



## AS LÓGICAS DE ACTUAÇÃO EXTERNA EM ANGOLA E MOÇAMBIQUE

### South Africa's Africa Policy

A lot of what manifested itself after 1994 is determined by its past history. Concerns on South African circles, mostly in government circles, about being perceived as Big Brother in Southern Africa, so since 1994 it has adopted a very multilateral stance, placing great emphasis on UN organs, at multilateral trade arenas, at SADEC, focusing on UA, rather than taking a very unilateralist approach to foreign policy. Domestic Apartheid helps to influence the way in which it perceives the global governance of the world today. And the word global Apartheid has come up often when one talks about the reform of global institutions. Given our particular experience pre-1994, there is an understandable focus, although ambivalent, on democracy and Human Rights in Africa and around the world. And focus on conflict resolution based on the conviction of the relevance of our own experience in negotiating Apartheid away and a “peaceful transformation”, which some have called a miracle, but I suspect that the negotiators themselves will tell you that it was a lot of hard work. There is relevance to that, when one talks about others seemingly intransigent conflicts, not only in Africa but also around the world. Africa since 1994 has understandably emerged as a key pillar of our foreign policy. And that makes sense not only from a sort of altruistic perspective, but also from a very self-centred perspective. There is a clear understanding that South Africa's future is linked to Africa and that South Africa (SA) can be quite proactive in addressing Africa's challenges because it is by far the largest economy in sub-Saharan Africa, certainly in terms of levels of development. But it also, at the same time, believes and it has focused a lot of efforts and energies in that regard, that it is important to have ownership, African ownership of many of the initiatives, whether those are economic or political, in terms of changes (?) on the continent.

### South Africa's role in Africa:

This is a hotly debated and contested issue. Is it a benevolent or a malevolent power in Africa? I suspect, in some respects, the discussions on Angola and Mozambique are a mere reflect part of that. It could be characterised as an emerging middle power. In the international arena it has played an admirable role – ex: treaty on landmines, non-proliferation treaty, conflicts on diamonds, Kimberley process certification, etc. But of course, SA's acceptability as a regional leader is not always acknowledge and certainly there is a lot of ambivalence even among countries which are allies of it. Then there is the fear by SA in particular that it should be termed a hegemon. A hegemon doesn't necessarily have negative connotations, certainly not if you look at specialised literature. But SA has been hesitant on many issues to take a very strong leadership role that is not based on a consensus of Southern Africa or Africa – that can be perceived in the way it has operated on issues, both within

the sub-region as well as continentally, most notably perhaps in Zimbabwe. But in the commercial terrain it has taken a very different approach and many countries in the continent would characterise its commercial engagement as far more aggressive than its political engagement.

### **Nexus politics, economics and cooperation:**

One can characterise SA's approach schizophrenically. There is government sensitivity to the Big Brother definition – avoiding to be seen as to be giving SA business an unfair advantage. Ex: business delegation in Sudan. But to some extent, you have a perspective – e.g. the parliamentary portfolio committee members – that South African businesses should be supporting SA's conflicts resolution efforts by going into post-conflicts societies and helping to build up their economic structures, etc. There is also a sort of ambiguity and tension between South African government and businesses about the profit motive of business. A lot of officials in the government speak about the need to develop codes of conduct for the manner in which South African businesses behave when they go into the continent. In the immediate post-1994 phase there were some bad examples that has helped or contributed to colouring that perception of South African business not necessarily always being about hard (?). That has changed quite a lot. SA is not a donor country, not in the traditional sense. SA is also a recipient of foreign aid, although in a very small proportion of its GDP. SA has been engaged in a number of initiatives which can be characterised as co-operation. There is a substantial amount of capacity building and logistical support, particularly in countries like Congo, also in Southern Sudan with the involvement of universities, as well as government, and training up public administration officials. But as we are beginning to operate in those fields, there is a growing need for implementing systems of monitoring and evaluation, which we haven't developed yet. But there is certainly a lot of discussion in senior government and policymakers circles about the need to do that. And in fact the National Treasury has also a commission to report, to investigate the possibilities of SA becoming a donor. One of the areas that have emerged in the last years with donors is the issue of trilateral co-operation – money is provided to SA for projects in the region. That may be both training and logistical support. Ex: European Reconstruction and Development Fund. SA has also some tools to provide funds, particularly in infrastructures: IDC, involved in Mozambique; DBSA, which has started life many years ago as a funding agency for those notorious Bantustans in SA that subsequently evolved into a regional funding mechanism, which SA uses quite effectively.

### **Relations SA-Angola, Mozambique: historical context**

SA has very good relations with Mozambique. Angola is slightly more complex. Historically Apartheid SA supported UNITA and RENAMO. It had troops in Angola. Both states were targets of SA's destabilization strategy, which has given rise to the fear of being characterized as Big Brother. The fact that those countries are permanent interests, notwithstanding the fact of who is in government in a particular time. Both MPLA and FRELIMO had provided support to the ANC, during the Apartheid. In the post-1994 period, apart from the start of diplomatic relations the two countries relationship with SA have evolved perhaps in different ways.

Concerning relations with Angola, governmental officials will say: "could be better". One of the problems is related to the fact that Angola is a very important regional power. It is important militarily and politically – e.g. role that it has played and that it can potentially play in the future in both Congo Brazzaville and Congo Kinshasa and the fact that DRC is in a very delicate point in its transition. I think both countries have different approaches to problems and to conflict resolution and perhaps its stands from different political values. Angola has a traditional militaristic understanding of threats – the security co-operation to bolster the regime security against internal/external military challenges as we saw in the way in which it has engaged with the Congo. SA's approach pays more attention to human security elements and also to negotiations. There is some resentment towards SA, seen as the "new kid on the block". MPLA, the Angolan government and Zimbabwe believe in the issue of seniority and T. Mbeki not only is younger than both leaders,

but SA is a much younger republic in their perceptions. SA's attempts to mediate the conflict in the 1990s didn't go very well with the MPLA. And the fact that the ANC refused to unequivocally condemn UNITA is also something that is remembered. As are the fact that many Angolan families were left behind by South Africans who returned in the early 1990s to SA. There is a sense that feeds into seniority. That SA government doesn't give sufficient respect to Angola. And SA probably ranks further down in the ranks than many other countries previously mentioned. There have been a number of high levels visits, bilateral agreements, invitation for State visit by President Dos Santos has been extended, and it has never been taken up. The next Angola-SA joint commission hasn't happened. It was supposed to have happened in 2005. There is a host of agreements; some of them signed about 12 months ago, including one on promotion and protection of investments and on defence. But there is a gap between what has actually been signed and what has actually been implemented. In addition, SA has offered logistical support for the Angolan elections, but I suppose since a date hasn't been set for those, the offer hasn't been taken up. There is co-operation on training up brigades for the Congolese army and recently there was joint training on the regional stand-by brigade and Angola is also member of the Central African Brigade. The relationship from a business perspective has strengthened. We have a joint business chamber of commerce. Some of the companies operating – ABSA Bank, SA Breweries ... De Beers, which is re-entering the Angolan market in May 2005 after rigorous negotiations on some of the concessions they had. There are a number of opportunities that SA government is looking at in Angola, these include primarily in the area of infrastructure and special development projects along the lines that occurred in Mozambique – through the DTL. And even some of our provincial trade and investment promotion agencies are looking at linking this sort of West African coast line, all the way to Nigeria and coming all the way down to Cap Town. To link that and make Cap Town and its port a hub for both oil and gas and other sectoral developments. But not much of that has happened. One of the problems, which is very different from the Mozambique approach, is the absence of a concerted strategy between government and business in terms of going into Angola. I think that is coloured by the fact it is a rather difficult relationship politically. Unfortunately there is bribery, corruption, and poor governance practices not only on the Angolan side, but also in some South African companies - although, nobody will recognise that. Angola is also a very difficult operating environment – Angola was ranked 131st out of 155 in terms of doing business in the World Bank's. The other element that is important and is particularly South African characteristic is that the Angolans tend to be suspicious of South African business contacts that may be brought in by the government or seemed to have BEE credentials. The trade balance is favourable to SA.

Relations with Mozambique are excellent if you ask officials. There are a number of commissions, and a Head of State bilateral economic forum. There is a common approach to regional politics – looking at negotiated solutions. Mozambique is a key ally of SA for a number of forums, including NEPAD. Some of the initiatives of co-operation – cross-bordering policing, cross-bordering crime, particularly vehicle thefts, drugs, arms smuggling are very important – and there has been the support of the business community, particularly of the South African business community, in terms of funding. Also co-operation on borders controls, visas have been scrapped between the two countries. In the floods a few years ago the South African national Air Force helicopters, which have previously been used during incursions into Mozambique, provided very valuable assistance. This was a very good exercise in terms of cementing links between the two countries. Also some naval co-operation and numerous agreements in place. Key differences between Mozambique and Angola is the fact that a lot of the business which exists there is due to the government support in implementation of projects and the way problems are taken up at senior government level. Trade with Mozambique is quite substantially higher than that with Angola.

#### **Case study on SA business in Mozambique:**

SA is the largest investor (49% of total FDI 1997-2002). In 2005, SA was the single largest investor (58%). What is interesting is that China came from being 25<sup>th</sup> in 2004 to 6<sup>th</sup>, with investments of

about US\$5.500 million. Portugal is 4<sup>th</sup>. Leading sector is industry in terms of SA investments (Mozal aluminium, melter, sasol, which is about the development of gas fields and the pipeline to SA. Mozal is a multi-state one, but Billiton was initially a South African company. Other businesses: ABSA Bank, SABMiller, Shoprite Checkers, Illove Sugar (which took over the plantation that Fernando used to run several years ago!). There are over 250 South African companies operating in Mozambique. Most of those projects, 85%, are investments of under US\$1 million. Another interesting point is the fact that FDI into Africa is done by South African State owned enterprises (ESKOM, Spoornet or TELKOM). The issue there (politically driven) it's the concern that SA is going in and buying up services. Although, if one looks at one of the critical determinants of successful co-operation in a win-win situation it is that there was a substantial amount of political will. Mozal fits into the broader Maputo Development Corridor, which links Gauteng, Pretoria, to the port of Maputo. There have been a number of positive impacts by South Africans companies in Mozambique – e.g. taxes revenues, technology transfers, increasing consumers choices, wage levels, good practices. Negative impacts: there isn't a sufficient linkage with local companies; a lot of the material and products are sourced by SA, rather from local Mozambican companies. Key challenges: having clarity on objectives of diplomacy, both political and economic (What is the nexus between self-interest and broader goals? The issue of win-win situations); perhaps an issue to be considered by Portugal: what is possible bilaterally – given one's size - and what is possible multilaterally? – e.g. EU, SADEC. In the South African context, Africa's Regeneration can lead to new consumer markets, well functioning states and greater confidence in Africa. Which is ultimately also in our interest (“Islands of wealth can not survive in oceans of poverty”); the role of innovative self-grown mechanisms for improving governance (Governance is an area about public and corporate governance – the African peer review mechanism is potentially one such mechanism that can encourage better governance). Other challenges: conflict resolution and stability; Chinese entry (I think it is very much about looking and identifying the opportunities, about being strategic. There is a growing awareness within China of the sense of threat from many citizens in African countries. There is a difference between the way elites view China and ordinary citizens view China); interest of local actors should not be neglected; particularly from a South African perspective, there is an increasing focus among businesses – not only in government – about the issue of “triple bottom line”: the sustainability reporting, the importance of making sure that investing in a particular region also has benefits for the community, that it doesn't seem to be purely or entirely exploitative.