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# Prospects for South Africa: Stability, Reform, and Violence ~~(S)~~

Special National Intelligence Estimate  
Memorandum to Holders

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February 1987

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MEMORANDUM TO HOLDERS

SNIE 73.2-85

PROSPECTS FOR SOUTH AFRICA:  
STABILITY, REFORM, AND VIOLENCE (S)

Information available as of 6 February 1987 was used in the preparation of this Estimate, which was approved by the National Foreign Intelligence Board on 6 February 1987.

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## SCOPE NOTE

Black unrest in South Africa has continued over the past 18 months despite increasingly repressive government countermeasures. This Memorandum to Holders of SNIE 73.2-85, *Prospects for South Africa: Stability, Reform, and Violence*, published in August 1985, focuses on new developments in South Africa, such as the impact of international sanctions, and changes in our assessment of the probable future course of events and their implications for the United States over the next four years. [REDACTED]

### Critique of 1985 Estimate

The main focus of the 1985 Estimate was the growing problems of the white regime in South Africa and its strategy and chances for survival through 1990. Many of the Estimate's key judgments have held up well, particularly considering the highly fluid nature of the South African situation and the complex interplay of key issues that affect it. The Estimate correctly noted that, although black militancy would increase, violence would be episodic and containable—a call that ran against much of the conventional analysis in the media and academia at the time. The Community's expectations also were met when Pretoria instituted more repressive measures and enhanced its security forces to counter the unrest. The Estimate even outlined specific steps—such as a press blackout, a vigorous expansion of the police force, and mass detention of dissidents—that the government has indeed taken. Much of the analysis on the reform issue also was on the mark. Pretoria has been unable to persuade influential blacks to participate in its newest political initiatives, but has continued nonetheless to move ahead with its own agenda of reforms, albeit at a slower pace since the introduction of sanctions. [REDACTED]

The Estimate could have better assessed three factors with policy implications in 1986: the scope of black violence, the timing of the government crackdown, and the full nature and impact of probable sanctions. More specifically:

- While the Estimate correctly predicted that blacks at times would grow weary of the violence and discouraged by the overwhelming power of the state, the language in the most probable scenario suggested periodic lulls that understated the degree of persistent violence that has smoldered in the townships and left indelible marks.

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- Although the Estimate's short-term (one year) outlook prepared the reader well for the government's June 1986 crackdown, the Community did not foresee that the government would allow the violence to intensify and spread for nine months before it would institute much tougher countermeasures. In retrospect, South African Government officials probably believe that their initial "patience"—which reflected their hopes of the violence ending without the use of harsher security actions that could accelerate international pressure—worked against their interests.
- The broad judgments on the likely impact of sanctions remain valid, but the Estimate neither gave this issue adequate coverage to convince the reader nor provided enough warning on the multitude of actions by foreign governments, firms, and banks that have had or that will increasingly have an adverse impact on South Africa. [REDACTED]

## KEY JUDGMENTS

Since SNIE 73.2-85, *Prospects for South Africa: Stability, Reform, and Violence*, was published in August 1985, black unrest has continued, the government has imposed a nationwide state of emergency, foreign companies have withdrawn from South Africa in record numbers, and additional international sanctions have been imposed against South Africa. The level of black unrest overall is likely to fluctuate in coming years, but antigovernment violence in the black townships is now a persistent feature of white-ruled South Africa. The government's program of limited political reform will neither resolve the country's racial tensions nor satisfy foreign critics. Although these conditions have created an enduring crisis for the South African Government, Pretoria's economic, political, and military resources will remain sufficient to avert the collapse of the white minority regime during the next four years. ( )

### Key Factors

The following are key factors that affect the white regime's ability to maintain power through 1990 and determine what we anticipate to be the course of events in South Africa through 1990 and beyond:

- **White morale.** White emigration may increase, but white morale will not break unless current economic strains become much more intense or an epidemic of attacks by blacks against white civilians occurs.
- **Black muscle.** Pretoria's security forces most likely will keep the black opposition generally disorganized unless black organization and radicalization grow at a much faster rate than expected and result in sustained, regime-threatening nationwide civil disobedience campaigns, work boycotts, and violent demonstrations.
- **Security resources.** Pretoria's security resources probably are adequate to contain upsurges in black unrest unless South Africa were to overextend itself militarily in the region, for example, by becoming locked into a protracted war with a neighbor, such as Angola or Mozambique, backed by Soviet Bloc and Cuban forces.
- **Government support and cohesion.** The ruling National Party is likely to retain strong support in the forthcoming election this

year but could become paralyzed and ill prepared for new crises following an unexpectedly strong showing by opposition parties, a sudden presidential succession crisis, or another major, formal split in the National Party. [REDACTED]

#### Ongoing Developments

We believe that conditions conducive to a major racial conflagration occurring in South Africa sometime after 1990 will persist and deepen because of Pretoria's political intransigence, continuing black radicalization, a troubled economy, and demographic factors. Despite the general effectiveness of government security measures, Pretoria will not be able to reverse black politicization during the next four years. Government actions to weaken opposition groups such as the black organizations associated with the multiracial United Democratic Front will leave a vacuum in many communities that often will be filled by a more militant black opposition. As the black opposition becomes more radical and opts for harsher tactics, we believe white fears of life under black rule will grow over the next four years. Pretoria's most likely response will be to resort to draconian countermeasures that will check the growth of revolutionary organizations over the short term at the cost of moving toward a more authoritarian-style government and prompting tougher international sanctions. [REDACTED]

Anticipated additional economic sanctions will damage but not cripple the South African economy. The impact of trade sanctions will be limited by the composition of South Africa's exports; over 70 percent of export revenue comes from gold, platinum, and other strategic minerals. Financial sanctions will limit Pretoria's ability to expand the country's economic base, but those effects will not be felt during the time frame of this Estimate. South Africa will also evade some sanctions by using front companies, falsifying shipping documents, and transshipping goods through third countries. Pretoria will probably respond to additional sanctions by the Frontline States with an escalating series of countermeasures, including cutting transport links to neighboring states, expelling most foreign migrant workers, and sabotaging alternative transportation routes, such as the Beira Corridor that runs through Mozambique. Furthermore, there is a better-than-even chance that South Africa will retaliate against new Western sanctions by disrupting—at least temporarily—the flow of some strategic minerals. [REDACTED]

US relations with South Africa probably will continue to worsen. The current downswing resulting from the adoption of sanctions last year has only been offset slightly by a newfound, tentative receptivity among black activists to reassess the motives of the United States. This

shift is likely to be only temporary because most blacks continue to vastly overestimate the ability of the United States to influence South Africa. The attitude of most white South Africans toward the United States has changed from ambivalence to resentment. The increasingly pervasive "go it alone" mentality in Pretoria will harden following anticipated successive rounds of new sanctions, and the greater truculence will further frustrate Western efforts to promote a fruitful dialogue between the white government and its black opponents. Pretoria's more prickly attitude toward Washington also probably will result in: the blockage of some US programs aimed at the black community; the denial of landing rights to US military flights supporting diplomatic missions in the region and expulsion of the Pretoria-based defense attache aircraft; and the harassment at times of US officials, for example, by denying or deliberately slowing their visa applications. [REDACTED]

Moscow appears content with the direction of most trends involving South Africa, with the exception of the warming relations between the African National Congress (ANC) and the West. Moscow, nonetheless, will continue to view the ANC as the principal vehicle for change in South Africa, and will not fully exercise its considerable leverage over the group for fear of severely damaging their close relations, although it will make efforts to impede ANC contacts with the US Government. [REDACTED]

Soviet attention to South Africa recently has increased, and the installation of a pro-Soviet regime in South Africa remains an important long-term Soviet objective. Despite the recent turmoil, Moscow appears to believe the South African situation will change slowly; therefore, Soviet inroads will take time. We believe Moscow's primary longer term goal is the promotion of a pro-Soviet ANC-dominated regime, but Soviet officials have indicated they do not believe they will achieve this objective for at least a decade. Moscow's short-term policies include ensuring an ANC role as the leader of the South African opposition, maintaining Soviet influence inside the ANC, and using the South African situation to burnish Soviet credentials in the Third World on an issue where the United States has been discredited for its alleged backing of the apartheid regime. [REDACTED]

The Soviets identify the ANC as the leading opposition organization in South Africa and, along with their East European partners, provide virtually all of its military supplies and much of its training. The ANC is Moscow's primary long-term ally in South Africa. The Soviets apparently have ruled out material support to other opposition groups for fear of disaffecting the ANC, but will probably use Communist party, intelligence, and surrogate channels in Africa to develop contacts with oppositionists outside the ANC, including the Pan-Africanist Congress. [REDACTED]



The Soviets will continue to use propaganda and disinformation extensively to demonstrate Soviet solidarity with black African positions and to discredit the United States as a backer of apartheid. Moscow has already used its propaganda and disinformation capability to play on the Frontline States' fear of Pretoria in hopes of increasing Soviet presence and influence in the region. We believe Moscow will continue to exploit Frontline State concerns over South African aggression by attempting to expand arms supply arrangements with these governments. [REDACTED]

Violence has declined significantly since the imposition of a nationwide state of emergency in June 1986, but will continue to fluctuate. Nonetheless, we believe there is an even chance that sometime during the next four years violence and political protest will reach a new peak and result in a record number of both nonwhite and white deaths. The current temporary lull in the unrest is a result of the large-scale security presence in the townships combined with the onset of an apparent war weariness among many blacks. Even this environment, however, continues to act like a centrifuge, driving more blacks toward militant positions and leaving a dwindling number of moderate blacks in the center. [REDACTED]

Despite important gains made during 1986 in raising the political consciousness of blacks and establishing more community-based groups, most black organizational activity remains shallow, tenuous, and vulnerable to government countermeasures. Through mass detentions, banning of meetings, and restrictions on marches, publications, and speeches, Pretoria has stymied black efforts to build a cohesive movement capable of conducting sustained, effective, nationwide protests. [REDACTED]

The outlook for the most important black groups will remain mixed:

- The United Democratic Front, including its most militant affiliates that are only partially under its control, has been damaged by the state of emergency measures, but it will continue to demonstrate some resiliency. If the organization were to rebound dramatically, we believe Pretoria would ban it. It probably then would go underground and play a reduced but still prominent role in the townships.
- We believe that the ANC recognizes its chances for overthrowing the South African Government in the near term are poor and that its greatest short-run strengths lie in its ability to broaden its base of international and domestic support. The ANC's ability to garner widespread support, however, is unlikely to be matched by a commensurate increase in its ability to influence events inside South Africa.

- Many black labor unions will succumb to pressure from non-union groups during the worst periods of black unrest to become more politically active. Most will remain reluctant to engage in direct, lengthy conflicts with Pretoria on political issues for fear of government countermeasures. The government will detain individual black union leaders it views as too politically aggressive.
- Chief Buthelezi, moderate head of the influential Zulu group Inkatha, will be hard pressed to stem the erosion of his support as young Zulus become more militant and Pretoria continues to balk at major political reforms. In particular, Pretoria has resisted the establishment of a multiracial government in Natal Province.

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[REDACTED]

The South African economy will probably grow at about a modest 2 percent for the next several years despite Western sanctions. Growth will be constrained by low business and consumer confidence, which will increasingly be affected by political and psychological factors. Unemployment will increase as population growth continues to outstrip economic growth. Pretoria's initiatives to improve the black standard of living will not be extensive enough to prevent growing outrage with conditions in the townships. [REDACTED]

Despite growing concern among whites over the economy and the continuing unrest, the ruling National Party will retain a large majority of white parliamentary seats in the forthcoming May 1987 general election. Pretoria's continuing slide toward authoritarian government has not gone unnoticed in South Africa, but appears to have the backing of the majority of whites. The government's tough stance toward the black opposition and international critics also will help it stave off any challenge from the right wing. [REDACTED]

There is a strong possibility that President Botha, 71, will retire from office during the next four years. Minister of National Education F. W. de Klerk and Minister of Constitutional Development and Planning Chris Heunis are the current front-runners in the succession race. The top candidates differ on the preferred pace of limited reform, but none would be likely, during the period of this Estimate, to take steps (such as engaging in earnest negotiations with a wide range of black leaders) that would be necessary to arrest the country's deteriorating political situation. They would probably continue the Botha program of suppressing opposition activity and dictating reforms that will not threaten white control of national affairs or white essentials, such as legal guarantees for residential and school segregation. [REDACTED]

### Alternate Outlooks

Profound changes in one or more critical factors could alter dramatically what we anticipate to be the course of events in South Africa and could threaten the continuation of the current system of government. Although very unlikely, white control of the government could be jeopardized within the next four years if: white confidence were severely undermined, the trend toward greater black militancy accelerated, unsustainable pressures on the state's security resources developed, or the white government's ability to respond to threats were damaged by internal dissension or a more credible rightwing challenge.

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Conversely, changes in the critical factors could lead to possible, but unlikely, developments that probably would allow Pretoria to make considerable progress in stabilizing the domestic situation and perhaps—although not necessarily—reducing international pressures. Pretoria could devastate the black opposition by adopting extreme measures such as banning all antigovernment groups, increasing detentions, and imposing martial law. Or, Pretoria could institute reforms (for example, create a black house in Parliament) that would unexpectedly give new hope to black moderates, greatly undercut the black opposition, and pave the way for open-ended talks between the government and black representatives.

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## DISCUSSION

### Introduction

1. Since SNIE 73.2-85, *Prospects for South Africa: Stability, Reform, and Violence*, was published in August 1985, black unrest has persisted and broadened, reflecting: an unprecedented level of black anger at the government's apartheid policies and repressive security measures; a more organized opposition; as well as growing frustration over deteriorating economic conditions in the townships. The state of emergency imposed in July 1985 (which initially affected only areas near Johannesburg and in eastern Cape Province, but was extended to the Cape Town region in September 1985) did not prevent the violence and protest activity from intensifying and spreading. Pretoria, nonetheless, lifted the state of emergency in March 1986, intending to replace it with new, sweeping security laws before the 16 June anniversary of the Soweto riots. When it became evident that the laws would not be enacted in time because of opposition from the Colored and Indian houses of Parliament, the government on 13 June declared a nationwide state of emergency that so far has proved more severe and successful than its predecessor. [REDACTED]

2. Pretoria, confident of its security prowess and resigned to and belligerent in the face of international condemnation, has continued to rely on repression rather than negotiation to stem black unrest. The government's reform program has lost most of its momentum as a result of black rejection of its limited goals and white unease over its direction and efficacy. Pretoria now believes that only white capitulation would satisfy its international critics. Foreign companies have withdrawn in record numbers because of effective disinvestment campaigns in Europe and the United States, additional international sanctions, and bleak economic prospects for South Africa. They believe the conflict will only worsen because of Pretoria's refusal to make significant political concessions. [REDACTED]

3. *Critical Factors Affecting the Future.* The survivability of the white-controlled system of government will depend primarily on the interaction of critical internal factors, principally:

- White morale.
- The level and scope of black violence, protest, and organization.

- The security resources of the state.
- The ruling National Party's support among whites (white cohesiveness) as well as the degree of unity within the government.

Economic performance and exogenous factors, including international sanctions, regional developments, and Soviet influence with and support of nonwhite South African groups, will not prove decisive in the next four years but will be important insofar as they affect and interact with the critical internal factors. [REDACTED]

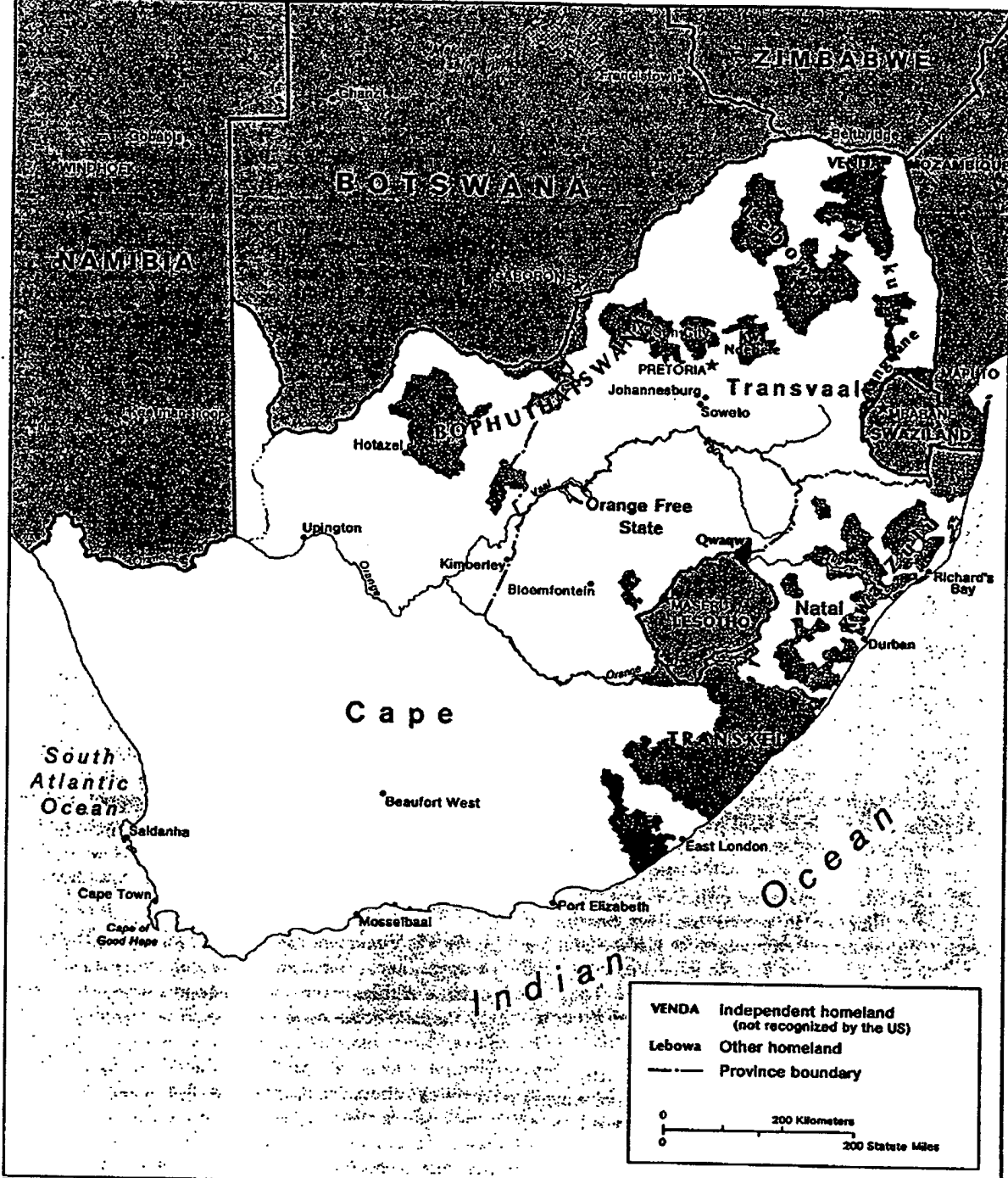
### Black Unrest and Protest

#### Impact of State of Emergency

4. Pretoria imposed the second, nationwide state of emergency after black unrest and protest had risen to unprecedented levels in the spring of 1986. The increasingly harsh security measures have led to a significant decline in violence and have stymied efforts by black opposition groups, led by the multiracial United Democratic Front (UDF), to organize and sustain a nationwide protest campaign against the government. The emergency measures, however, are not a cure and are treating only the symptoms of South Africa's complex racial maladies. The black opposition has been weakened but not broken. Black political and economic discontent has remained extremely high in many areas, providing fertile ground for activists as they struggle to adapt to changing conditions by developing new protest tactics. [REDACTED]

5. *Violence.* Antigovernment violence in the townships is now a persistent feature of white-ruled South Africa. Although the emergency measures, particularly the large-scale presence of security personnel in the townships, have reduced the violence substantially from the levels reported immediately before the emergency's reimposition, incidents of general unrest continue while the rate of terrorist attacks has increased (see figures 2 and 3). [REDACTED]

Figure 1  
South Africa

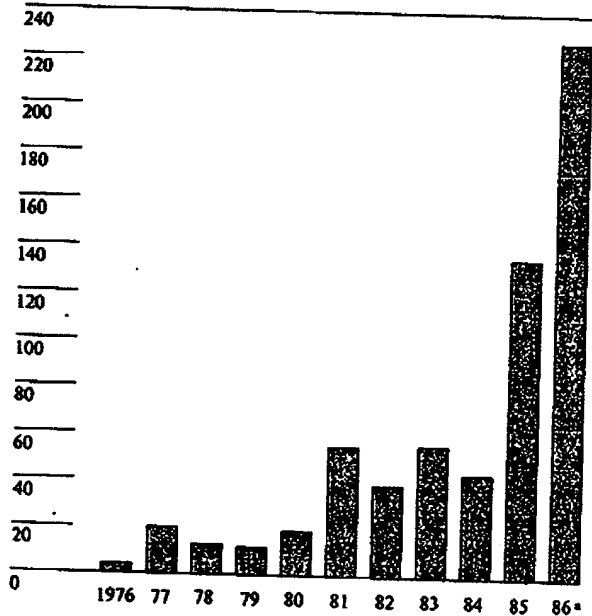


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**Figure 2**  
**Terrorist Incidents in**  
**South Africa, 1976-86\***

Number of incidents



\* Through November 30, 1986.

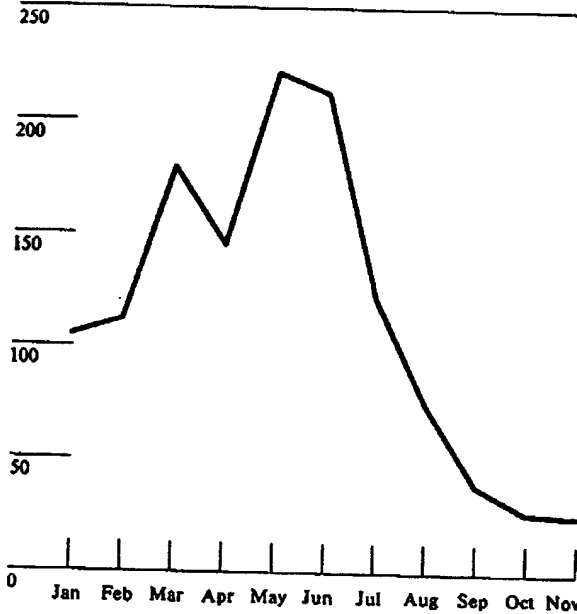
Note: Data compiled by the Institute of Strategic Studies, University of Pretoria. Most incidents were attributed to the African National Congress.

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**Figure 3**  
**Unrest-Related Deaths in 1986**

Number of deaths



Note: Data compiled by the South African Institute of Race Relations.

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[REDACTED]

6. Sporadic unrest has persisted near Cape Town and Durban as well as in some rural townships, but Soweto and townships in eastern Cape Province remain the worst affected areas. Much of the violence prior to the latest state of emergency consisted of riots and protests involving hundreds or even thousands of blacks. Many casualties occurred when security forces fired at large crowds. These types of incidents now occur less frequently, in part reflecting a reported war weariness among many urban blacks as well as intensified security measures. [REDACTED]

7. [REDACTED]

[REDACTED]

The ANC, however, has continued to suffer from logistic and communications problems, reportedly exacerbated by the state of emergency, and a series of damaging government actions last year against ANC cells in South Africa and neighboring states. Pretoria claims that it captured or killed 160 alleged ANC guerrillas between January and November 1986. The ANC leadership is planning to meet in February 1987 to discuss methods for working around the emergency restrictions. [REDACTED]

8. Attacks on black collaborators and their homes, property, and families will not stop during the next four years regardless of government countermeasures. Pretoria claims that black-on-black violence has been responsible for more than half of the over 2,200 unrest-related deaths since late 1984. Attacks on black local authorities, policemen, and businessmen still occur daily and act like a centrifuge, driving many previously apolitical blacks toward more militant positions while leaving a dwindling number of vulnerable moderates in the center. The moderates are flanked on the political right in many townships by substantial numbers of militant blacks known as "fathers" or "vigilantes." The police often grant these elements a free hand, or even assist them, in pitched battles with the predominantly younger, antigovernment blacks known as "comrades." [REDACTED]

<sup>1</sup> For a more comprehensive review of shifts in ANC tactics, see SNIE 73-86, *The African National Congress of South Africa: Organization, Communist Ties, and Short-Term Prospects*, July 1986. (S NF)

9. The emergency measures also appear to have had only a limited impact on the widespread nihilistic and criminal violence in the townships that is alienating many blacks and leading some, especially older ones, to privately support the increased security presence. Some frustrated young urban blacks, many of whom have left school and have never held a job, are wreaking havoc in townships by looting delivery trucks, commandeering cars, and firebombing businesses under the rubric of furthering the "struggle."

[REDACTED]

10. The emergency measures also have had little effect on violence between rival black opposition groups. Most interorganizational clashes have continued to involve members of the UDF, the "black consciousness" Azanian People's Organization (AZAPO), or the predominantly Zulu Inkatha movement. AZAPO President Molala claimed last December that 30 AZAPO members had been killed and more than 100 injured in the internecine violence. [REDACTED]

11. *Organization and Protest.* During early 1986 the UDF was making broad gains in its grassroots organizational efforts designed to create structures that could be linked nationwide at appropriate moments to pressure the government and foster a greater unity of purpose among blacks. The emergency measures imposed last year have had an immediate impact on these efforts. Most black organizational activity remains shallow, tenuous, and vulnerable to government counterattacks. Through mass detentions, banning meetings, and restricting publications, the government has blocked efforts to build a cohesive black movement capable of sustained protests nationwide. At the same time, the black opposition—aided by the excesses of the security forces and the refusal of the government to consider far-reaching reforms—has made great strides in raising the political consciousness of millions of blacks. Black groups also have shown resiliency by continuing some protest and organizational activities at the local level despite the emergency measures. Rent boycotts are likely to persist, for example. Last year the boycotts spread to some 55 townships at an estimated cost to the government of over \$200 million. They are likely to persist because of black discontent over high housing costs, the severe housing shortage, and generally poor township conditions. [REDACTED]

12. The state of emergency has undercut the UDF's attempts to create "alternative structures" intended to defy and supersede the authority of Pretoria's beleaguered black town councilors. In early 1986 the UDF set out to duplicate nationwide the community structures that one of its prominent activists had begun

building in Port Elizabeth in 1985. The structures, consisting of street or block committees grouped under area committees and reporting to civic associations, were modeled after African National Congress organizational plans drawn up in 1953 in anticipation of the ANC being banned. UDF-affiliated civic associations, some of which have provided services such as alternative schools and legal arbitration, proliferated during the first half of 1986. Their surging popularity heightened Pretoria's fears that it was losing control of the townships and helped prompt the June 1986 crackdown. More than 70 percent of the detainees have been UDF members, and many restrictions appear tailored to disrupt the civic associations' activities. Despite the government's focus on these "alternative structures," some reportedly continue to operate clandestinely. [REDACTED]

13. Despite tough government restrictions, black schools have remained at the center of organized protest activity because Pretoria has refused to provide the massive funds necessary to significantly upgrade the black educational system, and improved education remains a top priority for blacks of all ages. Most black groups inside South Africa, including the UDF, want blacks to further their education as well as to remain in school to facilitate organizational activities. Many black classrooms were empty for much of last year, however, because of widespread dissatisfaction over the condition of the schools, the growing militancy of black youths, and a provocative government decision to close black schools affected by unrest and low attendance. Late last year an estimated 80,000 black students were boycotting schools in eastern Cape and Transvaal Provinces and some 300,000 additional black students were affected by government closures of 73 schools. School boycotts are likely to continue but will vary in scope and effectiveness over the period of this Estimate. [REDACTED]

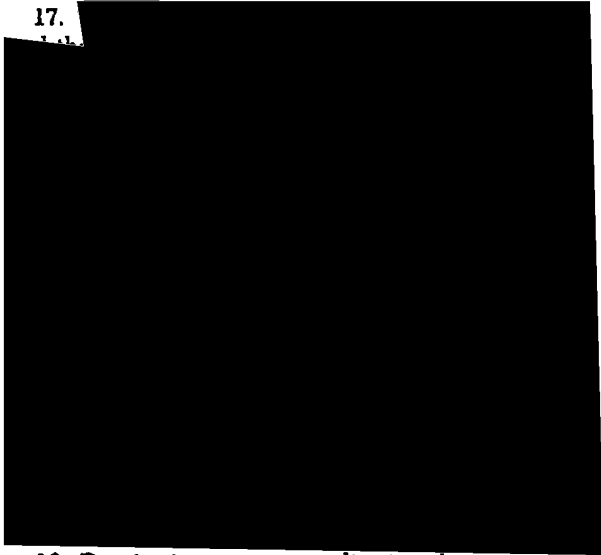
#### Outlook for Key Black Groups

14. *United Democratic Front.* Despite Pretoria's efforts to neutralize the UDF, it has remained the most important nonwhite, antigovernment political force inside South Africa. Its continued effectiveness under fire reflects its widespread popularity in the black community and its diffuse leadership and membership. The 700 groups affiliated with the UDF, representing more than 2 million individuals, have demonstrated an ability to sustain local protest and organizational activities even during periods when government actions have paralyzed the UDF's national leadership. [REDACTED]

15. The UDF's long-term prospects, nonetheless, remain dim because of its vulnerability to more extreme government countermeasures. UDF officials privately admit that the state of emergency has damaged the group, including the most militant affiliates that are only partially controlled by the UDF. Last December almost all UDF leaders were in detention or hiding. Pretoria's move last year to forbid the flow of foreign funds to the UDF (50 percent of the UDF's revenues came from other countries) probably was a precursor of even tougher actions. The government is aware that banning the group could backfire because of its domestic and international popularity. Nonetheless, if the group were to rebound from its recent setbacks, we believe Pretoria would ban it. The UDF probably would then operate underground and play a reduced but still prominent role in township protest and organizational activities. [REDACTED]

16. *African National Congress.* We believe that the ANC leadership recognizes that its chances for overthrowing the South African Government in the near term are poor and that its greatest short-run strengths lie in its ability to broaden its base of international and domestic support. The international recognition accorded to the ANC as a representative of South African black political aspirations is likely to grow, as is its popularity among South African blacks. The ANC's ability to garner widespread support, however, is unlikely to be matched by a commensurate increase in its ability to influence events in South Africa. [REDACTED]

17. [REDACTED]



18. Despite its apparent realization that a revolution is not around the corner, the ANC will continue to advocate a violent overthrow of the government and



ANC attacks probably will result in more white civilian casualties than in the past. The longstanding alliance between the ANC and the South African Communist Party (SACP) most likely will continue, as will the SACP's considerable influence over and extensive and widespread presence in the ANC's organizational and decisionmaking structures. This influence, however, will remain constrained by non-Communist ANC leaders and fall short of complete domination or control. [REDACTED]

19. During the next four years the ANC probably will continue to seek improved relations with the West, but not at the expense of its significant ties to the Soviet Bloc. Most ANC leaders will suspect Western motives for moving closer to the group, and a predominantly Communist faction within the ANC hierarchy can be expected to look for opportunities to sabotage the recent opening to the West. [REDACTED]

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A4

20. Given the likelihood that Nelson Mandela's detention will continue, the sudden death of President Tambo, who is 68 and in poor health, probably would have a profound impact on the organization. Tambo reputedly is the glue that holds the diverse ANC membership together. He is a relatively moderate non-Communist who favors improved ties to the West. His sudden demise at the least would exacerbate tensions between the ANC's Communist and non-Communist factions, as well as between its relatively cautious leadership and its impatient, more militant rank and file. If a recognized SACP member such as ANC Secretary General Nzo were to replace Tambo, nationalists could break away, or the group's delicate power balance could tilt toward the SACP. [REDACTED]

21. *Inkatha*. The next few years will be crucial to the political career of Chief Buthelezi, head of the Zulu organization, *Inkatha*, which claims 1.3 million members. Buthelezi's support among young urban Zulus has eroded in recent years because of his moderate stance and his position as Chief Minister of KwaZulu homeland. He will be hard pressed to maintain even his current level of support if Pretoria continues to balk at major political reforms—particularly the "KwaNatal" initiative (see inset)—and if blacks become more militant. [REDACTED]

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#### KwaNatal Indaba: Negotiating Regional Powersharing

Participants in a multiracial *Indaba* (the Zulu word for meeting) that included representatives from more than 30 political, economic, and social groups from Natal Province last November drafted a plan for a constitutionally based multiracial provincial government joining Natal and the KwaZulu homeland. Under the proposed plan, the KwaZulu homeland would cease to exist and one central provincial government would represent all racial groups. *Indaba* organizers have presented the plan to Pretoria for consideration. Although *Indaba* sponsors intend to hold a referendum in Natal to demonstrate widespread support for the proposals in Natal's white and Indian communities, white support for the plan may have slipped because the legislative proposals lack a white veto provision. [REDACTED]

The so-called KwaNatal constitutional proposal includes:

- A bicameral legislature with powers over revenue collection, education, and housing.
- A 100-member lower chamber elected from 15 constituencies with universal suffrage.
- A 50-member upper chamber comprised of 10 members from each of four main "cultural" groups (black, Indian, English, and Afrikaner) and 10 representatives from a nonethnic "South African" group (for those not wishing to claim an ethnic affiliation).
- A prime minister who is leader of the majority party in the lower chamber.
- A provincial governor appointed by the state President with veto power over legislation.
- A bill of rights. [REDACTED]

Although the *Indaba* proposals run counter to current government policy, Pretoria is unlikely to reject them outright and risk snubbing KwaZulu Chief Minister Gatsha Buthelezi. While Pretoria may eventually accept limited powersharing between Natal and KwaZulu, it is unlikely to allow the dissolution of KwaZulu. [REDACTED]

22. *Black Labor*. Black labor unions have not only survived but also prospered in recent years despite massive and growing black unemployment. Blacks now represent more than half of the 2 million trade union members in South Africa, and an estimated 30 percent of the "organizable" black labor force is unionized. Black unions still enjoy tremendous opportunities for expansion in the civil service and in

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agriculture, where they have so far scarcely made a dent. Organized black labor's rapid growth has led to increased strike activity, which will continue to disrupt production, particularly in South Africa's important metal and mining industries. Nevertheless, prolonged strikes probably will be rare because most black industrial workers cannot afford to stay off the job for more than a few days, and employer and government tolerance for such activity is minimal. [REDACTED]

23. Most black unions probably will remain reluctant to shift toward direct, lengthy conflicts with the government on political issues. Black union leaders appreciate that sustained political protests (such as a lengthy general strike) would provoke an even harsher government crackdown and include the likely banning of participating unions. Black rank-and-file unionists, who successfully pushed reluctant union officials toward greater political activism in 1984-85, reportedly have grown more cautious. Many black unions, however, will be unable to focus solely on narrow economic issues because of pressure from nonunion community-based groups. Their pressure already has grown dramatically and will intensify during the worst periods of future black unrest. [REDACTED]

24. The *Congress of South African Trade Unions* is a federation formed in 1985 that now claims 660,000 members. It probably will continue to pursue worker benefits more vigorously than black political rights during the next four years unless a breaking point develops in the struggle between the government and the black opposition. COSATU will try to mollify its more militant members by seizing some opportunities (for example, anniversaries of events such as the Soweto riots) to fulfill its pledge last October to wage joint actions with the UDF against apartheid and the state of emergency. COSATU's antigovernment rhetoric also is likely to become even harsher as the group tries to burnish its activist credentials while still participating in Pretoria's system for settling labor disputes. Pretoria will remain hostile toward COSATU and seek new ways to weaken it, short of banning it. Militant leaders in the COSATU hierarchy will remain prime targets for detention. COSATU members already account for over 80 percent of labor activists detained since last June. [REDACTED]

25. The founding last year of the vigorously moderate United Workers' Union of South Africa (UWUSA), Inkatha's 50,000-member labor wing, increases chances for factional violence at the workplace. In addition to its Natal Province stronghold, UWUSA is making inroads in Transvaal and Orange Free State Provinces. It is considering expanding its activities into Lesotho, the

biggest single supplier of South Africa's foreign black mine labor. UWUSA hopes eventually to challenge the powerful National Union of Mineworkers (NUM), a COSATU affiliate, for control of black miners, but we regard UWUSA's chances in this as slim. The current rancor between the UWUSA and NUM leaderships will grow as clashes between their members become more common. [REDACTED]

#### Government Agenda

26. The interplay of factors such as black unrest, repressive security measures, unprecedented media attention, international sanctions, and an already troubled economy has created an enduring crisis for Pretoria. Its domestic agenda has changed markedly since the early 1980s when it viewed limited reform as a means not only of co-opting blacks but also of opening new doors to the region and the world. Government officials today believe that only black majority rule—anathema to most South African whites—will satisfy most foreign critics. Pretoria, therefore, is resigned to harsher sanctions, although it will try to slow the advance of sanctions by occasionally flexing its regional economic muscles. The government also wants to consolidate its political power through elections and enhance its security resources by bringing more nonwhites into the police and army. [REDACTED]

27. Pretoria still hopes to devise a powersharing formula that satisfies most blacks while guaranteeing white control of the government, but there is almost no chance the government can convince most urban blacks to accept its concept of limited reform because of their growing demands for apartheid to be overturned rather than revised. Pretoria, nonetheless, is unlikely to search for a new approach to racial reform as long as it can limit the impact of black unrest and international pressure. [REDACTED]

#### Security

28. We believe there is a better-than-even chance that the state of emergency will remain in force during the next four years. Pretoria, well aware that the lifting of the first state of emergency backfired (see table), probably would only rescind most of the current measures after a lengthy lull in antigovernment violence—something we believe is unlikely. The tougher security actions taken since last June reflect Pretoria's shift toward a policy of *kragdadigheid* (a dramatic show of force) to control unrest. The relatively lenient measures before last June have given way to an upsurge in detentions and harsher media and school

**Unrest Death Rate in 1986-87\***

Period	Average Daily Death Rate
1 January to 7 March (1st state of emergency)	3.75
8 March to 12 June (No state of emergency)	6.31
13 June to 10 February (2nd state of emergency)	2.10

\* Statistics compiled by the South African Institute of Racial Relations, a private, respected organization that admits the figures are not definitive.

restrictions. The trend is likely to worsen in reaction to future upswings in violence. The state has yet to use the full scope of its coercive potential. In the coming years, as more comprehensive international sanctions are enacted, Pretoria probably will feel even less constrained in banning key opposition groups, imposing martial law, or adopting other more repressive measures. Should violence rise to levels taxing security forces to an unsustainable extent, Pretoria would resort to extraordinary measures such as establishing internment camps and isolating and starving townships.

29. **Security Management.** Although information is sketchy, the South African National Security Management System (see annex A) appears recently to have become more prominent as a decisionmaking body and intelligence channel. The System, headed by the State Security Council, is designed to weave almost the entire country into one security net by having its more than 500 national, regional, and local components coordinate government actions that affect security in their areas of responsibility. The brainchild of President Botha, the System was set up in 1979 to rectify problems, such as duplication of effort, arising from the country's tangled web of intelligence services and government departments. Government officials recently admitted, however, that much of the System had been inoperative until 1985.

30. Although the System's recent higher profile has sparked controversy in South Africa, Pretoria will continue to nurture it, and its influence probably will increase. Many whites are concerned about the accountability of the nonelected civil servants and security personnel within the System, who reportedly are making decisions with potentially explosive ramifications. Critics also have attacked the System for giving security force officials undue influence over

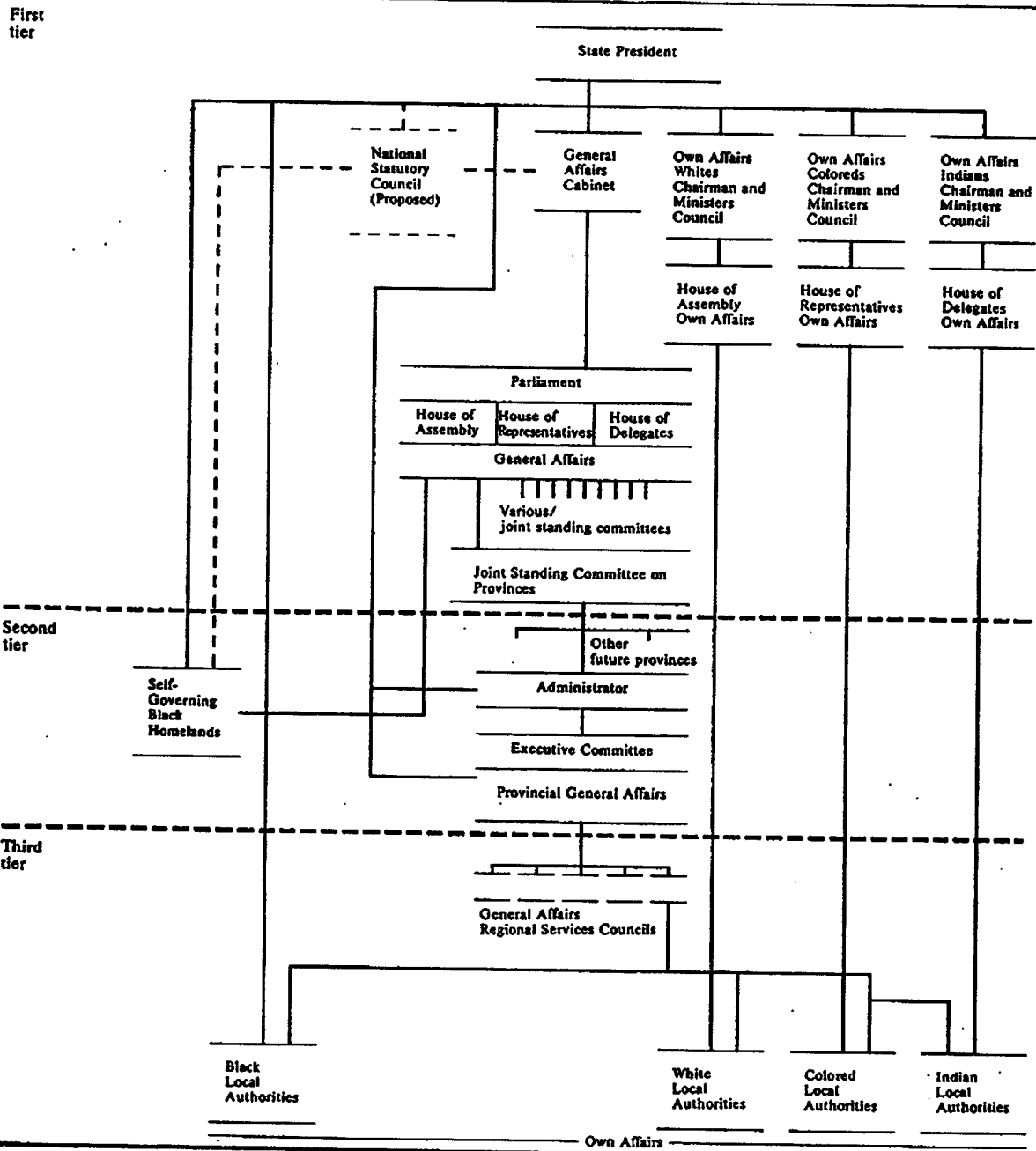
civilian matters. Although civilians outnumber military personnel at every level of the System, military and police officials chair virtually all component committees. The System, nonetheless, provides a useful channel for cutting through the ubiquitous redtape in South Africa's convoluted government (see figure 4). It also serves the National Party as an indoctrinational tool because it hones the survival instincts of the bloated, predominantly Afrikaner white civil service by forcing its members to focus on security matters.

31. **Tactics.** Security measures to counter unrest have proved somewhat effective in the short term but are doing severe damage to the government's relations with urban blacks. The arbitrary nature of some security actions—particularly those involving security forces firing haphazardly into crowds, homes, and schools—has politicized many longtime black "fence sitters" into government opponents. Restrictions on meetings, marches, speeches, strikes, boycotts, and even funerals have convinced growing numbers of blacks—although not yet a majority—that antigovernment violence is justifiable because it is the only means of protesting apartheid. Moreover, many of South Africa's overcrowded prisons almost certainly are fertile recruiting and training grounds for black revolutionaries.

32. Aided by the severe impact of South Africa's economic recession on blacks, police reportedly are investing large sums of money to recruit new sources and are pressing detainees to become agents in order to repair the informer network that had been badly disrupted by the onset of attacks against black collaborators in late 1984. Police have publicly offered large cash rewards for information leading to the conviction of persons who plan or participate in broadly defined unrest incidents. Police have also obtained information by interrogating and sometimes torturing black detainees. Clandestine government operations designed to sow distrust among black activists and groups continue to be effective at times despite an awareness among urban blacks that the security services are adept at these ploys.

33. **Growth of Police.** The government has launched an ambitious program to expand the police so it won't need to use the military to control domestic unrest. The South African Police (SAP), a national, paramilitary force, currently has 56,000 members, but is projected to grow to 96,000 by 1994. The military permanently took over most SAP border duties in August 1985, which freed some 6,000 police for township duty. Black auxiliary police forces also have

**Figure 4**  
**Structure of the South African Government**



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been expanded. Pretoria has employed some 6,000 black "municipal policemen" to serve the town councils, and is recruiting another 10,000. More than 6,000 black "special constables" are serving in a new force designed to supplement police patrols in the townships. The black opposition also considers the militant conservatives in the townships (the "fathers" or "vigilantes") as police auxiliaries because of the active, progovernment role they frequently play. [REDACTED]

34. Many urban blacks have been angered by Pretoria's increasing reliance on the relatively inexperienced black auxiliary police. Regular SAP recruits undergo 22 weeks of initial training, and some 80 percent of them recently received training on riot and unrest situations rather than basic police skills. Municipal police and special constables, however, are trained for only 12 and 3 weeks, respectively, before entering township duty armed with shotguns and pistols. [REDACTED]

35. Despite the growth of national and local police forces, the military is not likely to be relieved of its internal security duties. It is an integral part of the National Security Management System and probably will continue to gradually assume greater influence and control over not only the System's day-to-day workings but also its general direction. Any incidents or periods of widespread unrest calling for disciplined troops will require Defense Force participation. [REDACTED]

#### White Elections

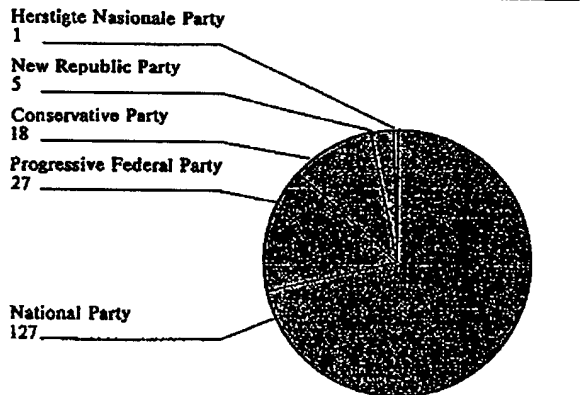
36. Consolidating political power is another important item on Pretoria's agenda. President Botha announced in January 1987 that a general election for the white parliamentary chamber will be held this year on 6 May. He will do his utmost to prolong the decline in black unrest until then. [REDACTED]

37. The National Party is determined to exploit widespread white anger over recent Western sanctions by mounting a jingoistic campaign.<sup>2</sup> The early election also probably will benefit the National Party because the appeal and organizational capabilities of the rightwing parties most likely will grow during the next few years. Moreover, the official opposition, the Progressive Federal Party, has been weakened by the unexpected resignation last year of its leader Frederik Van Zyl Slabbert and probably will have trouble maintaining its current number of seats in Parliament (see figure 5). [REDACTED]

38. The National Party most likely will emerge from the election with fewer parliamentary seats but

<sup>2</sup> This would not be unprecedented. Prime Minister Vorster led the National Party to a landslide victory in 1977 elections by lashing out at Washington's policy at that time toward South Africa. [REDACTED]

**Figure 5**  
**Current Distribution of Seats in**  
**White Parliamentary Chamber**



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will retain control of the government and be in a stronger position overall. The rightwing parties could gain up to 25 more seats from the National Party, mostly in districts in northern Transvaal and Orange Free State Provinces. Nonetheless, the National Party will have met and defeated the rightwing threat while gaining at least another five-year term. More important for President Botha, he would be able to claim a new mandate for his tough stance toward the black opposition and his program of limited reform. [REDACTED]

#### Reform

39. Limited reform will remain on the government's agenda, but probable changes will neither resolve the country's racial tensions nor satisfy foreign critics. The impact of Pretoria's reforms to date—such as eliminating the black passbook system and enfranchising Coloreds and Indians—has been severely undercut by:

- Pretoria's steadfast refusal to budge on the issue of relinquishing political control to the black majority.
- The anger of many blacks over their exclusion from the multiracial Parliament established in 1984. Blacks increasingly view social and economic reforms as window dressing.

- Pretoria's breaking of several reform promises, including the 1985 pledge to end forced removals of black communities.
- Pretoria's tactics. Usually the government has floated reform ideas publicly before submitting them to commissions for lengthy reviews; by the time the ideas are adopted and implemented, their novelty has faded and blacks have regarded the changes as long overdue.

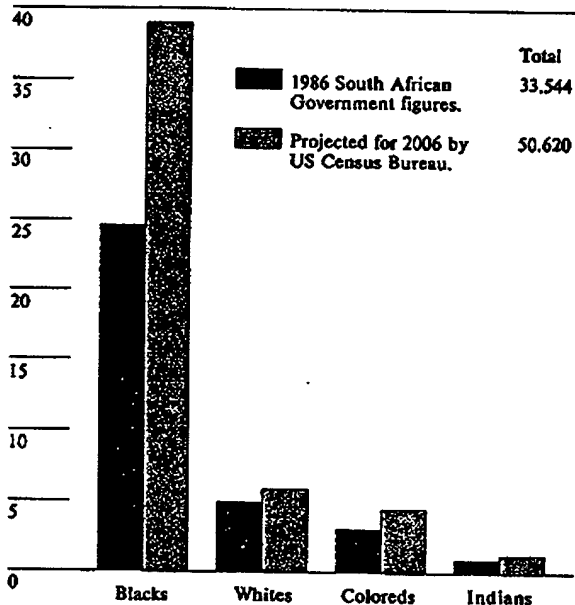
40. Major reform breakthroughs under the Botha government are highly unlikely. President Botha has become increasingly angry in the last couple of years because he believes he has done more than his predecessors to advance black political, social, and economic rights and yet he is still the target of unprecedented foreign and domestic criticism. He is publicly opposed to some reforms now being considered, such as an overhaul of the Group Areas laws that racially demarcate residential and business zones, because he believes more rapid reform would jeopardize his vision of a stable, neapartheid system. He also is averse to losing more support to the rightwing parties. Botha pledged late last year to put certain unnamed reform proposals to the voters in 1987, suggesting that a national referendum for whites may be held. We believe the referendum would be carefully molded to guarantee strong approval for the government's policies and to provide Pretoria with adequate leeway to implement changes as it chooses.

41. Pretoria's economic initiatives to improve the black standard of living will not be extensive enough to prevent growing outrage at conditions in the townships. The provision of economic incentives and the creation of a large black middle class have always been the cornerstone of the National Party's co-optation strategy. Pretoria, however, lacks the will and the wherewithal to implement its strategy. Although a recurrent theme in government speeches has been the necessity for whites to make sacrifices during the difficult period ahead, Pretoria has not seriously considered a Marshall Plan for the townships at white taxpayers' expense. Pretoria's economic problems, moreover, will worsen in the years ahead, making large-scale black development schemes increasingly unlikely.

#### The Economy and Sanctions

42. South Africa's troubled economy and the sanctions threat will remain key items of concern on Pretoria's agenda. The economy is poised for a recovery from the deepest recession in 50 years, but economic growth during the period of this Estimate will

**Figure 6**  
Expected Growth in South African  
Population, 1986-2006



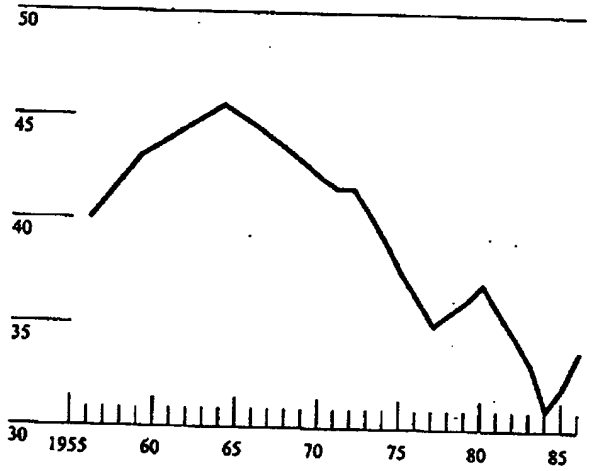
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be slow and erratic. Although many financial and economic analysts forecast growth at a 3 to 4 percent rate, we believe that real GDP growth will likely be only around 2 percent, while inflation will remain in the 15 to 20 percent range. These numbers will fall well short of meeting employment demands, expanding services, or buoying investor confidence. Unemployment will increase with blacks being hit hardest, as population growth continues to outstrip economic growth (see figure 6). Real GDP growth rates of 5 to 6 percent will be needed to create jobs for the estimated 350,000 new workers who enter the labor force each year. With economic activity currently at very low levels, consumer and business confidence are the keys to starting the recovery. The external sector will come under increasing pressure as South Africa repays its nearly \$23 billion foreign debt in an environment of sanctions and disinvestment. External factors, such as the price of gold, will be critical in determining the short-term prospects for the economy.

43. Despite low real interest rates, a high current account surplus, and record prices and trade volumes on the Johannesburg stock exchange, business confidence remains at near-record lows, and we do not

**Figure 7**  
South Africa: Exports as a Share of Real  
Gross Domestic Product\*, 1956-86

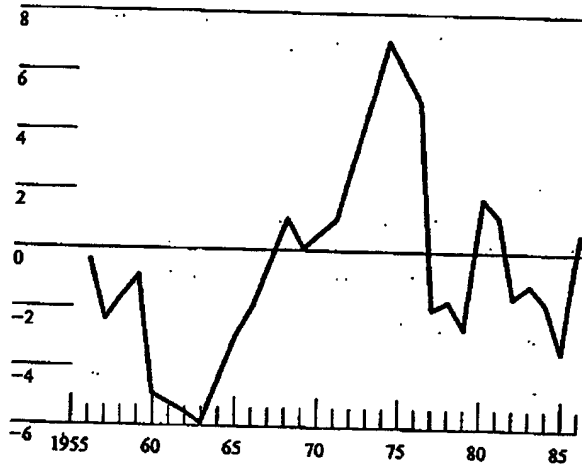


\* Five-year moving averages.

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**Figure 8**  
South Africa: Terms of Trade\*,  
1956-86

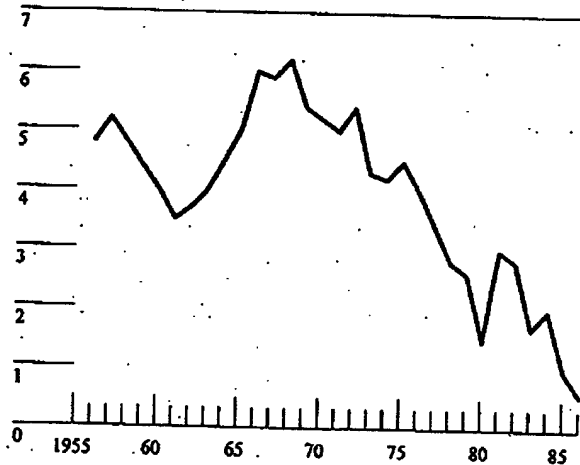


\* Average annual compound growth rates over five-year periods.

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**Figure 9**  
South Africa: Real Gross Domestic  
Product\*, 1956-86



\* Average annual compound growth rates over five-year periods.

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expect it to improve significantly during the next four years. However, business activity has improved recently; much of the 26 percent increase in domestic expenditure in the third quarter of 1986 was attributable to businesses restocking badly depleted inventories. Consumer spending, which accounts for over 50 percent of GDP, will probably remain erratic and will reflect fluctuations in consumer confidence, which will increasingly be affected by political and psychological factors. Recent consumer surveys indicate that most whites believe their economic positions will improve in the next year, but most blacks believe their economic fortunes will continue to deteriorate. Moreover, real after-tax income has only increased by 0.5 percent over the last five years, and has fallen substantially in per capita terms with whites being hit the hardest. [REDACTED]

44. The gold price will remain the single most important external factor affecting South Africa's short-term economic prospects. South Africa has a high propensity to import during times of expansion. With only 6 percent of manufacturing geared to capital goods, growth is impossible without rising imports of these goods. Because South African access to international financial markets has been significantly curtailed, its ability to pay for imports depends almost wholly on its export revenues. Gold, which accounts for over 40 percent of South Africa's annual export revenue, becomes increasingly important under these circumstances. Each \$10 increase in the gold price translates into a \$200 million annual increase in export revenues. At present levels of production, we estimate that a \$400 per ounce gold price will provide sufficient foreign exchange revenue to service South Africa's foreign debt without forcing cuts in imports of vital capital goods. On the other hand, a decline in the gold price to \$300 per ounce would wipe out the expected current account surplus and force Pretoria to either cut imports drastically or declare a new moratorium on debt repayments. [REDACTED]

45. *Sanctions Threat.* Despite Pretoria's efforts to insulate the economy, sanctions can damage South Africa more than both insiders and outsiders think. However, the real impact will not be felt for several years and even then will not cripple the economy. In the short run, sanctions act as a tax, as imports are bought at a premium and exports sold at a discount. Some short-term disruption will occur as production shifts from embargoed goods to those still freely traded. [REDACTED]

46. The limited range of goods and services included under sanctions, and South Africa's proven ability to evade embargoes, will most likely limit the impact

of existing sanctions. The sanctions imposed by the United States, Canada, Japan, Hong Kong, and Western Europe prohibit imports of selected South African products and restrict new financial transactions. Although these sanctions have had little impact so far, current trade restrictions could directly reduce South Africa's estimated \$17 billion export revenue for 1987 by as much as \$1 billion. Furthermore, there is certain to be some indirect impact as South Africa lowers the price of embargoed goods in order to attract new customers. [REDACTED]

47. South Africa has responded to the current round of sanctions by implementing several measures designed to ensure the continued sale of products officially embargoed. These measures will most likely succeed in blunting the impact of the current round of sanctions. To date, South Africa has:

- Created a Secretariat for Unconventional Trade within the government to coordinate sanctions evasion activity.
- Stockpiled coal at free ports in the Netherlands and Belgium for reexport.
- Established front companies in Switzerland, the United Kingdom, and Hong Kong.
- Transshipped goods through third countries and used false labels, such as "Made in Swaziland." [REDACTED]

48. Financial sanctions that prohibit new direct investment and new loans to South Africa will have little or no immediate impact. Over the longer term, however, the loss of international finance will prove to be the worst kind of sanction. South Africa is not yet capable of generating sufficient savings internally to finance the investment commensurate with a high growth rate. As a result, it has turned to the international financial market to tap the accumulated savings of advanced Western nations. However, continuing domestic violence and the country's tenuous relationship with Western banks following the 1985 debt repayment moratorium have reduced international investor confidence, brought foreign direct investment to a halt, and curtailed access to international financial markets. With outside investment blocked, domestic investment must compete with consumption expenditures. As long as financial sanctions remain in place, South Africa will have to choose between meeting current consumption needs and satisfying those needs in the future, which entails a sacrifice of present living standards. [REDACTED]

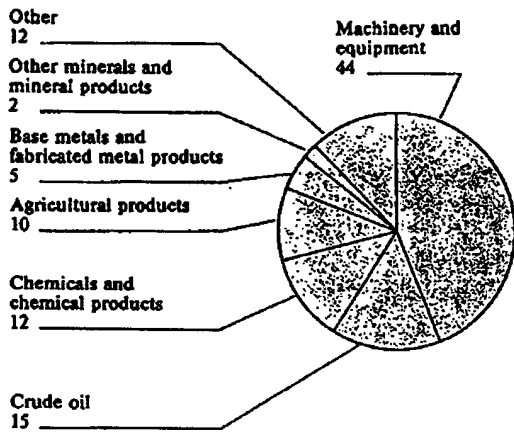
49. South Africa will face increasingly severe trade sanctions during the course of this Estimate, but, here



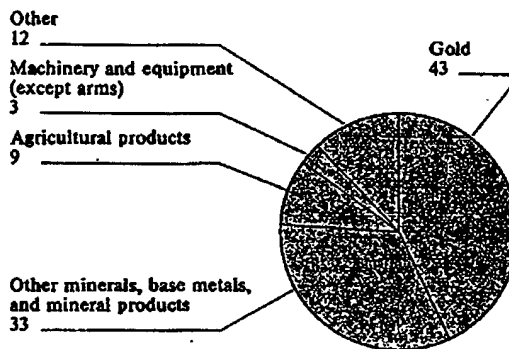
**Figure 10**  
**South Africa: Imports and Exports, 1985**

Percent

**Estimated Imports by Commodity Group**



**Estimated Exports by Commodity Group**



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again, the immediate effects will be limited. Despite South Africa's relatively narrow trade base, the ability and willingness of the international community to impose an effective embargo of its exports is problematic. Over 70 percent of South Africa's annual export revenue comes from gold, diamonds, and strategic minerals, such as platinum, palladium, rhodium, and chromium. The high value-to-weight ratio of these commodities, their generic physical characteristics, and their use in sophisticated metal alloys found in many Western defense systems make them nearly impossible to embargo. However, the South African economy is vulnerable to effective trade sanctions. Since 1974, the growth of real GDP has been retarded by a decline in the ratio of exports to GDP and a weakening in the terms of trade. In addition to reducing exports, sanctions will further weaken the terms of trade as the tax effect of sanctions raises the price of imports and reduces the price of exports. Although a total trade embargo is unlikely, South Africa could weather even a major cutoff in foreign economic ties for several years, but it would do so at a much lower level of economic activity and welfare.

50. Despite its extraordinary mineral wealth, which includes virtually all of the essential natural resources (except crude oil) needed in a modern industrial state, South Africa is also vulnerable to the loss of foreign

exports. Over the past decade for each \$1 of final product in the manufacturing sector there has been an input requirement of 68 cents of raw materials, intermediate goods, or capital equipment. Although Pretoria's policy of promoting import substitution and of stockpiling vital industrial inputs has moved South Africa closer to industrial self-sufficiency, it has not been universally successful. For example, the economy is not large enough to sustain a domestic capital goods sector and therefore relies on Western exports of vehicles, machinery, and sophisticated electronic equipment. A completely effective embargo is highly unlikely, however, given the variety of alternative sources and South Africa's demonstrated ability to circumvent sanctions—illustrated by its successful evasion of the oil embargo begun in 1973.

51. Disinvestment, particularly by companies from the United States and the United Kingdom, will not have a significant short-term impact. Most foreign firms that have pulled out have sold their South African operations to their local managers, who continue producing the parent companies' products under license or franchise arrangement. Typically, these transactions do not result in the loss of employment in South Africa. These transactions are actually profitable for South Africans because foreign firms eager to leave often sell their assets at a fraction of their actual value.

Moreover, South Africa's foreign currency reserves are not reduced by these sales because the proceeds must be repatriated by using financial rands that have a heavily discounted exchange rate. In the long run, however, the withdrawal of foreign companies will hamper South Africa's access to new technologies, product lines, and skilled personnel. [REDACTED]

52. South Africa also relies on immigration to solve its chronic shortage of skilled labor. Although the emigration of skilled labor will have little immediate impact, the continuous outflow of talent would eventually seriously exacerbate the shortage of managers and other professionals. Much of the emigration that occurred in 1986 was the result of English-speaking professionals taking advantage of better opportunities abroad. While some emigration of managers and professionals will continue, government measures aimed at raising the cost of such moves, and the movement of Afrikaners into the managerial and professional ranks, will limit the losses. [REDACTED]

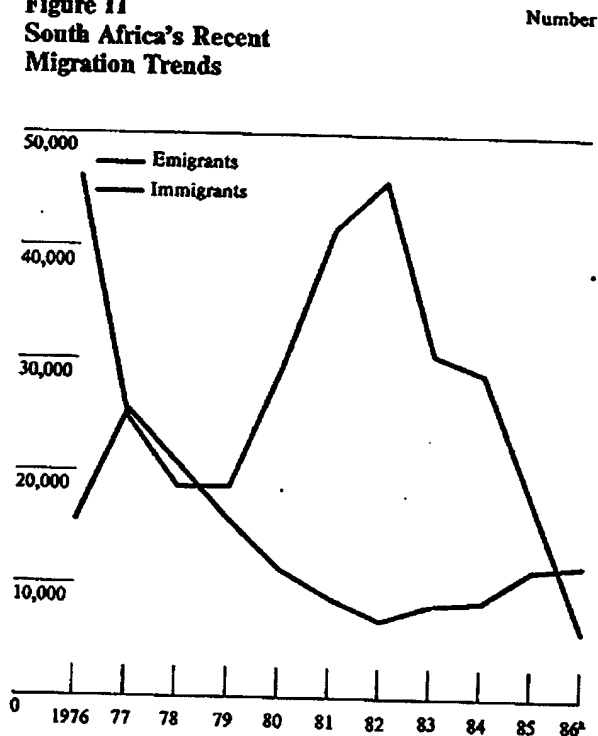
#### White Morale

53. Although white emigration is increasing and white confidence has been damaged by persistent antigovernment violence, the army's role in the townships, the troubled economy, and political divisions, we believe that the government will continue to have the firm backing of a majority of white voters, whose morale will not break over the next four years. This bloc includes blind followers of the National Party as well as many who believe that both the more conservative and the more progressive parties do not offer viable solutions to South Africa's problems. The rapid pace of developments will continue to energize white activists on the left and right of South Africa's political spectrum and aggravate the country's already serious migration trends (see figure 11 and annex B). The National Party's multitude of longtime, predominantly-Afrikaner stalwarts, however, will remain strongly supportive of the government. [REDACTED]

#### Direct Impact of the Unrest

54. The unrest so far has had only a limited direct impact on most whites. The violence has continued to occur primarily in black townships rather than in business centers and white residential areas. Government media restrictions also have ensured that most unrest has remained outside of the daily purview of the vast majority of whites. Nonetheless, results of opinion surveys, the growth in nongovernmental white security groups, booming sales of arms and ammuni-

Figure 11  
South Africa's Recent  
Migration Trends



\* Through September, 1986.

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[REDACTED] tion, and a soaring demand for riot insurance\* suggest strongly that whites are expecting and preparing for worse times ahead. If, as expected, ANC attacks result in more white casualties than in the past, it would further heighten white concerns. [REDACTED]

55. Wanton attacks by blacks on white civilians were infrequent during the early months of the unrest, but they apparently have occurred somewhat more often since then, although no firm statistics are available. Youths throwing stones have at times turned several roads travelled by whites into gauntlets. Whites also are concerned over soaring crime rates in their residential and business communities, a phenomenon linked to the commitment of an estimated 80 percent of policemen to duty in the black townships. [REDACTED]

\* The South African Special Risks Insurance Association (SASRIA), administered jointly by the major insurance firms and the government, was set up in 1979 following the Soweto unrest because insurance companies had become increasingly reluctant to provide riot damage coverage. SASRIA paid out some \$45 million in claims between August 1984 and July 1986. [REDACTED]

### Anticonscription Movement

56. The small but vocal anticonscription movement in South Africa, currently headed by the End Conscription Campaign (ECC), could become increasingly troublesome to the government. The ECC, formed in 1983 as a broad front of groups opposed to white conscription, has six regional branches and claimed last year to represent some 50 member organizations. The ECC has attracted media attention in South Africa by sponsoring rallies, distributing propaganda, and collecting petitions. Since last June Pretoria has intensified its harassment of the ECC by detaining about 75 members. The group has responded by operating more clandestinely and by adopting more strident antigovernment rhetoric. [REDACTED]

57. The anticonscription movement does not yet appear to have a substantial following, but its high-visibility campaign has proved effective in mobilizing some sectors of public opinion against military service in general and township duty in particular. Available reporting indicates that many conscripted soldiers have privately complained about township duty, but usually not on moral or political grounds. The majority apparently prefer fighting insurgents in the Namibian-Angolan border area because, ironically, the duty is considered less hazardous and living conditions are deemed better than in the townships. [REDACTED]

### Afrikaners Adrift

58. Internal divisions continue to wrack the institutions that have served as gyroscopes for many Afrikaners during troubled times in the past. Afrikaners, who comprise about 60 percent of the white populace, seem confused by the rapidly changing nature of these institutions and their inability collectively to provide clear guidelines for the future. The most notable developments have included the following:

- The National Party, the architect of grand apartheid, began embracing a vague program of limited reform in the late 1970s and was riven in 1982 when members broke away to form the Conservative Party.
- The Afrikaner Broederbond (Afrikaner Brotherhood), the semisecret group that has long played a key role in shaping Afrikaner political opinion, has adopted a more reformist attitude. It was weakened when many of its more conservative, antireformist members established the rival Afrikaner Volkswag (Afrikaner People's Guard) in 1984.

— The powerful Nederduitse Gereformeerde Kerk (NGK: Dutch Reformed Church), of which over 65 percent of all Afrikaners are members, alienated many conservative whites when it decided last year to open its membership to nonwhites and by reversing its doctrine that the Bible sanctions apartheid. [REDACTED]

59. Growing numbers of Afrikaners, particularly in rural areas, will turn to the uncompromising Afrikaner nationalism of the rightwing parties as a lifeline during the turbulent period of this Estimate and beyond. The appeal of militant rightwing groups such as the Afrikaner Weerstandsbeweging (AWB: Afrikaner Armed Resistance), whose recent Nazi-like rallies have gained international media attention, also will continue to grow. We believe, however, that the slow seepage of the National Party's Afrikaner support could be staunchified if Pretoria continues to lash out at Western governments, hit the black opposition hard, and slow the reform process. Such posturing, however, is unlikely to lead to significant defections of liberal Afrikaners from the party. [REDACTED]

### Soviet Role

60. Moscow appears content with the direction of most trends involving South Africa, with the exception of the warming relations between the ANC and the West. Moscow, nonetheless, will continue to view the ANC as the principal vehicle for change in South Africa and will not fully exercise its considerable leverage over the group for fear of severely damaging their close relations, although it will make efforts to impede ANC contacts with the US Government. [REDACTED]

61. Soviet attention to South Africa recently has increased, and the installation of a pro-Soviet regime in South Africa remains an important long-term Soviet objective. Despite the recent turmoil, Moscow appears to believe the situation will change slowly and that Soviet inroads will take time. We believe Moscow's primary longer term goal is the promotion of a pro-Soviet ANC-dominated regime, but Soviet officials have indicated they do not believe they will achieve this objective for at least a decade. Moscow's short-term policies in the region are primarily aimed at ensuring an ANC role as the leader of the South African opposition, maintaining Soviet influence inside the ANC, and using the South Africa issue to burnish Soviet credentials as a supporter of Third World positions and to discredit the United States as a backer of apartheid. Moscow has made no dramatic breakthroughs in the last year but has effectively continued policies aimed at furthering these goals. [REDACTED]

62. The Soviets continue to identify the ANC as the leading opposition organization in South Africa and, along with their East European partners, provide virtually all of its military supplies and much of its training. The ANC is Moscow's primary long-term ally in South Africa. The Soviets apparently have ruled out material support to other opposition groups for fear of alienating the ANC, but will probably use Communist party, intelligence, and surrogate channels in Africa to develop contacts with oppositionists outside the ANC, including the Pan-Africanist Congress. We expect that Moscow also will maintain a low profile in its overt links to the ANC so as not to deter other groups from accepting the ANC as the leader of the South African opposition. [REDACTED]

63. The Soviets will continue to use propaganda and disinformation extensively to demonstrate Soviet solidarity with black African positions and to discredit the United States as a backer of apartheid. The Soviets have continued to report black African criticism of South Africa in the Soviet press. Moscow has also accused the United States of selling arms to Pretoria and maintaining close economic links to South Africa despite recent sanctions, which have repeatedly been described as ineffectual in the Soviet press. [REDACTED]

64. Moscow has meanwhile used its propaganda and disinformation capability to play on the Frontline States' fear of Pretoria in hopes of increasing Soviet presence and influence in the region. [REDACTED]

[REDACTED] Moreover, Moscow's press coverage of Machel's death, which has included accusations of South African involvement, particularly in broadcasts aimed at African audiences, was intended to stir up black African fear of South Africa. We believe Moscow will continue to exploit Frontline State concerns over South African aggression by attempting to expand arms supply arrangements with these governments. [REDACTED]

#### Outlook

##### Unrest and Protest

65. Despite South Africa's continuing crisis, we believe that Pretoria's economic, political, and military resources remain sufficient to avert the collapse of

the white regime through 1990. Levels of black unrest will fluctuate in response to government actions and other developments affecting the black community. We believe, however, that there is an even chance that sometime during the next four years violence and political protest will reach a new peak and result in a record number of both nonwhite and white deaths. [REDACTED]

66. Opposition activities will continue despite Pretoria's crackdowns, but repressive tactics will continue to prevent sustained, nationwide, regime-threatening protests. Pretoria's reliance on harsh security tactics, however, will further harden antigovernment attitudes among blacks, particularly youths. The government's efforts to weaken groups such as the UDF will leave a vacuum in many communities that will be filled by a more militant black opposition. Urban black youths are already on the brink of adopting new tactics, such as a nationwide school boycott, that would undermine the influence of moderate elements in groups such as the UDF. These groups will find it increasingly difficult to influence young militants operating largely outside of any organization and bent on using violence to bring down the white regime. [REDACTED]

67. We believe that conditions conducive to a major racial conflagration occurring in South Africa sometime after 1990 will persist and deepen due to Pretoria's political intransigence, continuing black radicalization, a troubled economy, and demographic factors. Although the government's security forces most likely will be able to keep black opposition groups disorganized during the next four years, Pretoria will not be able to reverse black politicization. As the black opposition becomes more radical and opts for harsher tactics, we believe white fears of life under black rule will grow and white emigration may increase, but white morale will not break over the next four years. Pretoria's most likely response will be to resort to even more draconian countermeasures that will check the growth of revolutionary organizations over the short term. The costs will probably be tougher international sanctions and movement toward a more authoritarian-style government. [REDACTED]

##### Economy

68. The economy, aided by anticipated higher gold prices, will probably grow by about 2 percent annually over the next several years. This growth rate, however, will not be sufficient to provide jobs for all who enter the work force each year, adding to the pool of disaffected—mainly black—unemployed. Inflation is likely to remain high, limiting the growth in consumer

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purchasing power. Real personal income will show little gain, with whites also feeling the effect, and the number of poor whites is likely to increase. The government, which employs nearly 60 percent of Afrikaner breadwinners, will come under increasing pressure to assist the white population. [REDACTED]

69. Trade and financial sanctions will almost certainly become more widespread and possibly more severe. Their severity will in large degree depend on the political climate in developed nations. Sanctions will undoubtedly reduce export revenues and consequently lower GDP growth rates, but Pretoria's circumvention efforts will blunt some of their impact. Reduced profits for businesses and a reduction in the quality of life—which harsh sanctions could cause even in the short run—would shake white confidence, however. Disinvestment will continue as foreign firms face meager economic prospects and growing political pressure at home. Nonetheless, the negative impact of disinvestment will not be felt within the time frame of this Estimate. The economy—burdened by sanctions, disinvestment, and low investor and consumer confidence—will be unable to support any comprehensive government programs to ameliorate conditions in the growing urban townships, which will probably add to the number of blacks inclined to join the protest activity. [REDACTED]

70. During the time frame of this Estimate, South Africa will probably respond to additional sanctions by imposing some countersanctions. Although Pretoria has attempted to ward off sanctions in the past by emphasizing South Africa's value as a reliable trading partner, this approach has had limited success. The South African Government, increasingly frustrated by the actions of its international critics, eventually is likely to reach the conclusion that it must throw down the gauntlet on the sanctions issue. Pretoria's reactions will differ between the region and the West:

— Regional. South Africa has extensive economic links to neighboring states that could not be disrupted without costs to both sides. As a result, Pretoria will probably respond initially to sanctions imposed by neighboring states by imposing matching countersanctions, while at the same time maintaining other economic ties. Nevertheless, if sanctions become too draconian, (such as the nationalization of South African assets in Zimbabwe) Pretoria will probably respond by cutting transportation links, fomenting additional political dissent, expelling most migrant workers, and intensifying pressure on alternate transportation links such as the Beira corridor through Mozambique.

— West. There is a better-than-even chance that South Africa will retaliate for additional Western sanctions by disrupting—at least temporarily—the flow of some strategic minerals. We believe Pretoria is likely to target the platinum group metals, some of which are vital for the construction of catalytic converters. This group constitutes only a very small share of export revenues (about 1 percent). Given South Africa's concern about its reputation as a reliable supplier, however, disruptions aimed at the West will probably be temporary and could be carried out in a manner that affords Pretoria plausible denial, such as increasing redtape or pleading technical difficulties in production or delivery. [REDACTED]

#### Changing Character of the Government

71. South Africa's slide toward authoritarian government is likely to continue, especially if the National Party receives strong electoral support this year, but the structure of a parliamentary democracy, if not the substance, will be retained. The government has justified its increasingly repressive and authoritarian actions, such as the recent heavier clampdown on the press and increased use of the National Security Management System (see annex A), by citing growing threats to South Africa from home and abroad. Pretoria is using its control of the media to reinforce the belief held by many whites that the country currently is at war not only with black revolutionaries, but with a misinformed, naive international community. [REDACTED]

72. Despite the popularity of Botha and the National Party, we believe there are limits to what the white constituency will endure with regard to the central government's accretion and use of power. However, Pretoria probably would have to suffer a major setback—such as a foreign policy debacle in the region or a serious domestic scandal involving top officials—before it would be taken to task by white supporters over the issue of its increasingly authoritarian character. [REDACTED]

#### After Botha

73. There is a strong possibility that President Botha, 71, will retire from office during the next four years. F. W. de Klerk, the Minister of National Education, chairman of the white Ministers Council, and head of the National Party's powerful Transvaal Province Branch, is the current front-runner in the succession race and a leading conservative in the party. Chris Heunis, the Minister of Constitutional Development and Planning and head of the National

Party's Cape Province Branch, is a close second. He may be Botha's own choice because they are both Capelanders and share many views. Another top candidate is Minister of Education and Development Aid Gerrit Viljoen, a deputy leader of the Party's Transvaal Branch and one of the most reform-minded ministers in the Cabinet. Minister of Foreign Affairs R. F. (Pik) Botha, a leading darkhorse candidate, is extremely popular among moderate whites but lacks a strong, independent political base. [REDACTED]

74. If Botha does step down, we would not expect his successor to deviate significantly from his policies. The top candidates differ on the preferred pace of limited reform, but none of them would be likely, during the period of this Estimate, to take steps (such as engaging in earnest negotiations with a wide range of black leaders) that are necessary to arrest the country's deteriorating political situation. They would probably continue the Botha program of suppressing opposition activity and dictating reforms that will not threaten white control of national affairs or white essentials, such as legal guarantees for residential and school segregation. If a more reformist and conciliatory successor to Botha, such as Viljoen, were to stoke the fires of the black opposition by raising nonwhite expectations and easing restrictions on antiapartheid groups, his political support would quickly evaporate. He would be forced by conservative pressure from National Party ranks as well as from the electorate to either take strong measures to defuse the situation or vacate his office. [REDACTED]

#### Alternate Outlooks

75. Profound changes in one or more critical factors could alter dramatically what we anticipate to be the course of events in South Africa and could jeopardize white minority control of the government. Among the conceivable developments, the following are judged improbable but of sufficient possibility to be noted:

- Pretoria and its security forces could prove unable to control nationwide and sustained black unrest if South Africa were to overextend itself militarily in the region; for example, by becoming locked into a protracted war with Angola or Mozambique, backed by Soviet Bloc and Cuban forces.
- Black organization and radicalization could grow at a rate much faster than expected and result in effective and sustained work boycotts and violent antigovernment demonstrations, nationwide civil disobedience campaigns, as well as the proliferation of militant antiwhite sentiments, and the establishment of an extensive ANC underground network inside South Africa.

- White morale could plummet in the face of runaway inflation brought on by profligate government spending or severe economic setbacks resulting from coordinated, comprehensive sanctions; the collapse of the world gold price; and a more militant, politically active black labor movement.

- The government could become paralyzed or seriously weakened and therefore ill-prepared for new crises. A presidential succession struggle, a strong showing by opposition parties in the upcoming election, or another major, formal split in the National Party could all be serious blows to the government. [REDACTED]

76. Conversely, changes in the critical factors could result in the following unlikely, but possible, developments that probably would allow Pretoria to make considerable progress in stabilizing the domestic situation and perhaps—although not necessarily—reducing international pressures:

- Pretoria, perhaps after a landslide victory in the upcoming election, could institute reforms, (for example, create a black house in Parliament), that would unexpectedly give new hope to black moderates, greatly undercut the black opposition, and pave the way for open-ended talks between the government and black representatives.
- In response to an upsurge in violence, Pretoria could devastate the black opposition by extreme security measures such as banning all antigovernment groups, detaining greater numbers, imposing martial law, instituting strict curfews, setting up roadblocks outside all townships, or widely distributing arms to progovernment blacks. [REDACTED]

#### Implications for the United States

77. US relations with South Africa probably will worsen during the period of this Estimate. The current downswing resulting from the adoption of sanctions last year—a tactic supported by the ANC, UDF, and most other black groups—has only been offset slightly by a newfound, tentative receptivity among black activists to reassess the motives of the United States. Blacks had long regarded US policy toward South Africa as being strongly pro-white. This shift is likely to be only temporary because most blacks continue to vastly overestimate the ability of the United States to influence South Africa. [REDACTED]

78. US sanctions against South Africa and the accelerated departure of American firms have reduced the

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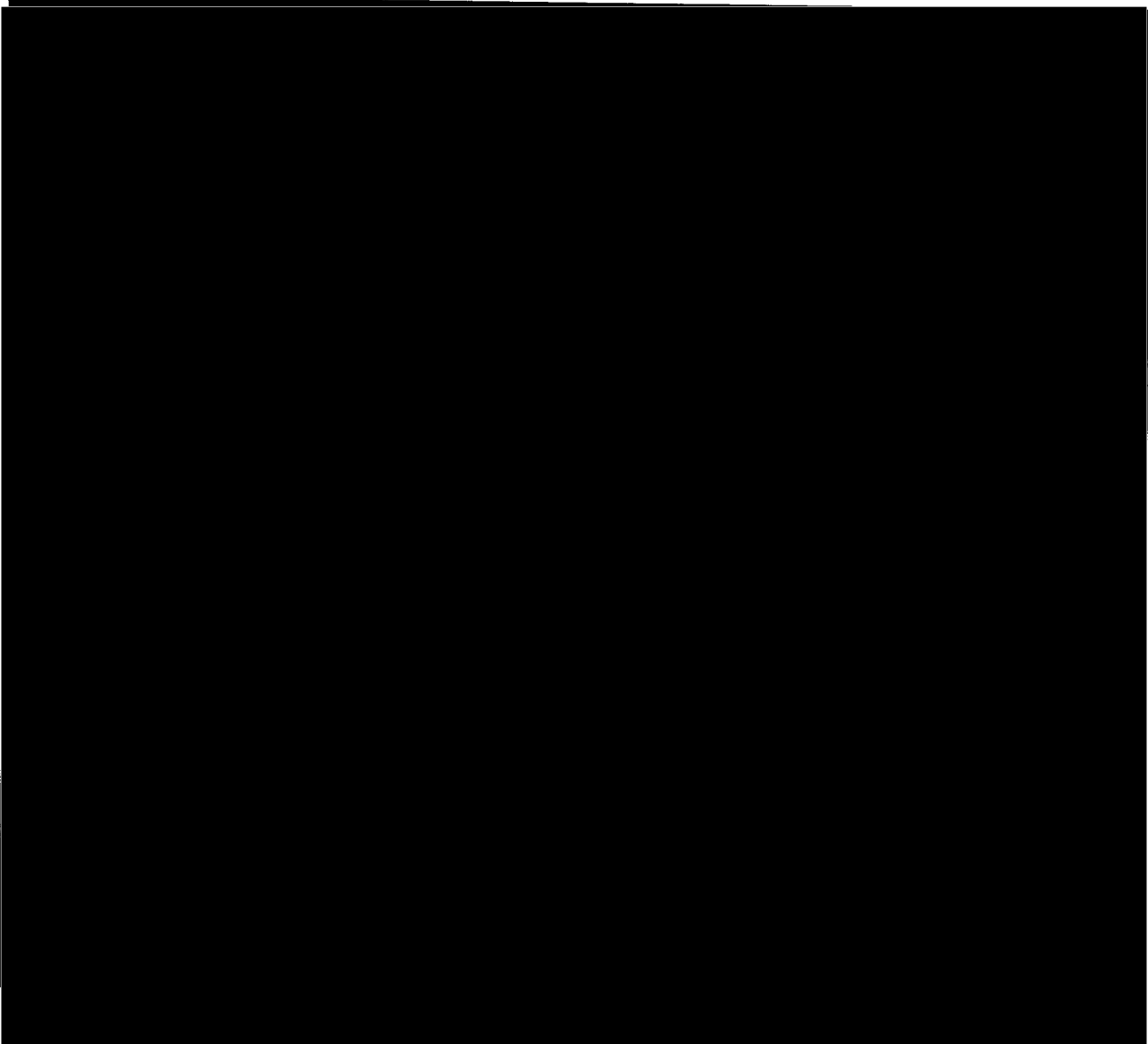
limited leverage of the United States over Pretoria's domestic policies. The attitude of most white South Africans toward the United States has changed from ambivalence to resentment. The government hopes that the state of emergency will minimize black unrest and that proponents of sanctions eventually will view the exercise as a failure. Pretoria, however, is neither counting on nor inclined toward unilaterally working for a dramatic improvement in relations. The increasingly pervasive "go it alone" mentality in Pretoria will harden following future rounds of international sanc-

tions. The greater truculence will further frustrate US efforts to promote a meaningful dialogue between the white government and its black opponents. Pretoria's more prickly attitude toward Washington also probably will result in: the blockage of some US programs aimed at the black community; the denial of landing rights to US military flights supporting diplomatic missions in the region and expulsion of the Pretoria-based defense attache aircraft; and the harassment at times of US officials, for example, by denying or deliberately slowing their visa applications. [REDACTED]

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ANNEX A



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## ANNEX B

### White Emigration and Immigration Trends

The current white emigration and immigration trends do not augur well for South Africa's economic future. Since World War II, there have been periods (1948, 1960, and 1976) highlighted by economic downswings, domestic turmoil, and net losses of South Africans. The current violence and economic recession have contributed to another cycle of increased emigration (see chart on page 23) that may prove much more damaging than earlier ones. South African private and public-sector employers mounted a mass campaign in 1981 and 1982 to recruit skilled workers from abroad, resulting in a large increase in immigration, but they probably cannot duplicate that effort today because of the deteriorating political and economic situation.

The migration trends are important because the relatively small pool of whites in South Africa supply the economy with crucial technical and managerial expertise, and white immigrants comprise a significant proportion of this pool. The total number of whites in South Africa increased by 975,000 between 1970 and 1983; 413,000 of these were immigrants. More than 10 percent of South Africa's current white residents are immigrants who have not yet taken out South African citizenship.

A large proportion of recent emigrants have been highly skilled. Industry representatives are concerned that an increasing shortage of technical workers—particularly engineers—will severely hamper economic growth. During the period January through September 1986, 1,797 professional and technical workers emigrated, including 366 engineers. A total of about 14,000 engineers remains employed in South Africa, but more than 1,800 posts for engineers remained vacant in 1985. Fewer than 1,000 engineering students graduate annually, many of whom are accepting jobs overseas. Among South Africa's pool of about 20,000 computer professionals, some 250 left in 1985, and more than 500 emigrated during the first half of 1986.

White concern over the unrest and the political future of the country appears to be the leading cause of the exodus. The first net loss in white migration since August 1978 occurred in July 1985 when the government declared a state of emergency. One Brit-

ish expatriate who left South Africa at that time explained that if "hoary old Afrikaners" were concerned enough to declare a state of emergency, then it was time for him to go. A second leading cause has been the severe economic recession. South Africa's conscription laws, exacerbated by the army's role in the townships, are the third leading cause. Each year some 27,000 whites are called for compulsory military service. The anticonscription movement in South Africa claims that over 4,000 white youths emigrated during 1979-84 to avoid service. The number probably has increased since 1984 when Pretoria provided for the automatic naturalization of all immigrants between the ages of 15 and 25 after five years of permanent residence; 46,000 young immigrants automatically became South African citizens liable for military service when the law was passed in October 1984.

Up to 1.5 million whites in South Africa either have foreign passports or are entitled to claim them, which greatly facilitates emigration. Last year about 70 percent of South African emigrants went to either Australia or the United Kingdom; most of the remainder entered Zimbabwe, the United States, West Germany, Israel, or Canada.

Whites who would like to emigrate confront formidable obstacles, including unfavorable exchange rates and emigration laws. Each emigrant family is allowed to leave the country with only 100,000 South African rands figured at the financial rate, or about \$25,000 per family. The recession, the low value of the rand, and the unrest, moreover, have taken huge bites out of the savings and investments of most white families. Following the July 1985 imposition of emergency measures, house prices in the Johannesburg area reportedly plunged as much as 50 percent. To demonstrate their disapproval of apartheid, some states also are adopting tougher immigration measures aimed specifically at South African whites. Australia, for example, decided last year to refuse entry visas through its diplomatic missions in South Africa, requiring South Africans to go to third countries to obtain visas to enter Australia. In addition Australia has begun screening South African applicants to keep out those with "racist attitudes."