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# THE COST OF SOUTH AFRICAN AGGRESSION

The following memorandum was submitted by the SADCC to the summit meeting of the heads of state of the Organisation of African Unity at Addis Ababa last July:

## AN ILLUSTRATIVE ASSESSMENT OF THE COST OF DESTABILISATION ON THE MEMBER STATES OF THE SOUTHERN AFRICAN DEVELOPMENT COORDINATION CONFERENCE

1. South African aggression and destabilisation has cost its neighbours in excess of £10 billion in the five years since the founding of SADCC. This is more than:

All the foreign aid received by the SADCC States during this five year period:

or

One-third of all SADCC exports in the past five years.

2. It must, however, be remembered that even before 1980 the countries of the region incurred massive costs as a result of South African and Rhodesian

aggression. The following calculations do not, for instance, include the costs of South African aggression against Angola during 1975-79; nor the costs to Mozambique and Zambia of imposing internationally agreed sanctions against Rhodesia. These earlier costs are at least comparable to those dealt with in this analysis.

3. This paper attempts to quantify some of the costs to the independent States of Southern Africa (Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe) of South Africa's campaign of military and economic destabilisation against them in the five years since the founding of SADCC in 1980. It is estimated that the approximate costs, in millions of US Dollars, of South African destabilisation during this period are:

Direct war damage	1610
Extra defence expenditure	3060
Higher transport and energy costs	970
Lost exports and tourism	230
Smuggling	190
Refugees	660
Reduced production	800
Lost economic growth	2000
Boycotts and embargoes	260
Trading arrangements	340
<b>TOTAL</b>	<b>10120</b>

These items are discussed in the following paragraphs. More detailed calculations are available from the SADCC Secretariat.

## THE COST OF DESTABILISATION

### 4. Direct War Damage

The most obvious impact of destabilisation relates to the direct consequences of South African military actions — its invasions of Angola, Botswana, Mozambique and Lesotho; its clandestine commando raids on bridges and oil terminals; and its support for puppet anti-government groups.

Direct war damage includes major attacks, like those which caused \$80 mn damages to the Thornhill air base in Zimbabwe; \$24 mn to the oil refinery in Luanda; and, \$20 mn to the oil storage depot in Beira. In reality, however, most of the damage is not from single large explosions, but to the

hundreds of houses, schools, lorries, and so on which have been destroyed. Of particular significance is the enormous damage which has been done to the region's transport system: railway lines sabotaged, bridges destroyed, locomotives and wagons damaged, etc. The estimated total cost of such direct war damage is \$1610 mn, most of which relates to Angola and Mozambique.

#### 5. Extra Military Expenditure

Stepped up South African aggression, particularly since 1980, has forced the SADCC States into ever higher military budgets for larger and better equipped armies as well as expanded people's militias. These armies must be fed, clothed, housed and transported — all of which use up resources, which are desperately needed for the development of the countries concerned. It is impossible to know what "normal" defence budgets would have been if there were no threat from South Africa, but SADCC estimates that destabilisation has forced its member States to spend an extra \$3060 mn on defence.

#### 6. Higher Transport and Energy Costs

The region's railway network has been a particular target especially for the puppet rebel groups. This is because South Africa understands that Angola and Mozambique have the natural ports for most SADCC cargo, and thus the only way to keep cargo flowing through its ports is by disrupting competing railways. Thus landlocked States, particularly Malawi, Zambia and Zimbabwe, have had to pay higher transport costs, while Angola and Mozambique have lost revenue. Finally, sabotage of power lines and oil installations by puppet groups and South African commandos has forced Angola, Malawi, Mozambique, and Zimbabwe to use more expensive fuel or pay extra to have it transported. The combined amount for higher transport and energy costs and lost transport revenue is \$970 mn.

#### 7. Lost Exports and Tourism

Several SADCC States have lost vital foreign exchange earnings, particularly because the breakdown of transport links disrupted the export flows of coal, iron and steel, sugar, etc. The raid on the Luanda oil refinery meant lost oil exports for Angola. Raids have prevented the production of crops and cement for export in Mozambique. Tourism, an important foreign exchange earner, has been adversely affected by destabilisation. The total prejudice to SADCC States in lost exports and tourism to date is at least £230 mn.

#### 8. Smuggling

Perhaps surprisingly, smuggling by bandit groups has cost Angola and Mozambique \$192 mn. Diamonds, semi-precious stones, ivory from more

than 10,000 elephants, and timber are smuggled and sold through South African firms.

#### 9. Refugees

The war has created tens of thousands of refugees. It is sometimes difficult to distinguish between drought and war refugees but in some areas South African and bandit group activities have effectively cut off relief to drought victims, thus creating a famine. So drought victims became war refugees. The cost is difficult to estimate accurately but SADCC put the figure at \$660 mn.

#### 10. Reduced Production

Destabilisation has undermined SADCC economies, most seriously the economies of Mozambique and Angola. In addition to lost exports, there has been a serious fall in agricultural and industrial production for local consumption. Numerous development projects have been delayed. Based purely on what could reasonably be expected to have been produced without the war, SADCC estimates the value of lost production at \$800 mn.

#### 11. Lost Economic Growth

Money spent on higher military budgets and repairing damage should have been more productively employed on development projects. Unquestionably, factories have not been built and capital goods not purchased due to the conflicts. This lack of investment has significantly slowed growth in what are still very poor countries. If the money referred to in paragraphs 4. and 5. above had been productively invested, it is conservatively estimated that it would have increased domestic production in the region by more than \$2000 mn during this five year period alone. Clearly this loss continues into the future.

### A POLICY OF ECONOMIC AGGRESSION

12. South Africa not only attacks its neighbours militarily — it also destabilises them economically. A key reason for the founding of SADCC was to reduce the region's dependence on South Africa. For its part, the apartheid State is wielding its economic power to keep its neighbours weak and dependent, while at the same time trying to strengthen its economic hold.

#### 13. Boycotts and Embargoes

Because of frequent disruption caused to the railways in Angola and Mozambique by South African proxies most SADCC cargo still passes through South Africa. Pretoria can, therefore, cut the flow of goods at any time it wishes to apply additional pressure on its neighbours. It has done this

to all the neighbouring States. Conversely, Maputo is the natural port for the South African Transvaal, but with the founding of SADCC the apartheid State boycotted Maputo (at extra expense to itself; but costing Mozambique considerable revenue). The cost of such boycotts and embargoes has been estimated at \$260 mn.

#### 14. Trading Arrangements

A number of member States have special trading arrangements with South Africa. Although the countries concerned gain substantial revenue from such arrangements they do so at a high cost due to, for instance, higher prices of fuel and at a loss of industry. It has been estimated that, on balance, such arrangements have cost at least US\$340 mn during the past five years. Furthermore, South Africa is increasingly using such arrangements for political purposes, particularly to force member States to recognise the bantustans. It is further feared that withdrawal from such arrangements could bring blockades and increased destabilisation.

#### 15. South African Penetration of the Region

There is a wide range of other effects of economic destabilisation which simply cannot be quantified. South African companies in the neighbouring States engage in transfer pricing and other improper practices to take goods and money from the SADCC States. They also block the development of independent SADCC industry and trade routes. For example, South African domination of forwarding has kept cargo flowing through South Africa even after the line of Beira was reopened. South African boards of directors have blocked the expansion plans of local managers in subsidiary companies operating in SADCC States.

#### 16. Undermining Investment in the SADCC Region

One of the objectives of South African destabilisation has been to undermine confidence in the ability of the SADCC member States to manage their own affairs effectively. South Africa points to the situation in neighbouring States as evidence that they are incompetent. A massive programme of disinformation has been mounted by the South African Government both in the region and internationally to foment unrest and to distort people's perception of what is happening in Southern Africa. Too often multinational companies believe the South African interpretation of events; and even when they do not, the South African induced disruption makes them reluctant to invest or to expand their activities. It is, however, impossible to quantify the damaging effect that such psychological factors have on the development of the region. Clearly, however, South African

action makes the SADCC region seem a less attractive and less stable environment for investment.

## SADCC COOPERATION

### 17. Towards Reduced Dependence

Many of SADCC's programmes are specifically designed to reduce the region's dependence on South Africa and, as far as is practicable, to insulate its member States from the repercussions of South African instability. A Southern African Transport and Communications Commission (SATCC) has been established in Maputo to coordinate the rehabilitation and efficient operation of the region's transport network so that the natural trade routes can be used thus avoiding excessive and expensive dependence on South African Railways and Ports. Telecommunications infrastructure is rapidly being upgraded so that SADCC member States can communicate with each other more efficiently and without going through South Africa. In respect of energy, national electricity grids are to be interconnected so that power can flow between countries. Furthermore, a detailed feasibility study is in hand to determine how best the region might become self-sufficient in the supply of oil products. Programmes are being developed in Mining and Industry to reduce dependence. Work is also underway to establish a food security system which will increase regional self-reliance.

Thus the SADCC States are working closely together both to meet the challenge of destabilisation and to enhance regional economic development in spite of the adverse conditions obtaining in Southern Africa.

### 18. A Task to be Shared

Although many of SADCC's strategically important projects are under implementation many others are still at the level of studies. SADCC requires a massive inflow of technical, managerial and financial resources if its programmes are to be implemented expeditiously. The region looks to the rest of Africa, and to the international community as a whole, to express clearly their solidarity with and support for SADCC in its efforts to reduce dependence and to mobilise the additional resources urgently needed if the region's objectives are to be met.

## CONCLUSION

19. South Africa's aggressive activities constitute a growing threat to peace which cannot be confined to this region or even this continent; it is an international problem. South Africa has, however, been recognised for decades as a problem of particular concern for African States, but in recent

years the international debate has concentrated on the issues of South Africa's illegal occupation of Namibia and her domestic racist policies. Without detracting from the importance of these issues, this paper seeks to draw attention to the heavy cost being borne by OAU member States neighbouring South Africa and to suggest that this aspect of the struggle should be given equal prominence in international debates. There should be a continuing effort to expose the irrationality and hypocrisy of western financial and technical resources being used to shore up a regime which is substantially engaged in destroying economies which these same western interests are helping to develop.

20. The demand for sanctions must be viewed in the context both of destabilisation and of western support for the apartheid regime. Those opposed to sanctions argue that they will hurt the neighbouring States. Undoubtedly this is true. But if it accelerated the ending of apartheid, it would be well worth the additional cost. And those who are concerned about the negative effects of sanctions on the neighbouring States should provide assistance to those States to minimise that impact.

More important, however, destabilisation is directly linked to sanctions. The very existence of SADCC threatens South Africa's economic stranglehold on the region. If SADCC States were free to use the most convenient and cheapest ports and railways, and free to buy fuel and other goods on the world market, their dependence on South Africa would be sharply reduced. Then sanctions would not hurt the neighbouring states so much. So South Africa destabilises its neighbours to keep them dependent so that they will be harmed by sanctions. South Africa's capacity to sustain its destabilisation is buttressed by support from the same western states who point to the harm sanctions would do.

21. SADCC's figures can only be estimates at best — the organisation does not keep a score card of destruction. But in making its estimates, SADCC has erred on the side of caution, listing only those things which can be sensibly quantified. Thus \$10,000 mn — an astronomical sum for a region of nine developing countries some of which are least developed and land-locked — is surely an underestimate. And SADCC has only costed bricks and mortar, steel and machinery. There is no price for blood, no cost that can be assigned to the thousands who have died as a result of actions instigated and supported by apartheid.