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*Dear Clive,*

MISC 118: FUTURE OF SOUTH AFRICA

1. I am afraid that we are running a little behind on letting you have the contribution called for at our meeting on 26 September, bringing together the up-to-date ideas from our Embassy in Pretoria with our own contribution (my effort was very much off the cuff).
  2. Meanwhile, in an attempt to clear my own mind, I have written, very much as a personal contribution to the discussion, the attached "Introduction", which I hope brings out some of the factors which need to be taken into account in any serious analysis on "What might happen".
  3. In both the medium and the longer term, the growth of population/economic development issue is central. Then there is the question whether P W Botha can bring together any kind of moderate black constituency, which is linked to the problem of the homelands. Evolving Afrikaner attitudes and the risk of a white backlash are a complementary theme. Finally, there is the issue whether any constitutional system can be devised which will accommodate so many conflicting interests.
  4. In the slow, medium and longer term, a crucial issue will be whether the forces of law and order, whoever controls them, will be strong enough to allow social, economic and political development to proceed in a reasonably orderly manner.
- . The trouble with South Africa is that the closer one has been to it the more complicated the problems appear to become. As you know, I have been over-close to it all since early 1982!

*Yours ever,  
E A J*

E A J Fergusson

CONFIDENTIAL

blind cc:  
Mr Johnson  
Mr Reeve  
Mr Powell, No 10 for interest ✓



## INTRODUCTION

Background

1. South Africa is not inherently rich; it is an arid country with limited water resources. It was not until the discovery of diamonds and gold in the latter part of the nineteenth century that its simple agrarian economy started to evolve towards the complicated mixture of first and third world economies of today. The first world economy developed on the basis of a continuing input of European, largely British, capital, technology, and human skills; the mining industry on which an industrial economy has since been based could not, however, have developed without unskilled labour, drawn largely from the black tribes throughout the region. From that process has evolved the phenomenon of the urban African; caught up in a Western-style world. However, the third world sector remains important; the black population as a whole still comprises a dominant proportion of rural dwellers, mainly peasant farmers farming by inefficient traditional methods.

2. The black population is growing at a rate of between 2.8% and 3% per annum. Rural poverty, as a result of population pressure and the progressive degradation of the land available to blacks (despite the concentration of black people in the areas of greatest rainfall), is getting worse and increasing migration to the towns is the direct consequence. The population of South Africa is

/likely



likely to double between now and 2010. That increase will be almost entirely among black people. In the long term, therefore, South Africa faces a similar threat of over-population to that of other areas of Black Africa. If this growing population is to be fed, given jobs and offered the maintenance of its existing, let alone an improving, standard of welfare, the economy will need to grow on average at about 5% per annum. Growth will have to be in industry, not on the land.

#### Economic Growth

3. Such a rate of growth is hypothetically possible, given South Africa's mineral resources, developed infrastructure and efficient (extensive, capital intensive/low labour utilizing) modern agricultural sector; the following are among the main factors:

no further increase in the rate of population growth;  
reasonable political stability;  
the maintenance of stable and/or increasing  
commodity prices (especially gold);  
the absence of prolonged drought;  
the availability of skills;  
continuing flow of external capital;  
(there is no effective external threat at present).

/4.



4. The development of skills is crucial; the demand goes beyond what can be satisfied by traditional immigration patterns and can only be satisfied by increasing what is available from indigenous sources. Yet the creation of skills from the main untapped pool, the blacks, can only take place if there is massive social, economic and educational change. The extent to which that process is already underway is one of the factors in current political disturbances. It is inconceivable that the current widespread social change which the growth of the economy requires can occur without dramatic political change. But stable economic growth needs time.

Apartheid and the "group"

5. By South Africa we normally mean the territories given independence by the British in 1910. At that time, dominant power, as a result of the bargain which ended the Boer War, was given by Britain to the whites and, inevitably, to the majority element in the white population, the Afrikaner. Evolutionary change, that is change from within the established legal and constitutional system, can only occur if it has the support of the majority of the electorate. Since 1910 and above all since 1948, when the Afrikaner National Party took power, the attitudes of the Afrikaner majority have been the dominant aspect of the South African political process. No present South African leader can act as an autocrat. Afrikaner attitudes are changing; can they change fast and far enough?



6. The Afrikaner has a strong sense of group identity. Apartheid was based on the concept, which the South African Government still strongly adheres to, that in a very diverse society which brings together peoples of radically different cultural and historical background, stability could only be achieved by a recognition of the need to guarantee security to the group, with individuals subordinating their interests to the need of the group. On the basis of his own experience, the Afrikaner sees politics in group terms; other whites (mostly English speakers) are perceived to have a group identity, though an increasingly blurred one; Coloured and Indian people have their group loyalties and, now, a place, on a group basis, in the constitutional system. The Afrikaner both identifies the blacks (Bantu) collectively as being a non-European group and at the same time as forming a collection of tribally-based groups (Xhosa, Zulu, Tswana, Venda, Sotho etc). The notion that blurring group identity and mixing peoples of different culture leads only to tension is deeply imbued in Afrikaner attitudes. He believes that his survival can only be secured on the recognition of this "separateness" (apartheid). Although Western industrialized societies emphasize individual rights and have rejected the Afrikaner stress on the group, the problem of safeguarding minorities has to be addressed.

The "homelands"

7. Facing an inbuilt black majority, the Afrikaner, in



the 25 years after 1948, tried to finesse the threat of black domination by separating off as many as possible of the black people into "homelands". (This is Grand Apartheid). Some of them have taken independence (Bophutatswana, Venda, Transkei, Ciskei) and some a measure of administrative devolution (viz Kwa Zulu, Gazankulu, Lebowa, Kangware etc). There is as much historical and cultural justification for this process of devolution as there was for the creation and granting of independence to Botswana, Swaziland or Lesotho. Because it was associated with "apartheid", the process has not however been accepted either by most black "South Africans" or by the international community. Nonetheless these regions represent a major concentration of blacks living in "1910 South Africa" and any future dispensation has to take account of them. Recent events suggest that the South African Government has belatedly recognized that the process has worked against its own interests. It has not been possible, primarily for economic reasons, to get rid of the potential danger from urbanized blacks (increasingly prosperous, educated, articulate and dissatisfied as they are the balance has to be tilted back again. Recent measures (eg a return to common citizenship) suggest that the Government is looking for some way to counterbalance the de-stabilizing forces in the townships by giving a role to Homeland blacks, so as to increase the size of the moderate, and especially rural, black constituency. It is not at present clear whether the leaders of the Homelands (independent or self-governing) will play the same game as



the Government; and, given our limited knowledge of black attitudes in the independent black states (because our non-recognition means that we have little contact) it is impossible to tell at present what chance of success the Government has. Nevertheless, the larger (in numerical terms the moderate black constituency, the better the chances of reasonable dialogue and orderly reform.

Black political attitudes

8. At present, black political attitudes are hard to identify, in the absence of representative political mechanisms. Most black activism is urban-based. There are significant divisions between the ANC and the "black consciousness" PAC and AZAPO and between those and the Zulu-based Inkatha. The UDF brings together an inchoate coalition of forces opposed to the present system. Black opinion is almost certainly given a false homogeneity by the common sense of discrimination which all feel vis-a-vis the white dominated "system" - it is easier to know what black political groups are against than what they are for. With the exception of Inkatha, the opposition to the political "system" is linked with a rejection of capitalism, the white-dominated financial, commercial and industrial organization of society being seen as an extension of apartheid policies. Attitudes are changing, however, as blacks enter the middle class, as they too become entrepreneurs and restrictions on black enterprise are removed, but it is a slow process.



White attitudes

9. It can be regarded as axiomatic that the willingness of the whites to see the erosion of some of their special privileges in recent years has been facilitated by growing prosperity. In contrast, the economic depression since 1983 has not only been a direct stimulus for township violence but has made many whites more fearful of the threat to them of social and therefore political, change. In recent months, the Government's fear of "white backlash" appears to have grown.

The consequences of majority rule in a unitary South Africa

10. If there were rapid political change leading to the prospect of an early assumption of power by blacks, such as would come from the adoption of a one-man, one-vote system in a unitary South Africa, it is possible that black unity would be held together by the need to preserve a common front against the white. It is possible, too, that some unity would last after a transfer of power, while the dominant concern was a division of the spoils, ie inevitably a rapid transfer of economic resources from white to black. This would have profound consequences for the present economic organization of society, on which South Africa's prosperity is based. It seems likely, moreover, that the strains of the jockeying for power during and after the transitional process would lead to an exacerbation of divisions between black people, some ideological but more tribal. There is no dominant tribal grouping which would be accepted by others as the natural



leader. Moreover, given the close tribal links between the South African tribes and their neighbours (Tswana in Bophutatswana and Botswana, and cross border affiliations, among Sotho in Lesotho, Venda in the North and the Nguni tribes - Xhosa, Zulu, Ndebele and Swazi) tribal dissension in South Africa might spill over into neighbouring territories. The Coloured, Indian and White minorities could scarcely avoid being caught up in such dissension.

Options?

11. Black power (put crudely, the control of army and police by black people) is at present feared and rejected by the vast majority of white people, and less vociferously by the other minorities. Because the Government cannot or will not make any forecast of its long-term intentions, discussion of what other choices are on offer takes place in a vacuum, though an immense amount of paper has been generated on federal/confederal systems, consociational democracy (etc) group rights and individual rights. Outsiders cannot prescribe what will eventually emerge from a prolonged struggle for power. They can observe, however, that the most hopeful background for peaceful evolutionary change, such as would preserve the residual features of Western civilization which still distinguish South Africa from virtually all countries in Black Africa, would be the



accelerating development of a black middle class, with vested interests in the present economic system and the progressive adoption of Western values - the "whitification" of black society. This is, of course, the nub of the argument in favour of maintaining foreign economic involvement in South Africa.

Is there time?

12. Taking these and other strands of an extremely complicated situation into account, the crucial questions for any forward forecast of South African development are whether it is not already too late, whether the task of social transformation is beyond the resources of the South African economy and whether the legacy of bitterness and frustration among blacks is not now too strong for peaceful transformation still to be possible.



