

SAHA IN THE CLASSROOM

RESISTANCE IN THE 1980s: INTERNATIONAL PRESSURE

A set of classroom materials
produced by the South African History Archive
for Grade 12 learners

SOURCE BOOKLET FOR LEARNERS



THE SAHA IN THE CLASSROOM SERIES

This series of booklets comprises an introductory booklet on how to use the SAHA in the Classroom series and 9 source booklets for learners, with corresponding guide booklets for educators, exploring the following aspects of South Africa's history from 1976 - 1994:

The 1983 Constitution

The United Democratic Front (UDF) and the National Forum

Formal repression in the 1980s

Covert repression in the 1980s

Resistance in the 1980s - civil society

Resistance in the 1980s - militancy

Resistance in the 1980s - international pressure

The move to democracy - negotiations

The move to democracy - the role of violence

The South African History Archive (SAHA) is an independent human rights archive committed to recapturing lost and neglected histories, documenting past struggles against apartheid, as well as ongoing struggles in the making of democracy in South Africa. SAHA's central mission is to bring South African history out of the archives and into schools, universities and communities in new and innovative ways. SAHA is also dedicated to using South Africa's Promotion of Access to Information Act in order to extend the boundaries of freedom of information in South Africa and to build up an archive of materials released under the Act for public use.

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The SAHA in the Classroom series was developed with the financial support of the Rosa Luxemburg Foundation.

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INTRODUCTION

These historical sources and questions are produced by the South African History Archive (SAHA) for Grade 12 History learners. The sources form part of your broader study of South Africa in the 1980s. They are about the international factors that put pressure on the apartheid government to change its policies.

In the national examination, you will be asked questions on a wide variety of different sources. These will include written, oral, visual and other material useful to the historian.

There will be questions on both **primary sources** and **secondary sources**:

- **primary sources** are sources that come from the period that is being studied
- **secondary sources** are sources that are produced after the period of history that is being studied

Before getting to the sources, you will be given the historical context of South Africa within the world community in the 1980s. This text is much like a secondary source, as the information comes from the books written by historians who have researched this period. The sources themselves are drawn from the archives of SAHA, and will, more often than not, be primary sources.

These learning materials are intended to:

- provide you with an opportunity to use source material to help your understanding of South Africa in the 1980s
- provide you with practice in answering source-based questions
- guide you on how to approach answers

Some tips:

- Always look at the mark allocation to guide you.
- In this material, two marks are given for each point that can be explained and backed up with evidence from the source.
- A two-mark question will usually award one mark for identifying evidence from the source, and one mark for your explanation.
- When you answer a question for six marks, you need to explain at least three points and provide evidence from the source to back up each point.

After the sources and questions you will find a glossary of difficult terms and a list of books for further reading.

HISTORICAL CONTEXT

THE ROLE OF INTERNATIONAL PRESSURE – ECONOMIC SANCTIONS

During the 1980s international pressure on the government began to increase. There was growing support for sanctions against apartheid South Africa, partly as a result of the influence which the ANC in exile was able to exert. Although many countries imposed economic sanctions, some countries did not fully support them. For example, both President Reagan of the United States and Margaret Thatcher of Britain opposed sanctions as it would conflict with ongoing trade between their countries and the apartheid government. President Reagan preferred to follow a policy of 'constructive engagement' in which he hoped to persuade the South African government to introduce gradual reform by providing incentives. This policy was fruitless.

The leaders of the United States and Britain were disinclined to take action against South Africa, but public feeling in their own countries often forced them to act. Over this decade anti-apartheid organisations were formed in overseas countries, including the United States and Britain. The British Anti-Apartheid Movement was one of these. It organised boycotts of South African sports teams, South African products like wine and fruit, and British companies that did business in South Africa. Protests were held outside South African Embassies in London and Washington. As a result of the growing momentum of the international anti-apartheid movement, considerable economic pressure was placed on the South African government to make changes.

Although the Anti-Apartheid Movement in Britain played an important role, the driving force for the imposition of sanctions came from the United States. Considerable pressure was exerted through numerous African-American human rights groups who had been active in the civil rights movement in the 1950s and 1960s. American students actively protested against apartheid by holding sit-ins at universities. The media gave these actions a great deal of publicity, which focused attention on the horrors of the South African regime.

In August 1985, the international community pinned its hopes on Botha introducing much needed reforms. In an important speech, which became known as his 'Rubicon' speech, Botha talked tough and warned foreign countries: 'Do not push us too far!' He failed to follow through with any reforms, and many countries and business leaders believed they could no longer support South Africa.

In 1985-6 the US Congress voted for sanctions against South Africa. Reagan was however able to water down these sanctions to make them less punitive for South Africa (see Source C). Reagan's sanctions did however include the banning of all new investments and bank loans, ended air links between the US and South Africa and banned certain South African imports.

DISINVESTMENT

Economic pressure upon South Africa, however, was not confined to government-level sanctions. The flight of international private capital had an enormous impact on South Africa during this time.

In the 1980s, there was a strong movement for disinvestment, for big business to divest itself of

holdings in South Africa. At first, there was support for businesses in South Africa which followed the Sullivan Principles. These included conditions of fair employment conditions for all races. Eventually there was a call for complete disinvestment. By 1985, over 90 US companies had pulled out of South Africa. At the beginning of 1985, Citibank declared that it would make no new loans to the South African government. In July 1985, Chase Manhattan Bank caused a major financial crisis by refusing to roll over its short-term loans, and most other international banks followed its lead. Sanctions, together with the action of US banks, and the withdrawal of private capital led to a 50% fall in American investment in South Africa. The South African currency collapsed – the international value of the rand dropped by 35% and the South African Stock Exchange closed for four days.

HOW EFFECTIVE WERE SANCTIONS AND DISINVESTMENT?

The evidence suggests that sanctions had some impact, but not huge. Disinvestment posed a more serious threat to South Africa. However, in some ways, the South African economy still managed to benefit. For example, South African businesses gained between \$5 billion to \$10 billion profit when Western firms disinvesting from South Africa sold off their holdings to local South African businesses. However, the loss of foreign investment and the flight of capital out of South Africa had a devastating effect on the economy. It hampered any prospects for economic growth.

The pressure of sanctions and disinvestment cannot be judged in isolation. It needs to be evaluated together with the impact of internal pressure from the various resistance movements within South Africa. When international financial support collapsed, coinciding with international political changes, the interaction between internal and external factors was more than the South African government could withstand, and it was forced to the negotiating table.

SPORTS AND CULTURAL BOYCOTTS

A cultural and sporting boycott was also imposed on South Africa during the 1980s. All sporting activity in South Africa was racially segregated, and excluded blacks from national teams. Based on this, by the end of the 1980s, South Africa was excluded from about 90% of the world's international sporting activities. Sport was an extremely important issue for many white South Africans, and this isolation was deeply felt. However, the international sports boycott had little impact on the South African government which refused to change its policies.

The international community also imposed a cultural boycott on South Africa, which aimed to isolate white South Africa. As a result, international artists refused to visit South Africa. An academic boycott was also imposed, in the hope of isolating South Africans from international ideas and thinking.

Some people argued that these boycotts were counterproductive; that by encouraging the isolation of white South Africans, they would simply withdraw further into their 'laager mentality'.

REGIONAL PRESSURE AND INTERNATIONAL CHANGES

In the 1980s the apartheid government's economic problems were made worse by its huge

expenditure on the Security and Defence Forces (see Section 6, Source B). Besides dealing with insurrection at home, the Botha government was providing military assistance to rebel movements UNITA in Angola and RENAMO in Mozambique, and experiencing pressure from other independent countries in Africa such as Zimbabwe, Zambia and Tanzania, where the Soviet Union and Cuba were providing military support for the ANC and the PAC. During the mid-1980s, the Defence Force seemed to be holding its own – but events in Angola in 1988 changed that. Throughout the 1980s South African forces based in Namibia had carried out attacks in Angola, fighting in support of UNITA, and often clashed with the Cuban forces supporting the MPLA government.

This was aptly described by Kevin Shillington in his book 'History of Southern Africa', pp250-1:

"By the late 1980s the Cuban-trained Angolan airforce had gained mastery of the skies over southern Angola. Thus they were able to cut off and trap a South African invading force at Cuito Cuanavale in mid-1988. South Africa was desperate to extract its largely white invading force [including many young conscripts] from Angola, and so it was finally forced to the negotiating table. With the United States mediating, South Africa agreed to end its illegal occupation of Namibia in return for the release of its troops and the phased withdrawal of Cubans from Angola...Namibia became independent in 1990."

The end of the 1980s also saw the end of the 'Cold War' between the US and the Soviet Union, and with it the collapse of most of the communist-led governments of Eastern Europe. This signalled the end of the era of Soviet threat to western governments. Soviet support for the ANC and PAC thus ended. South Africa, its economy in dire straits, was no longer able to get support from right-wing Western governments to combat the Communist threat. A new era was dawning.

SOURCE A: Article – The Disinvestment Debate

Features

THE DISINVESTMENT DEBATE

Features

Disinvestment is as topical a subject in South Africa as sport boycotts and Zola Budd. The word, with its associations of state instability and a crumbling economy, sends shivers down the government's and many businesspeople's backs. Indeed paranoia has reached such levels that last year the Elford Commission into the South African Council of Churches recommended that to advocate disinvestment should be made a criminal offence.

But what does disinvestment mean, and what is it designed to achieve?

Disinvestment means the withdrawal of all foreign money, goods, shares and businesses from South Africa, leaving the economy dependent on its own resources. A call for such actions means that, coupled with a stoppage of all trade ties with the country being boycotted.



In the case of South Africa, those calling for disinvestment hope that a withdrawal of foreign investment will bring the South African economy to its knees, and in so doing, lead to the fall of the present Nationalist government in the hope that it will be replaced by one more just and democratic.

The disinvestment debate is extremely complex and controversial. This feature looks at a few of the strands.

By the last third of the 19th century, Britain's dominance of the world industry was being seriously challenged, so it looked for an outlet for investment in the gold mines on the Witwatersrand — spectacularly rich reefs, but with such low grade ore that extraction was extremely

difficult and expensive. As the gold price was fixed naturally costs had to be kept to a minimum. White workers had to be paid the standard European rate, so costs were minimized by employing black wages as low as possible.

Black mining and farm workers were and are paid wages below subsistence, on the rationale that these workers are migrants who can supplement their mine wages with an agricultural income derived from the rural areas.

Thus the homeland system, the migrant labour system and influx control of black workers into the urban areas (all of which still operate today) were designed to keep black wages as low as possible and to avoid sooting profits for the South African mining houses.

Over the years, emphasis has shifted, and with the coming to power of the Nationalist Party in 1948, the policy began to favour African concerns, diversified to include manufacturing, and by the mid of the mid '60s, the major part of foreign investment in South Africa went to manufacturing concerns.

South Africa embarked on an industrial self-sufficiency drive in

the 30's, and continues to do so today. The economy, however, remains inextricably linked to foreign trade.

SA could also prevent this repatriation of funds by slipping exchange control regulations on the companies — essentially freezing the money inside SA. However, a long-term disinvestment attempt by individual investors would be most difficult — ie many or all SA's trading partners must agree. If not, the owners of a subsidiary in SA need only re-register the company in some country that does not wish to disinvest in SA.

The curbing of direct lending or of indirect investment in SA is more effective. The abolition of all trade credit, and the prevention of bank lending, or borrowing from the IMF would have to be insisted.



It is clear, then, that although difficulties do exist, disinvestment is possible. What would be the effects of this disinvestment? Would it achieve its desired aims?

In a word, disinvestment would plunge SA into a deep economic depression, as it did so after Sharpeville in 1960 and in the 1976 Soweto unrest. It maintained for long enough, the economy must eventually collapse owing to the fall of the government.

In the past the government has pulled out of depressions by taking out huge foreign loans, increasing taxation and increasing government spending on infrastructure industries, transportation and defence. Increasing state repression against extra-parliamentary opposition has also led to the restoration of a tenuous stability in the state which in turn led to a new inflow of foreign investment.



A major argument levelled against proponents of disinvestment is that the resultant depression will increase black unemployment, thereby hurting the very people it is designed to help. This is undeniably true. However a counter argument states that a withdrawal of foreign investment means a withdrawal of foreign capital good or machinery.

South Africa has a highly mechanized economy which in part accounts for the gigantic unemployment in the country.

Albert Lutuli, President of the ANC and winner of the 1960 Nobel Prize for Peace, who said that unemployment and hardships were facts of life for black South Africans. If short term unemployment caused by disinvestment would lead to a change in the state, and hence in the different attitudes in the country, this unemployment would be endured. This view was recently echoed by Bishop Desmond Tutu.

Companies with investment in South Africa often argue that they are working for change from within the system. They claim that they are obliged to honour the laws of the host country which makes them unable to 'challenge' the apartheid system on which the apartheid leader is built. It is not worth the lower labour costs but the same breath they say they are 'bending the rules a little'.

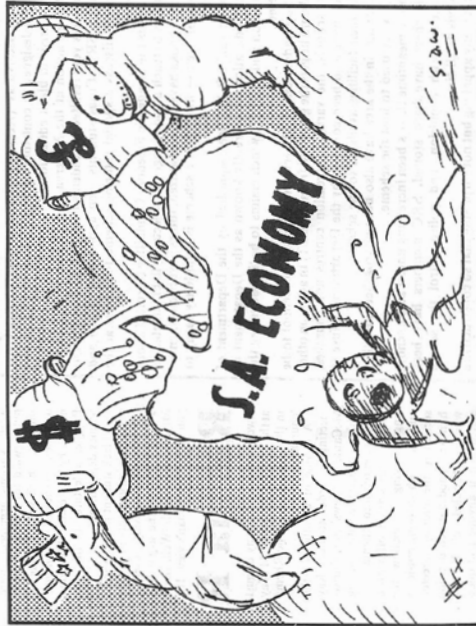
By this they mean they are bending the Job Colour Bar (a device which excludes blacks from skilled white positions). Blacks are apparently now taking white roles in these companies in order to alleviate the skills shortage.



To an extent this is true, but to an even greater extent it is finding that all that is happening is that one skilled job is being fragmented — with the white worker retaining the highest paid and most skilled functions, with the black workers taking on semi-skilled functions at far lower wages. In addition when black workers have secured 'white' jobs it has usually been at far lower wage scales.

Foreign investors, however, now point to the fact that half the South African subsidiaries of American companies (accounting for a majority of blacks employed by foreign companies in SA) adhere to the Sullivan Principles which state inter alia that there must be equal pay for equal work. In addition companies are setting up training and education programmes.

It is difficult to paint a true picture of the labour practices of foreign companies in SA, and to assess whether they are working for change. Certainly investigations conducted over the years have



Pouring money into apartheid

draw from SA and by withholding capital flows to SA. But the fact of the matter is that they don't want to do to the West is to let the country's political upheavals such as Sharpeville or the 76 unrest, in which not even the huge returns on capital could make up for the fear felt by foreign investors over the security of their investments. So in conclusion, only radical political actions will lead to foreign disinvestment — not calls by UN lobbyists. At present foreign investors can boast that they are promoting reform, and in the words of Harry Oppenheimer, 'We must remember that reform is true conservatism'.

After all, where there is a profit to be made, entrepreneurs and foreign investors will go out to South Africa. The attractiveness of South Africa such that a reasonable return can be earned on investment, then it can safely be said that any boycott will be evaded. Boycott busters will have an added incentive — the possibility of payment in gold.

Statistics demonstrate that SA has an impeccable credit rating and that the return on investment is one of the highest in the world. For example, the average earnings yield in the USA direct investment in SA from 1972 to 1981 amounted to 16% as compared with 14.5% in Australia, 11% in Canada and 10% in New Zealand. It is possible that the high rates here compensate for a perceived political risk factor.



Furthermore, foreign investment increased from R2.7m in 1956 to R40 million in 1982, an average of very roughly 15% of GDP per annum.

So what are the conclusions?



An article from *Wits Student*, the student publication of the University of the Witwatersrand (Archived at SAHA as Collection AL2457: T13 Foreign Relations – Sanctions)

QUESTIONS FOR SOURCE A

A1.

How does the article in Source A explain disinvestment? (6)

A2.

According to the article, what did those calling for disinvestment in South Africa hope to achieve? (4)

A3.

What are the major arguments against disinvestment in South Africa? (6)

A4.

If you were an African worker working for a foreign company in South Africa in the 1980s, would you have supported disinvestment? Explain your answer. (6)

A5.

By analysing both the text and the visual images used in this article, determine whether *Wits Student* supports or opposes disinvestment in South Africa. (10)

(TOTAL MARKS: 32)

SOURCE B: Article – 'Reagan's "sanctions" – the point is made', by Tim Kingston, *Anti-Apartheid News* (November 1985)

Page 10 Anti-Apartheid News November 1985

Reagan's 'sanctions' – the point is made

FACED with unprecedented anti-apartheid feeling, President Reagan conceded partial defeat in September and signed an executive order for token sanctions against South Africa. Limited they certainly are, but the measures have nevertheless established an important precedent, argues TIM KINGSTON.

The executive order was intended to preempt the passage of a much stronger congressional bill. It is by no means certain that this tactic has succeeded.

The president's strategy may well have backfired, giving sanctions greater credibility in the eyes of the world.

The joint House of Representatives-Senate bill, agreed by both sides after much wrangling, would have banned imports of South African coal and uranium and US exports of nuclear technology, dropped South Africa's most favoured nation trading status and prohibited any new commercial investment, plus a range of other options should there be no progress towards ending apartheid within 12 months.

Reagan's executive order purloined the most immediate and visible provisions of the congressional bill, but also the most ineffective. It amounts to little more than a slap on the wrist for South Africa. All its measures were already in effect in one way or another.

Sales of kruggerands had already slumped dramatically throughout the US in the past year; the prohibition of further loans to the South African government was by September hollow since few American banks would touch the apartheid economy with a ten foot pole.

Reagan's 'sanctions' do not have the force of law; they do not include any review period after which stiffer sanctions may be applied; nor do

principled position that sanctions are counter-productive.

At home in the United States, TV screens have flickered nightly with scenes of unremitting brutality as the South African police and army attempt to beat back the black uprising.

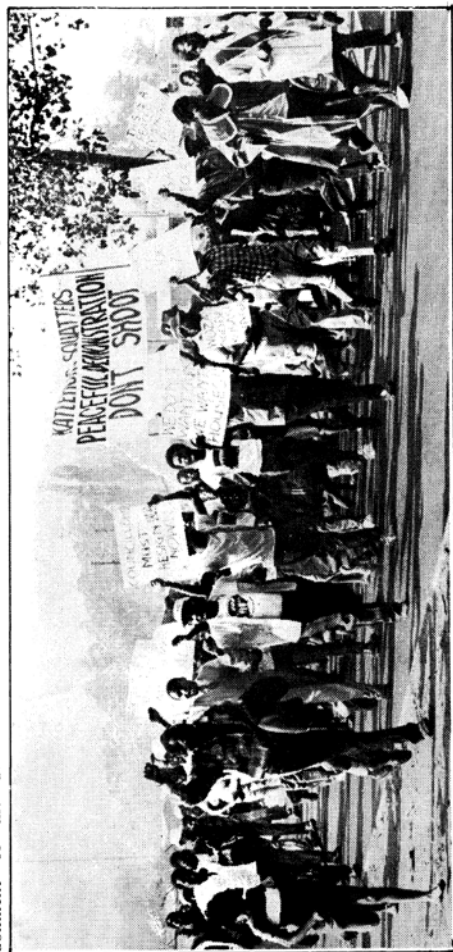
Even the most reactionary pundits and editorials found it necessary to condemn South Africa and discuss not only what punitive measures should be applied, but exactly how soon they should be applied.

Throughout America local anti-apartheid groups have sprung up challenging pension funds, city governments and state portfolios to divest or be disrupted. San Francisco, New York, Boston and a host of other major cities, counties and even a few states have pledged to withdraw their funds from corporations doing business in South Africa.

Thousands of students have participated in divestment demonstrations, pickets and occupations of universities that hold South African-linked investment portfolios and have forced at least 14 universities to sell. Over 3,000 people have been arrested on various obstruction charges outside the South African embassy in Washington, including rich and famous individuals who have kept the TV cameras rolling.



A NEW all-star US record against apartheid, *Sun City*, could be broadcast in its four different versions on the ANC's Freedom Radio. The record is being produced by former member of Bruce Springsteen's E Street Band Steve van Zandt, and is sold accompanied by a fact sheet about apartheid.



Apartheid-free prehistory at Southampton congress

SOUTH African archaeologists, whose government has twisted and warped their country's history in defence of white power and racist mythology, are to be officially excluded from what is expected to be the world's largest-ever gathering on prehistory.

The executive committee of the International Union of Prehistoric and Protohistoric Societies (UIPPS), charged with organising the 11th world archaeological congress in Southampton and London in September 1986, dug deep into their consciences before concluding that South Africa could not be allowed to participate.

It was by no means an easy decision, Professor John Evans, UIPPS president and director of the Institute of Archaeology, explained. Executive members were deeply committed to the principle that the world congress should accept 'all bona fide scientists to its venue, irrespective of nationality, philosophical conviction or religious faith'.

But after lengthy consultations they agreed that 'South Africa, and its apartheid regime, placed it outside all normal principles and regulations'.

At least 37 South African delegates were expected to attend the huge UIPPS congress, which has not been held in Britain for more than 50 years. Some 3-4,000 participants, including Aboriginal leaders from

QUESTIONS FOR SOURCE B

B1.

What was President Reagan's approach to sanctions against South Africa?
Use evidence from the source to substantiate your answer. (3 x 2 = 6)

B2.

Using your own knowledge and the source, explain why Reagan adopted this attitude towards sanctions. (3 x 2 = 6)

B3.

What were the proposed sanctions of Congress and what did they hope to achieve? (8)

B4.

What is the attitude of the author of this article to President Reagan and his sanctions strategy? (6)

B5.

Do you think that the author of this article has treated President Reagan in a fair way? (8)

(TOTAL MARKS: 34)

SOURCE C: CARTOON – Sanctions against South Africa,
Anti-Apartheid News (September 1986)

Anti-Apartheid News September 1986 Page 7



(Archived at SAHA as Collection AL2457: W 2.1 – International – Anti-Apartheid Movements)

QUESTIONS FOR SOURCE C

C1.

Using your own knowledge and the cartoon, explain why Margaret Thatcher was opposed to sanctions being imposed on the South African government. (6)

C2.

Who do the other people in the cartoon represent? (8)

C3.

What is ironic about Margaret Thatcher saying 'Sanctions would hurt the wrong people'? (8)

C4.

What is the cartoonist's attitude towards Margaret Thatcher? How do you know this? (6)

(TOTAL MARKS: 28)

SOURCE D: Article – Pillars of Apartheid: Foreign trade and investment, *Anti-Apartheid News* (July-August 1990)

Pillars of Apartheid

Foreign trade and investment

Foreign trade and investment links with the South African economy have nurtured and sustained the apartheid system for many years. Although many countries, led by India in 1946, have imposed economic sanctions against South Africa, it is only in the last few years that apartheid's major trading partners, the economic giants of the West, have taken even limited actions. Yet already the effects of sanctions are beginning to show: together with the internal struggle they have been a major factor in forcing De Klerk towards the negotiating table.

South Africa's wealth is based on its human and natural resources. The discovery of gold and diamonds in the late nineteenth century led to an economic boom. It also led to the African population being forced off their land to work as cheap labour in the mines – the start of the migrant labour system. The mines were financed by foreign capital, establishing the international trade links that continue to this day.

The 1950s and 1960s saw a new wave of foreign investment. Cheap labour, due to apartheid, and abundant natural resources led to high returns on investment. South Africa became an attractive proposition for multinationals grateful for the apparent security offered by the rigid controls of the apartheid system. Control of most of the mines passed into the hands of South African companies, several of which have become multinationals in their own right. Foreign companies developed new industries, using technologies not available within South Africa. As the economy grew, the National Party government entrenched white minority domination, enacting many of the laws of apartheid that remain today. Foreign investment became a

pillar of apartheid.

The apartheid economy remains dependent on international trade and investment. Over 60% of economic activity is trade-related.

Primary products such as gold, coal, platinum, diamonds, other minerals and agricultural produce make up the bulk of export earnings. South Africa's imports are dominated by industrial equipment, electronics, car components and consumer durables: products which

after the discovery of gold and diamonds, the economy remains essentially driven by mining.

The dependence of the economy on international trade and investment renders it extremely vulnerable to sanctions. Despite the limited nature of sanctions imposed by South Africa's major trading partners (the EC, Japan and the USA) they are estimated to have cost the apartheid economy R100 billion (£25bn) over the last five years, and the gross

the drain of capital out of the country, caused by debt repayment, whilst trade sanctions cut the price South Africa could get for its exports. For example, the volume of coal exports has been maintained but only by cutting the price by 10-20%. According to South Africa's Trust Bank, the overall effect has been that 'interest rates have been higher, the rand lower, inflation higher, wages and salaries lower – and growth, employment and

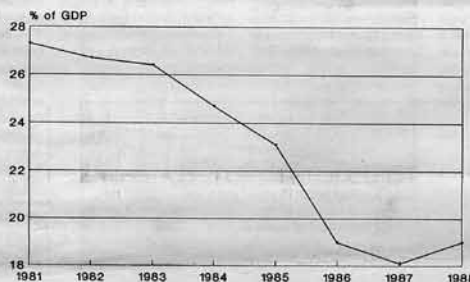
tional perceptions: unstoppable open mass resistance, and an international community threatening new sanctions and clamouring for the release of Mandela and for a political settlement.

Subsequent changes, including the release of Nelson Mandela, are the strongest proof yet of the effectiveness of sanctions. De Klerk has been forced to make the limited changes which we have seen because of internal and external pressures. The South African government has itself admitted that sanctions have worked. Speaking to parliament, De Klerk stated on 7 June 1990: 'We cannot live in isolation from the rest of the world. We need foreign trade and investment. We need technological, cultural and sporting interaction with other countries.'

Despite the impact that sanctions have had, foreign trade and investment continue to support apartheid. Rather than strengthen sanctions further in order to force the regime to abandon apartheid, some western governments, led by Margaret Thatcher, have lifted certain sanctions and are threatening to lift more.

The campaign for sanctions remains a key element of the anti-apartheid struggle. In the absence of sanctions, the apartheid system will be stronger and thus last longer. As Nelson Mandela said to Commonwealth foreign ministers:

'There are no grounds whatsoever for lifting sanctions against the racist regime of South Africa or in ending its diplomatic and cultural isolation... We call on all conscientious governments and people to halt and reverse the efforts to untimely and wrongly lift sanctions against the South African government. If the trend is not stopped, all our gains will be reversed.'



Fixed investment

South Africa lacks the technological base to manufacture itself.

Foreign investment has not merely fuelled economic growth; it has paid the bills for apartheid's racial bureaucracy and repressive machinery. Multinationals are concentrated in strategic areas of the economy, providing apartheid with access to technological and managerial skills, markets and manufactured products not otherwise available.

South Africa's economy is far less developed than those of the western countries with which the bulk of its trade is carried out. South Africa is essentially a developing country, with manufacturing fundamentally dependent on imported goods. The economy is too small to generate sufficient capital for the country's investment needs, making growth reliant on foreign capital. Over one hundred years

domestic product at least 10% lower than it would have been.

During the 1980s, foreign investment largely took the form of bank lending rather than direct investment in factories and plant, leading to a rapid escalation of South Africa's foreign debt. In 1985, its banks, concerned about mounting unrest and under domestic anti-apartheid pressure, demanded repayment of their loans.

South Africa could not pay and was forced to default and then renegotiate its loans. Since then, the apartheid economy has been almost entirely excluded from access to the international capital that had previously financed growth. But South Africa's creditor banks, chiefly in Switzerland, the US, the FRG and Britain, have three times softened the impact of this capital freeze by allowing South Africa to reschedule its debts.

Disinvestment added to

spending levels much lower than would have been the case in the absence of sanctions'.

By early 1989 at the latest, the regime had accepted that the only way out of its economic malaise was through substantial political change. In his budget speech, finance minister Barend du Plessis admitted that 'the first concern was survival in the face of an internationally-organised assault on the economy' and admitted that the only answer was through 'political progress'.

Throughout 1989 the economic situation deteriorated, whilst the detainees' hunger strike and the defiance campaign swung the political situation decisively in favour of the mass democratic movement. By the beginning of 1990, the regime was faced with a debt repayment schedule for the year which it could not meet without an improvement in interna-

(Archived at SAHA as Collection AL2457: W 2.1 – International – Anti-Apartheid Movements)

QUESTIONS FOR SOURCE D

D1.

What role does the article suggest that foreign trade and investment has played in the South African economy? (8)

D2.

What was the nature of foreign investment in South Africa in the 1980s and what effects did this have on the South African economy? (6)

D3.

Analyse the graph. What does it show in terms of fixed investment? (6)

D4.

How would you explain this decline in fixed investments? (6)

D5.

What is the article's view on the impact of sanctions?
Provide evidence to substantiate your answer. (6)

(TOTAL MARKS: 32)

SOURCE E: Poster – Don't entertain apartheid – support the cultural boycott



(Archived at SAHA as Collection AL2446: 0882)

QUESTIONS FOR SOURCE E

E1.

What is the message of this political poster?
Substantiate your answer with evidence from the source. (4)

E2.

Who do you think the intended audience is of this poster? Explain. (4)

E3.

What does the drawing in the middle panel suggest about artists who come to South Africa? (6)

E4.

Do you think this is an effective poster? Substantiate your answer. (6)

(TOTAL MARKS: 20)

GLOSSARY

boycott – an organised public form of protest in which a group refuses to do business with a country to place pressure on that country

constructive engagement – the policy followed by President Reagan of the US towards apartheid South Africa which aimed at maintaining limited political and business links with South Africa while continuing to demand political or social reform

disinvestment – the withdrawal of capital investment by foreign companies in South Africa.

sanctions – punishment or rules (in this case cessation of trade) designed to make people behave in a different way. Sanctions usually affect the lives of ordinary people, who would then put pressure on the government to change.

FURTHER READING

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