

South Africa

CONTEMPORARY HISTORY

South Africa is a multi-ethnic state where different groups of people settled in succession over the centuries. The indigenous African population was made up of several groups, principally Bantu pastoral tribes, hunters, and Zulu fighters. Most of these groups had settled in the area that is present-day South Africa before the second century. Dutch immigrants (Boers) came in the 18th century and settled as farmers, despite resistance from the indigenous African tribes. Finally the British came and pushed the Boers to the North of present-day South Africa.

In the late 19th century, gold and diamonds were discovered in the northern regions of South Africa, leading to an influx of Europeans and expanding British influence. Boer reaction to this influx and British political intrigue led to the Anglo-Boer Wars of 1880-81 and 1899-1902. British forces prevailed in the conflicts, and the Boer republics were incorporated into the British Empire.

South Africa became an independent country in 1910. Immediately, the defeated Dutch descendants gained political control of the unified country. Together with the British, they built a racist state where the majority black population had no political rights and was segregated under the system of apartheid. The system was further radicalized after the ultra-right National Party took power in 1948 (staying in power until 1994). Blacks were dispossessed and not allowed to live in white-dominated cities.

In the 1960s, black resistance was organized under the leadership of the African National Congress (ANC), headed by Nelson Mandela. Most of the leaders of the ANC were jailed, killed, or forced into exile. The ANC went underground and fought apartheid through guerrilla warfare and sabotage. South Africa was progressively isolated from the world for its racist policies, and the United Nations eventually declared an embargo on South Africa in the early 1980s. In 1989, with violence increasing and the UN sanctions taking effect, F.W. de Klerk came to power as president and initiated reforms.



Flag



The current flag was adopted in 1994. The six colors represent racial, social, economic, and political diversity. The design symbolizes the peaceful joining of all into a democratic nation.

South Africa: Facts

Capital	Pretoria
Government	Const. Republic
Government Head (President)	Kgalema Motlanthe
Economy	Capitalist
Independence	1910
Area (sq. km)	1,219,000
Population (millions)	49
Adult Literacy	86.4%
Pop. Growth Rate	0.83%

Source: CIA World Fact book. Military data for year 2005 and Military % of GDP for year 2006. All others for year 2008. GDP figures are in Purchasing Power Parity. Tuberculosis data for year 2006 and Health Care % of GDP for year 2005 from WHO.

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In 1990, de Klerk liberated Nelson Mandela, who by then had been in prison for 27 years. After a transition period, a new constitution was created in 1994, and the first multiracial and fully democratic elections took place. Amid immense hope for the 80% black population, Nelson Mandela became president of the country and started undoing the legacy of the apartheid system. Thabo Mbeki succeeded Mandela in June 1999. In South Africa, the president is chosen by the majority power. In September 2008, Mr. Mbeki was recalled by the majority ANC party for it became clear that the party needed new leadership. He was accused of being arrogant, aloof and of centralizing too much power. Kgalema Motlanthe is serving out his term. The next presidential election will be in April or May 2009. Mr. Mbeki's former deputy, Jacob Zuma succeeded him as ANC party leader. He therefore has a strong chance of becoming the next president.

SOUTH AFRICA TODAY

The Republic of South Africa is located at the southern tip of the African continent. It is bordered by the Atlantic Ocean on the west and the Indian Ocean on the east. In size, it is three times the size of Texas. It encompasses the independent mountain kingdoms of Lesotho and Swaziland within its borders. The country is one of economic extremes. Due to its poverty level it is considered a developing country. But because of its history, some of its industries and the sophistication of its financial sector are more similar to a developed country's institutions.

South Africa is moving beyond its legacy of apartheid. Former President Mandela began the process of a peaceful transition to democracy through reconciliation for all South Africa's diverse groups. Former President Mbeki continued the transformation to democracy and began to redress the issues of inequality. Under apartheid, South Africa was one of the most unequal societies in the world. According to the UN, 67% of total income was concentrated in the hands of the richest 20% of the population. This left the poorest with a mere 2%. After the change to a multiracial society, the number of black households in the high-income group increased by 368% (1998-2004). The number of blacks in the low-income category fell from 51% to 35%. But serious social problems remain.

Because of South Africa's peaceful transition to national reconciliation, it is looked to as a model by countries

in the developing world that are struggling with civil wars or ethnic unrest. South Africa advocates an open dialogue between warring groups rather than a rush to war. It is perceived as more neutral than the great powers like the US and Germany. Because it is one of the few countries to give up nuclear weapons voluntarily, it gains respect from both developed and developing countries in nuclear non-proliferation discussions.

On the other extreme, South Africa is struggling with the devastating impact of AIDS. One in five South Africans is HIV-positive. It is estimated that average life expectancy would be 10 years higher without AIDS. Without treatment, over half of 15 year olds are not expected to reach the age of 60. The government lost many years of working on this problem because Mr. Mbeki and his health minister refused to believe there was a link between HIV and AIDS. The country now has a plan to treat 80% of the HIV-infected people with antiviral drugs. But it will be difficult to make up for lost time. The health care costs, the care of orphaned children, and the loss of these young, skilled workers will be very difficult for South Africa to absorb.

Human Rights

Since the end of apartheid, South Africa has taken a prominent international role on many Human Rights issues. One example of this was South Africa hosting of the UN's meeting on racism in 2001. This is a dramatic change for a country so recently shunned by the world for its refusal to allow its black population to be treated fairly.

Under apartheid, South Africa was a leading human rights offender. The system oppressed and kept in poverty the 80% of the population that was black. In addition, police violence, torture, and crimes were rampant. In their frustration, black-on-black violence became widespread in the mid-1980s.

In order to create a peaceful transition to black rule, former president Nelson Mandela created the Truth and Reconciliation Committee (TRC). The committee's task was to uncover the truth of South Africa's past repression under apartheid and spur forgiveness and reconciliation. The TRC heard testimony about apartheid crimes from about 21,000 people. In 2003, it released its final report. Also in that year, the government began paying reparations to people who had been wronged.

These monetary payments, however, cannot erase the years of pain and discrimination suffered by black South Africans under apartheid. Mandela himself had been imprisoned for 27 years by the white ruling government.

In the new South Africa, there have been radical changes and improvements. Apartheid has been abolished. In January 2000, the government passed four major laws to improve rights in the country. Discriminatory laws based on race have been repealed, and the government and most private firms have instituted affirmative action programs to integrate all racial and ethnic groups more equally into society and the workplace. True democracy has been introduced and every adult is now allowed to vote. Police violence has been reduced, but it remains at high levels. In April 1997, the government established an Independent Complaints Directorate to investigate deaths in police custody and deaths resulting from police action.

However, major problems remain. First, inequalities are huge and will take enormous efforts to reduce. Second, in part because of the wealth gap, crime rates are among the highest in the world. Violent crime and organized criminal activity exist at high levels (the world's highest rate for rape, and the second-highest for murder). Some progress is being made. According to South Africa's Institute for Security Studies (ISS), the murder rate in South Africa has gone down 40% in the past eight years. The number of carjackings is down 20% since 2000.

The government mandates compulsory education for children from ages 7 to 15. It is making efforts to expand opportunities to black children, but resources are not sufficient to meet the huge demand. Tragically, there are reports of violence in schools, such as rape and attacks. The government is initiating a plan to make a small percentage of black rural schools free so that more parents can afford to send their children to school.

The law stipulates a minimum employment age of 15, but enforcement is limited. Because of this, child labor is common in agriculture and in informal, small-scale industries. However, South Africa has signed the *ILO's Convention #138 on Minimum Age* and the *Worst Forms of Child Labor Convention #182*.

An increasing number of children are orphaned by the AIDS epidemic. It is estimated that by 2008, South

Africa was dealing with 1.6 million AIDS orphans. They cannot afford to go to school and frequently become homeless. This makes them vulnerable to violence and human trafficking.

Human trafficking is a problem in South Africa. The country is used as a source for victims, a transit stop to other countries, and as a destination. Women and children are the most at risk. They are used for forced labor and prostitution. Men and boys are trafficked for agricultural labor. South Africa has been on an international blacklist for four years for failure to show evidence that they are combating human trafficking. The government provided inadequate data in 2007 for trafficking crimes investigated. The country continues to deport and/or prosecute suspected foreign victims without providing appropriate protective services.

There is also a high rate of violence against women. Newspapers report that on average every six days a woman is killed by her husband or boyfriend. Although laws have been adopted to prevent domestic violence, the police are often unwilling to enforce them, so few women file complaints. The government has pledged to combat the problem by establishing centers for battered women and creating special domestic and sexual violence units within the police.

Discrimination against women in the workplace remains a serious problem despite legal advances and government attention. The government established the Office on the Status of Women in 1996 to develop strategies to ensure integration of gender concerns in policy and planning. This office also investigates cases of reported gender discrimination.

Environment

The South African government is deeply concerned about managing the country's rich and varied natural resources in a responsible and sustainable manner. It understands the negative effect global warming would have on the African continent. Many believe that global warming is causing the intensifying floods and growing desertification in Africa. Numerous South African non-governmental organizations have sprung up to engage in the public policy debate on climate change, habitat conservation, and sustainable development.

South Africa is also concerned about air pollution. It is

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the largest polluter in Africa. Most electricity is generated by coal-burning plants (87%), which are heavy contributors to GHG emissions. In winter, coal-burning stoves in black townships produce thick smog. As a developing country, it is not subject to emissions cuts. It has ratified the Kyoto Protocol Treaty.

South Africa has more vehicles than most African countries, so it has been reducing its car and truck emissions. This is a two-step process. First, leaded gasoline must be discontinued, for it renders catalytic converters useless. As of January 2006, lead was no longer added to gasoline in the production process. As of February 2005, all new gasoline-powered passenger and light commercial vehicle models introduced in South Africa had to meet mandatory maximum emission levels, which usually meant being fitted with a catalytic converter. As of January 2008, all new oil-powered vehicles of all types, whether they are new or existing models, must be fitted with catalytic converters. There is no requirement for cars built before these dates to be retrofitted. More than 70% of all new cars are already fitted with this equipment. Catalytic converters have been used by developed countries for 30 years to reduce engine emissions. It is ironic, for most of that time South Africa was one of the largest producers of catalytic converters for the export market.

South Africa is seen as a leader among developing countries on issues such as climate change and biodiversity. It was chosen to host the World Summit on Sustainable Development in 2002. A Strategic Framework for Sustainable Development in South Africa was drafted in September 2006. The framework

provides focused support for the development, demonstration and application of renewable energy. In particular, it emphasizes the sustainable production and management of solar and wind power and non-grid electrification systems for schools and clinics in rural communities. For example, the city of Cape Town plans to obtain 10% of its energy from renewable sources by 2020. A wind farm is being built as one source of renewable energy. Even though energy generated by the wind farm will be 25% more expensive, consumers will have the option to buy this green electricity and pay the higher cost.

However, South Africa has urgent needs to increase its electricity supply. The nuclear power industry is more established than alternative energy companies. So it is looking to build more nuclear power plants. In August 2007, a draft nuclear energy policy for South Africa addressed growing electricity demand and the country's reliance on coal for power. South Africa already operates two nuclear power plants. It has 23 years of experience with nuclear power. By 2030, the Nuclear Energy Corporation of South Africa (Necsa) expects nuclear capacity to increase with the addition of 12 new large nuclear power units. This will allow a reduction in the use of coal from 87% to less than 70% for electrical needs. However, spent fuel rods from nuclear power plants require safe storage for thousands of years. No country has yet managed to build a long-term storage facility. It also needs extensive water resources for cooling. Finally, there is evidence in France and the UK that reprocessing of plutonium leaves trace amounts of radioactivity in the water supply.

The general condition of health in South Africa is alarmingly poor. The country rates badly in terms of the WHO measure of health system performance. The health care system is characterized by a huge division between the private and public sectors both in terms of facilities and funding. This division is reflected in the gap in the population between rich and poor.

South Africa's current expenditure on health care equals about 8.7% of GDP, with public funding covering about 42.2% of all costs. The country has no system of national, publicly funded health insurance. There are fewer than six doctors available for every 10,000 people.

Nearly 20% of South Africa's adult population is HIV-positive (215 per 1000). Its incidence of tuberculosis (940 per 100,000) is four times greater than most other developing countries. Tuberculosis, which is highly infectious, is the leading cause of death for people with AIDS. The rate of infant mortality is 45 per 1,000 and average life expectancy is 49 years, one of the lowest in the world.

After years of indecision and denial, South Africa is now dealing with the devastating impact of AIDS. For years, former President Mbeki and his health minister insisted that there was no link between HIV and AIDS. They refused to institute drug therapies for AIDS victims. Finally Mr. Mbeki fired his health minister over this issue. In 2003, a national plan was instituted to provide a comprehensive response to HIV and AIDS. It included a goal for the government to pay for 250,000 people to receive anti-AIDS drugs. In March 2007, the South African government announced a new five-year plan. It

South Africa: Health

Birth Rate	20/1,000
Death Rate	17/1,000
Life Expectancy - Male	50
Life Expectancy - Female	48
Infant Mortality	45/1000
HIV/AIDS Cases	5.3 million
HIV/AIDS Prevalence Rate	215/1,000
Tuberculosis Rate	940/100,000

aims, by 2011, to reduce the number of new HIV cases in the country by 50% and to provide at least 80% of HIV-positive people with access to antiviral treatment. But it will be difficult to make up for lost time. The effect of HIV/AIDS on South Africa is staggering. According to UNAIDS, an estimated 320,000 people died of AIDS in the country in 2005. That is 900 people everyday. People spend more time going to funerals in South Africa than shopping. The epidemic could cost the country as much as 17% in GDP growth by 2010, for the largest age group effected is working age people (18-49).

Economy

South Africa has a two-tiered economy. The formal sector developed under white rule due to an abundant supply of natural resources. It has the most advanced, broadly based, and productive economy in Africa. The other side of the economy has only the most basic infrastructure. Thus the economy is characterized by a tremendously uneven distribution of wealth and income. It is both a developed and developing economy at the same time. The chief economic priority is the construction of a prosperous and more equitable economy, one that is strong enough to provide jobs and a better living standard to the newly enfranchised black majority.

There have been some successes. The government has managed to increase electricity and water access to poor black neighborhoods. A new black middle class is emerging. However, the overall task is proving more difficult than expected. For example, the government passed numerous laws to protect black workers and make it more difficult to fire them. However, those laws have discouraged businesses from hiring new employees.

The newest government attempt at black inclusion is

to negotiate quotas so that blacks have access at the highest business levels. They have already reached an agreement with mining industry executives that black ownership of that industry must reach 26% over the next 9 years. The government has forged a similar agreement with the gas industry. Discussions are being held in other sectors, including financial services, electricity, and tourism.

South Africa's GDP annual growth rate has been a respectable 4-5% over the last several years. However, the government estimates that it must achieve an annual growth rate of 6% to make a dent in the unemployment rate. The persistently high unemployment rate is officially at 21.7% for 2008, although the unofficial rate is estimated to be far higher. Government job growth has helped reduce unemployment rates recently. The government has tried to keep its commitment to improving infrastructure and service delivery, which meant adding staff for such projects.

The global economic slowdown that began in late summer of 2008 has slowed South Africa's growth sharply. Domestic spending had shown good growth in recent years due to an expanding middle class. But it is now showing a big decline, as consumers become more cautious spenders.

As for trade, South Africa is the world's largest producer and exporter of gold. It also exports a significant amount of coal. However, exports have slowed with the global economic meltdown. Mining and manufacturing have both seen big declines.

The country has made great progress in dismantling its old economic system, which was based on limiting imports, high tariffs, anti-competitive behavior, and extensive government intervention in the economy. Its new economic model is in transition to a free-market

South Africa: Economics

GDP (billions)	\$506
GDP Per Capita	\$10,400
GDP Growth Rate	3.7%
Unemployment	22%
Inflation Rate	11.3%
Exports (billions)	\$81
Imports (billions)	\$87
External Debt (billions)	\$40

economy. The government is reducing export subsidies and tariffs, although the process remains timid. Some important industries have been exempted and relatively long transition periods are allowed.

South Africa is trying to spur its economy through greater integration into the world economy. It is a member of the WTO. Former President Mbeki took a leadership role in promoting trade between other developing countries. This has helped to increase trade with other African nations in the last few years. As a member of the Southern African Development Community (SADC), the country has signed a regional trade agreement with its SADC partners.

On the financial side, the country has the favorable investment climate of a developed country, with an independent reserve bank that adheres to international banking standards. It has a large and well-developed stock market, which ranks 17th in the world in terms of market capitalization. However, like most global stock markets, it has been hard hit by the global recession. Stock prices are down an average of 40%. Due to the international credit crunch, it is expected that capital inflows such as bank loans and trade credits will fall sharply.

Foreign direct investment looks more promising. South Africa has been a major recipient of foreign investment since the lifting of UN sanctions. However, FDI has not been occurring only as a result of a beneficial business climate. It is partially due to privatization and the return of business that had moved to other countries due to apartheid. Investors are also interested in South Africa due to its large domestic market. It is about three times greater in size than the second largest African country, Nigeria.

The government has been pursuing fiscally conservative monetary policies to reduce inflation and public debt. Public debt has declined by 50% since 1999. While still high, inflation has been reduced to 11.3% as of 2008. But both numbers are likely to go in the opposite direction with the global economic slump. Currently the budget deficit is 8% of GDP, which is considered high by international standards. The South African currency lost 33% of its value in 2008. While this makes its exports cheaper, it makes it more expensive to import goods. As a member of the World Bank and the IMF, the country is eligible to draw loans from these institutions for development projects.

Security

The racial system of apartheid kept South Africa a near outcast state for most of the last half of the 20th century, greatly limiting its influence. The recent abolishment of apartheid and other changes have brought South Africa to a prominent place among African nations.

During the Cold War, South Africa's strong anti-communist policies made it an ally of the US. The country took part in covert military campaigns against communist forces in neighboring countries, especially in Angola. In neighboring Namibia, South Africa exerted so much influence over the country that it became essentially a client state.

Things changed dramatically for South Africa in 1994 with the election of Nelson Mandela and the first post-apartheid regime. Though difficult domestic challenges remained, South Africa immediately saw its international standing improve dramatically. President Mandela sharply increased South Africa's international profile, and he played a leading role in working to end African conflicts in Rwanda, Zaire, Liberia, and the Sudan, with mixed results.

Former President Mbeki has continued South Africa's international and regional leadership role. For the 2007-2008 year, South Africa was nominated to become one of 10 non-permanent members of the UN Security Council for the first time. The presidency of the Security Council rotates monthly between members. When South Africa's turn came in March 2007, it immediately requested a 90-day delay on imposing new sanctions on Iran and its insistence on enriching uranium. While recognizing the need "to impose coercive measures such as sanctions" regarding nuclear disarmament, South Africa believes that such measures should only be a means to political dialogue to achieve a peaceful solution. South Africa proposed amendments to Resolution 1747 aiming to establish confidence in the nuclear program of Iran and these were eventually accepted by the major powers. However, the main proposal to suspend measures against Iran for 90 days to give negotiations a chance was rejected by all other Security Council members.

South Africa has a unique claim to fame. It is the only country (except for the new countries created by the

break-up on the Soviet Union) that built nuclear weapons but agreed to dismantle them. Developed as a defense against the communist threat in Africa during the Cold War, they were dismantled after the Soviet Union collapsed. In 1991, South Africa signed the Nuclear Non-Proliferation Treaty (NPT). Two years later, the South African Parliament passed the Non-Proliferation of Weapons of Mass Destruction Act, which committed South Africa to abstaining from the development of nuclear weapons.

At the 1995 NPT Review and Extension Conference in New York, South Africa played a significant role as the "chief mediator" between the nonaligned movement and the nuclear weapon states. It was instrumental in the discussions resulting in the adoption of a set of 'Principles and Objectives for Nuclear Non-Proliferation and Disarmament. Officials credited South African diplomacy with building consensus among member states at the conference to extend the NPT indefinitely.

In 1996, South Africa and 42 other African states signed the African Nuclear-Weapon-Free-Zone Treaty (the Treaty of Pelindaba). In June of the same year, South Africa was admitted to the UN Conference on Disarmament in Geneva. In September 1996, South Africa signed the Comprehensive Test Ban Treaty (CTBT). South Africa was one of 44 countries that had to ratify the CTBT for it to take legal force. It is not yet in effect for nine of the 44 countries did not ratify it. If it is ever ratified, South Africa will host five monitoring stations to verify the treaty.

Regionally, former President Mbeki pledged to the G8 members that Africa can solve its own problems. The country has an advantage of perceived neutrality, unlike the post-colonial Western countries. Using a formula for conflict resolution modeled after its own peaceful transition from apartheid, South Africa has been praised for its approach. The first step is to make sure all affected parties talk to each other. The next step is to install a multiparty transitional government until general elections are held.

With almost 25% of Africa's countries experiencing conflict in recent years, it was clear that new ways of dealing with this tragedy were required. An important change was the transformation of the Organization of African Unity (OAU) into the African Union (AU) in 2002. Under the old OAU, state sovereignty was the rule. With military dictatorships prevalent in the 1980s

and 90s, no ruler would have welcomed an organization that advocated democratic values. Non-interference in the internal affairs of other member states was its trademark. Regional interventions were the exception, not the rule. The AU, on the other hand, is closer to the European Union in its collaborative intent. It supports good governance and promotes the rule of law.

South Africa, Nigeria, Senegal and Algeria took the lead role in the development of new African groups to provide support within Africa for democratic goals. Examples are the African Peer Review Mechanism under NEPAD (New Partnership for African Development) and the Conference on Security, Stability, Development and Cooperation in Africa. CSSDCA is loosely modeled on the OSCE (Organization for Security and Cooperation) of Europe.

South Africa collaborates with other countries on issues of international terrorism. In the wake of 9/11, South Africa passed anti-terrorism legislation. The US has set up a new US central command for the continent called Africom. The Americans are concerned that Somalia could become a breeding ground for terrorism on the continent. The country has no functioning government and Somali pirates have been hijacking ships off its coast and holding them for ransom. In 2007, African Union forces moved into Somalia in an effort to bring stability to the country. The mission was to end on December 31, 2008, but it has been extended at least two more months.

While the South African government did not agree with the US invasion of Iraq, about 8,000 South Africans are working in the private security industry there. Most of those recruited operate as drivers and bodyguards, protecting supply routes and valuable resources. The government is rather alarmed at this turn of events, but

South Africa: Security (Armed Forces)	
Military expense as % of GDP (2005)	1.7%
Military expenditures (millions)	\$2,653
Military expense per capita	\$60.30

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it has been unable to prevent it.

As for domestic terrorism, during the apartheid era, South Africa experienced some terrorist acts as the government resorted to assassinations and several anti-apartheid forces engaged in bombings. However, domestic terrorism is no longer a major concern. The only concern is the fact that South Africa has uranium mines

and nuclear power, with a plan to increase the number of power plants in future years. While South Africa has stringent regulations concerning access to nuclear bomb making materials, any increase in the availability of such materials means that the odds increase that terrorist groups could someday obtain enough uranium to make a weapon of mass destruction.
