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International Affairs Bulletin

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Smuts House Notes
Relations between South Africa and Zimbabwe

The decided chilling of relations between South Africa and Zimbabwe in the early months of 1981 is a disturbing development. After the surprise, if not shock, produced by Mr Mugabe's electoral victory in 1979, Pretoria's desire for "schadenfreude" in the face of majority rule seemed to take second place to a more pragmatic attempt to establish the kind of relationship that already existed between South Africa and Mozambique.

However, a combination of international, regional and local events since the election of the Reagan Administration have wrought a change in the tenor of South African policy towards her neighbours and in particular towards Zimbabwe. Partly encouraged by what was interpreted as a new international mood towards terrorism, spurred on by the electoral need to deflect right wing charges of aiding terrorism by exporting food to neighbouring states harbouring guerrillas, and prompted by evidence of heightened ANC activity in Mozambique, South Africa struck at the ANC centre in Matola.

In the wake of the raid, Pretoria has also signalled that it would exact from its neighbours a price for hostile diplomatic and political acts, such as support at UN debates on Namibia for sanctions against South Africa. In Zimbabwe's case, the reminder of economic dependence on South Africa has taken the form, *inter alia,* of the ending of the preferential trade agreement during the Zimcord Conference, the prospective imposition of visa requirements and the withdrawal of the bulk of South African locomotives at a time of greatest transport need for Zimbabwe, (though here, in fairness, South Africa's own needs were pressing). But there is a further dimension to South African policy towards Zimbabwe which may be discerned in the remarks of the visiting team of South African military men to US officials, in Nationalist politicians' statements during the elections, and in the overwhelmingly negative reporting by the SABC of events in Zimbabwe, and that is that at least in some circles in Pretoria instability in Zimbabwe and the failure of the Mugabe government might be seen as a positive development.

If such a view exists it is certainly a short-sighted one. Pressures exerted by South Africa may well actually lessen South Africa's leverage in the region. The profound emotional response in Zimbabwe to the Matola raid found effect in calls for increased defence spending and arms aid, a reiteration of commitment to the ANC cause and a further strengthening of pressure from various sources against Mr Mugabe's efforts to limit the ANC presence in Zimbabwe. Just as the public drive by Pretoria for the Constellation of States promoted the joint efforts by South Africa's neighbours to lessen their economic dependence on South Africa by means of the SADCC, economic pressures on Zimbabwe will stimulate moves towards greater self-sufficiency.

Though Zimbabwe has contributed to the tension between the two countries, Mr Mugabe has, under the circumstances and in the context of OAU policy on South Africa, pursued a reasonably moderate line in his relations with South Africa. Pretoria needs carefully to balance the military and strategic requirements for a response to guerrilla activity in neighbouring states with the political implications of cross border raids, and to weigh carefully the best response to the often provocative rhetoric and hostile public posture of neighbouring states.

South Africa will never pressure its neighbours into abandoning their opposition to separate development, but each incident resulting from clumsy or ill-chosen pressure has a ratchet-like effect on tension in the region and heightens the potential for conflict (and Eastern Bloc intervention). It would be a tragedy if tension were to reach a point where emotion overrode reason and led to the kind of irreversible border closure as occurred between Zambia and Rhodesia in 1973.

Beginning with this issue, the *Bulletin* is under the editorship of Michael Spicer who was appointed Assistant Director (Publications) in January this year.
The attention of readers is also drawn to an increase in the price of the *Bulletin* and other Institute publications.

Carl-Wolfgang Sames

Europe's strategic mineral needs: economic and political aspects

The global resource outlook

The world we live in now will undergo drastic changes during the next two decades. Serious stresses involving population, resources and environment are clearly visible ahead.

Europe — the Community — with its ten member countries, will not remain an untouched and stable oasis. Heavily dependent upon energy and raw material imports, and at the same time one of the major industrialized centres of the world, it is inescapably entangled in future worldwide economic and political developments.

The major world problem seems to many to be the rapid growth in world population. By the year 2000 it will have grown from the present 4 billion to 6,35 billion, an increase of more than 50 per cent. In terms of sheer numbers, population will be growing — despite a marginal decrease of the annual growth rate to 1,7 per cent — faster in the year 2000 than it is today, adding 100 million people annually compared with 75 million now. Ninety per cent of the growth will occur in the poorest countries; the industrialized nations will account for approximately only 20 per cent of the world's population. South Africa itself is facing a doubling of its population within the next two decades.

Problems arise when considering the Third World's legitimate claims for fulfilment of basic needs: food, which means sufficient arable land, water, housing, education, and the materials required to maintain even their present standard of living. (Materials in this sense being energy and all forms of raw materials.) Nobody would deny improved conditions to the people in this crowded developing world. But the fact that the indus-

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This article is the slightly edited text of a talk which he gave to the Witwatersrand Branch of the SAIIA on 1 December 1980

trialized nations consume three-quarters of world energy and raw materials in spite of constituting a minority of the world's population, inhibits the possibility of a change for the better in the course of Third World development. The most recent "development decade" supports this contention. During this time the gap between the rich and the poor countries has broadened. The Third World is painfully conscious of declining real mineral incomes while the oil bill is steadily rising. The North–South Report of the Brandt Commission focuses attention upon minerals byt offers only some sophisticated multilateral mechanisms as recommendations for improvement. Against this background it is hardly surprising that producer nations try to pool their strength in UNCTAD and Common Fund negotiations. The results have been far behind their expectations and the only possible solution one sees for the economic improvement of single countries lies in bilateral arrangements between producer and consumer nations, preferably at corporate level.

Since there seems to be no easy way out — barring revolutionary advances in technology — life for most people on earth will be more precarious in the future than in the already troubled present.

Accepting this rather gloomy global picture, we should look into the long-term future for non-fuel minerals, the trends for which show steady increases in demand and consumption. The global demand for the major commodities is projected to increase by 3–5 per cent annually, slightly more than doubling by the year 2000. This is considerably less than expected in previous projections, but the reasons — at least for Europe — will be discussed later. The general range of this annual increase for the major commodities covers distinct differences: consumption of aluminium and certain elements necessary for steel production is expected to grow in excess of this average but demand for tin, for instance, coming at the lower end of the scale, is expected to increase by just over 1 per cent.

Bearing in mind population development and income distribution, the future share of the Third World in non-fuel mineral consumption will increase only slightly. There will, however, be distinct differences between some Latin American and Asian countries. But the overall picture — expressed in metal consumption per capita — shows a two-third share being required by the industrialized Western countries. Adding the needs of the USSR and Eastern Europe, as well, the ridiculously low share of approximately 6 per cent of metal consumption remains for the whole Third World. This is the grim conclusion of a study recently submitted to President Carter.

Considering the resource base, there is no problem as far as the question of mineral exhaustion is concerned, but further discoveries and investment will be needed to maintain reserves and production at desirable levels. Two factors are affecting the future mineral supply: one is the distinct shift in exploration and new mining investment over the past decade away from the developing countries towards industrialized countries, a tendency for which the Third World itself is mainly responsible, due to hostile policies towards foreign investment and ownership. There is not only a regional shifting of investments, but also a decline over the years in real term investment. South Africa seems to me to be a clear exception here. But generally, this is perhaps the only problem we face in the mineral consuming nations.

A considerable percentage of each ton of ore, concentrate or metal, imported to Europe has been supplied by one or other of the large international mining companies. The boards of these companies make their own decisions about financing and location of their investments and the governments of European countries have no direct influence on those decisions. Even less influence can be brought to bear on the invading oil companies which, with huge cash flows, tend to diversify by becoming involved in metal mining. There have already been high level accusations from the United Nations as to declining mining investment. The yearly project survey of *Engineering and Mining Journal* supports, at least partially, that proposition.

The information presented in this paper derives from a painstaking investigation carried out by 15 leading European mining companies concerning their capital expenditures for exploration and mining investment. This "Group of European Mining Companies", of whom more later, produced statistics which point to a real decline in their capital expenditure except in the case of uranium.

To quote the most important results: exploration expenditures, excluding uranium, between developed and less developed countries today have a ratio of 80 : 20 in favour of the Western world, compared with a 55 : 45 ratio during the mid-sixties. The capital expenditure for mining investment over the years has always shown a strong tendency towards the developed countries where between 60 and 90 per cent is invested. But there is a distinct decline — in constant dollars — from 1977 when approximately 400 million dollars were invested, to less than 250 million in 1979.

One is quite aware of the uncertainties inherent in such figures, since for one they do not represent all mining companies. US and Canadian companies may well take different steps.

Some experts think the immediate problem for the constraints on investment is the present oversupply of many minerals. By restricting new investment, though, this very over-supply contains the seeds of shortage in the mid to late eighties. Whatever multiple causes are behind the investment decisions and whatever uncertainties may be comprised in detailed figures, mining companies clearly favour their home countries, omitting Black Africa, the Middle East and some Latin American countries.

The result for Europe will be an even stronger role for OECD countries as producers, and stagnation or even a declining share for Third World countries. A cynic could consider this as a positive turn towards security of supply. Indeed, the future patterns of supply lead "back home".

To return to resource bases: the second factor of influence is the rapid increase in energy prices because many non-fuel minerals need energy-intensive processing. In addition it would be interesting to study the long-term resource price base of the petrochemical industry which produces a large number of synthetic materials used as substitutes for metals, thus worrying the metal producers.

Another problem which has been under discussion is the forming of mineral cartels, but all investigations about the possibilities have come to the same conclusion: OPEC has many imitators, but none meet the conditions necessary for a continuous seller's market. There will be no "Mineral-OPEC!"

Europe's strategic minerals requirements

On considering the specific European problems and touching on the special question of Europe's needs for strategic minerals, one has to cover several major themes. Besides the dependence on foreign energy and raw material sources, there is the demographic outlook, the economic environment, technological progress and changes in social values, needs and behaviour patterns. They all influence Europe's raw material needs to a greater or lesser extent.

It is necessary here to consider again the question of population because demographic outlook for the next five years causes severe problems. Despite a very slow overall increase, a rapid growth in population of working age will occur. This must lead to serious employment problems, since potential labour will expand vigorously, and unemployment is already very high in the Community.

As many as six million people, or about 5,5 per cent of the Community's labour force, are now unemployed. Between 1980 and 1985 the number of young people will increase by one million, a sharper escalation than expected. For policy-making this problem poses a challenge which will influence the mineral policy, too, presumably entailing the maintenance of European mining and smelting capacities however old and uncompetitive they may be.

Considering the other major topics mentioned before, the European Commission states in a report about the structural changes in the eighties, that the manufacturing industry in the EC has less capacity than previously to create new jobs and to face international competition. Moreover, disparities between the member states are growing in terms of the adjustment of their industries.

One of the permanent factors which will change European behaviour patterns is the increase in energy prices. Energy-saving will affect the demand, at the same time giving priority to the production of energy-saving equipment. Another factor is the development and introduction of advanced technologies to catch up with international competitors. It is usual, for instance, to distinguish between standardized products such as steel, basic chemicals, cement, paper pulp etc. which will come under increasing pressure from developing countries; and "intelligent" products — telecommunication, aerospace, micro-electronics, applied electronics — where Europe is lagging behind.

As a consequence of this situation and the outlook for industrial adjustment, Europe faces a dilemma: on the one hand "traditional" basic industries have to be maintained in order to avoid aggravating the unemployment problem, on the other hand the pressure to catch up with advanced technologies has a negative impact on employment and even, in the long run, on efforts to keep abreast of current educational trends.

The picture of changing European industrial development and its mineral needs is neither uniform, nor easy to predict. Nevertheless, two organisations and institutes, the Federal Institute of Geosciences and Natural Resources — (the Geological Survey of Germany, so to speak) — and the Berlin-based German Institute for Economic Research, have worked together on mineral supply and demand studies for more than a decade. The following part of this paper deals mainly with the results of research undertaken by these institutes concerning projections for European mineral needs. Before embarking on any detail one might also mention another study, that of economist Malenbaum from Pennsylvania University, who studied the mineral needs of different nations for the US National Commission on Materials Policy. He relates mineral demand to gross domestic product per capita, theorizing that the intensity of use (IU), or the amount of material consumed per unit of gross domestic product, first increases in a given economy, then levels off and declines as the GDP continues to grow.

Metal consumption undergoes a maturing process in the various economies of the world. The forces responsible for the declining pattern of IU include: shifts in the types of final goods and services demanded, technological developments that alter the efficiency with which raw materials are extracted and processed, and substitutes in response to relative price movements. The IU evidence suggests that mankind's knowledge, skill and aspirations are strongly influential in reducing the need for industrial raw materials. Taking the actual decline in raw material needs during the last years and bearing in mind that recession played a role in the process, one is inclined to believe that the general conclusion of the study is correct. In fact, nobody now speaks of tripling mineral demand until the year

2000, as was formerly the case. Now a mere doubling is a more or less commonly held opinion among professional forecasters, with differences as to single countries.

Generally, this conclusion can also be applied to the European countries. As mentioned before, regarding the majority of minerals and metals, the Community depends on 100 per cent mineral imports, or a little below this mark. Europe's geological structures are not favourable for major findings, hence the dependency will grow over the years to come, but more slowly than was formerly expected. Regarding the Community's import balance by regions, there is a certain concentration in the case of the Republic of South Africa. Chromium, vanadium, manganese, platinum group metals, gold and asbestos, are amongst many raw materials imported from that country. The fields of application of these materials are: the steel-making industry, chemical industry, vehicle manufacturing and jewellery manufacturing.

Manganese is the most important alloy material for the products of the iron and steel industry, and roughly 90 per cent of the total manganese consumption is accounted for here. The Federal Republic used 425 000 tons (manganese content) in 1979, well below the 1974 figure. An annual increase of just under 3 per cent had been forecast, but the adjusted forecasts for 1985/90 show only 441/454 000 tons according to average expectation, and 429/436 000 tons as a pessimistic assumption. That would mean that in six years there has been virtually no growth in consumption at all, but rather a decline.

Nothing further need be said about the crisis in the Community's steel industry, and the decision taken at Luxembourg to give Brussels a tool for fixing production quotas, will also hit manganese consumption for the time being. The figures for the whole Community, previously fixed at 2,1 and 2,3 million tons for 1985 and 1990 have been reduced to 1,5 and 1,7 million tons, i.e. 400–500 000 tons less than originally expected. South Africa, with 48 per cent, has been the main source in the Community import balance.

The position regarding chromium is more difficult to forecast. This is due to the various sectors in which chromium is used; as metallurgy, the chemical industry and refractory products — each have future needs of their own. Nevertheless, the chromite consumption of the Federal Republic indicates a low growth rate from 538 000 tons in 1979 to 695 000 and 795 000 tons in 1985 and 1990, respectively. The trend in the Community is similar. 1,5 and 1,7 million tons are the new figures for 1985/1990, starting from a 1,2 million ton level already reached in the mid-seventies. Ferro-chromium is an exception, however, with forecast figures for the Community increasing from 639 000 tons up to 709 000 and 820 000 tons in 1985/1990, due to an increase of alloy steel production, which is the growing branch of the otherwise depressed iron and steel industry. But even this forecast should be considered with caution, since the actual situation is characterized by a low level of orders.

The Federal Republic plays an important role within the Community with regard to vanadium, being responsible for 65 per cent of total consumption. 3 500 tons is the estimated figure for 1980, and assuming that the requirement structure does not change in the 1980s, the Federal Republic would need 4 500 and 5 700 tons in 1985/1990, respectively. The Community's total is estimated at 6,9 and 8,8 000 tons. The growth rate of vanadium consumption can be attributed to high strength low-alloy steels and substitution of other alloy metals.

As to asbestos, the trend in the industrialized countries is towards stagnating or even declining consumption. The Community shows a decline from an all-time high of 968 000 tons in 1973 to a mere 810 000 tons in 1979 — and the outlook is not good. Environmental and health problems seem to be responsible for the decline. Developing countries in the take-off phase of their economy, show a startling increase in asbestos consumption, although only in the mass fibre category.

What these figures emphasize is the slowing down, or even decline, in Europe's needs for some of the so-called "strategic minerals". Of course, they remain of high importance, but, and this is the point, of less importance than before.

Europe's supply policy

We have considered the problems of future mineral supply and the European needs for those commodities which are regarded as "sensitive" or "strategic". You will surely ask, "What is Europe doing, what are the national governments doing to secure supply in the short and long-term, and what might the economic and political impact be of a supply disruption?"

Firstly, the Community has no defined raw material policy. The fundamental Rome Treaties of the Common Market do not include raw material supply policy as a mandate for the Commission. Hence, the Commission only began to focus on the mineral issue in 1975. The result was a basket of proposals for activities ranging from exploration grants to stockpiling and distribution schemes. Since the national governments consider the formation of a policy on raw material supply to be a task of vital importance, nearly all the member states had already formulated their own supply policies, each differing widely in approach and dimension, as might be expected. The Commission's proposals were not totally rejected, but endlessly discussed. The outcome is a small joint European programme for exploration and the development of prospecting methods, and a huge statistical compilation of EC dependence.

In spite of this delay, the Community went to great efforts to establish the Lomé and ASEAN Conventions, in which the Community has the mandate to negotiate.

Minerals supply policy of the Federal Republic of Germany

Considering the national governments, it would be appropriate to start with Germany which (in close contact with its resource companies) has established the most sophisticated supply policy among the member states.

German supply philosophy is based on two principles:

(i) Diversification of supply — a rather simple idea — and,

(ii) integration of the Federal Republic's mining and smelting industry, starting from source, thus providing a German reserve based abroad.

Obviously, the second principle is the more difficult and the more time-consuming one to meet. To initiate it, an exploration programme was established, granting 50 per cent of risk money for the companies when exploring worldwide. This programme led to some outstanding successes:

— Metallgesellschaft put on stream the tungsten deposit of Mittersill, Austria, providing more than 20 per cent of Europe's tungsten demand;

— A German consortium joined the Ok Tedi Copper project in Papua-New Guinea, which will provide five per cent of the Federal Republic's total copper demand. The gold output of this mine will be a sweetener for the companies involved;

— Another German company is putting on stream a chromite project in the Philippines during the next two years. This will diversify Germany's chromium import structure;

— Metallgesellschaft brought into production a lead-zinc-silver deposit in Thailand;

— Germany's uranium companies are successfully exploring the Key Lake deposit in Canada, as a joint venture with partners, Yeelirrie, in Australia and — not strictly in the context of this exploration programme — they acquired a 14 per cent equity in Australia's Ranger project;

— Just recently started, an evaluation of China's vanadium resources, possibly the largest next to South Africa's.

The list could be enlarged — I prefer to summarize by saying that more than 20 companies pursue about 100 projects in 27 countries, concentrating on North America, some Latin American countries, the developing South East Asian mining province and a very few African states. The capital spending of both government and industry amounted to approximately 100m DM in 1980.

But exploration is only the trigger element. More important and more difficult is the investment phase in which the government does not actively take part, but it does provide an umbrella for the investors by means of its guarantee system. There is, moreover, a preferential tax treatment for mineral resource investment in developing countries. Germany has one of the most comprehensive systems of incentives for private investment in developing countries — it should be added that the whole umbrella is only in respect of Third World countries. The prerequisite for a guarantee is the conclusion of a bilateral investment protection agreement with the host country and more than 50 agreements have been concluded so far.

A German investor can apply for a guarantee given by the Federal Republic covering the following political risks: nationalisation, confiscation, expropriation, war, revolution or insurrection, blockage of payment or moratorium and impossibility of conversion or transfer, but commercial risks are not covered. Eligible investments are: equity investment, loan of an investment type, capital provided to an overseas branch. At the moment there are guarantees for 15 projects amounting to 350 million marks.

A separate guarantee scheme for project loans or "untied financial credits" for which a guarantee can be given against both political and commercial risks should also be mentioned. This scheme has been widely used by German companies and there are 22 projects with a volume of 2,3 billion marks covered by Federal guarantees.

Besides these instruments, which could be described figuratively as "theatre force" (to use the military vocabulary), directed towards new resources abroad, the Federal Government has set up other incentives in the field of mineral processing, substitution, recycling in order to reduce the specific use of materials in its economy. Last but not least, the Geological Survey was assigned the task of joining its efforts to those of mining companies for the development and introduction of new exploration methods. In fact, there is close co-operation between the Survey and several companies, comprising even joint geophysical exploration in Canada.

A sensitive point in the creation of a stockpile of "strategic" minerals such as chromium, vanadium, manganese, cobalt and asbestos, is that in respect of these South Africa really is the dominant factor. A scientific investigation into the importance of these commodities for the German economy clearly reflects their high priority. A reduction in chromium supply of about 30 per cent of the Federal Republic's annual demand would — according to the scientists — cause an overall production cutdown of roughly 25 per cent, affecting several million jobs. Personally, I believe that the economy would react much more flexibly, taking into account substitution possibilities, the worldwide supply net of Germany's metal traders and the application of saving techniques where possible. Moreover, in my own view, no such contingency seems likely.

When considering the reasons for stockpiling — which is still a high priority in some European countries — one has to take into account two factors which are applied to "strategic" minerals, the value for the economy (exaggerated in my view) plus fears of transportation security. As regards the stockpiling programme of the Federal Government, this has been officially abandoned due to budget constraints, at least for the time being.

In sum then, regarding the Federal Republic's mineral supply for the foreseeable future, there do not seem to be any difficulties looming ahead, provided government assistance is kept on the same level as now, and that no major international crisis occurs.

The minerals supply policy of other EC countries

Germany's neighbours have taken different steps. The United Kingdom, for instance, virtually copied the Federal Republic's exploration scheme but only for activities within Great Britain and its government does not provide the wide shelter of guarantee measures. Under the Mineral Exploration and Investment Grants Act of 1972 to 1978, £835 000 sterling has been paid for a total of 150 projects. Stockpiling has been discussed, but not yet decided on, and material research is undertaken on a smaller scale only. The Geological Survey does not have the same close connection with the mining companies as exists in the Federal Republic. Generally, the consultative mechanisms between the mining industry and administration seem to occur at random or to be more or less non-existent.

France presents a different picture. Government influence and guidance are more highly developed than in other member states. The government-owned Bureau Recherche Geologique Miniére (BRGM) is simultaneously Geological Survey and entrepreneur. During the five-year phase 1975–1979, in the course of an inventory and exploitation programme, BRGM spent 140 million francs, and for the "Copper Plan", devised in 1973, the French Government spent roughly 100 million francs annually. Groupement d'importation de Métaux (GIRM), another government agency, is responsible for the buying and distribution of certain metals, and for stockpiling. The French Government decided already in 1972 to set up a stockpile of critical raw materials mainly to counter supply problems of an economic nature. The stockpile contains on average the equivalent of 2 months' consumption of imported minerals. After initial financing of 250 million francs, the government recently decided to accelerate the stockpiling programme by spending 1,6 billion francs during 1980–1981. Moreover, a guarantee scheme is also provided. Material research is carried out by government institutes — in short, France is very active in securing its supplies.

Italy subsidizes major partly government-owned companies by somewhat unclear means.

The smaller countries of the Community cannot afford a special mineral policy, the sizes of their economies mitigate against it, and the necessity of securing the mineral supply is less.

To sum up, therefore, one sees that there is no defined European mineral supply policy, but rather a collection of national activities undertaken in accordance with the specific economic necessities of the member states.

The LOMÉ and ASEAN Conventions

As mentioned earlier, the efforts of the European Community in the area of external relations are evidenced by the Lomé and ASEAN Conventions. Lomé was originally established as an export stabilizing system for the ACP countries (African–Caribbean–Pacific countries). This group includes mainly, but not exclusively, the former European colonies, now comprising 60 nations. (The Lomé II convention included for the first time an additional clause relating to mining.)

Even though the budget is rather small and there have already been critical remarks as to the effectiveness of this instrument, it has in my opinion to be regarded as a major breakthrough in introducing a new mechanism for assistance. The main policy aspects and technical elements are geared towards the creation of a more solid basis for the development of those ACP states whose economies are largely dependent on the mining sectors, and helping them to cope with a decline in their capacity to export mining products to the Community. Its purpose is to assist these states in their efforts to remedy the harmful effects of serious temporary disruptions affecting the mining industry on their economies.

Mining countries included in the ACP list are, amongst others, Liberia, Niger, Papua-New Guinea, Zaire, Zambia, Nigeria, Botswana and Zimbabwe, which has special relevance to chromium supply under Community regulations. The system applies to the following products: copper — including the associated production of cobalt — phosphates, manganese, bauxite and aluminium, tin, roasted iron pyrites and iron ore including pellets. Nickel is on the amendment list.

The Community has set up a special financing facility amounting to 280 million EUA (US$390 m) to cover its commitments in relation to this new mechanism.

A recourse to methods of financing is open to the countries eligible for membership — i.e. those who derive at least 15 per cent of their export earnings from one of the above mentioned products — if a substantial production or export fall is recorded as seriously affecting the development policy of the ACP state concerned. The possible recourse referred to above is also available in the case of accidents, serious technical mishaps or grave political events, whether internal or external. Western mining companies might be sceptical about such assistance, since claims of "serious technical mishaps", "accidents" and "grave political events" could easily be put forward in a case of sheer mismanagement. From the viewpoint of a market system, however, this is clearly a subsidy for all the adversities which may occur during the lifetime of a mine.

Moreover, the Community is prepared to give its technical and financial assistance to help with the exploitation of the ACP states' mining and energy potential. On request, the Community will carry out technical assistance activities in the fields of geology and mining. In the sphere of research and investment preparatory to the launching of mining projects, the Community, represented by the European Investment Bank, may give assistance in the form of risk capital.

Lomé II is a mixture of components for assistance to the ACP countries; one assumes that aid and development aspects have been of first priority. But the supply of the Community by granting aids has naturally been one of its concerns.

Another step in the same direction was the establishment of the Community/ASEAN Convention. There is considerable potential in mineral resources among the five ASEAN countries, particularly in Indonesia, Malaysia and the Philippines. However, this Convention does not include any system comparable to that of Lomé — at least for the time being — but the Community certainly has developed closer ties to these countries, too.

While the internal raw materials policy of the Community represents more or less a conglomerate of national activities, there is a straight external policy to be recorded which backs the diversification aspect of our supply, and regarding ACP and ASEAN countries this policy gives valuable support to national private and government targets, under the general umbrella of the Community — (a phrase which denotes a proposal brought forward to Community level by the so-called "European Group of Mining Companies", including such well known names as RTZ, Charter Consolidated, Imetal, Metallgesellschaft, etc. — altogether more than a dozen). The proposal in question was submitted three years ago and deals mainly with investment risks and their prevention. Mining ventures are particularly vulnerable to risks of what is called "creeping expropriation". These are much less easy to define than the risks of expropriation, war, civil unrest, or exchange restrictions covered by national schemes. The impediment to mining investment does not lie in these classical political risks, but rather in the gradual erosion of the terms under which mining companies operate. The prevention of creeping expropriation would help to restore reasonable confidence in overseas mining investment. Even if national schemes were sufficiently large and comprehensive to cover the political risks involved, a European approach would still be desirable.

The companies also suggested the creation of three equally important new European facilities:

- a framework treaty for mining investments between the Community and host countries;
- a European political risk guarantee, and;
- a financial assistance facility of the Community in the form of project loans.

On looking at the slackening in mining investment, the proposals seem to be reasonable, but the member states have not yet reached a decision leading to the introduction of such a system. This is partly due to the reticence of national governments who fear the loss of certain advantages for their own companies. Nevertheless, the proposals have not been officially rejected, and further discussions must probably be considered in the context of certain Lomé aids which reflect some of the companies' claims.

Conclusions

Apart from the dismal global aspects, Europe itself faces a period of structural change, high unemployment reinforced by an anticipated large young labour force, and rising energy prices.

Europe's needs for strategic minerals have to be seen in the context of the balance between the necessity of maintaining mining and smelting facilities, partly for reasons of employment opportunities and also for the development of technological skills, and the maturity of its economies, leading to declining growth rates in metal and mineral consumption. Over the years, consumption will continue to grow, but at lower rates than previously expected. The degree of import dependency will grow due to the exhaustion of existing mines and unfavourable geological prospects for new discoveries.

Future exploration and mining investment is an absolute necessity to keep reserves and outputs at desirable levels. Government aid schemes seem to be essential in exploration funding as well as concerning guarantee schemes for developments in host countries.

A Community raw material policy is apparently as far from definition as a couple of years ago. It remains to be seen what will emerge from the mining companies' recommendation for a European guarantee system. Relationships with producer countries through multilateral conventions such as Lomé and ASEAN, will be closer, hopefully providing more security in the Community's raw material supply.

The Federal Republic of Germany will maintain its policy directed towards worldwide activities ranging from exploration and mining investment aids to long-term sales contracts with appropriate financing.

Maintaining good relationships with producer countries, first of all with the Anglo-American mining countries, should be a policy as simple to follow as it is necessary. South Africa, referred to in an American report as the "Persian Gulf of Minerals", plays an important role in this context. It has always been a reliable supplier and is blessed with vast mineral riches. Europe needs South Africa's minerals, and South Africa needs Europe's markets. Therefore disputes over sanctions and counter-sanctions should be avoided at all costs. What, in the very short term, might seem to be successful, may in the longer run be counter productive. Nobody should ever under-estimate the skills and the inventiveness of industrialised nations to escape if cornered. But what lies ahead is far more challenging; the coming decade requires more than the usual degree of political and managerial skills; it requires a driving vision of where we are heading — a sense of direction, to see the world as a whole.

E.G. Cross

Economic sanctions as an instrument of policy*

The use of economic sanctions is a means of exercising influence over the domestic, political and economic arrangements of another country and has been employed a number of times during this century. Sanctions were declared by the League of Nations against Italy in 1935 in response to that country's occupation of Ethiopia. The United States has attempted to change the direction of political events in Cuba by a similar means since the early 1960s. It is my understanding that a sanctions order of the League of Nations is still in force against the Government of Spain although the programme has been abandoned for many years.

In the case of Rhodesia, there are a number of interesting aspects to the effects of the sanctions programme applied by the United Nations in 1966 which merit special attention by the international community. These sanctions were more widely implemented and intensively applied on an international basis than in any other instance in modern history. They were applied for a specific period of time and their effectiveness as an instrument of policy can be clearly analysed.

The Rhodesian Government unilaterally declared its independence from Britain on 11 November 1965. An oil embargo was imposed in mid-December 1965 and in 1966 the United Nations adopted a comprehensive programme of mandatory sanctions at the request of the British Government. With only minor deviations, such as the United States' lifting of the embargo on chrome imports in 1972, economic sanctions were applied against the Rhodesian economy for the whole of the period of 1966–79. In fact, there is some evidence that sanctions were intensified during the last five years of the programme.

The architects of the sanctions programme were convinced that they

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could be effective. This conviction was based primarily on the nature of the Rhodesian economy at the time of the Unilateral Declaration of Independence. Not only was the Rhodesian economic system comparatively small and under-developed with a fairly narrow base, but it was extremely open by world standards. The value of export trade was equivalent to over 40 per cent of the gross national income of Rhodesia in the decade leading up to 1965, and in the year before U.D.I. it was 45 per cent of gross national income.

The economy was also heavily dependent upon a narrow range of products. Tobacco generated approximately 30 per cent of national exports and provided up to 10 per cent of world production, with Rhodesian tobacco exports commanding an even higher percentage of world trade. From this perspective, the Rhodesian economy was highly vulnerable to international trade restrictions. The majority of export trade was conducted with Western Europe, Britain and the United States, and the orginators of the sanctions plan were satisfied that these countries could effectively curb the trade flow. They were also confident that the alternative outlets for the commodities which would be affected by the programme were extremely limited, and that there would therefore be a sharp curtailment of Rhodesia's foreign trading with serious consequence for incomes and general economic activity within the economy.

Another consideration which featured in the pre-sanctions debate was the fact that because of the smallness of the Rhodesian economy, sanctions would have only a limited impact on the economies of states imposing sanctions. Even in the case of tobacco and chrome, two commodities in which Rhodesia featured heavily as a supplier to developed countries, stocks and alternative sources existed which ensured little or no dislocation of economic activity.

The sanctions era

The Rhodesian economy was subjected to sanctions for 14 years and this period can be divided into three distinct phases:

1. 1966 to 1967 or 1968
2. 1967–68 to 1974–75
3. 1975 to 1979

In the first phase of the sanctions era, the economy bore the brunt of the trade embargo. In 1966 the total value of exports fell by 38 per cent from Z$323 to Z$200 million. As a consequence, the output of the agricultural sector slumped by 23 per cent between 1965 and 1968 and that of the manufacturing sector fell by 10 per cent in 1966. The main reason for the fall in agricultural output was a 50 per cent reduction in tobacco production.

Despite the fall in output in many key industries, domestic economic activity was maintained and gross national income declined by 1,1 per cent in 1966 before beginning to expand once more in 1967. This outcome was a tribute to the competence and efficiency of the administration in Rhodesia, and to the resourcefulness of managers in both government and the private sector. It certainly cannot be attributed to foresight and planning on the part of government, since there was little or no preparation for the political action taken in November 1965.

In the second phase of the sanctions era, steps taken by government to diversify agricultural production and accelerate expansion in mining and manufacturing gave rise to a period of unparalleled economic growth. Between 1967 and 1974 the gross domestic product increased by over eight per cent per annum in real terms. Inflation rates were held down to approximately three per cent and export activity recovered after 1968 to keep pace with the domestic economic growth which was taking place.

In phase three, a number of major external and internal influences in addition to sanctions were brought to bear on the economy. Following the border closure with Zambia in 1973, the Mozambique Government followed suit in March 1976 with the closure of their border with Rhodesia.[1] These actions had far-reaching effects on the Rhodesian economy. In addition, the escalation of the war which occurred from 1975 onwards — (hostilities had actually commenced as far back as 1966) — meant that there was an increasing demand on government resources to finance the war effort while growing numbers of skilled personnel in both the private and public sector were involved in active service. Simultaneously with the border closure and the escalation of the war, the world economy was plunged into a deep recession by the first round of oil price increases in 1973–74 and this created grave problems for export industries. The third phase, therefore, was characterised by economic stagnation with high rates of inflation. Income per capita, which in real terms had risen strongly in the second phase, fell by almost 25 per cent between 1975 and 1979.

Sectoral impact

Manufacturing

After an initial slump in manufacturing in 1966 there was a slow recovery in 1967 after which output rose strongly up to the end of 1974. As a consequence of this growth and of the comparatively slower take-off in agriculture, the contribution of the manufacturing industry to the gross domestic product rose significantly. The main industries contributing to expansion were textiles, metal and metal products and food processing. From 1975 to 1979 the manufacturing sector saw a steady decline in its output under pressure from foreign exchange shortages, the skilled manpower demands of the military authorities and the higher bridging costs which resulted after the Mozambique border closure. In addition, the decline in overall economic growth, coupled to higher rates of inflation, reduced consumer demand and this also affected manufacturing output.

Mining

The mining sector, in contrast to other sectors of the economy, showed virtually no reduction in output during the initial phase of the sanctions programme. Growth simply slowed down and was followed by an accelerated rate of expansion between 1968 and 1973. Since 1973 there has virtually been no expansion in the mining industry in volume terms. The value of mineral production, however, has continued to rise strongly as a result of increasing prices.

Agriculture

Agriculture was the most severely affected sector of the economy. Output not only fell more than in any other major sector, but then also stagnated for longer. Once the diversification programme got under way, however, agricultural output rose strongly, increasing three-fold between 1968 and 1975. The three main contributors to this successful programme were maize, where production increased four-fold by 1971–72; cotton, which increased twenty-two-fold by 1969–70; and cattle, where production doubled between 1965 and 1972–73.

In fact, over this period Rhodesia became a major exporter of white maize, supplying an average 700 000 tonnes of white maize per annum over the period 1970 to 1975. It also became a major cotton producer and exporter, as well as one of the largest exporters of beef in the Third World. This was not without cost, and over the 15-year period government has supported agriculture to the extent of Z$290 million, of which Z$136 million was used to support the tobacco industry.

The Impact on foreign trade

Since the main thrust of the sanctions effort was directed at foreign trade flows, it is to be expected that it was in this area that the most obvious impact of the sanctions programme would be felt. It is extremely difficult to make any satisfactory assessment of what might have been, since that would ignore the many influences which could have intervened had Rhodesia chosen a different path for its political evolution. Based on the assumption, however, that the volume and character of export activity would have continued to develop normally over the 15-year period under consideration, an attempt has been made to derive an estimate of potential export volumes. Rhodesian exporters generated Z$5 800 million in foreign trade over the 15 years. Against this, the estimated potential export performance of the economy could have been approximately Z$9 400 million had the trade embargo not been imposed.[2] In simple terms, therefore, it can be said that the cost to the Rhodesian economy in terms of lost exports was Z$3 600 million, or 38 per cent of potential.

Of this cost, approximately Z$1 100 million can be directly attributed to the cost of the so-called "sanctions discounts" which were made on export sales in order to overcome the reluctance of buyers to circumvent sanctions. The balance can be ascribed to the structural impact of the sanctions programme on the pattern of export activity; out of the latter sum of Z$2 500 million, Z$1 080 million can be ascribed directly to the impact of sanctions on the tobacco industry. Tobacco was the most seriously affected individual sector of the economy and the above estimate of the cost of sanctions against the industry represents 54 per cent of the industry's potential over the period 1966–1979.

If the cost of the discounts and the specific losses on tobacco sales are ignored, it can be said that the assessed structural impact of sanctions on Rhodesian foreign trade was equivalent to Z$1 420 million or 15 per cent of the export potential of the country over the period.

The effect on gross national income

The most comprehensive measure of the economic effects of sanctions is the effect on the country's gross national income (GNI). In this respect, the effect resembled the action of someone attempting to reduce the size of an air balloon; when squeezed, it simply bulges out in the same proportion in another direction. In the decade up to 1965, exports were consistently equal to 40 to 45 per cent of total GNI. Immediately following the unilateral declaration of independence, exports fell by 38 per cent. At the same time GNI declined by only 1,2 per cent and despite the continuing stagnation of export activity over the next two years, GNI resumed real expansion in 1967. As a consequence, exports as a percentage of GNI fell to 28 per cent in 1966 and continued to decline until 1968 when they reached a low of 23 per cent. Subsequently, exports recovered and from 1970 onwards averaged 27 per cent of GNI.

This readjustment of the relationship between exports and domestic economic activity suggests that by 1970 a new relationship between external trade and the internal economy had been established. This structural readjustment was made possible by widespread import substitution within the economy and a stringent rationing system for foreign exchange. Over this period, foreign exchange shortages became the primary concern of all sectors of the money economy. It also gave government powerful new mechanisms of control over industrial and commercial activity. In this way government control over the supply of foreign exchange to local entrepreneurs became an important tool for the management of the economy.

It is interesting to note that had the relationship between exports and GNI remained at the 40 per cent level established prior to 1965, and had exports not been subject to the trade embargo resulting in the achievement of the estimated potential of export trade over the UDI period, total GNI would have reached Z$23 600 million. Since actual GNI over this period was equivalent to Z$22 100 million it can be argued that the sanctions programme had reduced the level of domestic economic activity by only Z$1 500 million or six per cent of potential by the end of the sanctions period. This represents Z$10 per capita per annum and suggests that the programme had little or no effect on the population group against which the sanctions programme was directed and who were responsible for UDI.(3)

A possibly more significant casualty of sanctions was the low-income rural farming community in the subsistence sector, who were denied investment and higher living standards by the need of the Rhodesian Government to employ its resources in combating the economic crisis. This factor was compounded by 15 years of isolation from international financial assistance, the bulk of which would have been directed into the peasant sector.

Sanctions as an instrument of policy

The lessons to be learnt from the Rhodesian experience can be divided into three distinct parts:

1. Lessons derived from the application of sanctions by the United Nations in 1966–1980.
2. Lessons gleaned from the effect on the Rhodesian economy of the border closures by the Zambian and Mozambique governments in 1973 and 1976.
3. The effect of South African sanctions post-1975.

There can be little doubt that the international programme was a resounding failure. That is not to say it did not affect foreign trade flows or force a structural readjustment of the domestic economy. This paper points out that the programme did have a substantial impact in both these areas. If, however, the objective of the sanctions policy was to bring about political change, then there can be little doubt that the programme, far from achieving its objectives, might well have resulted in the further entrenchment of recalcitrant attitudes within the Rhodesian Government.

Circumvention of the UN programme was comparatively simple, as the world market economy is too complex to be adequately policed by international agencies. Many firms and countries were half-hearted in their compliance with sanctions. Only the United States, the United Kingdom and the Scandinavian countries applied them with any degree of enthusiasm.

When commodities were in tight supply and world prices rising, Rhodesian exporters found that virtually no discounts were required on sales to commodity traders. In falling markets and under conditions of world over-supply, however, market discounts often widened to the extent that a significant reduction in domestic returns occurred. This tended to accentuate the impact of world price movements on the domestic economy. Even after the economy had adjusted to its new international trading situation, it thus remained extremely sensitive to world market conditions. One of the primary reasons for the deep recession into which the economy slipped in 1975 was the international recession in commodity prices which followed the oil-price increases after October 1973.

As far as the effect of the border closures are concerned, two observations can be made. The Zambian action had little effect on the Rhodesian economy since manufacturers were quickly able to establish alternative outlets for their production. The major casualty of the action was the Zambian economy itself. Those planning future sanctions programmes should pay careful attention to the effects on associated economies.

The Mozambique action, following the collapse of the Caetano Government in Portugal, is in an entirely different category. The immediate and ongoing impact of the action was to raise bridging costs for Rhodesian exports very substantially while congestion on the South African rail system inhibited export growth. The Rhodesian authorities were not able to avoid these costs by developing alternative outlets and they remained a substantial and growing burden on the economy during the last five years of the Rhodesian Government's life. At the same time, while it can be argued that the action affected the Mozambique economy, it did not have the consequences that characterised the Zambian action, because Mozambique had access to the sea and was able to compensate to some extent for the loss of Rhodesian transit traffic.

Very little is known about the precise nature of South African sanctions against the Rhodesian Government. It should be noted, however, that one of the most significant side-effects of the Mozambique border closure was the transfer of full control over Rhodesia's import and export trade to Pretoria. In addition, the international sanctions programme meant that the South African Government could exercise considerable financial leverage over the Rhodesian authorities.

It is known that the South African Government employed its financial and logistical leverage on several occasions. On each occasion the results were dramatic and led to the Rhodesian Government co-operating with international efforts to resolve the political crisis. Ironically, it can be argued that the key element in the process leading up to the successful Lancaster House talks and the subsequent transfer of power to Robert Mu-

gabe was South African economic sanctions against the Rhodesian Government.

No doubt, the main reason why the South Africans were prepared to take such action was that they had clearly decided after the transfer of power to Frelimo in Mozambique that the Rhodesian position was no longer tenable. Having decided this, they committed themselves fully to persuading the Rhodesians to accept political changes which would reduce tension within the region. That the outcome was different to their expectations does not affect the analysis of the role that they played, and even the emergence of the Mugabe Government is seen by Pretoria as being preferable to the deteriorating economic, military and political situation which existed under Ian Smith. The reason why South African sanctions were so effective is simple; they had complete control over the economic and strategic existence of the Rhodesian Government.

Conclusions

It may be concluded from this analysis that economic sanctions as an instrument of policy can be effective under certain circumstances. It is very seldom, however, that such circumstances can be created and under normal conditions, especially in the case of those countries which have outlets to the sea, economic sanctions are a comparatively ineffective means of exercising political leverage. In the case of Rhodesia, the international programme of sanctions was a complete failure in so far as its political objectives were concerned. In the early stages it may even have militated against political change rather than encouraged it. In economic terms the major casualties of the programme were external trading partners and internal peasant communities, since economic activity within the domestic money economy was maintained although the structure of that economy was altered significantly.

Investment in the subsistence sector declined sharply during the UDI period and government concentrated the majority of its resources on maintaining the income of the urban community and diversifying the economy away from those sectors which were most seriously affected by sanctions.

The experience gained from the Mozambique border closure and the subsequent pressure from the South African Government suggests that for sanctions to be an effective tool, alternative sources of supply and outlets for export activities must be capable of physical control. Thus the American grain embargo against the Soviet Union and the sanctions programme against the Iranian Government could only be expected to be effective if alternative sources of supply could also be controlled. In fact, in both cases such conditions do not pertain and therefore it can confidently be predicted that the embargoes will not succeed in their stated objective.

American confidence in the effectiveness of the grain embargo was based on American dominance of world grain trade. It did not pay enough attention, however, to the role of the international market for grain as an effective clearing house, or the ability of alternative sources to accommodate Soviet requirements. The only effect the embargo had on Soviet grain purchases was to increase their cost and to curtail the volume of purchases while alternative arrangements were being made. In the longer term it is the American grain industry itself which may suffer more as a result of the embargo.

For similar reasons it could be argued that any attempt by the South African Government to exercise political leverage over the Mugabe Government by using its economic leverage would rebound on the South African Government itself. Zimbabwe has alternative outlets for its production and its new international status would result in such action receiving an extremely adverse reaction internationally. South African economic pressure would not in any way be successful in changing the political stance of the Mugabe Government. This is clearly understood by Pretoria and for this reason it is most unlikely that there will be any attempt to take such action.

For other Third World countries, the experience gained by Rhodesia as a result of sanctions provides valuable lessons for the management of their economies. It suggests that strict control over the use of foreign exchange to limit the import of non-essential goods and foods which could be produced locally and at a reasonable cost, can play a major role in the development of local industry. At the same time, by directing the investment of foreign exchange in capital development, the government can give directions to investment by the private sector, without taking direct control of the investment process itself with the resultant loss of incentives and efficiency.

By introducing such controls the relationship between foreign trade and domestic economic activity can be influenced in favour of expanded domestic growth and enhanced incomes per capita. Many Third World countries have high levels of foreign trade flows in relation to domestic economic activity and the use of such flows to foster self reliance is a logical, although often neglected, economic tool. To be effective, however, it must be acknowledged that it is essential to have available within the country an innovative industrial sector which has the skills and management expertise to take up the opportunities that would be offered to local businessmen by such a programme.

Mechanisms in the export field which link domestic allocations of foreign exchange to export performance can also be employed to encourage the export activity of a country Such measures do not require direct subsidisation from exchequer resources and use the trade flow which already exists to stimulate further business activity To be effective, this system requires the existence of an efficient and strong administration emanating from the Reserve Bank In the Rhodesian experience, the Reserve Bank played a vital and effective role in this field throughout the period of UDI The allocation system also fully utilised expertise and experience in the commercial banking system and wihtin the private sector itself Providing that such an infrastructure can be created, this is obviously a powerful tool for Third World countries

Notes

(1) Because of the close economic links that existed between Zambia and Rhodesia the Zambian administration did not feel able to close its border with Rhodesia until the Tanzam railway had been completed Even after its completion it was only the provocation of the Rhodesian action in cutting off trade in 1973 that resulted in the Zambians retaliating with a full border closure The Mozambique action in March 1976 was taken as soon as that administration felt it was in a position to do so Severe damage was incurred by both the Zambia and Mozambique economies as a consequence of these actions

(2) The estimates of the potential export performance of the Rhodesian economy over the period 1966–1979 are computed using a theoretical forecast of the exports of major industries Theoretical world values discounted back to an f o r basis were used in this exercise All values were in current terms

(3) The main lesson of the Rhodesian experience in terms of the impact of foreign trade flows on the domestic economic activity is that the static marginal gains *from international trade are limited For many Third World countries this is an* important conclusion since it points to the need to go beyond simply encouraging foreign investment in export orintated industry if the real economic potential of a nation is to be realised

Winrich Kühne

Black Africa and the Soviet Union

The significance of arms transfer and military aid as an instrument for safeguarding military-strategic, economic and ideological influence

The post-Afghanistan phase — a new era of Soviet Third World policy?

The Soviet invasion of Afghanistan raises a number of questions in regard to Africa. Is it ushering in a new era marked by the use and exploitation of Soviet military power in the Third World or can it largely be explained in terms of Afghanistan's geographical position as a neighbour to the Soviet Union and the special features of its regional location? At the present time, there is no reliable answer to this question. At any rate, the invasion of Afghanistan has called into question two traditional pillars of Soviet Third World policy. Pursuant to long-established practice, it was hitherto deemed to be the doctrine of this policy not to commit Soviet combat troops outside the area of the Warsaw Pact and to refrain — in contrast to Soviet action in Hungary in 1956 and in Czechoslovakia in 1968 — from binding ideologically allied regimes in the Third World to the Soviet camp by an open display of military force. There is, of course, a certain "grey area" concerning the commitment of Soviet military personnel in combat, be it in Angola, Ethiopia or, above all, in Egypt. The Soviet Union sent about 45 000 men to Egypt in 1970/1977 when it set up a comprehensive air defence system against Israeli air strikes. Both sides, the Soviets as well as the Israelis, carefully refrained from becoming involved in direct clashes. There was no question of engaging Soviet military personnel to maintain Soviet influence when Sadat broke the close alliance with the Soviet Union in 1972.

Both above-mentioned policies gave not only the Western states, but also those of the Third World, a certain sense of security as to the likely

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course of action to be adopted by the Soviet Union and its allies. For the latter, close co-operation with Moscow in the field of arms and military aid has now become more hazardous.

Arms and military aid as the most important pillar of Soviet policy in Black Africa

As some of the comparative figures on arms and military aid, on the one hand, and economic aid on the other indicate, the former has enjoyed priority in Soviet policy *vis-à-vis* the Black African states for some considerable time. During the period from 1967 to the middle of 1977, Soviet arms and military aid for Africa as a whole was almost twice as large as economic aid. In the case of Black Africa, however, it stands at only about 20 per cent above the level of economic aid. This ratio rises considerably if one takes as the period of comparison the years 1972 to 1978. Arms and military aid to Black Africa is now more than 80 per cent above the figure for economic aid.

This shift in priorities resulted mainly from the massive deliveries of arms to Ethiopia during the Ogaden war in the second half of 1977 and at the beginning of 1978, as well as from the arms deliveries to Angola which have taken place since the end of 1975. In September 1979, the American CIA announced a surprising reversal of this ratio between arms and military aid on the one hand and economic aid on the other.[1] The economic aid promised to the states of the Third World in 1978 (approx. 3 700 million dollars) was over 100 per cent more than the arms and military aid (approx. 1 750 million dollars). But that was an exceptional year and, although the ratio for Africa of 2:1 between arms and military aid and economic aid meant that the structure of Soviet Third World policy had modified, it was not altered in principle.

Whereas the arms deliveries to Ethiopia in 1977 brought about a rapid increase in arms and military aid, followed by a correspondingly sharp fall in 1978, precisely the opposite happened in regard to economic aid between 1977 and 1978. The Soviet Union promised one of the African states, i.e. Morocco, a loan amounting to 2 000 million dollars within the framework of a joint major project for the exploitation of Moroccan phosphate deposits. This was approximately equivalent to the value of weapons supplied to Ethiopia up to that date, and by Soviet standards it represents an enormous sum — especially when one considers that the total economic aid promised to the Black African states since 1954 only amounts to just over 1 000 million dollars.[2] (It is interesting to note that less than half of these loans have so far been taken up).

As in the case of other weapons-exporting countries, Soviet arms and military aid is not limited to the supply of weapons. It also regularly includes the training of African military personnel in various Warsaw Pact states, in Cuba and in the Soviet Union itself, and the supply of advisers to the recipient countries. According to CIA estimates, the Warsaw Pact states had over 6 000 military personnel in Africa in 1978, more than half of them being in Black African states.[3] Just over 3 000 of this total, comprising advisers and trainers and — in some cases — military officers (Ethiopia and Angola), probably came from the Soviet Union itself, while most of the remaining 3 000 were sent by the GDR.[4] Press reports reveal that the number of Soviet advisers has decreased since 1978. Personnel have been withdrawn *inter alia* from Equatorial Guinea, Guinea and Nigeria.

Economic factors in the export of weapons

One of the most striking trends in Soviet policy on the transfer of arms lies in the fact that this is being governed increasingly by economic considerations. As with other weapons-exporting countries, the Soviet Union now wants to supply goods only in return for cash payments in hard currencies. According to Western estimates, about 10 per cent of Soviet foreign currency is obtained from the export of weapons.[5] Weapons provide the Soviet Union with the relatively rare opportunity of competing with Western industrial states on world markets. This is noticeable particularly in the trade with Black Africa. There the export of weapons accounts on an average for over half of the volume of Soviet exports and, in contradistinction to the export of civil goods, it has grown considerably during the last few years.[6] In conformity with the trend towards economy measures, no large quantities of weapons have been "donated" in the recent past to any Black African state, including even those of a Marxist-Leninist orientation. Guinea was still benefiting from this privilege in the early sixties, according to certain reports. The same is said to apply to the liberation movement in Southern Africa. The weapons — mostly small arms — given to them are of no great account, either in quantitative terms or when expressed as a percentage of the total value of the Soviet export of weapons. Only two Third World countries which hold a strategic key position in Sino-Soviet and Soviet-American relations, have received free supplies of weapons on a large scale in recent years — Viet Nam and Cuba. Of these two states, Cuba alone has received economic aid from the Soviet Union worth more than 12 000 million dollars since 1961. On the other hand — according to US sources — the East Bloc states as a whole promised Angola, Mozambique and Ethiopia loans amounting to a mere 330 million dollars up to 1978.[7] Of this total, a sum of 105 million was accounted for by a loan to Ethiopia during the reign of Haile Salassie (1959). This pattern of distribution is instructive in regard to the Soviet Union's strategic priorities in the Third World. If one takes the above figures as a yardstick, then the control over raw materials in Southern Africa, as well as the economic stability of Marxist-Leninist oriented allies, does not seem to enjoy a high priority.

The wish to place weapons exports on an economic footing as far as possible is both advantageous and disadvantageous in terms of foreign policy. On the one hand, it means that setbacks to a more intensive Soviet commitment in the Third World are easier to digest, since the export of weapons usually required by such a commitment has proved to be at least economically worthwhile. On the other hand, it imposes limits on the wish of Soviet leaders to use the export of arms as a concentrated and purposive instrument for military and ideological expansion. Solvency of Third World countries on the one hand, and their military-strategic significance and ideological willingness on the other, are seldom correlated in a way which is optimal for the Soviet Union.

The military, economic and ideological impact of arms and military aid

Dependence in the recipient countries can be exploited for the assertion of military, economic or ideological interests despite the economic orientation of arms and military aid, particularly in those countries whose armies rely on Soviet weapons for over 60 per cent of their equipment. In Black Africa, these countries are: Angola, Ethiopia, Guinea, Guinea-Bissau, Mali, Mozambique, Somalia, Sudan and Uganda. Soviet weapons were also exported to Equatorial Guinea, Benin, the People's Republic of the Congo, Madagascar, Nigeria, Tanzania, Chad and the former Central African Empire. In view of the economic orientation of Soviet weapons-exports, it is hardly surprising that this list comprises African regimes of every political complexion — not excluding reactionary and despotic governments such as those of Idi'Amin and Bokassa.

According to statements made by African politicians, the Soviet Union seems to have made it a rule to refrain from linking the sale of weapons with a direct application of political pressure. However, the supply of spare parts and further weapons can then be used later for direct political leverage.

Inter alia by means of its arms and military aid, the Soviet Union has succeeded in obtaining the right to use certain ports in the Indian Ocean and in the South Atlantic for its naval units operating there. This is particularly true of Ethiopia but also applies to a lesser extent to the ports of Mozambique, Angola and Guinea, although these have not yet been transformed into naval bases. In contrast to reports concerning Aden, in the South Yemen, the Soviet Union needs these ports in order to lessen the costs of its fleet operation in respect of supplies, repairs and crew replacement, etc.

Certain important footholds have also been gained in the economic sector. It seems, for instance, to be part of the Soviet philosophy of arms exports — similar to that of the French — that the sale of weapons and the resulting closer political co-operation should also facilitate access to the markets for non-military goods. Several COMECON states, particularly the GDR, have meanwhile reached a level of industrialisation which forces them onto world markets with their semi-manufactured goods, industrial capital goods, etc. It is hardly surprising that those countries which have accepted a considerable number of military as well as civilian advisers under Soviet arms and military aid (in particular Ethiopia and Angola) have moved to the top of the list of the GDR's trade partners in the Third World in recent years.[8] A similar interrelationship exists between Soviet arms and military aid and COMECON interests in respect of safeguarding the supplies of raw materials for East European states as well as the civilian use of ports and airfields.

For the Soviet Union itself, the most significant economic by-product of arms and military aid is probably to be found in another sector. The Soviet people traditionally satisfy the bulk of their requirements of non-vegetable protein from the consumption of fish. Today, more than one third of this fish is caught in foreign coastal waters, including those of a growing number of African states. The Soviet Union has concluded co-operation treaties on fishing rights with at least eight Black African states in the course of the last few years (until 1979). Some of them, including, for example, Equatorial Guinea, Guinea and Mozambique, have granted the Soviet Union unusually favourable terms. Only a relatively small percentage of the catch (reportedly between 20 and 40 per cent) has to be surrendered to the local population as a *quid pro quo* for fishing rights. There are indications that these terms are granted in connection with loan and price concessions attendant upon the acquisition of Soviet weapons. However, they must also be viewed in conjunction with development aid projects concluded by East Bloc states in the fishing sector.

It is difficult to decide what significance Soviet leaders attach to this military and economic impact in comparison with the gains they can secure in the ideological sector via arms and military aid. In this respect, the conclusion of friendship and co-operation treaties is — at the present time — certainly the main goal of the Soviet Union's Third World policy. The Soviet Union entered into such treaties (in addition to those with non-African states) with Egypt in May 1974 (treaty denounced in 1976), Somalia in July 1974 (treaty denounced in 1977), Angola in October 1976, Mozambique in March 1977 and Ethiopia in November 1978. In all these cases — with the virtual exception of Mozambique — the conclusion of the treaties coincided in their timing with the culmination of Soviet supplies of weapons to the countries in question. The experience gained with Egypt, Somalia and to a certain extent with India, has underscored the doubtful value of these treaties as an instrument for ensuring the exercise of influence over a longer term in Third World countries.

The conclusion of such treaties probably has considerable propaganda value in domestic and bloc policies for Soviet leaders, since they can demonstrate in black and white the "irresistible" advance of socialism under Soviet leadership without this necessarily involving any major economic costs or military risks. The Black African regimes profit from this internal need on the part of the Soviet regime — although after Afghanistan this involves an increased risk, as we shall see below. When purchasing large supplies of weapons, they can to some extent offset their substantial shortage of capital by pledging allegiance to certain ideological and foreign policy positions, which are favoured by the Soviet Union. There is no overlooking the fact that those African states whose armies are more or less completely equipped with Soviet weapons usually reveal an ideological style of language based on Soviet models. On the other hand, countries like Libya and Algeria — despite their sometimes massive purchases of weapons from the Soviet Union — have never, thanks to their petrodollar income, felt under much obligation to adapt their domestic and foreign policies explicitly to Soviet terminology and philosophy, even though they do experiment with socialist ideas. In the light of the all-important question of survival and of national development for regimes as they exist in Angola, Mozambique or Ethiopia, such matters of ideology and foreign policy are usually of secondary importance, especially if they are stated in very general declaratory terms as is usual in communiques, treaties, etc, with East Bloc countries.

Soviet scepticism of the opportunities for ideological expansion

These factors, which are advantageous to a close ideological and political alliance over the longer term between the East Bloc and those countries more or less dependent on Soviet exports of weapons, open up certain perspectives.

On the Eastern side, there is a great deal of scepticism about the ideological orientation of these countries. Particularly in the papers drawn up by authoritative Soviet experts on Africa, one can read that, in most states of the Third World and particularly in the Black African nations, the prerequisites for genuine Socialism, i.e. Marxist-Leninist regimes in the Soviet sense of the word, are not present.[9] The ruling elite in these states do not reflect a class struggle by the proletariat against the capitalists, but merely the anti-colonialist and anti-imperialist trends of the petit bourgeoisie, the peasantry and the intelligentsia. Accordingly, the Soviets entertain a great deal of distrust about the ideological position of this elite, which is described as being national-democratic or revolutionary-democratic. This holds true of the late Agostinho Neto and Samora

Machel as well as Mengistu. They merely represent, in terms of soviet semantics, regimes with a Socialist orientation and remain rooted in the trend towards "voluntarism" and "subjectivism", that is to say the tendency towards terminating alliances with the Socialist camp at any moment.

Precisely because of this scepticism, the Soviet Union could not, and naturally does not wish to abandon its "scientifically" based optimism in respect of a Soviet-led expansionism of Marxism-Leninism on a worldwide scale. For this reason, it was postulated that Third World countries could nevertheless follow a straight path to Socialism. It was argued that the internal lack of the objective preconditions for genuine proletarian-led Socialism could be replaced externally by the example of, and the alliance with the Socialist camp, which had meanwhile risen to become a world force.

This thesis was in fact being discussed in the Comintern as long ago as the 1920s. It has clear implications for the practical implementation of Soviet policy towards the Third World. The Soviet Union and its Socialist allies must attempt to gain more or less direct access not only to the sectors which are important for the military survival of allied regimes, but also to those sectors which are of central importance for the ideological and political structuring and orientation of these states.

In other words, this involves the establishment of "bridgeheads" which possess strategic importance for the domestic pattern of power. This is done by dispatching military and civil advisers and training cadres from East Bloc countries. These men are active above all in the indoctrination and guidance of leaders for the State and party machinery, the setting up of mass organizations, schooling and training facilities and in part also the direct implementation of press and information activities, as well as internal security and administration. States such as the GDR and Cuba are much more strongly committed here than the Soviet Union itself.

Only in this way have the Soviet Union and its allies a chance of keeping under control the revolutionary regimes of Africa, as well as their nationalist and "voluntarist" trends in the long run. For some time now, there has been a tug-of-war behind the scenes in Ethiopia, between Mengistu and the Soviet Union about setting up a workers' party. Similar trends marked by an ambivalent attitude to Eastern influence have been discernible in Angola. Shortly before his death, Neto dissolved the internal security service (DISA) which had been exposed to a considerable degree of Eastern influence — especially from the GDR. Even prior to that, he had curbed the influence of those public figures deemed to be pro-Soviet, in connection with his drive to streamline MPLA leadership. In Mozambique, Frelimo's relatively independent approach to the question of ideology is a well known fact, at least when it comes to practical solutions.

Setbacks for the Soviet Union resulting from fundamental misconceptions

To what extent are the setbacks suffered by the Soviet Union in Africa the result of a "pre-programmed" incapacity on the part of Soviet leaders to make a realistic assessment of their potential to influence internal African developments?

The question as to whether the Soviet Union and Cuba have not perhaps created their "Viet Nams" by virtue of their military intervention in Angola and Ethiopia recurs again and again. It is highly probable that there was in fact a tendency during the Kruschev era of the 1950s and the early 1960s — i.e. at the outset of Russia's interest in Africa — to overestimate the scale of the Soviet Union's opportunities for acquiring influence in Africa.

The wave of Black African states suddenly gaining their independence opened up undreamt-of opportunities for a political presence on that continent. There began an "era of optimism". However, a number of setbacks soon brought about a wide measure of disenchantment, one of the notable cases being the surprising overthrow of Kwame Nkrumah in Ghana by pro-Western officers in 1966. Another factor contributing to this disenchantment is that Soviet leaders now indulge much less than in the early 1960s in any illusions about the economic attractiveness of the Soviet Union and its allies.

Nothing in Russia's African policy will change fundamentally in the foreseeable future concerning basic principles. Therefore, the Soviet Union will continue to maintain its presence in Black Africa preferably in the form of arms transfer and military aid to regimes internally or externally involved in military conflicts.

The risk of failure in Ethiopia, Angola or anywhere else is invariably inherent in this policy. If the Soviet Union continues to take this risk, that should not be seen as proof of any underlying misconception. Rather, it flows from the absence of any alternative to this policy if Russia does not wish to jeopardize its claim as a world power, as well as the satisfaction of certain military, economic and ideological interests in Africa. On the contrary, the more or less rigid commercial terms of weapons exports granted to Marxist-Leninist oriented regimes, as well as the fact that these regimes are rarely treated more generously in regard to loan conditions, indicate that this risk is appreciated.

There is another consideration. The consequences attendant upon the entry into armed conflicts are probably not only negatively evaluated by Soviet leaders, because of their own experience in building up a Marxist-Leninist regime. An armed conflict — whether a civil war or a more or less open threat from outside the country — is deemed to be not only a risk but also an opportunity and possibly even an indispensable prerequisite for setting up a centrally planned dictatorial regime as in the Soviet Union itself. In other words, violence and force are given the same constructive role to play in regard to Third World states — at least temporarily — in order to smash the old pattern of society and to establish a new one.

The phase of "red terror" in Ethiopia in 1977/78 must be seen in this light from the Eastern and Ethiopian standpoints. The rising number of South African military incursions into Angola, Mozambique and other frontline states are probably also perceived as creating a dynamic which is favourable to East Bloc influence in these countries.

Still, this ideological and positive evaluation of the armed struggle places the Soviet Union on the horns of a dilemma. Because of the economic orientation of its weapons exports, it simultaneously takes a great interest in the ending of such conflicts, as its customers will otherwise run the danger of economic decline and insolvency. Moreover, warlike conditions are hardly conducive to those economic advances which make the acceptance of Marxist-Leninist models appear to be an attractive long-term proposition.

The implications of the invasion of Afghanistan

Against the background of this situation, the contradictory significance of the Soviet invasion of Afghanistan has become clear for Black Africa. In the past, African governments could proceed from the assumption that the Soviet Union was willing to grant arms and military aid and to pursue its own interests on the whole within a framework laid down by Africa itself. This not only involves support for the liberation struggle and the maintenance of territorial integrity for the young states, but also for the principles of non-interference and non-alignment. It is precisely the respect shown for these last two principles which casts an alliance with the Soviet Union in the light of a possibly attractive option for Black African governments interested in safeguarding their own survival or in countering their political dependence on the West, which they find oppressive for economic reasons. As a result of its invasion of Afghanistan and the flagrant infringements of the non-intervention rule and the policy of non-alignment, the Soviet Union itself has now rendered this option questionable. It is no longer clear whether the Soviet Union will or will not in future respond to the termination of an alliance with military force against the regime in question.

Hence, the conclusion of treaties of friendship and co-operation — particularly when they contain clauses on military co-operation and consultation — now take on a different complexion. The Soviet remarks on Afghanistan indicate that these treaties make it easier for the Soviet leaders, in terms of their own system and their own need for legalistic justification, to decide on measures of this kind (That is the other aspect of the previously-mentioned interml propaganda function of treaties) However, it would be too early to speak of a Brezhnev doctrine for the Marxist-Leninist regimes in the Third World and to suggest, as a general rule, that the Soviet Union will in future prevent attempts to abandon an alliance by military means Each case will be decided on its own merits, depending on the geostrategic significance and the geographical position of the country in question and the military hazards concomitant on such an action In this respect, Angola and Mozambique are different from Ethiopia, and the latter in turn is quite a different case from that of Afghanistan which is a direct neighbour of the Soviet Union

Despite the narrowing of the Soviet option there will be no dramatic changes in Soviet-African relations for the time being This has been shown by the attitude adopted by African states at the vote on the Afghanistan resolution in the General Assembly in the United Nations, at the beginning of 1980 The overwhelming majority of these countries abstained, even though most of them, such as Zambia, fundamentally disapprove of the Soviet invasion of Afghanistan just as much as do the Western states But their own interests rule out any over-hasty discarding of the Soviet card That holds particularly true in regard to the as yet unfinished liberation war in Southern Africa The successful ending of that struggle remains one of the outstanding aims of the foreign policy pursued by nearly all Black African states The practical conclusions drawn by the African states from the Soviet invasion of Afghanistan cannot therefore be identical with those of the West European states or the USA

Notes

1 *Communist Aid Activities in Non Communist Less Developed Countries,* 1978 CIA National Foreign Assessment Center, Washington, September 1979, p 111

2 *Soviet Economy in a Time of Change,* A Compendium of Papers submitted to the Joint Economic Committee, Congress of the United States, Volume 11 Washington, 10 December 1979, p 660

3 *Communist Aid Activities, loc cit,* p 4

4 In many press reports (such as those in the *Suddeutsche Zeitung* of 4 July 1978 and in the *Berliner Tagesspiegel* of 8 February 1979), the allegation has persistently been made that the GDR has stationed 2–3 battalions of parachute troops in Black Africa (Angola) In point of fact, no evidence has been found about the dispatch of combat troops to Africa, either by the GDR or the Soviet Union However, soviet and East German personnel seem to have been involved in the fighting in Ethiopia and Angola in certain cases on a small scale Even before the invasion of Afghani-

stan, there was a certain tendency not to make any strict distinction between the activities of the advisers and those of the fighting troops.

5. Soviet Weapons Export: Russian Roulette in the Third World, in: *Defense Monitor,* Volume VIII, No. 1, p. 2.
6. *Changing Patterns in Soviet LDC Trade, 1976 to 1977.* National Foreign Assessment Center, Washington, May 1978: and *Monthly Bulletin of Statistics,* United Nations, Volume 33, No. 5, May 1979, p. 32.
7. *Communist Aid Activities, loc cit,* p. 7 *et seq.*
8. Bernhard von Plate, *Die Aussenwirtschaftsbeziehungen der DDR zu den Entwicklungsländern und die Neue Weltwirtschaftsordnung,* Ebenhausen, November 1979 (SWP, S. 277, S. 7 f).
9. A detailed comment on this will be found in: Klaus Lüders, *Tansania in der Sicht der Sowjetunion, eine Studie zur sowjetischen Schwarzafrika politik,* Hamburg, 1978.

Calvin A. Woodward

Understanding Revolution in South Africa

I

Party politics in South Africa is premised on the assumption that historically the nation is at a crossroads of revolution. To avoid Armageddon, Governments point one way and opposition parties another. While political debate on this matter has lately assumed a sense of urgency and crisis, general concern with revolution in South Africa is long standing. One hears of generations of South Africans who have carried with them all through their lives a childhood image of blacks sweeping whites back into seas from where they came. And Governments, whether or not one considers their response to be appropriate or correct, have not been lax. Surely, no nation in modern history has so well prepared itself militarily for revolution as has South Africa, and none has devoted so much thought to ways and means of averting it.

In spite of the great attention that has been given to this important matter, there is good reason to wonder about the extent to which revolution in South Africa is really understood. Official concern has focused primarily on the uniqueness of the situation in South Africa, and general political debate has reflected divergent ideologies more than it has manifested an objective appreciation of the basic meaning and nature of revolution. To a considerable degree, revolution in South Africa has been looked at essentially through the prism of partisan politics. An important consequence of this particular approach is that certain significant and fundamental questions on which the whole issue of revolution in South Africa rests have neither been asked nor probed. Is revolution, for example, a predictable event? Even more importantly, if revolution is in the offing, is it possible to avoid it? And if so, what is the best strategy?

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These are admittedly difficult questions, but they have to be tackled if the political future of South Africa is to be planned for with an adequate comprehension of the basic phenomenon of which we want to steer clear. What I want to do here is to open the discussion on these questions by considering them in the critical light of the substantial body of knowledge and theory which research on revolution has made available. First, what does this rich source of information tell us in a general way about the predictability and avoidance of revolution in South Africa? Second, guided by our theoretical lights, what is the avoidance potential of relevant policies currently under debate in South Africa? In particular, is the homelands idea an effective way out of future revolution or does broad political and social reform offer a safer and surer route?

II

Historians are fairly agreed on signposts that mark the way to revolution. Prolonged and general restlessness or the spread of discontent among a significant portion of a populace, marked and protracted emigration generally or on the part of a particular segment, such as the educated or middle class, a falling away of intellectuals from support of the regime, a phenomenon that has been termed "the desertion of the intellectuals", intensified and pervasive violent outbreaks and demonstrations, the appearance of irreparable divisions and open conflict within the circle of power holders, and indications, such as indecisiveness in regard to critical issues or obvious faults in the handling of disturbances, of a regime's growing inability to cope with the strains of managing society, are some of the major socio-political manifestations found to have historically preceded revolution. However, such markings only add up to revolution in retrospect. For them to spell revolution, they must be connected in such a way that historical analysis alone makes possible. Each sign or "cause" by itself may merely constitute an incident, problem or infirmity of the kind that periodically disturbs any nation. In any case we cannot be sure. What we look for retrospectively is a chain of causes or events which we can relate to a revolutionary trend once we know that revolution has occurred.

The fact, then, is that despite all our insights and accumulated wisdom, revolutions are not predictable, except of course by the odd soothsayer or ideologue, far in advance of violent eruption. Revolutions, in other words, are really not seen until they are at hand. And this near sightedness is a professional ailment from which others besides academics suffer. Even such an astute revolutionist as Lenin, for example, did not foresee the collapse of Tsarist Russia. Shortly before the regime fell he wrote that the revolution would not take place in his lifetime. And then it took the abdication of the Tsar to make it clear that revolution had come. In most cases such a demonstration is needed because a revolution may not at first appear as such. The French and American revolutions originated as movements for reform; both became revolutions as events unfolded rapidly in that direction once initial acts of protest revealed the strength of opposition that had developed to the regime.

Fundamentally, it is the very nature of revolution that makes it such a difficult thing to predict. Revolutions are essentially slowly developing phenomena which suddenly and dramatically peak. The final collapse of a regime, often in a violent episode of shorter or longer duration, comes after an extended period of societal decay. We cannot perceive the developmental process and we cannot foresee the peaking. And in many instances it is the regime to be overthrown which is the last to recognise that its time has come. Usually, that is made apparent by indications that the military can no longer be relied upon; when, for example, troops commiserate with demonstrators whom they were ordered to restrain or disperse. To cite a recent case, it was at such a point that the Shah of Iran knew that his position was no longer tenable.

In regard to cases where extensive and prolonged violence actually precedes the overthrow of a regime, then the existence of a revolutionary situation may be more clearly perceptible. Where, in particular, the overthrow of a regime is brought about by "revolutionary warfare", as for example happened in China, South Vietnam and Cuba, then perhaps there may be little doubt in minds about the basic issue at stake. However, the final fall is still sudden and unpredictable; in the three cases mentioned, the collapse of regimes brought abruptly and unexpectedly to conclusion a protracted revolution which until the end seemed to involve at best a stand off between opposing forces.

Thus in view of what we know about the onset and development of revolution, South Africa's anticipation of its own revolution implies a prescience which is rather exceptional. Certainly, South Africa's situation is not that unique to warrant claim to special foresight regarding revolution in the future. The gap between races in South Africa with respect to power and other resources is no greater than that between haves and have nots in a great many societies. And colour does not necessarily make such divisions more apparent. The relationship between the peasantry and aristocracy in Tsarist Russia was not essentially dissimilar to that between black and white in south Africa. But the really important point here is that revolution signposts are not in evidence in South Africa. There are no sure indications of widespread discontent, the power elite evinces strength and confidence, and the use of force, even in selective fashion against a particular social segment, has not significantly increased over the years. South Africa, in short, has been and is a politically stable state.

In any case, to anticipate revolution is not necessarily to understand it. What we know from the past is that revolutions are highly complex phenomena whose cause, trend and effect are not adequately understood until long years after they occur. They are something that have to been seen and analysed in large historical perspective. We still hotly debate, for instance, the great revolutions of the past. So it is really remarkable that South Africa presumes to understand its revolution before it has even transpired.

This assumption is the implicit premise upon which alternative strategies to avoid revolution in South Africa are formulated. That this is the case has surely to be cause for major concern because what our historical and theoretical lights suggest is that understandings of revolution in South Africa are essentially conjectural. There is critical need, therefore, to reflect upon the potential utility and probable effects of the alternative strategies to avert revolution which currently are in debate. There is no sure way of doing this, but much may be gained by considering the avoidance potential of these strategies from the standpoint of our theoretical and general knowledge of revolution.

III

Aside from main points to be made here is the interesting fact that the homelands idea is the most revolutionary of any of the major proposals now being seriously considered as a means to determine future political power in South Africa. Revolution is not effectively a radical event; it is a restorative process whereby certain historic essentials which have fallen by the wayside for one reason or the other are re-established. The American and French Revolutions sought to restore lost liberties, natural rights and political prerogatives formerly extant. The Russian Revolution modernised serfdom and reinstituted a workable and centralised aristocracy in the form of the Communist Party. As regards South Africa, the homelands policy aims to create polities by which ethnic groups regain powers of self-determination and sovereignty over space to which they, in some historical sense, have claim.

But our principal concern is with the utility of the homelands policy as a mechanism to avoid revolutions. In this regard there are two general aspects of revolution to which the homelands idea effectively relates. The first is that revolution is pre-eminently an elite rather than a mass act. Actually, as a historical process, revolution can be conceived to start when skilful elements outside an incumbent elite emerge, grow in size and discern the frustration of their ambitions by those in power. It is this emergent elite, often joined by dissidents from the traditional power structure, which agitates for the constitution of a political system amenable to its control. What revolution basically involves is the transfer of allegiance of the masses from the incumbent elite to this emergent or revolutionary elite. This reorientation is gradual but usually it is far advanced by the time large scale violence erupts.

Thus revolution is essentially the replacement of one elite by another, such as when the middle class rose to displace the aristocracy in the French Revolution or when modernising elites overthrew traditionalist ones in new nations. But the major point is that revolution cannot occur unless an emergent elite can build its influence among a people and construct an alliance with it in opposition to those in power.

There is a second and related connection that has to be made for revolution to succeed. Revolution can originate and develop either in urban centres of a nation or in rural areas where, in most cases, the majority of people reside. In Russia, the Bolshevik Revolution was originally urban oriented. The Party initially commanded an urban bastion that extended from St. Petersburg to Moscow and south as far as Volgograd. This area was defended against an array of "counter-revolutionary" forces and then Bolsheviks moved outward to extend their control over the whole nation. Conversely, in China Communists built support in rural areas and then ultimately encircled and subdued urban centres of power. Thus a revolution may begin in one or the other geographical locale, but for it to succeed, both urban and rural areas of a nation have to be brought under the authority of the forces of revolution.

As regards the situation in South Africa, the potential effect of the homelands policy is to prevent such vital revolutionary connections from being forged. To speak in general terms, the emergent black elite in South Africa is urban-centered; its mass base is in the countryside. What the homelands policy does is not only to tribalise this base; as importantly, it reconstructs it physically and politically transfers it from South Africa, where it could be mobilised by an emergent elite in oppsoition to the incumbent, to independent states where more traditionalist and less discontented black power structures will be in control. Thus an urban, black South African-based revolutionary elite would not only encounter resistance from entrenched white incumbents, but it would also have to contend against conservative elites in homeland states. To a large extent, the homelands policy basically shifts the scene of potential revolution in South Africa. Revolutionary elements would first have to succeed in their struggle with incumbent elites in homelands before they could begin effectively to draw battle lines in South Africa. Moreover, revolution would require black unity and collective action on the part of homeland citizens.

The homelands policy, therefore, has certain potential as regards the avoidance of revolution in South Africa. It promises to create a circumstance that may effectively intervene against the making of essential revolutionary connections and one which reduces the likelihood of confrontation taking place along racial lines. The policy does, of course, as critics suggest, remove the least embittered blacks from the Republic and it leaves the most discontented and frustrated behind. And a host of problems which have revolutionary implications will still have to be faced. Radicalisation of urban blacks is likely to increase and these forces will probably engage authorities in violent and peaceful battle; a large black work force, despite its members being citizens of foreign states, will provide an exploitable base for revolutionists. Obviously, the homelands idea will not provide a perfect solution.. What essentially it may succeed in doing is to make potentially revolutionary trends manageable; in combination with other measures, it might facilitate the arrestation of such tendencies.

IV

The most talked about, perhaps the least understood, strategy to untrack a revolutionary trend is reform. Generally, reform directed to this purpose implies power-sharing and increases in benefits and life opportunities for formerly excluded or deprived groups in society. Typically, such reform is premised on the belief that the induction of lower class elements into a higher life style will have a stabilising effect generally. The hope of this strategy essentially is that an emergent elite can be bought off in the sense that it can be persuaded to identify with the incumbent elite; that it will use its influence with a mass base to foster co-operation rather than to incite conflict.

What do theory and past experience tell us about the avoidance potential of such reform? To some degree the evidence is ambiguous. The classic case of success, of course, is Britain where through a series of reforms the working class was brought gradually and smoothly into full political participation. Then this power was efficiently used to gain other reforms to improve the social welfare of this class. Another similar and classic example is the success of Bismarck in domesticating an emergent proletariat in nineteenth century Prussia by means of political and social reform. And certainly Lenin considered reform to be a highly effective avoidance strategy. He wanted no concessions to be given to workers in Tzarist Russia because he was convinced that that would compromise their revolutionary fervour.

One could also refer to the colonial revolution where new states emerged relatively peaceably in cases where step by step reforms were granted and, for the most part, violently in those instances where they were not. However, whether peaceful or not, the birth of new states was a revolution — one elite was replaced by another. Reform did not avert revolution but instead set in motion a self-perpetuating trend that only terminated when there was a complete transfer of power from an imperial elite to an indigenous one. It is precisely this relationship between reform and revolution that is now considered to be the basic dynamic equation in the generation of revolutionary trends. The idea is that reform heightens expectations and that each gain made breeds the anticipation of the next. Research has shown that people's expectations, if satisfied, will not tend to rest but will continue to rise until a point is reached where they begin to accelerate at a rate beyond which they can be satisfied. This naturally causes a gap to develop between what people want and what they get; this "relative deprivation" is considered to be the source of the frustration and discontent which leads to radicalisation and revolutionary sentiments.

A great deal of evidence has been marshalled in support of this thesis. Hotbeds of past revolutions have been the gainful sectors of society rather than the backward and depressed areas. Major revolutionary leaders, like Lenin, Trotsky, Mao Tse-Tung and Castro, were educated sons of middle class families. In fact, all major modern revolutions have been middle class phenomena. It was a middle class that instigated and provided leadership of the American, French and Russian Revolutions; movements for independence in colonies were headed by a middle class which westernisation had produced. It is this upwardly mobile segment of society which is most prone to frustration and more likely than others to feel relatively deprived.

Further support for this basic understanding of revolutionary orientations comes from investigations which were undertaken regarding the violence that broke out in Western democracies at various times in the last two decades. In the United States, a presidential commission related the cause of collective violent behaviour directly to feelings of relative deprivation on the part of protesting elements.

Thus reform and the allied notion that the creation of a middle class within a potentially revolutionary segment of society will effect a stabilising force is not sustained by the facts. Reform was effective in those cases where the working class was the aggrieved party and where resources were available to satisfy their wants. What this suggests is that reform is more likely to work as an avoidance strategy in situations where increasing expectations can be increasingly satisfied; in richer societies where what has been called a "revolution of rising expectations" can be prevented from spilling over into revolution of a different sort.

What the foregoing discussion implies is that for a nation like South Africa, the use of reform as a way to avert revolution has to be very carefully considered. Gaps, as regards economic resources, power and life-opportunities generally between races and between incumbent and emergent elites are much too wide to be closed within any reasonable length of time. To stimulate the growth of a black middle class whose expectations would be prone to accelerate and become frustrated, is potentially to nourish the very radical element which would exploit a mass base progressively toward revolution. And political reform will likely not end in the kind of power sharing now envisaged. The logic of political reform is to tend inevitably toward majority rule. Minority safeguards, unless they are backed by sufficient social forces, have rarely been able to hold back the rush of democratisation. Upper houses, such as the House of Lords and the Canadian Senate, have become effectively impotent because they stand above the popular will. Our most thoughtful insights tell us that reform in South Africa is likely to eventuate in the elite replacement which we call revolution. Reform might make that transition peaceful but it will not avoid revolution.

Book Reviews

THE RUSSIAN REVOLUTION FROM LENIN TO STALIN
1917–1929
E.H. Carr
Macmillan 1979, R7,20

If the history of the Russian revolution can be intelligibly reduced to 190-odd pages, there is surely no one better qualified than the distinguished historian E.H. Carr to attempt the task. His *History of Soviet Russia,* published in fourteen volumes has occupied thirty years of his life. The slim booklet under discussion is a summary, shorn of footnotes and "scholarly refinements", of this great work.

The question which arises is not whether he has succeeded in producing something worthwhile reading and perhaps owning, but whether within the confined space he has allowed himself, he has done justice to his subject. In other words, does the book meet its objective of acting as a reliable guide for the general reader and as an introduction for the student? Is it sufficiently informative, objective and comprehensive to provide faithful reflection of the period and does it at the same time carry the reader through the maze of facts, ideas, rationalisations, actions and consequences in a way which sustains his interest?

I believe that these three questions all deserve affirmative answers, but must add the qualification that the reader or student who will derive the greatest enjoyment and satisfaction from this book will be the one who has already exposed himself to other, perhaps more detailed and specialised works on various aspects of the Russian revolution, and who really needs a guide to slot his randomly accumulated knowledge into a broader perspective. For this reason the author's claim that it is an introduction to the subject must be judged in the light of his immense knowledge of the subject. It is hardly a book for the uninitiated as a glance at the bewildering list of abbreviations which precedes the text will confirm.

The great strength of the book lies in the fact that it successfully combines a chronological layout with a chapter format which enables the reader to concentrate on single aspects of the history of the revolution. Thus, whilst Chapter One introduces the revolution in 1917 and the story progresses chapter by chapter to the penultimate chapter which considers the USSR and the world between 1927–1929, individual chapter headings always show clearly what the principal subject under discussion is. Accordingly, it is possible to make use of the book as a general reference. In spite of this, the author has succeeded in reducing clumsy cross-referencing to an absolute minimum. There are barely half-a-dozen.

Two aspects of the book deserve special mention, one because of its rarity in a subject so apt to evoke an emotional response in western readers and writers, and the other because of its particular importance to readers whose primary interest is international affairs.

Carr demonstrates in this book a quite remarkable objectivity. One searches, almost in vain, for any sign of approval or of disapproval of the well-known characters that populate his narrative. With one understandable exception, none emerges. This is no small achievement for an author who sets himself the task not only of reporting accurately the historical facts, but also of providing a commentary upon them. The exception is Stalin whose role even Carr finds it difficult to be entirely objective about. One observes, for example, that Stalin's adherents and supporters are referred to as "henchmen" (p. 168) and that where he refrains in the case of the other great figures, Lenin and Trotsky, from commenting on their personal character traits, he is unable to restrain himself from using words like "cruel" and "vindictive" when discussing Stalin. Despite this, he makes a real effort not to exaggerate the negative aspects of Stalin's rule: "Not all the sufferings of the first half century of the revolution can be attributed to internal causes or to the iron band of Stalin's dictatorship." (p. 188).

The feature of perhaps greatest interest to readers is the way in which Carr consistently attempts to place the revolution in the perspective of international affairs. Whilst it is true that the Russian revolution was never viewed (indeed could hardly be viewed, given the ideological framework imposed upon it) by the leading actors as a localised event, Carr does more than simply expose the links between the Russian state in turmoil and the outside world: he explains the interrelationship between the Russian empire, Western Europe, the Colonial world and the Americas in a way which makes it clear why it is "the source of more profound and more lasting repercussions throughout the world than any other historical event of modern times". (p. 191). For this reason, if for no other, *The Russian Revolution* is a book which deserves reading by students of international relations.

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THE ROAD TO THE WHITE HOUSE
The politics of presidential elections
S.J. Wayne
Macmillan, USA, 1980, 269 pp.

It is far easier to follow a presidential election than to understand the process involved. The general public sees only what the candidates, their advisers, reporters or other interested participants want them to see; there is thus clearly more to a presidential election than meets the eye. Campaign planners understand the intricacies of the process and work hard to design a strategy to maximise their candidate's vote.

The Road to the White House: the politics of presidential elections, examines this process and the campaign planning involved. Professor Wayne's book is for those who want to get behind the scenes of presidential campaigns, it is designed for scholars who want to understand what goes on in a presidential election — why certain strategies are adopted and particular tactics utilised, i.e. a straightforward discussion of how the system is structured and how it works. Professor Wayne is, however, primarily concerned with facts, not opinions; with practice and not theory. His book could be described as a guide that summarises presidential electoral politics.

The book is organised into four parts: part I discusses the area in which the election occurs and three chapters are devoted to an examination of the Electoral College, campaign finance and the political environment. Each chapter provides a brief historical overview, examines recent or proposed developments and highlights the political considerations which a candidate's advisers need to be aware of as they plan and structure their campaign. Wayne presents these topics in a clear and straightforward manner, emphasising important factors and highlighting his analysis by referring to examples from American presidential history. In this section some interesting proposals for changing the electoral college system are made. The author points out the disadvantages of the present system and suggests five possibilities: allocate a state's electoral vote in proportion to its popular vote; determine the state's electoral vote in proportion to its popular vote; determine the state's electoral vote on the basis of separate distinct and statewide elections; use the winner-take-all system within the states but add a bonus to the popular vote winner in the nation as a whole; and lastly, abolish the Electoral College and elect the President directly. (p. 22). Unfortunately Wayne does not continue the pattern of exposing the weaknesses of the system and making proposals for changes. Such an approach would arguably have been of greater value to those interested in the election processes.

Wayne deals with voting patterns in chapter three, but the coverage here is too brief, because this is an important element of the election process. An understanding of voting patterns is crucial in attempting to form an accurate prediction of the outcome of an election. Important factors such as partisan voting patterns, social basis of politics and turnout, could all have been analysed in more depth.

Part II describes delegate selection and the nominating conventions. Here the author examines reforms in the selection of convention delegates and their impact on voters, candidates and the parties. The discussion is carried to the nominating convention, describing its purposes, procedures, policies and politics. This section provides a superb outline of the nomination process, clearly explaining the selection of presidential and vice-presidential candidates. Wayne could, however, have expanded on the section devoted to "Characteristics of the Nominee", for the qualifications of presidential candidates have come into question over the past few years. This part also provides an interesting discussion of the organisation strategy and tactics in the presidential election, and Wayne provides a concise examination of strategic objectives and provides insight to some of the lesser-known aspects of the presidential election.

Chapter seven deals with the creation and projection of candidate images and examines media coverage of the campaign and the impact of the coverage on voting behaviour. A clear and interesting discussion on this theme is put forward which correctly emphasises the importance of media coverage, as demonstrated by the last presidential election.

Part III of the book looks at the presidential vote and its impact on the winner. Wayne deals with questions such as: what does the election mean; does it provide a mandate and how does it affect the President's ability to govern? A number of the conclusions reached are convincing but at times the argument is somewhat brief. Under this section Wayne deals with public opinion polls, but although his outline examines the important facts more time could have been spent on this topic, because it is arguable that opinion polls play a vital role in influencing the popular vote. Wayne put forward the theory that the evaluation of a candidate's journey to the White House is essential in rendering an intelligent judgement on election day. There is, however, more at stake than simply choosing the candidates for the offices of President and Vice-President. The system itself is on trial in every presidential election, thus it is important to understand and appreciate the intricacies of the process. Only an informed citizenry, he contends, can determine whether the nation is being well served by the process open to Americans when choosing their President.

Does the system, however, produce enough of the right sort of candidates? This being quite distinct from the issue of whether the system properly tests the candidates it produces. Professor Wayne's work is weak in this area but nevertheless goes a long way towards answering many of the questions which have been raised by students of the American political system.

The Road to the White House differs from other books which deal with the presidency in that it concentrates exclusively on the politics of presidential elections. Many other books on this subject devote only a chapter or two to this process, while emphasising presidential power. Solidly researched and lucidly presented, this book certainly contributes towards an understanding of the presidency, but is of little interest to students of international relations whose main concern is, arguably, the President's role in foreign policy-making. For students of American government, on the other hand, it will provide an invaluable guide to the presidential election process.

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Books received for review

RACE DISCRIMINATION IN SOUTH AFRICA
Van der Horst & Reid
David Philip. Approx. R10,80, ppr.

CONFLICT AND COMPROMISE IN SOUTH AFRICA
Rotberg & Barratt
David Philip. Approx. R9,00, ppr.

THE DOMINANT IDEOLOGY THESIS
Abercrombie, Hill & Turner
George Allen & Unwin. Approx. R27,05 hc.

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Rose
Faber & Faber. Approx. R13,30, ppr.

THE TRAGEDY OF ENLIGHTENMENT
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Cambridge University Press. Approx. R23,40, hc.

THE STALINIST COMMAND ECONOMY
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Compiled by Jacqueline A. Kalley, Elna Schoeman and Joy Willers, with an introduction by Professor Noel Garson. 1980. Price R10.

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