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Morocco and South Africa Globalisation, Development and Pivotal States



Greg Mills

Report of a conference held in Ifrane, Morocco, 3-4 July 2000

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South African Institute of International Affairs (SAIIA),
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**Morocco and South Africa
Globalisation, Development
and Pivotal States**

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Introduction

Both Morocco and South Africa are key—or pivotal—states in their respective regions, in an age when regional integration is both a stepping-stone to full global participation and competitiveness and a vehicle for African development. Both, although coming from a background of poor human rights records, are on the path of consolidating democratic reforms. Both have embarked on extensive economic liberalisation programmes involving macro-economic stabilisation, privatisation, industrialisation and trade liberalisation. Both face formidable challenges relating to welfare provision, especially in reducing illiteracy levels and spurring research into education. Both have burgeoning civil

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society institutions, which are critical to creating the fabric out of which political stability, participation and transformation can be fashioned. Both are gateways to different parts of the world. Both share key values, including accountability, political and cultural inclusivity, and the rule of law. Both are characterised by cultural diversity. Both are at the receiving end of globalisation, rather than directly shaping the process. There is also a solid trade relationship, with around R1 billion² in bilateral trade in 2000, a 10% increase on the previous year.³ Finally, both countries share a special relationship with the European Union (EU) through their respective free trade agreements (FTAs). These issues unite both countries in spite of their many cultural, geographic and religious differences.

This *SAIIA Report* is based on a conference held in Ifrane, Morocco, 3-4 July 2002 by the South African Institute of International Affairs (SAIIA), the International Studies and Diplomacy Programme of Al Akhawayn University, and the Ministry of Foreign Affairs and Co-operation of the Kingdom of Morocco.⁴ The conference was particularly timely for four reasons.

² For the purposes of this report, ZAR1,00=DHR1,00=\$0,10.

³ It should be noted that this is very much tilted in South Africa's favour, with just R25 million in Moroccan exports to South Africa.

⁴ Please note that while this report attempts to capture the conference discussions, the views expressed here are those of the author alone.

- The events of 11 September 2001 have heightened the need for global and regional co-operation on governance and trans-national security issues.
- The New Partnership for Africa's Development (NEPAD), within which South Africa and Morocco will necessarily, as regional anchors, play a key role, has been launched.
- The related creation of the African Union (AU) out of the Organisation of African Unity (OAU) in July 2002 was an event which could provide an important conduit for African development but, paradoxically, might prove a critical stumbling block to improved bilateral relations between South Africa and Morocco, given the latter's non-membership of the OAU/AU.
- The World Summit on Sustainable Development (WSSD), would be likely to highlight the need for shared notes and continental strategies on economic and environmental management.

With this backdrop in mind, the conference sought to explore a range of questions.

- Do Moroccans and South Africans see the world in a similar way—what are the similarities and the differences?
- What is the relevance of country-specific lessons from both—lessons from political reform and democratisation, regional integration, and economic reform?
- What is the relevance of ethnicity, religion and cultural differences in an age of globalisation? Do we see an end of history, in which the difference between peoples and

global expectations has narrowed, or is there an inevitable 'clash of civilisations'? Or does the answer lie somewhere in between, and how can these differences be managed?

- What are the prerequisites for the success of African development—including the role of business, its relationship with government and the necessary conditions for encouraging business investment; and the relationship between security, stability and African prosperity?
- Finally, how can the two countries deepen levels of co-operation, and what are the mechanisms for doing so—between business, civil society, educational institutions, and at the macro (continental and global) level?

This report broadly follows the format of the conference according to the themes outlined. (See the Appendix for the conference programme.)

Political and Economic Globalisation: Between Virtues, Venality and Vices

Greg Mills noted that globalisation is not a linear phenomenon, and does not necessarily mean equal global growth for all. It produces, as Dr Mohammed Rabie noted, both winners and losers. It has enabled and simultaneously disabled key constituencies within states. There is a need to manage the disparities that arise when some states can take advantage of globalisation in a high-tech sense, some in other ways, and some scarcely at all. Its

impact has been exaggerated (in both positive and negative aspects) by the high-tech, digital explosion. It is characterised at times by a dysfunctionality of state and inter-state systems alike.

In this regard, Andrew Canterbury highlighted a number of statistics in posing the question: Globalisation and Africa, real or phantom? Africa comprised just one percent of global direct investment in 2000 (\$8 billion of \$350 billion) and between 1–2% of global trade in 2001 (of a total of \$6 trillion, of which half involved the US).

There are thus a range of challenges pertaining to globalisation which this conference highlighted. In an environment of faster, deeper and more volatile globalisation, and where it has apparently benefited some sectors of society (and some states) more than others, these include:

- the challenge of institution-building at the local, regional and international level;
- the challenge of management and leadership, not only within states but also within business;
- the challenge of economic growth and access to markets;
- the challenge of integration into global markets and the management of divides between rich and poor people and states alike;
- the challenge of dysfunctionality in states and in systems of global governance;
- the challenge of security—traditional and transnational, state or human-focused—and the alienation and marginalisation of sectors; and

- the challenge of finding a formula for creating sustainable socio-economic prosperity and growth in developing states.

Put differently, as Ambassador Ahmed Bourzaim noted, there is a need to reduce international poverty, and to bring about successful integration of the less-developed countries into the international system, by *inter alia* improving global trade access. 'Globalisation has unequal effects and inequality', he noted, 'and could have powerful political consequences'. The challenge for all societies is to create a system of global governance that sustains human development. Governance, he said, can be seen as the exercise of administrative, political and economic authority. There is a need in this to find a balance between taking advantage of globalisation and dealing with poverty and the marginalized sectors of global society.

Mills outlined ten conditions for successful reform and prosperity for developing countries in adapting to the challenges of globalisation.

- *The unbearable essence of democracy*: It has been widely accepted that democracies—especially new democracies in many developing countries—have more difficulty in implementing far-reaching economic reforms, given their vulnerable, fragile nature and the difficulty leaders have in carrying important constituencies with them in the process. But this assumption is misleading on a number of grounds. First, many of the costs of economic reform are transitional, mostly short-term, and affect (and are thus resisted by) politically

important domestic sectors. Yet there is no evidence to suggest that non-democratic regimes are less inclined to protect these sectors. If anything, the opposite is true. Second, authoritarian regimes are also by definition less accountable and transparent than democracies, permitting, even encouraging, interest groups as a source of political support. Third, the interests of ruling groups are a good indicator of the likelihood of the implementation and path of reforms. Nor is there any evidence that political liberalisation runs any higher risk that a reform process will be derailed.

- *The imperative for modernity*: Modernisation is synonymous with the importation or inculcation of the substance rather than simply the procedural form of democracy. It is especially important in terms of government accountability to citizens and the protection of individual rights against group authority. A key challenge is to reduce the likelihood of democratic failure in an environment of prolonged economic austerity. This raises key questions about the role of external engagement in promoting a good governance agenda, including democratisation, in recipient countries.
- *Economic policy mixes—More than the fundamentals*: Domestic economic reforms have to move beyond the fundamentals. They have to involve more than just the provision of a macro-policy framework and move to the more difficult and problematic stage of micro-level implementation. Government has to develop strategies for the industrial, agriculture, tourism, and financial sectors, for example. There is also the need for services, skills development and public service sector reform,

which includes the judiciary, police, telecommunications, and electricity supply and transmission. Reforms to the education and training sectors should be planned bearing in mind that skills and technical training are today more important than cheap labour. Other reforms include the need for managerial and labour discipline. On the economic front, legal protection for foreign investments is required, as is the removal of obstacles to entry, including the removal of tax distortions, the provision of access to hard currency, and the removal of trade barriers. Put simply, countries have to listen to the market.

- *Competition, openness and best practice:* There is a need for business and government in Africa to concentrate their activities on what they do best—not only in terms of division of responsibility, but in terms of the sectors in which they become involved. A critical component is the nature of the relationship between business and government. In Africa (and, indeed, in most developing nations) this relationship is contested, ranging from being too close (with the associated problems of corruption, nepotism and the lack of distinction between private and public accounts) and too distant. It is clear that business has a major part to play in the future success (or not) of Africa. Without the commercial sector, there will not be enough jobs, and there will be little in the way of an economy for government to manage or derive benefit from. For business to flourish, however, it requires a favourable environment—one which places investor security before politics. There is also a leading role to be played

by multinational corporations in setting standards for both government and local businesses.

- *The need for a regional champion:* The arguments in favour of closer integration should not obscure the immense challenges facing regional units, as they strive to overcome political differences and economic insecurities. In Africa, region-building has been a difficult task: intra-regional trade accounted on average for just six per cent of African trade in 1990, and grew to just 10% in 1999. In the case of the Southern African Development Community (SADC) region, for example, South Africa's market domination, coupled with differences concerning leadership style and respect for democratic values and human rights, has made the regional project both complex and problematic. Similar difficulties have, unfortunately, been replicated throughout Africa—though conversely, these difficulties arguably make regionalism all the more necessary. Africa should focus on key areas of regional integration, including information, communications and telecommunications; transport and infrastructure; energy provision; mining; tourism and the environment; harmonisation and improvement of the banking, finance, insurance and retail sectors; healthcare; agriculture and rural development; developing and retaining skills; making Africa more attractive to investors.
- *Obey and shape the global rules of the road:* In an environment of global rather than simply national competition, there is a need for states to take a global view. This means involvement in realising consensus, with the aim of: restructuring trade and investment

tariffs to take advantage of global markets and flows; establishing and applying global (best) practices and standards of quality and prices; and actively participating in global regime formation such as the Doha Round of the World Trade Organisation (WTO).

- *Encouraging diversity and excellence*: Integration with the global economy and the opening up of markets and capital opportunities has a further implication. This is the importance of attracting, retaining, and encouraging those skills without which global economic participation is difficult, if not impossible. Developing countries need to avoid xenophobia and encourage the importation of foreign expertise. Local skills creation and retention are also critical. It could be argued that in an increasingly homogenised, globalised world, diversity is needed to add competitive advantage to nations.
- *Rebuilding Humpty Dumpty?*: Although we face collapse of state functions in some areas, ironically this underscores the importance of the state and the role of national identity and democratic institutions. There is no universal or static definition of 'statehood'. Yet in an age of increasing homogenisation and globalisation, the state is increasingly (rather than decreasingly) recognised as the vehicle for both stability and development. We should expect a continuation of the paradox of simultaneous state integration and fragmentation. The process of state resuscitation has to come from within. Inevitably this will require strong leadership, which will hopefully end conflict and provide better governance, although the African record is mixed in this regard.

- *The power of partnership and governance, not aid:* The African developmental problem is often pinpointed as deriving from an absence of finances, especially aid. But why is it that vast sums in aid—probably more than \$500 billion—have, in the case of Africa and arguably also further afield, been counterproductive? The reason for this is partly that funds are fungible—that is, where governments can successfully avoid donor conditionalities and divert aid to other purposes. Arguably, aid often enables states to avoid, not pursue, necessary reforms, and not just in Africa. The external and internal dimensions to finding a formula for prosperity in African states and beyond are not necessarily mutually exclusive. Both require reform of the state and its organs to make it more effective, accountable, and efficient. Further answers lie, as noted above, in the regional arena.
- *No quick fixes...globalise:* Globalisation has become the target of a coalition of many and disparate international groupings—from those concerned with the environment, to the ‘anti-capitalists’, to the stridently nationalistic. It stands accused of bringing with it a range of pernicious transnational influences, including crime, drugs, and corruption. On the other hand, globalisation opens up economies, demands transparency and with it better governance, and creates access to international markets, breaking local, expensive monopolies. It thus helps to remove corruption, not entrench it, and gives individuals access to the global economy. In this regard, it is important not to confuse criticism of globalisation with the self-serving arguments of those protecting vested local or special

interests. There is a critical need for two inter-related strategies: the need to modernise and the need to globalise. To achieve these mutually-reinforcing goals, the costs of doing business have to be lowered, and standards of governance improved. The state has to be strengthened while, paradoxically, ceding power and shedding some of its functions. Political will and leadership are essential to bring this about.

With this backdrop in mind, Jonathan Oppenheimer's talk sketched the challenges faced by business in dealing with globalisation and the opportunities this presented. The end of apartheid had presented a number of special challenges for South Africa given its political and economic isolation. Oppenheimer identified the challenges in terms of:

- the need to meet global standards to achieve competitiveness;
- the existence of new, fluid and sometimes ill-defined standards, norms, and operating procedures;
- the need to align domestic practices and legislation to global best practice;
- the increased role (and thus liaison) with other sectors, including NGOs;
- more complex management requirements;
- the instability of the markets, as in the volatility of capital flows;
- the need to engage with an anti-globalisation tendency which has become increasingly identified with an anti-capitalist lobby, as business is seen (wrongly) to be the only beneficiary of globalisation;

- the greater risk of contagion affecting markets and investments in both companies and countries: for example, from World.com to Russia, from Argentina to Enron; and
- the importance of operating within a narrow policy bandwidth for companies and states alike—the bandwidth of good governance, liberalisation and the rule of law.

In contrast, the opportunities could be summed up as:

- global sourcing and marketing (in terms of labour, products, components, costing, marketing, branding), which could result in greater economies of scale because companies can pick and choose their sources;
- cheaper capital, as in the case of the overseas listings by South African corporations post-1994;
- better management of risk, as exposure is spread among a range of markets;
- bigger markets and greater opportunities;
- greater possibilities for joint ventures with external partners;
- increased opportunities through privatisation, as part of an emerging macro-economic consensus on liberalisation issues;
- the possibility of doing business quicker and more efficiently, leading to more competitive, more flexible business practice;
- the opening up of African and other markets for South African companies post-apartheid, but also including

East bloc countries similarly affected by past ideological isolation;

- a reduction in corruption and an increase in transparency; and
- an acknowledgement of the importance of public-private partnerships such as in Botswana and in Mozambique.

Overall, the benefits of globalisation easily outweigh the costs, though it has to be realised that there are considerable challenges to management at the company and state levels. There is also the need for institution-building. The Bretton Woods institutions, especially the International Monetary Fund (IMF) and World Bank, could assist developing countries to address these. Most importantly, there is a need for prescient, visionary leadership of inter-governmental organisation, governments, and business alike.

Regional Relations and Political and Economic Reform

Morocco faces considerable economic challenges, including unemployment touching 20% among its 30 million people, 50% illiteracy and a \$20 billion national debt, though it has little in the way of natural resources save for phosphates, fishing and agricultural products, and is heavily dependent on rainfall for its economic well-being. Agriculture provides employment for 40% of the Moroccan workforce, and contributes 15% of the country's GDP, yet 90% of this sector is rain-fed.

A comparative snapshot		
	<i>Morocco</i>	<i>South Africa</i>
Population:		
1975	17.3	25.8
1999	29.3	42.8
2015	37.7	44.6
GDP (\$bn)	35.5	131.1
GNP per capita (\$)	1,240	3,200
Foreign debt (\$bn)	19.8	24
UN human development index ranking/174 states	112	94
Urban population (%):		
1975	37.7	48.0
1999	55.3	50.1
2015	65.6	56.3
Population under 15 (%):		
1999	35.1	34.3
2015	28.1	30.5
Life expectancy at birth (1999)	67.2	53.9
Infant mortality rate (per 1,000 live births):		
1970	119	80
1999	45	54
Adult literacy (%) (1999)	48	84.9
Population living on \$1 per day (PPP, 1993–99) (%)	<2	11.5
HIV-Aids infection (%) (15–49)	0.03 (1997)	19.94 (1999)
Population using adequate sanitation facilities (%) (1999)	75	86
Population with access to essential drugs (%) (1999)	66	80
Military forces	196,300	79,000
Source: World Bank World Development Indicators 2001		

Since 1983, Morocco has pursued a liberal structural adjustment programme aimed at fiscal and monetary stability and convertibility. This has included the

privatisation of more than half of 112 companies (comprising 75 companies and 37 hotels) earmarked, realising over \$4 billion by the start of 2001, and by a rapid reduction in external tariffs from an average of over 100% to around 10% today. During the 1980s, the annual average FDI inflows were \$80 million; during the 1990s \$500 million; and over the last five years, \$1.3 billion. The year 2001 was a record, with \$3.2 billion in inflows, of which 70% were related to privatisation. Principal investors in the industrial sector in 2002 are: France (37%), Switzerland (16%) and Spain (11%). In 2001, investments were sourced from France (85%), Portugal (4%), US (3%), and Spain (3%), with 81% of these investments in the telecommunications sector.

As a result, Morocco has successfully diversified its economy towards export-oriented light manufacturing—notably textiles, auto parts and electronics—trade in which has been facilitated by the conclusion of free trade arrangements in 1996 with the EU, Egypt, Jordan and Tunisia. Already two-thirds of foreign trade is with the EU.⁵ Focus has also been placed on tourism, particularly as a means to reduce the income inequalities between inhabitants of the urban and rural areas. The second-largest hard foreign currency earner after the remittances of Morocco's two million-plus expatriates, this sector currently employs 600,000, and contributes around 4% of GDP. Morocco aims to increase

⁵ Principal trade partners are (2000): Exports—Europe, 78%; Africa, 4%; US, 5.7%; Asia, 11.5%; Oceania, 0.8%. Imports—Europe, 64.3%; Africa, 4.6%; US, 10.7%, Asia, 20%, Oceania, 0.4%.

tourism numbers from 2.4 million currently, to 10 million by 2010.

Strong efforts have been made to instil sound corporate governance. As Johann Smith noted, this is linked to the rise of NGOs within Morocco such as *Transparency Maroc* and of a new generation of business leaders, the role played by the increasingly critical media, and by externally-imposed conditionalities. The fight against corruption, put simply, has emerged as a prominent public-policy issue, and is related to the political and socio-economic mutations underway in the kingdom. It ranks 48th of more than 150 states (South Africa is 81st) on the global *Index of Economic Freedom*, being characterised as 'mostly free'.⁶

The increase in FDI flows reflects the improvements and incentives promoted by the government. These include: revisions of the legal system; the development of industrial parks and the communication network; a focus on training and management; and a range of fiscal and financial incentives including tax holidays. Some 70% of total FDI into Africa in 1999 was concentrated in just five countries—Angola, Egypt, Nigeria, South Africa and Morocco.

Macro-economic successes have, however, had negative side-effects in terms of social welfare issues, notably the issue of health and education spending, and the high rate of unemployment. However, for Morocco to make inroads

⁶ Where a position of 1st is deemed freest.

into this requires between 6–7% growth every year for the next 10 years. Additionally, foreign investors express concerns about the slow pace of legal redress, the absence of tax reforms, uncertainty over labour market regulations, and cumbersome administrative procedures.

The economic changes are fundamentally connected to the political reforms undertaken by King Hassan II in the 1990s and pursued, following his death in 1999, by his son King Mohamed VI. Before this time, Morocco had a poor human rights record. Today, though it remains a constitutional monarchy, the political terrain has opened up.

By comparison, South Africa has achieved much since 1994. The remarkable democratic transition is well documented. The extraordinary role of Nelson Mandela in promoting reconciliation arguably serves as an example to states around the world. South Africa has also, contrary to initial expectations, followed a set of conservative economic prescriptions. It has not implemented a radical socialist or, as some feared at first, adopted a communist policy agenda, but rather chosen one committed to making South Africa a more globally competitive actor and meeting the challenges posed by this environment through integration, not isolation. In doing so, South Africa had to meet three challenges in the economic domain.

- The first of these was the need to address an unsustainable macro-economic environment inherited from the apartheid government. This it has been able to do successfully. It brought down the fiscal deficit from

7.3% in 1993 to 5.1% in 1996 and just 2% in 2001. Inflation, so often a tax on the poor, declined from 9.7% in 1993 to 5.7% in 2001, even though this has risen recently with the decline in the value of the rand.

- Secondly, it had to address high levels of inefficiency and low levels of productivity. This has been partly met by the implementation of lower tariff levels, and is expressed in terms of the increase of manufacturing exports as a ratio of production from 15.13% in 1994 to 27.87% in 2000. Exports of manufactured products have risen, particularly in chemicals and motor vehicles.
- The third area—that of jobs and high levels of inequality—remains problematic. Unemployment has not fallen, but risen, and the number of jobs in the formal sector has fallen. Unemployment now stands at between 26–37%, depending on which measurement of what constitutes unemployment is used.

There are interesting parallels, as both countries strive to deal with the backlog of social welfare issues, notably in health and education. The establishment of the King Hassan II Fund for Social and Economic Development in Morocco (now valued at over \$1 billion), to utilise a percentage of privatisation proceeds for social needs, offers a useful model. As Kuseni Dlamini observed, South Africa and Morocco share the challenge of dealing with globalisation and its wider social aspects, along with the conflicting demands placed on the ability of states to preserve their sovereign attributes and operate within the international system.

Requirements for Peace-Building and Conflict Resolution in Africa

Morocco's contemporary relationship with Africa is ambiguous and complex. Notions of an African renaissance do not resonate entirely with the thinking of a country that left the Organisation of African Unity (OAU) in 1984 over the continent's recognition of the Sahawri Arab Democratic Republic (SADR); while the role of its chief regional rival, Algeria, in NEPAD could complicate Rabat's support for this plan.

However, in spite of these challenges in its relationship with the rest of Africa, as Ambassador Bourzaim noted, Morocco's foreign policy has to be driven by the general need to settle the large number of conflicts present on the continent. The origins of these rest in 'border disputes, external interference, [the super] power race, strategic commodity control, adventurous dictatorial regimes, hegemonism, etc.' As he put it,

These repetitive conflicts have seriously undermined the ability of our continent to turn its attention towards issues of development. They have aggravated the human tragedies in several African sub-regions.

Or as Pandelani Mathoma of South Africa's Department of Foreign Affairs observed:

From Luanda in Southern Africa to Laâyone in North Africa, and from Monrovia in West Africa to Mogadishu in the Horn of Africa, and from Kinshasa in Central Africa to Khartoum in East Africa, the continent is plagued by political instability and conflict. Africa needs to solve these

conflicts and build peace in order to be firmly on the path of economic development in this era of globalisation.

Mathoma also stressed the lessons to be learnt from the South African conflict resolution experience, both domestically and in the Southern African region. These could be summarised as the need for, and importance of:

- strong and effective leadership;
- political will, and a clear and common definition of the problem at hand;
- the role of personalities as champions of the process;
- a commitment by the protagonists to finding a solution to the problem at hand;
- the engagement of a strong civil society;
- the existence of a peace constituency, such as the National Peace Accord in South Africa;
- the achievement of regional consensus (which has been largely absent in the cases of Angola and the Democratic Republic of Congo—DRC);
- the initiation of power-sharing structures;
- the reform of the security sector, including demobilisation and reintegration;
- the establishment of the rule of law;
- the promotion of dialogue;
- the addressing of war economies, and the provision of alternatives;
- the creation of a youth and women-specific agenda, to promote the participation of these sectors in addressing wider problems; and

- the overcoming of racial and ethnic stereotypes.

Dr Jack Kalpakian of Al Akhawayn University added to this list in identifying a number of lessons to be derived from conflict resolution.

- First, ending conflict requires in the end a commitment by both sides to peace.
- Second, if the combatants have a desire for peace, mediation can work effectively.
- Third, if peace is broken, war will return.

As he termed it, 'peace is a process and not an outcome; it's a mud cluster hut and not a concrete solution'.

Dianna Games advanced the argument that less government and more business would go a long way towards reducing conflict by ultimately reducing the power of governments, while at the same time creating wealth and an economic interest in stability. The thesis is simple: while conflict resolution might resolve conflicts already present, there is a need to remove the core causes of conflict, such as poverty, a lack of democracy and lack of opportunities. Business, she argued, is a central mechanism, more so than any other formal inter-state mechanism, in creating the conditions for building peace and prosperity. Growth begets stability and vice versa. Strengthening economic and trade ties between countries provides a foundation for reducing conflict by aggravating the economic consequences of bad governance and recalcitrant behaviour.

Grinding poverty is the key, she argued, to the continuation of many conflicts in sub-Saharan Africa. It sustains conflict because the mass of the population in most African countries is too busy trying to eke out a living and deal with daily life to rise up against tyranny. And the longer conflict continues, the more entrenched poverty becomes, while, at the same time, the more entrenched the party creating the conflict becomes. Wealth creation and a rising middle class are a deterrent to this trend. Strong regional business ties and the sharing of natural resources are also important components. Giving populations of one country a real economic stake in another country means they are less likely to sanction conflict.

The private sector and the economic growth and linkages it can create are the essential remedies to poverty. African governments on the whole do not have a good record for wealth creation. Their willingness to do more than pay lip service to concepts like regionalism and pan-Africanism is also evident, broadly speaking, because of the built-in erosion of sovereignty that this implies.

The private sector's role in development is often questioned because of the profit motive. But wealth creation, Games argued, is not about aid, it is about a slow and steady trickle of investment, innovation, and the gradual upliftment of society by improving the overall environment. Companies are increasingly finding workable solutions to issues such as health, sanitation, energy, education, waste and water treatment—all considered to be government's traditional domain. African countries are quick to complain about the lack of FDI

while doing nothing to improve their investment climates. Detailed investment codes and lists of incentives are worth little when investors can see that personal ambition often overrides considerations of stability, security and growth.

The kind of investment Africa needs is long-term, in big projects such as mining or infrastructure. And these are the very kind of projects that are deterred by any suggestion of conflict unless there is a guaranteed scenario of high risk, high reward. The continent is awash with risk insurance and guarantees. Currently, these are an important support structure for business. But they merely add to the cost of doing business, and ultimately give governments an excuse to act irrationally and fly in the face of agreements should they consider it necessary.

Having less government means in effect reducing its role from one of being all-powerful to one that includes playing a supporting role to business, commerce and trade. It can achieve this by providing stable political and macroeconomic environments, improving infrastructure, investing in human capital and orientating itself towards trade and investment rather than seeing it as a threat. This is a major challenge on a continent where nationalism and personal power and enrichment have dominated. Programmes like NEPAD and a (hopefully) reformed OAU/AU will help to drive this process. The private sector must not wait to be asked to play a central role in the process; it needs to be proactive about it.

The private sector in Africa has, however, been tainted by the kind of ties a number of companies have traditionally

had with governments—a relationship characterised by cronyism and corruption in the pursuit of lucrative contracts and quick profits. But this must change, and in fact is changing. NEPAD could spur the process, because it needs the private sector to really make the partnership work. In addition, corporate governance initiatives are taking hold. African companies with an interest in political stability, peace and security are rapidly expanding across borders, and the large stake they have in the development of the countries in which they have invested gives them some leverage with governments in those countries.

Many of these investments are in the areas of power, telecommunications and water in cases where governments have invited them in to effectively supplement their role. Obviously there are good returns, but already these companies have paid a high price for security, both commercial and physical. It is not in their interests to accept any increased instability, and it is to be hoped that they are able to act as a strong lobby to governments for this very reason.

Currently, the overall ineffectiveness of business as a lobby to governments needs to be reversed if it is to play a proper role in reducing conflict. At present, while business organisations might be asked to contribute in matters like budget planning, drawing up sectoral investment codes, and so on, many complain that governments merely pay lip service to consultation, and that in the final event their inputs are disregarded. Business organisations in turn are weakened because they do not have real influence in the

one place their members consider it matters—in government.

This situation can be improved in several ways.

- Public-private partnerships that lock business into key government projects on a partnership basis should be used with increasing frequency.
- Key utilities should be privatised, which would link the public and private sectors as well, although perhaps not on an equal basis.
- A strong pan-African business organisation or chamber of commerce should be created.
- The private sector should develop stronger linkages with civil society. It should be recognised, however, that there are related problems, both of funding and of relationship with government. A strong civil society is not only a measure of the overall health and strength of society, but a measure of the ability of democracy to function effectively, and its capacity to generate new ideas.
- The sharing of resources is an important cross-border activity that joins the economic fates of countries. The importance of the river Nile to at least seven countries in the Nile Basin has ensured continued efforts to broker peace in Sudan. The Inga Basin in the DRC has the potential to provide energy for the whole continent—but so far political instability has prevented its development. This provides a major economic reason to ensure stability in that country. Already the Southern African Power Pool is driving energy

development across the whole Southern African region.

- Standards, operating practices, investment processes, and so on, should be harmonised to make pan African investment desirable. Having to reinvent the wheel each time they invest in a different country is a deterrent to investors.
- Businesses should work more closely with governments in sharing best practice, seconding skills, developing capacity and identifying wealth creation projects and creative ways to fund them. The private sector needs to play a leading role on the peer review bodies proposed by the NEPAD initiative. To leave these to governments alone will render them ineffective because of the already proven inability of countries to deal effectively with such challenges. Zimbabwe is a case in point.
- Regionalism should be strengthened. This is key in creating the kind of economic interest that makes the prevention of conflict imperative. Political will is a vital component in making regional bodies effective.

The powerlessness of the private sector to help end conflicts has to change. Businesses have to adopt a tougher approach in their relationship with government: such as over Zimbabwe for example. Partnerships should be about a free exchange of views. Yet in Africa, the relationship between business and government has generally been too contested or characterised by too much corruption.

Regional organisations such as SADC and the Economic Community of West African States (ECOWAS) are

arguably still too politically based. Consequently stronger economic links are not being forged quickly enough. The introduction of the free trade area of the Community of Eastern and Southern Africa (COMESA) has begun to stimulate cross-border trade and investment and is a process that has great potential to boost growth; but it is still early days, and most of its members are poor countries. It has yet to resolve fundamental problems like the non-convertibility of African currencies, the trading of skills across borders and visa issues. Overall the gains are small and the links weak, which can (eg in the case of Madagascar) result in costly and quick reversals. Political will is key to the success of regionalism, and it is hoped that NEPAD will also play a role in fostering leaders' commitment.

However, there are political, leadership, economic and institutional obstacles to closer *intra*-regional interaction, such as have been experienced by both the SADC region since 1994 and by North Africa since the inception of the Union of the Arab Maghreb (UMA). These reflect, and impact directly on, the ability of states to increase *inter*-regional co-operation, difficulties which are exacerbated, as Jethro Goko observed, by religious and cultural differences (and the perceptions thereof) between such geographically separate regions.

Ethnicity, Cultural Diversity and Regional Integration

Annelize Schroeder highlighted a number of criteria for successful regional integration, notably:

- geographic propinquity;
- cultural and political similarities and congruence;
- economic and trade links and infrastructure integration;
- the absence of major political and security disagreements;
- common values, including respect for democracy, human rights and good governance;
- common security concerns; and
- effective and like-minded leadership.

Both North and Southern Africa measure up badly against these criteria, in spite of the overall imperative for regions to co-operate to effectively deal with questions such as sustainable development and the ideals and work programme of NEPAD.

Johann Smith identified a number of security-related factors which impede stability and wider co-operation, and raise the transaction costs for business, including:

- ongoing civil wars—such as those in Angola, the DRC and Sudan;
- domestic insurrection;

- the continual failure of governments to democratise in a manner that goes beyond form into the real substance of participation and constitutional adherence;
- poverty;
- regional criminal networks that sometimes work hand-in-glove with governments and government officials;
- unsustainable, socially disruptive and environmentally damaging extractive and manufacturing processes;
- traditional ownership patterns and disputes that conflict with modern market-driven practices; and
- lack of co-operation on intelligence sharing, incompatibility of information and technology platforms and incompatible infrastructure.

Sihle Shange of the South African Department of Trade and Industry noted that there are a number of commonalities in the integration objectives of the Community of the Sahel-Saharan States (COMESSA) and the Common Market for Eastern and Southern Africa (COMESA)/SADC/Southern African Customs Union (SACU). They are characterised by overlapping, confused membership and sometimes competing agendas. Shange argued that, for Africa to survive in a competitive world, it has to rationalise and fine-tune its existing groups to create a functionally-driven intra-Africa trade regime; open up markets; focus on skills development, especially with regard to science and technology; and create inter-regional organisational linkages to rationalise the number of regional economic groupings.

Carlos Conde discussed the experience of the EU as a model for regional integration, in terms of both the institutional mechanisms required and the necessary congruence of political and social values. The latter was spurred by the experience of the Second World War, the impact of the Cold War and the Soviet threat. A combination of bureaucratic procedure, institutional structures and economic self-interest also served as a facilitatory vehicle for this process and—some might argue—as an end in itself, though this should not mask the tensions that exist between supranational controls and inter-governmental interests.

The Western Sahara/Saharwi Arab Democratic Republic (SADR) issue, as noted, currently hinders the prospects of regional integration in North Africa, and complicates the relations between South Africa and Morocco. The planned UN-sponsored referendum on the future of the territory, which is currently administered by Morocco following its occupation in 1976, has been held up since 1991 by a disagreement between the sides over the composition of the electoral list. The other solutions proposed—the so-called 'Third Way' of former US Secretary of State James Baker, advancing SADR autonomy within Morocco, and the Algerian 'Fourth Way', proposing a divide of the territory between Morocco and Algeria—have not produced a solution.

Who recognises whom?
<i>The following African states do not recognise the SADR:</i> South Africa, Cameroon, CAR, Comoros, DRC, Ivory Coast, Djibouti, Egypt, Eritrea, Gabon, Gambia, Guinea (Conakry), Kenya, Libya, Niger, Senegal, Somalia, Sudan, Tunisia
<i>The following African states have de-recognised or frozen relations with the SADR:</i> Benin, Burkina Faso, Congo-Brazzaville, Equatorial Guinea, Liberia, Malawi, Sao Tome and Principe, Swaziland, Chad, Togo.
<i>The following Asian states do not recognise the SADR:</i> Australia, Azerbaijan, Bangladesh, Bhutan, Brunei, China, Fiji, Marshall Islands, Indonesia, Japan, Kazakhstan, Kirghizistan, Macao, Malaysia, Maldives, Micronesia, Mongolia, New Zealand, Nepal, Myanmar, Uzbekistan, Pakistan, Palau, Philippines, Samoa, Singapore, South Korea, Sri Lanka, Tadjikistan, Thailand, Tonga, Turkmenistan.
<i>The following Asian states have de-recognised or frozen relations with the SADR:</i> India, Solomon Islands, Kiribati, Nauru, Tuvalu, Vanatu.
<i>The following American states do not recognise the SADR:</i> Argentina, Bahamas, Brazil, Canada, Chile, USA, Haiti, Paraguay, Uruguay.
<i>The following American states have de-recognised or frozen relations with the SADR:</i> Colombia, Costa Rica, Dominican Republic, Dominican Commonwealth, El Salvador, Guatemala, Honduras, Nicaragua, Peru, St Lucia.
<i>The following Middle-Eastern states do not recognise the SADR:</i> Saudi Arabia, Bahrain, Lebanon, UAE, Jordan, Iraq, Kuwait, Oman, Qatar, Yemen, Syria.
<i>The following European states do not recognise the SADR:</i> Germany, Andorra, Austria, Armenia, Belarus, Belgium, Bulgaria, Cyprus, Croatia, Denmark, Spain, Estonia, Finland, France, Georgia, Greece, Holland, Hungary, Ireland, Iceland, Italy, Latvia, Lithuania, Liechtenstein, Luxembourg, Malta, Macedonia, Moldova, Monaco, Norway, Poland, Portugal, Rumania, UK, Russia, St-Marino, Slovakia, Slovenia, Sweden, Switzerland, Czech Republic, Turkey, Ukraine.
Note: There is some debate as to whether Malawi has recognised the SADR, as it withdrew recognition officially in 2001 only to reinstate it through the actions of the foreign minister in 2002.

As detailed above, currently 24 (of 53) African states recognise the SADR. Some 26 countries internationally have reportedly de-recognised the embryonic state. The UN permanent five (UK, US, France, China, Russia), all European states and Australia, Canada, Egypt, Germany, Japan, Brazil or India do not have formal ties with the SADR. Those that recognise the SADR apparently accept that there is no other solution than independence, although the SADR is not widely recognised diplomatically, and Morocco is unlikely to accept this 'solution'.

There is, nonetheless, an awareness that the solution of the Saharan problem can contribute to the development of the Maghreb vision, hinging as it does on the development of improved relations between Rabat and Algiers. The planned creation of the UMA involving Algeria, Libya, Mauritania and Tunisia, signed in Marakesh in February 1989 and aimed at the free movement of goods, services (including banking and education) and workers, has, as Michael Willis noted, essentially been put on hold because of this issue. Nearly 14 years later, the only visible institutional structure of the UMA that exists is a small secretariat in Rabat, and there has been no meeting of the UMA Council bringing together the respective leaders since April 1994. Rather than meeting every six months, as originally planned, they only met six times before 1994 and only once as a complete leadership group. Common cultural values and shared ethnic identities have not been sufficient to overcome the lack of sustained political impetus and, ultimately, the bilateral impasse between Morocco and Algeria.

Although both states (comprising 80% of the regional grouping's population) were initially keen to enter into the UMA as an institutional framework that could be used to deal with the Western Sahara issue, it failed, principally because it did not address this issue. Both countries saw the other as making significant concessions via the forum, which did not happen. This failure was compounded by the tightening sanctions against Libya and the increasing economic pull of the EU, with which Morocco, Algeria and Tunisia have signed bilateral agreements. This meant that the grouping's original intention of entering trade negotiations as a bloc was not realised. The lack of economic incentive is revealed by the low level of intra-regional trade, at just 3% in 1989. Therefore, Dr Willis argued, it is important to learn from the UMA that issues of regional economics should be separated from discussion of the domestic politics of the key protagonists.

UMA snapshot				
<i>Country</i>	<i>Population (million)</i>	<i>GDP (\$m, 1998)</i>	<i>GNP/Capita (\$, 1998)</i>	<i>GNP per capita annual growth (1990-8, %)</i>
Algeria	30	47,347	1,550	-0.9
Libya	5	-	-	-
Mauritania	3	989	410	1.3
Morocco	29	35,546	1,240	0.7
Tunisia	9	19,956	2,060	2.7

Dr Eric Ross argued that there is not so much a pivotal state as such in North Africa as a pivotal relationship, in this case that between Morocco and Algeria. This might be positively improved by the facilitation efforts of a state such as South Africa, which enjoys good relations with

both. Or as Dr Abdelhay Moudden put it, there was a clash of values and interests between Morocco and its closest regional partners, Spain and Algeria, which could arguably stimulate the need for engagement beyond Morocco's immediate region.

The debate on ethnicity, nationalism and tribalism centred on both the inter-relationship between these elements and the authenticity of such identities in an increasingly globalised and multicultural environment. This has led to questions concerning the distinguishing features between multi-ethnic and multi-tribal nation-states: What is an African, for example, and what distinguishes white from black South Africans, or Moroccans from Algerians?

John Shoup cautioned against confusing ethnic identity with tribalism and nationalism, especially in Africa, where migration and colonial borders have distorted these linkages, a point emphasised by Dr Halima Ferhat. In terms of the Sahara issue, Shoup argued, there was a multinational tribal identity,⁷ which complicated the mechanics of a referendum. Whatever the case, as Dr Driss Maghraoui contended, colonialism and the ethnic issues which have resulted are a *fait accompli* for African states, including both South Africa and Morocco, and, more positively, could operate as an impetus for regional integration.

⁷ Where the *Rahibiyat* tribal group is spread between Morocco, Mauritania and Algeria.

Elizabeth Sidiropoulos examined the role of ethnicity and nationalism in a globalised environment, which apparently contradicted the emergence of an outwardly increasing uniform global consumer culture. There was a necessity to separate those aspects of globalisation which benefited societies (such as a democratic culture and values, good governance, the rule of law, corporate governance, accountability, transparency, and avoidance of both corruption and the leader for life syndrome) from those that were sometimes thought to represent globalisation—Western music, language, consumer labelling, and so on. She offered a number of ways in which related regional differences could be overcome in this regard.

- Civil society diversity should be supported and asked to play a greater role, even in times of adversity. This relates to co-operation across borders by similarly-minded NGOs providing expertise and input into government processes.
- Business-to-government interaction should take place both across borders and within each state. In particular, joint projects should be embarked on between local entrepreneurs and regional or international companies, thus generating more nodes of wealth creation.
- Alliances of like-minded states in the region should be formed to encourage the opening up of societies and demonstrate the advantages of such openness in a globalised world.

Sidiropoulos argued that states also need to begin addressing the issues that give rise to a 'retreat to the laager' in terms of ethnic or religious identification. These

centre around poverty, marginalisation, and the concomitant feeling of threat and disorientation of disadvantaged groups in knowledge-based economies. These issues and possible sources of division and friction are not going to be easily resolved at the domestic, regional or international level, but some of the mechanisms outlined above will enable states to harness the process of globalisation more effectively for the benefit of all their citizens.

She noted that South Africa sees itself, together with other like-minded states, as trying to move the continent in the direction of a common value system which places the consolidation of democratic societies at the centre of its attempts to come to grip with globalisation. Thus the success of our own democratic consolidation of a democratic and human rights culture imbued with transparency is essential if the region is to move in that direction.

Tim Hughes argued that while ethnic identity and differences had in the past been artificially exaggerated in South Africa for purposes of divide and rule and political ideology, current indications are that that the debate over ethnic mobilisation may be (re)gaining currency. This can be attributed to a number of factors, the first of these being the demonstration effect of recent international experience, most notably in Rwanda, Burundi and the former Yugoslavia. The very brutal and genocidal nature of these conflicts and the introduction of the concept of 'ethnic cleansing' into both the popular and analytical lexicon has perversely served to legitimise the claims to

national self-determination of a host of international ethnic political and liberation movements, from the Tamils of Sri-Lanka to the Palestinians in the Middle East. This 'legitimation' process has been given further credence by the positions and actions adopted by the UN, particularly with respect to the conflict in Kosovo. Ethnic groups in South Africa, especially the Afrikaner-led Freedom Front, have not been slow to seize on the legitimation of ethnicity in the popular and multilateral fora.

The second strand to the possible re-ethnicisation of South African politics stems from the increasing perception that the ruling African National Congress is an Nguni-dominated party, and a Xhosa cabal, mischievously termed a 'Xhosa Nostra', is particularly powerful within the party.

A third cause of ethnic discontent is the failure of the new South Africa to uphold the principle, enshrined in the constitution, that all 11 languages should have equal status. This nation-building provision within the constitution, whilst of symbolic importance, is unenforceable in practical terms. The de facto situation is that English is becoming South Africa's lingua franca. This is all the more remarkable when one considers that a plurality of South Africans speak Zulu, and that more people speak Afrikaans as a second language than speak English. Whilst the Anglicisation of South Africa has become a point of contention, for Afrikaner intellectuals in particular, there is also increasing dissatisfaction amongst other African language groups that their mother tongues are being ignored or sidelined. This is particularly the case

for non-Nguni speaking people. This point of discontent serves to reinforce the sentiment and perception of political exclusion from the ranks of the ruling elite experienced by non-Ngunis.

A fourth issue which has re-emphasised racial identity in South Africa is the legislation and practice of affirmative action, which is, Hughes argued, both discriminatory and interventionist—albeit understandable for historical and political reasons and logical in business terms. Criticism of, and debate concerning, such legislation has been equated in some quarters with unpatriotic sentiment and undermining of ‘Africanness’.

One further ethnic challenge facing South Africa in the post-apartheid era is the increase in Islamic fundamentalism. South Africa has some 800,000 Muslims, and whilst Muslim adherents since the 17th century have included a radical element, it is only in the 1990s that fundamentalism has become a significant force. There are a number of reasons for the rise of radical Islam in South Africa.

Islam has been long associated with resistance to apartheid and indeed to capitalism in South Africa. Ties between the radical group Qibla and the Pan-Africanist Congress are deep if not extensive. Both shared training camps, and militias from both movements have co-operated in military exercises. Qibla has also received training from Hamas and, in addition to local support, is funded from the Middle East. Qibla’s avowed goal is the establishment of an Islamic or Sharia state in South Africa brought about

by *jihād*. Whilst Qibla has remained a marginal group, a more popular and perhaps more threatening grouping called People Against Gangsterism and Drugs (PAGAD) arose in the 1990s. The genesis of PAGAD is attributable to a complex admixture of instability deriving from democratisation, the release of religious fervour, and the end of apartheid-induced isolation.

Under the apartheid regime, the country had been protected from the forces of globalisation, both good and bad, by its isolation. One positive dimension to this isolation was that South Africa's borders were tightly patrolled, and it was relatively free of the scourge of international crime and drug trafficking. The post-apartheid period and South Africa's integration into the world arena has attracted both investment and crime syndicates, with a steep rise in drug trafficking, particularly on the Cape Flats. This served to expand and strengthen criminal gangs in the area. Reintegration into the global community has also attracted international criminal elements, crime syndicates and drug dealers to South Africa.

Although religious freedom was tolerated under apartheid, South Africa was an avowedly Christian country, with all other faiths (with the possible exception of Judaism) effectively reduced to second-order religions, with little access to media exposure and little recognition from the government. Democratisation has brought about greater religious tolerance and this has created the 'space' for Muslims to practise and express their religion more openly, and to gain greater public exposure for their faith.

This has manifested in a greater number of people wearing religious or traditional dress publicly.

An element of group self-preservation and fear of domination animated the upsurge of Islamic fervour in the post-apartheid period. Although 'second class' citizens under apartheid, members of the coloured and Indian community were more politically mobile than the African majority, and from 1984 enjoyed full, but separate, voting rights.

What has been the South African government's response to these developments?

Since the adoption of the Freedom Charter in 1955 the now ruling ANC has embraced the creation of a non-racial democracy that recognises the country's diversity. This was given its greatest symbolic representation by the adoption of the new South African national coat of arms and motto 'Strength through diversity'. The task of the new government was, however, daunting: it had to deal with a country balkanised by grand apartheid, politically divided, culturally isolated and economically unequal. South Africa still has the second highest Gini (wealth inequality) co-efficient in the world.

The solutions by the new government were wide-ranging.

- First, South Africa's electoral system is now based on proportional representation, and thus seeks to ensure greater inclusivity of diverse political opinion, than first-past-the-post plurality systems.

- Second, South Africa's system of government now includes a second 'upper house', The National Council of Provinces, whose members are all elected on the basis of their regional support rather than on a national basis. Furthermore the government has established a Council for Traditional Leaders (CONTRALESA), which considers and adjudicates on matters of traditional and cultural significance.
- Third, the constitution entrenches second level (provincial) and third level (local) government, which permits some revenue generation and a degree of policy autonomy to the provinces.
- Fourth, the constitution specifically prohibits discrimination on the grounds of race, gender, language, culture or creed. These rights have since 1994 been tested and upheld in the Constitutional Court.
- Fifth, a number of independent commissions and councils (which are protected under the constitution) have been established to adjudicate on matters of language, culture and human rights.

At the level of leadership, the symbolic importance of Nelson Mandela's role in nation-building cannot be underestimated. His use of all of the African languages, English and Afrikaans conveyed a powerful message, as did his personal visits to former political enemies. Mandela was assiduous in ensuring representivity within cabinet, and personally intervened at times of inter-ethnic or, indeed, racial tension. The South African experience of incorporating, reconciling with and, indeed, strengthening one's political enemies has paid handsome dividends.

South Africa and Morocco: New Strategies for Bilateral and African Engagement?

The conference on which this report is based was held during the week of the African Union summit in Durban, South Africa. This event stressed a key problem in the bilateral relationship—the issue of the Western Sahara/SADR and Morocco’s non-membership of the OAU. Conversely, the Ifrane conference not only illustrated that the differences between South Africa and Morocco were manageable (and, indeed, resolvable) but that they were negligible compared with the wide range of shared, mutually beneficial interests between the two countries.

What about realising the potential inherent in Morocco-South African relations?

South Africa’s trade relationship with Morocco has considerable potential, given the advances made towards liberalisation by the Moroccan economy since 1983. Currently the relationship is, as noted earlier, heavily skewed in South Africa’s favour. The bulk of South African exports in 2001, totalling R812.3 million overall, comprised coal and coke (R673 million) and televisions (R80 million). South African imports of R18 million included canned fish (R4 million) and electronic components (R4.5 million). South Africa is Morocco’s second-largest African trade partner (after Nigeria), and its 25th largest world-wide. There are also three important South African parastatal contracts in Morocco held by Geoscience for geological

mapping, Eskom Enterprises in a joint electricity supply venture, and Energy Africa for oil (drilling) exploration.

However, John Battersby pinpointed a number of constraining factors currently shaping South African policy towards Rabat. Most notably, these include:

- the liberation movement ties that existed between the African National Congress and the Polisario;
- the close relationship between Algeria and Pretoria, and the important role played by Algiers in NEPAD; and
- the apparent divide in terms of interests and perceptions which exists between those North and South of the Sahara.

In this regard, the Sahara might, in metaphorical terms, represent as large a gap in African unity as is created by the divide between Anglophone and Francophone Africa. The issue of the SADR remains a stumbling block to better external relations with the rest of Africa for Morocco. There are few signs of a breakthrough, despite the mediation efforts of former US secretary of state James Baker.

Yet Morocco's stability, level of development and its relationship with the Arab and Islamic world and with Europe make it extremely important to South Africa's relationship with the rest of Africa. If NEPAD is to succeed, regional powers should work together to end conflict.

This raises questions about South Africa's foreign policy towards Morocco: Should it focus more attention on the

Kingdom, and how should it manage its relationship with both Algeria and the SADR? Recognising the SADR assumes that the solution, as noted above, is ultimately the independence and global recognition of the territory. This runs counter to current international trends towards de-recognition—and also to South Africa’s preferred approach to conflict resolution, which urges compromise and consultation. It may be more useful for Pretoria to focus its efforts instead on attempting to engineer a solution using its relationship with all parties involved—the Polisario, Algiers and Rabat, in line with its own conflict resolution and negotiation experience. To achieve this, Rabat, as Kuseni Dlamini sagely noted, needs to keep Pretoria informed on the Western Saharan issue, just as Pretoria needs to keep the Kingdom informed on the SADR and NEPAD.

Both Morocco and South Africa are stable poles in regions which are otherwise not characterised by democracy and economic stability. There are critical limitations relating to geography; perceptions of differences in culture and religion; and political energy, space and will. However, both countries can be considered pivotal states—or strategic partners.

A number of areas and avenues exist for closer bilateral Moroccan-South African collaboration:

- Both countries would undertake policy co-ordination and joint coalitions to resolve conflict, potentially through joint initiatives where both parties are trusted, such as in Sudan and over Israel/Palestine. South Africa might also be able to play a role in facilitating greater dialogue between Algiers and Rabat with a view to resolving the Western Sahara issue.
- Democratic reform should be promoted, especially through the recognition of minority rights, and the consolidation of a democratic ethos in the face of a 'rising tide of radicalism in politics'.
- Intelligence should be shared, especially over transnational issues such as drug and people smuggling, and other aspects of organised crime, and terrorism.
- Early warning mechanisms should be strengthened.
- African aid should be co-ordinated in both countries, both via donors and their own respective programmes.
- Closer co-operation designed to improve global trade access for developing countries should be sought.
- Business-business relations should be promoted as a critical spur for improved inter-regional relations. Structures such as a Morocco-South Africa Business Forum should be established to strengthen relations, and efforts made by both to link chambers of commerce into a continent-wide body, given the centrality of such organisations in ensuring good governance.
- The use of a private sector body, such as a Chamber of Commerce, in Casablanca should be investigated, to operate as a *de facto* clearing-house for South African trade and investment interests.
- Parliamentary exchanges should be initiated.
- Media information and material should be shared.
- Party-party linkages should be used to improve political understanding and reduce cultural differences.
- Joint training and sharing of experiences in peacekeeping operations should be established.

- Morocco and South Africa should be used as interlinked regional sea and air transport hubs, although the demise of Royal Air Maroc (established in 1995) in 2001 has made such a linkage difficult at present.
- Tourism should be promoted.
- Good governance and corporate governance initiatives, in parallel with social responsibility initiatives, should be promoted in both countries.
- The importance of inter-university and other NGO links in reducing misperceptions and increasing the information flow and level of understanding between South Africa and Morocco should be emphasised. Some of the mutual gains would be the sharing of experiences of conflict resolution and the role of the monarchy as a force for stability and change. Such institutions could also share and reflect on the Western Sahara issue.
- Strategic diplomatic engagement and dialogue in addressing these issues could be improved. This could also reduce the gap between institutions which produce knowledge (universities, think-tanks, and business) and those which carry out diplomatic tasks. The establishment of a joint governmental committee on trade and investment issues should also be investigated.
- Bilateral agreements which are currently pending should be concluded and signed.
- Joint bilateral consultations (originally set up in 1998) should be staged more regularly, and the private sector should be involved in this process.

Although there will inevitably be areas of competition between the two states, there are clear areas in which complementary action, characterised by collaboration and a commitment to broad international and continental concerns, can be to the advantage of both. Prominent among them are the combating of poverty and the creation of conditions enabling prosperity to take root. Both countries have the necessary assets, political and economic, to act as forces for regional, continental and global good.

Appendix: Conference Programme

Wednesday 3 July 2002

Opening ceremony

09h00-09h30 : *Dr Driss Ouaouicha*, Vice-President (Academic Affairs), Al Akhawayn University
Mr Ahmed Bourzaim, Director of African Affairs, Ministry of Foreign Affairs and Co-operation, Rabat
Dr Greg Mills, Director, South African Institute of International Affairs (SAIIA)

Session I

Requirements for Peace-Building and Conflict Resolution in Africa: Diplomatic and Structural Challenges

09h30-11h00: *Mr Ahmed Bourzaim*, Ministry of Foreign Affairs
Dr Pandelani Mathoma, South African Department of Foreign Affairs
Dr Jack Kalpakian, Al Akhawayn University
Ms Dianna Games, *Business in Africa* magazine
Dr Mustapha Hogga, Al Akhawayn University

11:00 : Break

11:15 am : Discussion

12h30 : Lunch

Session II

The Challenge of Economic and Political Globalisation

- 14h30-16h15 : *Mr Jonathan Oppenheimer, De Beers*
Mr Ahmed Bourzaim, Ministry of Foreign Affairs
Mr Andrew Canterbury, Al Akhawayn University
Dr Greg Mills, SAIIA
Dr Mohamed Rabie, Al Akhawayn University
- 16h15 : Break
- 16h30 : Discussion

Session III

Structures, Institutions and Mechanisms for Linking Pivotal Regional States: The Case of South Africa and Morocco

- 17h30-18h15 : *Mr Kuseni Dlamini, De Beers*
Dr Eric Ross, Al Akhawayn University
Mr Jethro Goko, Business Day
Mr John Battersby, Independent Newspaper Group
*Mr Abdelhay Moudden, Muhammad V
University, Rabat*
- 18:15 : Discussion
- 19h30 : Dinner

Thursday 4 July 2002

Session IV

***Ethnicity, Cultural Diversity and Regional Integration:
South Africa and Morocco***

- 09h15-10h45 : *Mr Tim Hughes, SAIIA*
Dr John Shoup, Al Akhawayn University
*Dr Halima Ferhat, Institute of African Studies,
Rabat*
Ms Elizabeth Sidiropoulos, SAIIA
Dr Driss Maghraoui, Al Akhawayn University
- 10h45 : Break
- 11h00 : Discussion
- 12h30 : Lunch

Session V

***Comparative Experience of Regional Integration:
South Africa and North Africa***

- 14h30-16h15 : *Ms. Annelize Schroeder, SAIIA*
Dr Michael Willis, Al Akhawayn University
*Mr Sihle Shange, South African Department of
Trade and Industry (DTI)*
Dr Carlos Conde, Al Akhawayn University
- 16h15 : Break
- 16h30 : Discussion

Session VI
Building Economic Ties

- 17h30-18h15 : *Mr Sihle Shange, DTI*
Mr Johann Smith, SAIIA
Mr Mohamed Maliki, Ministry of Foreign Affairs
- 18h15 : Discussion
- 19h00 : Closing session
- 19h30 : Dinner



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