/South inequalities and creating a 'New International Economic Order'. But these facilities were no match for the extent of the decline in commodity prices experienced during the 1980s. Although they have become heavily overdrawn by commodity-dependent ACP states, their net effect has been only marginal.

Nevertheless, the SADCC region has benefitted to some extent from EC trade measures. Zambia, for example, has benefitted from the SYSMIN scheme, having received some 90 million ECUs in loans to help stabilise the

fluctuating copper prices during the 1980s.¹³ Zimbabwe and Botswana benefit from the Beef Protocol. Independent Namibia should benefit from the Beef Protocol and Fisheries agreements. Malawi, Swaziland, Zimbabwe, and Tanzania have been cushioned from falling world sugar prices¹⁴ by the Sugar Protocol of the Lomé Convention, which allows a number of the member ACP countries to export sugar to the EC at guaranteed prices. Malawi, for example, exports some 13 per cent¹⁵ of its crop to the EC at about double world prices, while only 8 per cent is sold at world market rates.¹⁶

As Europe moves towards the Single European Market in 1992, the fear among many of the African, Caribbean, and Pacific nations who are signatories to the Lomé Convention is that the EC may raise trade barriers against their exports in 1992, rather than reduce protectionism. However, until more details are negotiated, it is far from clear what the net impact of 1992 will be on the trading relationship between the EC and the ACP in general, and the SADCC states in particular. The Single European Market is designed to benefit Europe, and increase its power as a trading bloc in a climate of fierce international competition. The main world players are the USA and Japan. The world's poor, commodity-dependent, nations are becoming rapidly marginalised except for their value as markets.¹⁷

Within the multilateral negotiations under the General Agreement on Trade and Tariffs (GATT), the EC has offered to liberalise its import regime on tropical products. Since the value to the ACP states of the Lomé trade preferences depends on their being accorded more preferential terms of access than other third-party suppliers to the EC market, any such generalised liberalisation is potentially of concern to them. However, the EC offer on tropical products has been tailored to minimise its direct impact on ACP preferences.¹⁸

Debt relief

In spite of a growing level of EC aid being made conditional on recipient countries' acceptance of structural adjustment programmes to manage their debt-distressed economies, debt relief has not, as yet, been accepted into mainstream Community-level policy, on the basis that it is a matter of member states' sovereign economic policy.¹⁹

Instead, the bilateral debt relief measures most relevant to the SADCC region's debt profile have been implemented at 'G7' level (the common members are the UK, France, and West Germany), and were considerably weakened by the position of the USA. On multilateral debt, although the EC votes as a bloc at meetings of the General Agreement on Trade and Tariffs, the member states vote separately on the boards of the IMF and World Bank.²⁰

Nevertheless, in 1989 the EC member states together commanded more votes in the IMF and the World Bank than the USA and Japan combined.²¹ On non-concessional debt, the lack of a coherent EC response means that the USA has been allowed to determine the development of creditor government strategy, and mainstream US strategy on private commercial debt is not concerned with the low-income countries of Africa.

Although more could be done, Europe gives valuable aid and trade support to the SADCC programme and member states. But neither Europe's trade nor its aid has been able to compensate for the particular combination of economic stresses faced by the SADCC states. The economic loss which the SADCC region has sustained as a result of destabilisation, falling investment and production levels, plunging commodity prices, and debt presents a continuing challenge to EC policy.

Most crucially, the effectiveness of the EC's support to the SADCC region is undermined by the weak and uneven implementation of EC policy on South Africa.

EC policy on South Africa

In 1985 events in South Africa were high on the international agenda. Images of escalating violence and the government's ruthless crackdown on anti-apartheid organisations were seen around the world. Throughout the European Community, there were increasing public calls for action, echoed in the European Parliament. The Community's leaders were universal in their condemnation of apartheid, but divided about the most effective action to take. A delegation of three Foreign Ministers and the Commissioner for External Relations visited South Africa at the end of August. The Troika Mission, as it became known, confirmed the need for Europe to "keep up pressure on South Africa".

Following their report, the EC Foreign Ministers agreed a Common Policy on South Africa in September 1985, which was enlarged by the European Council in 1986. The clearly stated objective of EC policy is "the complete abolition of apartheid as a whole, and not just of certain components of the system". The official communiqué pledged that the EC states "will therefore pursue their efforts until this has been achieved".²² The EC Ministers made clear their view that a negotiated settlement should be pursued, and that this would be possible only if the South African government engaged in genuine dialogue with the representatives of the disenfranchised black population. They called on the South African government to implement certain specific measures immediately, in order to make negotiations possible. These were:

— the lifting of the State of Emergency;

- the immediate and unconditional release of Nelson Mandela and other political prisoners;
- the end of detentions without trial and forced relocations;
- a firm commitment to end apartheid and to dismantle discriminatory legislation, particularly the pass laws and the Group Areas Act.

In June 1986, an extra condition was added to this list: the unbanning of the ANC, the Pan-Africanist Congress (PAC), and other political parties.²³

The EC sought to push the South African government towards its objectives by adopting a 'dual-track' approach. A limited range of restrictive measures was coupled with a number of 'positive measures' including the Special Programme for the Victims of Apartheid.

The restrictive measures adopted were:

- a rigorous imposition of the UN arms embargo;
- a refusal to cooperate in the military sphere, the withdrawal of military attachés from South Africa, and the refusal to grant accreditation to military attachés from South Africa;
- the discouragement of cultural, scientific and sporting links;
- a ban on oil exports to South Africa;
- a ban on exports of security equipment;
- a ban on any new collaboration in the nuclear sector.

In September 1986 further restrictive measures were agreed, imposing a ban on imports of iron and steel products and gold coins, and a ban on new investment in South Africa. However, no agreement was reached on banning imports of South African coal.²⁴

The positive measures were:

- a programme of assistance to non-violent anti-apartheid organisations, particularly the churches;
- increased EC support for 'non-white' education;
- more contacts with the 'non-white' community in the political, trade union, business and other sectors;
- a strengthening of the 'code of conduct' for European firms operating in South Africa;
- a programme to increase awareness among the citizens of member States resident in South Africa;
- increased aid to SADCC and the Front Line States.

The EC presented the restrictive and positive measures as a combined package, accepting the view of anti-apartheid organisations inside South Africa. The churches, trade unions and other organisations, backed by

European voluntary agencies working in South Africa, have consistently reinforced this position during the lifetime of the Common Policy. As the Reverend Frank Chikane, General Secretary of the South African Council of Churches, told the SACC conference in 1989,

For us ... there is a difference between helping us to be prepared for the future and assisting us to eliminate the system. The positive measures therefore cannot be used as an alternative to the restrictive measures. The restrictive measures in fact are of vital importance to force the regime to abandon apartheid and to participate in a process of negotiation to establish a new, non-racial, democratic South Africa.²⁵

The EC has made it clear that the Common Policy will be reviewed in the light of developments inside South Africa. According to the September 1985 policy statement,

The question of other measures, including sanctions, remains. As the Ten, together with Spain and Portugal, stated on 22 July this year, they may have to reexamine their attitude in the absence of significant progress within a reasonable period, and they will assess the situation regularly.²⁶

Implementation of the dual-track policy

Thus the EC's policy on South Africa has a clearly stated goal (the end of apartheid), a clear vision of the fact that negotiations are the best strategy towards that goal, and a set of clearly defined measures geared to promoting movement towards its goal. Since by the end of 1989 there had been no policy statement from the European Council of Ministers to supersede those made in 1985 and 1986, formal policy remained unaltered, with its goal of the "complete abolition of apartheid as a whole".

However, although positive measures have since been increased, there has been no agreement to adopt increased restrictive measures between September 1986 and December 1989, despite the subsequent intensification of state repression, and despite the fact that some of the "immediate steps" which the EC laid down in 1985 to hasten negotiations had not been taken.

The effective freeze on EC restrictive measures reflected the central disagreement between EC members on the issue. Regardless of developments, the UK, West Germany, and Portugal remained firmly opposed to any additional restrictive measures. Their position paralysed common agreement within the Community on the issue of increased pressure, and undermined the terms on which the Special Programme was agreed with the South African partner organisations. As the key conclusion of the European Parliament's 1987 'Report on the Implementation of EC Restrictive Measures against South Africa' stated:

Closer scrutiny of the sanctions announced by the Foreign Ministers of the

Twelve and of the legislation and administrative measures the member states have used to implement them reveals the symbolic nature of the measures, which are designed to placate a broad body of public opinion without actually satisfying its demands. The number of gaps and loopholes described gives rise to the suspicion that either effective sanctions were never the intention or the Foreign Ministers could not agree on them.²⁷

As a result of differences between the member states, positive measures were effectively uncoupled from restrictive measures. In spite of the freeze on restrictive measures, positive measures were increased both in terms of the resources allocated to them, and in the way that official statements frequently highlighted them and diminished the role of restrictive measures.²⁸ The differences in the EC Development Commission's statements at three successive annual SADCC conferences illustrate the prominence which positive measures have been given. In 1987, the EC's Commissioner for Development had this to say about South Africa:

Since 1985, the South African government cannot have doubted for one moment that the Community would adopt further restrictive measures if no progress was made towards dialogue at national level. And indeed such measures were adopted in September last year.²⁹

In 1988, however, a very different interpretation of the Community's policy was given by the Director General for Development in the Commission:

The restrictive measures against South Africa introduced in 1986 are mainly to be implemented by the EEC member states on a bilateral basis. The Community has concentrated instead on the implementation of a series of positive measures directed towards the situation in South Africa and towards the situation in the southern African region.³⁰

And, in 1989, the new Development Commissioner made no reference whatever to restrictive measures in his statement. He said:

I take this occasion to repeat that the European Community condemns both the apartheid system and South Africa's policy of destabilisation. The European Community has not confined itself to verbal condemnation. For some time now, it has been running a Special Programme of Assistance for the victims of apartheid in South Africa and Namibia, which today covers 222 projects. The special programmes which are fully supported by the EEC member states and the European Parliament will continue.³¹

This emerging emphasis on positive measures as the preferable alternative to restrictive measures runs counter to the grounds on which the EC's South African partner organisations accepted the Special Programme.

In mid-1988 a senior delegation of South African church leaders travelled to Europe in a bid to persuade EC member states that developments inside South Africa had deteriorated to the point where increased EC restrictive

measures should be adopted, but they were unsuccessful.

In July 1989, at a conference of the South African Council of Churches, Frank Chikane urged the EC to return to the dual-track policy by strengthening its restrictive measures. He explained:

Our major concern is that the European Community seems to be using the Special Programme as an excuse for not taking action at a level of economic pressure.³²

The EC is in the uncomfortable position of having, as a central plank of its policy on southern Africa, an aid programme for partners who are highly critical of their uneven policy implementation. The South African partners face the dilemma of whether to refuse much-needed funds because they believe the Special Programme offers European governments a cheap means of protecting their economic interests from increased sanctions.

The political value of the EC Special Programme is particularly significant to Britain. While the British contribution to the EC Special Programme (£3 m. from 1986 to January 1989³³) is smaller in monetary terms than Britain's own bilateral aid programme to South Africans (which totalled £13.5 m. over the same period³⁴), it none the less assumes great political importance, because it is part of a common European political position on South Africa — an area of policy in which the UK is otherwise internationally isolated.

The EC Special Programme for the Victims of Apartheid

Since its inception in 1986, the European Special Programme for the Victims of Apartheid has disbursed a total of nearly 95 m. ECU (£60.8 m.) to educational, community, and health projects in South Africa.³⁵ In 1988 more than 100 projects received funding from the Special Programme. Many of these projects are the same as those which Oxfam and other non-governmental agencies have supported in South Africa for many years, and others are very similar. The funds involved are substantial, and they support vital work; for instance, there has been less call on Oxfam's hard-pressed resources to support legal advice offices in recent years, because many now receive EC funds.

But the Special Programme has assumed much wider significance than this, because it is perceived by some EC states as an alternative policy instrument to sanctions. Consequently, it is the parties most closely involved — the partner organisations in South Africa and the voluntary agencies in Europe who channel the funds — who have tried to balance the prominence given to the Special Programme, and place it once more in the context of the

EC's Common Policy, aimed at the complete abolition of apartheid.

How the Special Programme works

There are four channels in South Africa which can propose projects for funding: the South African Council of Churches (SACC), the Southern Africa Catholic Bishops' Conference (SACBC), the trades unions, and the Kagiso Trust (KT). While for the first three, channelling Special Programme grants is only a small part of their everyday work, the KT was established specifically as an umbrella body for secular projects supported by the Special Programme. In 1989 nearly 65 per cent of the Special Programme's funds were channelled through the KT, which has become a central pillar of the Special Programme.

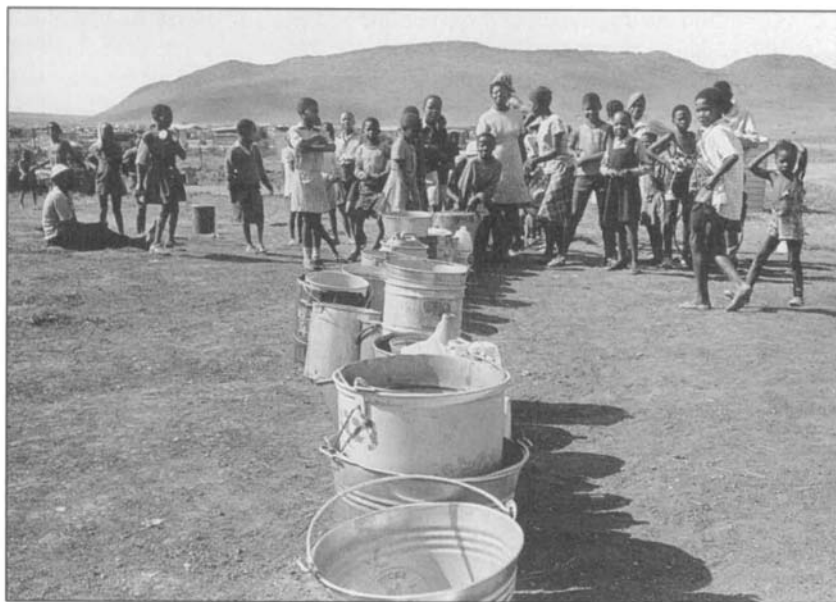
The SACC, the SACBC, and the KT each have a partner body in Europe, made up respectively of Protestant, Catholic, and secular agencies which, because of their experience of working in South Africa, are well placed to act as the link between their South African partners and the European Commission.

The partner organisation to the Kagiso Trust is the South Africa and Namibia Association (SANAM), of which Oxfam is a founder member.³⁶ Within the European Commission, the Special Programme is the responsibility of the Development Commissioner, who has appointed a 'Committee of Experts' to oversee project allocations.

The Special Programme prescribes strict criteria governing how EC funds may be used. Firstly, funds for South Africa must go through one of the three designated South African organisations, or the trade unions. Secondly, no funds are to go to the South African government's programmes, or to activities which government should be expected to pay for, such as formal schooling and hospital services. No funds are to go to institutions formally associated with the 'homelands', and no funds should be made available to political parties. Thirdly, projects must meet the following criteria:

- they should promote non-racialism, and seek to unite people of different cultural, racial and ethnic backgrounds;
- they should enjoy the support of the communities in which they are based;
- they should be run democratically, with the fullest possible participation of the beneficiaries;
- they should educate and raise awareness in ways which contribute to the process of liberation.

In short, the Special Programme's working principles mean that it is not a charity for passive victims. Its aim is not to make life under apartheid more



Queues for water at Onvervacht, South Africa, an impoverished 'dumping ground' set aside for people forcibly removed from their homes under the apartheid system. Oxfam supports a range of communities and organisations fighting forced removals.

(Nancy Durrell-McKenna/Oxfam)

bearable; rather it is one level of support to those working to abolish apartheid and replace it with a unified, non-racial, democratic South Africa.

As well as being a member of the SANAM Association, which helped the South African partner organisations to negotiate the strict funding guidelines under which EC support is administered, Oxfam is directly supporting many of the organisations in South Africa which also receive EC support.

Harassment and repression of the EC's South African partners

The operation of the EC Special Programme illustrates the repressive political context in which the Community's South African partners have to work, and shows how difficult it has been for an aid programme, uncoupled from a political programme, to achieve positive results.

The chronicle of harassment suffered by those administering funds through the Kagiso Trust illustrates only one aspect of the difficulties facing the Special Programme. It is entirely consistent with Oxfam's wider experience of the effects of repression on organisations working for a peaceful transition from apartheid to full democracy.

- October 1986 Detention of Joyce Mabudafuzi, Kagiso Trust Regional Trustee in Transvaal.
- December 1986 Detention overnight of Kagiso Trust Director.
- January 1987 Police raid on KT's offices. Files removed and copied.
- March 1987 "Inspection" of Resources and Advice Centre in Oudtshoorn by police, leading to investigation of KT funding.
- August 1987 Bombing of COSATU offices in Cape Town.
- October 1987 Ransacking of Detainees' Parents' Support Committee (DPSC) in Kimberley.
- December 1987 Arrest of Eric Molobi, KT Trustee and founder of National Education Crisis Committee.
Khotso Crutze, KT fieldworker in Transvaal, detained for five months.
- February 1988 Official restriction of DPSC and 16 other organisations; protests by church leaders Archbishop Tutu, the Reverend Allan Boesak, and the Reverend Frank Chikane lead to their arrest.
- March 1988 Announcement of the Promotion of Orderly Internal Politics Bill, proposing severe restrictions on overseas funding of anti-apartheid organisations
- May 1988 *South* newspaper closed down.
- August 1988 Khotso House, HQ of South African Council of Churches, bombed.
KT Natal Regional Committee members questioned by police.
- September 1988 KT offices in Johannesburg and Western Cape visited by police.
- October 1988 SACBC office in Pretoria fire-bombed.
Restriction order on Yunus Mohammed, KT Trustee.
- November 1988 Police raid on KT offices in Johannesburg; project information confiscated.
- January 1989 KT offices in Johannesburg raided by security police.
- March 1989 Durban: KT Regional Projects Officer detained for questioning, keys confiscated; police illegally enter offices at night.
False obituary notice for Yunus Mohammed in newspaper.
Agency worker questioned by security police about European Scholarship Bursary Programme.
KT Director given restricted passport for six months only.
- June 1989 Poisoning of Frank Chikane, General Secretary of South African Council of Churches.
- August 1989 Disclosure of Foreign Funding Act, to restrict foreign support for extra-parliamentary opposition, becomes law.
- September 1989 South African government announces its intention to declare the KT a 'reporting organisation' under the terms of the Foreign Funding Act. KT appeals; no response as at the end of 1989.



Cornfields, Kwa Zulu: Bongi Nene, a paralegal advice worker in the Natal region, listens to a client whose goats have been confiscated by the manager of a nearby white, commercial farm.

(Rona Alexander / Oxfam)

It became virtually impossible for the 'positive measures' approach of the EC Special Programme to lead to positive results when the State of Emergency was tightened in 1988, with the restriction of 34 organisations in two waves. A spokesperson for the Black Sash, a prominent anti-apartheid organisation, concluded,

Banning people, breaking organisations and silencing opposition does not guarantee submission — instead this creates divisions, hampers political education and discussion, and lays the foundations for increased frustration and violence.

Sir Geoffrey Howe, then British Foreign Secretary, declared that Pretoria's action could lead to frustration, despair, and violence, and that it amounted to "the suppression of non-violent activity".³⁷

Cutting the lifelines

Community and development organisations working for change in South Africa often rely on funding from outside the country. For some time they have faced an increased threat that this funding will be blocked by the government. The introduction of the Promotion of Orderly Internal Politics Bill in February 1988 provided for a total ban on overseas funds for 'political activities', a term which, in the South African context of repression, could be



Community leaders from Leeuwfontein and Braklaagte protest against their enforced incorporation into the 'homeland' of Bophuthatswana, February 1989. Oxfam provides support through the National Campaign Against Removals in South Africa, and by publicising their cause in the UK.

(Gill de Vlieg/Afrapix)

applied to much of the work funded by the EC Special Programme.

South African organisations, their partner NGOs in Europe, the European Commission, MEPs, and member state governments roundly condemned the proposals. A delegation of South African church leaders visited Foreign Ministers and EC officials to press their case for tough measures against South Africa should the Bill become law. International protest was credited with playing a large part in the South African government's decision to drop the Bill. But similar legislation — the Disclosure of Foreign Funding Bill — subsequently became law in August 1989, and no increased restrictive measures were adopted by the EC, although the Community did make a strong official protest.³⁸

The British Foreign Office believed the new Bill to be a "considerable improvement on an already watered down Bill", in part due to the British Embassy's "frequent and direct" discussions on the issue with members of the South African Parliamentary Committee considering the Bill.³⁹ Yet one month after the Bill became law, the Kagiso Trust was among the first organisations to be singled out, when the South African government announced its intention to declare it a 'reporting organisation' under the new

Act, at a time when Mr de Klerk was promising significant movement towards negotiations.

With this move, the South African Government directly threatened the EC's Special Programme, and the ability of key democratic organisations to function. It highlights the futility of a policy which concentrates on aid to the victims of apartheid.

In a letter smuggled out from prison in January 1989, Eric Molobi of the National Education Crisis Committee, one of the organisations funded by the EC, summed up the senseless nature of the repression. He wrote:

Around me there are many youngsters. Some have been here for over a year. I would like the EEC, the European Parliament and others to know that I am detained not for any unlawful act I have committed, but simply because I belong to an organisation which has stated on numerous occasions its opposition to Bantu education as a system of education ...

My organisation is one that actually pressed for discussions with the Department of Education. Today, the South African government says, for media and overseas consumption, that it wants to talk. How can they talk to prisoners and detained persons? Are they not burning bridges by tormenting young black South Africans through detention without trial, through letting them rot under inhuman conditions?⁴⁰

Section IV

Conclusions



12

Summary and key considerations

Development for the poorest in southern Africa is impeded by apartheid in South Africa, by the unjust economic relationship between the SADCC region and the industrialised North, and by the conspicuous failure of key SADCC governments to promote equitable development strategies. Throughout the 1980s, this combination of factors has resulted in brutal conflict, sharp economic decline, and increasing levels of poverty.

The key to a brighter future for the region lies in South Africa, where accumulated pressure on apartheid has resulted in an important shift in the National Party's outlook.

The end of apartheid and the establishment of democracy in South Africa would remove a central cause of regional instability. Furthermore, positive economic cooperation with a post-apartheid South Africa could boost the whole region's prospects for sustainable economic development.

However, all this is far from assured. South Africa is in a period of flux, and whether apartheid is abolished and replaced by democracy is a matter of history in the making. Much depends on the mainstream popular movement for a non-racial democracy and the international support it receives. If serious negotiations take place, the South African government will concede as little as it can, but as much as it has to. As the Commonwealth's 1989 Kuala Lumpur communiqué stated, the purpose of sanctions was the "pressure they created for fundamental political change. Their purpose was not punitive, but to abolish apartheid by bringing Pretoria to the negotiating table and keeping it there until that change was irreversibly secured".

The South African government has taken some important initial steps towards creating a political climate in which formal talks can take place, but (at the end of 1989) it is clear that more remains to be done before extra-parliamentary opposition can operate freely and before proper negotiations can begin. Only then can work start on the central task of negotiating democracy in place of apartheid. And only when substantial achievements are made on that front will it be possible to judge that change has indeed been 'irreversibly secured'.

International cooperation on a common strategy to end apartheid is essential. During the 1980s, disagreement over sanctions has divided the Western nations, and reduced their potential for leverage. A stalemate has grown up in place of a coordinated international approach. Dispute over means has blocked effective action towards ends. Now that the entire UN General Assembly has reached agreement on the steps which must be taken to create a suitable climate for negotiations, on the constitutional guidelines needed to establish a non-racial democracy in a unitary state, and on the need to maintain pressure on the South African government in pursuit of these objectives, there should be sufficient common ground for improved international cooperation. The challenge facing the international community is that of summoning the collective political will to remove the remaining obstacles to democracy in South Africa. The 1990s offer an unprecedented opportunity for international leverage.

In addition to the devastating economic consequences of South Africa's regional policy during the 1980s, the SADCC states also shoulder crippling burdens which have largely arisen as a result of economic trends in the industrialised North. These external economic shocks, and the inability of key SADCC states to adjust to them, have seriously undermined development, creating a bleak future for the majority of the region's people. Development policy errors and failures within the SADCC states have also harmed the poor. Far-reaching measures on a number of fronts are needed.

Oxfam believes that the sheer scale of human suffering in southern Africa, and the opportunity which currently exists for international leverage demand a renewed international initiative. Britain, the European Community, and the SADCC states all have a major role to play. Britain is particularly involved in southern Africa's past, present, and future. This involvement confers a strong obligation on the British government towards the people of the whole region, an obligation which, from Oxfam's perspective, is not recognised in present British policy. More must be done, both to support the South African people's struggle for a non-racial democracy, and to promote the conditions for an assault on poverty throughout the region.

Key considerations

On hastening the abolition of apartheid and its replacement by democracy

Oxfam urges the British Government to:

- *Engage publicly with the MDM/ANC alliance*, recognising that it represents the major force for non-racial democracy in South Africa.
- *Maintain, rather than relax, pressure on the South African government*. Britain must honour the policy commitments it has entered into with the Commonwealth, European Community, and United Nations General Assembly, until the objectives of those agreements are secured.
- *Formulate British policy in a multilateral spirit*, so that it does not undermine other nations' efforts.

Oxfam calls on the European Community to take a number of steps:

- The EC must recognise that the South African people, including its partners in the Special Programme — the churches, the trade unions, and the community organisations — need more than aid if they are to win their struggle for a non-racial democracy. Differences between member states on the issue of sanctions have been reflected in the uneven implementation of the EC's 'dual-track' policy. Positive measures have effectively become uncoupled from restrictive ones. Yet international sanctions have proved to be a useful policy tool. They have played an important role in facilitating the process of initial change in South Africa. In practice as well as in official statements, there must be *a renewed, common commitment to the 'dual-track' nature of EC policy*.

- To keep up the pressure on apartheid, the emphasis on the 'positive measures' dimension of EC policy should be matched by maintaining and better enforcing the EC's programme of targeted sanctions. A number of specific measures should urgently be considered, which include:

— *The introduction of appropriate legal controls within the EC member states to strengthen and enforce existing measures*. In particular, the voluntary ban on new investment in South Africa should be made statutory, and redefined to cover the reinvestment of profits and the purchase of existing South African assets. Also, the statutory arms embargo (a UN Security Council sanction¹) must be more rigorously controlled so that 'dual-purpose' goods and equipment do not reach South Africa. Further, the oil embargo (a non-statutory UN sanction²) should be backed up by enforcement legislation, and its terms should be extended to prevent shipping companies from delivering to South Africa.

— *A compulsory, blanket ban on the export of 'high-tech' and computer equipment.* The EC's existing ban on "the export of sensitive equipment destined for the police and armed forces of South Africa" is not sufficient to prevent the government's apparatus of repression from gaining access to modern equipment. Computers and other 'high-tech' equipment which can be used for communications and surveillance are available from only a limited number of sources. Very few countries have the technology to manufacture this equipment, and South Africa is wholly dependent on imported supplies.

● If the momentum of progress towards the aims of the Harare Declaration falters, increased measures should be urgently considered. These should include:

— *A compulsory ban on all new loans, trade credits, and export credit guarantees.* For the time being, banks are not offering new loans, on the grounds that South Africa is a bad commercial risk, but trade credit is freely available and the British government, for example, encourages this form of lending through its export credit guarantee facility. The immorality of lending to apartheid will not therefore inhibit future lending unless loans are legally prohibited. Banks and finance companies should be actively discouraged from making new loans and trade credit available to South Africa, from operating revolving lines of credit, and from making further debt-rescheduling agreements. Governments should stop extending trade credits and export credit guarantees.

— *A compulsory ban on the import of coal and agricultural products.* Coal is South Africa's second largest export earner. Attempts in 1986 to establish an EC coal sanction were vetoed by West Germany, but some EC members have instituted their own coal boycotts. Their efforts would be greatly strengthened by a compulsory, Community-wide ban. Agricultural products are South Africa's fifth largest export earner, and have long been a target of consumer boycotts. Continuing imports into the EC undermine the ban imposed by other countries, including the USA, Ireland, the Nordic States, and the majority of Commonwealth countries (excluding Britain).

— *An end to all promotion of trade and tourism to South Africa, and a suspension of air links.*

— *An urgent examination of the possibility of a ban on gold exports from South Africa.* Gold is South Africa's largest export earner, accounting for some 40 per cent of total export revenue. The USA has taken the lead in applying a sanction against gold, and the EC should consider following suit.

● *Policy to maintain pressure on the South African government must be coordinated among all South Africa's economic partners, especially with the*

nations of the G7 grouping, the UN Security Council, the Commonwealth, the ASEAN bloc, and Israel.

On helping the victims of conflict

- To give practical support to the initiatives for resolving conflict in Mozambique and Angola, and to end the terrible brutality suffered by civilians, there must be *a coordinated international policy to halt all military aid to the MNR and UNITA*. The EC could take a useful lead.
- To help the Mozambique refugees in South Africa, *the EC should urge the South African government to accord all refugees their full legal rights, and immediately stop forced repatriation*. If the South African government persists in its refusal to allow UNHCR to operate, then the EC should arrange for a special European commission to protect the refugees' rights. Further, the EC should press the South African government to dismantle the electrified fence along its border with Mozambique immediately.
- *More aid is needed for the victims of conflict*. In particular, the Mozambican and Angolan refugees and displaced people need more food and basic provisions. More resources should also be devoted to their longer-term social development needs, especially for those living in the crowded Zimbabwean and Malawian settlements with limited employment opportunities, and no access to land. More aid is also needed for children who have been traumatised by brutality, for the war-disabled, and for the people who have drifted into urban destitution as a result of the rural breakdown which war has caused.
- In the longer term, once conflict is resolved, *generous aid pledges for post-war reconstruction in Angola and Mozambique will be needed*.

On helping the SADCC states to strengthen their economies

- *Aid to compensate for destabilisation*: It has been estimated⁴ that the SADCC region would need an injection of at least \$2.5 bn. a year over four years in order to repair the economic damage created by destabilisation. Less than half of this amount is currently being provided. The international community must do much more.
- *External debt cancellation*: Among the SADCC region's creditors, there must be greater appreciation of the devastating economic costs of South Africa's regional policy during the 1980s. Now that the region faces the costs of reconstruction and economic reintegration, and given the urgent need for continuing emergency relief and development, special consideration should be given to the debt-distressed SADCC nations, Angola, Malawi, Mozambique, Tanzania, Zambia, and Zimbabwe. SADCC itself could do

more to communicate these needs.

If the debt-distressed SADCC countries are to achieve sustainable economic growth and tackle poverty, their external debts must be cancelled outright. Among its member states and beyond, the EC should press for a number of immediate steps towards this goal:

— *Bilateral debt*: All creditor countries should cancel their aid debts. As regards non-concessional bilateral debt, a large proportion of which is export-credit debt, the Toronto Accord should be strengthened, and viewed as a first step towards the early cancellation of all bilateral debt.

— *Multilateral debt*: The EC should use its influence with SADCC's major multilateral creditors, the IMF and the World Bank, to press firstly for more concessional funds through the IMF's Enhanced Structural Adjustment Facility, and the World Bank's International Development Assistance facility, and then for a cancellation of all multilateral debt.

— *Commercial debt*: The repayment terms for commercial debt are particularly crippling. For example, Mozambique's annual commercial debt servicing consumes half its total export earnings. The EC should act immediately to promote a coordinated, mandatory debt-reduction programme. Commercial banks should be required to undertake immediate debt and debt-service reduction for all the debt-distressed SADCC states.

Some governments allow commercial banks tax relief on the provisions they set aside to safeguard themselves against debtor default. (In 1988, the British government allocated more money for tax relief on provisions for the four leading British banks than it did for its total bilateral aid programme to the Third World.⁵) However, in Britain, no measures have been taken to encourage the banks to use these provisions to reduce poor countries' debts. In Belgium, by contrast, the government does not allow such tax relief until an actual debt write-off or reduction is agreed by the bank. EC member states could significantly reduce the SADCC states' debt burden by insisting that a time limit is set, say of two years, by which time banks' provisions should be used for debt reduction or substantial interest rate relief, failing which, the tax relief would be clawed back.

On the SADCC region's deteriorating terms of trade

The economic relationship of the industrial North with the commodity-dependent South is fundamentally unequal, so although some palliative measures can help to a limited extent, real improvements depend on fundamental change.

The SADCC region's best hope lies in its proposals for regional economic integration, which could strengthen its productive base, realise its regional

and export-trade potential, and give it greater bargaining power in the world's market place. In this respect, a majority-ruled South Africa could be a great asset to the wider region.

● *The EC should ensure that the advent of the Single European Market in 1992, and the new GATT global trading arrangements for the 1990s do not prejudice the precarious economic situation of its partner states in Africa, the Caribbean, and the Pacific, including the SADCC states.*

— Given the need to protect and develop the fragile export base of poor countries and to encourage their economic diversification, the EC should ensure *continued market access, more stable pricing of commodities, and the removal of protectionist market obstacles to the diversification of the region's productive base.*

— Given that the South will remain dependent on primary commodities for the foreseeable future, priority should be given to *funding research aimed at developing new uses for primary commodities.*

— *Investment in production, rather than extraction, is a key SADCC initiative which should be generously supported by EC governments and the private sector.* However, the unattractive investment climate, largely created by conflict and the economic decline it has aggravated, requires lasting political solutions.

— In line with UNCTAD's 'Common Fund' proposals, ways must be found for Third World countries, including the SADCC states, to participate more fully in the processing, marketing, and distribution of commodities — a domain dominated by Northern transnational companies.

On helping the SADCC region to adjust to changing global economic trends

The existing economic adjustment programmes being undertaken by the debt-distressed SADCC states, whether sponsored by the IMF and the World Bank or not, cannot overcome all the long-term constraints which have led to crisis in the first place, since many of these originated in the North. Furthermore, as with international debt-reduction policy, the structural adjustment model prescribed by the IMF and the World Bank lacks an appropriate regional perspective on the economic stress of destabilisation. At the very least, the EC should use its influence in the IMF and the World Bank to improve the terms of internationally-sponsored adjustment programmes.

● SADCC governments and Northern donors alike should adopt *a common strategy to ensure that nutrition, health service, and education imbalances are taken as seriously as fiscal and external account imbalances* and that raising the incomes of households below the absolute poverty line is given as high a

priority as raising GDP and exports.

- *More aid should be made available for the development of essential social services in the debt-distressed SADCC countries.*

- Most importantly, structural adjustment programmes typically maintain the existing structures of debt-distressed countries' economic dependence on the North by promoting the production of primary commodities for export and perpetuating the unjust North/South trading relationships. Instead, *SADCC's plans for regional economic integration and industrialisation to boost production and trade should be supported by the international community, private and official.*

- In the long term, however, merely 'adjusting' to each new wave of adverse economic pressure will never enable poor countries to sustain sufficient economic growth for their development needs. *Far more radical changes in the North and South are needed.*

Promoting development in the interests of the poorest

In the storm of international outrage over South Africa's regional aggression, the fact that ruling elites within the SADCC states pursue their own interests at the expense of the poor has often been overlooked. It follows that the end of apartheid, the resolution of conflict, and the adoption of more appropriate international aid and trade policies are necessary, but not sufficient, to promote development in the interests of the poorest. A wide range of radical changes also need to be adopted by key SADCC states:

- As the SADCC states move towards a more integrated production and trading bloc, the governments and non-government institutions of the SADCC region must ensure that social equity is promoted through *the full participation of people in the production process and in every important sphere which affects their future well-being.*

- Where land shortage is creating problems for the poor, urgent priority must be given to *land reform.*

- *A more open and democratic social culture is needed, whereby greater checks and balances create more accountability and responsiveness at all levels of government.*



*Glenview Clinic,
Harare: reaping the
benefit of the Zimbabwe
government's extensive
investment in basic
services since
independence.*

(Chris Johnson/Oxfam)

