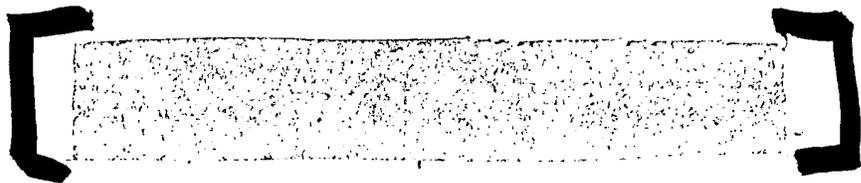




Director of  
Central  
Intelligence

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# South African Negotiations: More Progress and Problems Ahead [ ]

National Intelligence Estimate

*This National Intelligence Estimate represents  
the views of the Director of Central Intelligence  
with the advice and assistance of the  
US Intelligence Community.*

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December 1991  
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# South African Negotiations: More Progress and Problems Ahead [ ]

*Information available as of 2 December 1991 was used  
in the preparation of this Estimate.*

*The following intelligence organizations participated  
in the preparation of this Estimate:*

The Central Intelligence Agency  
The Defense Intelligence Agency  
The National Security Agency  
The Assistant Secretary for Intelligence and Research,  
Department of State

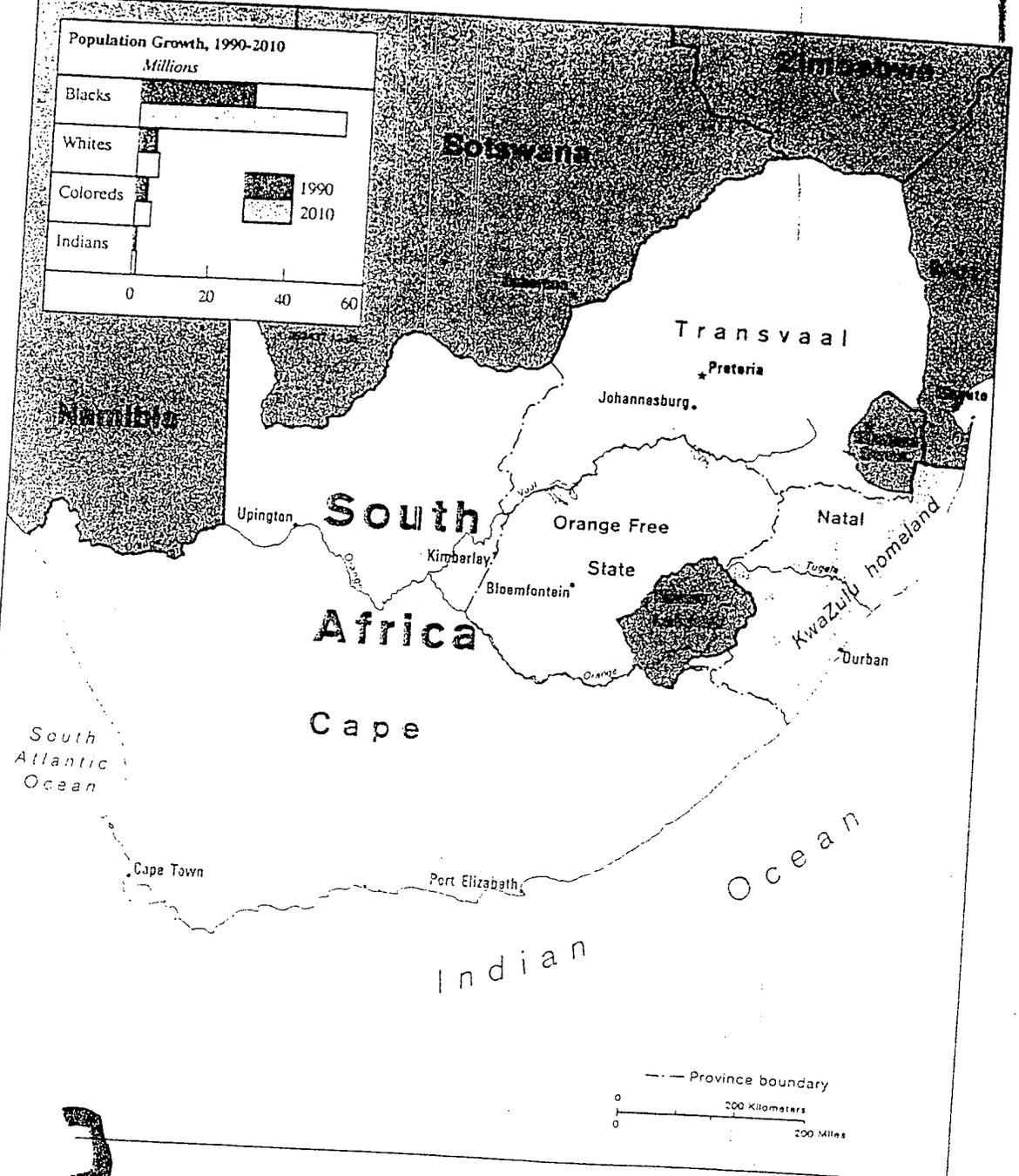
*also participating:*

The Director of Naval Intelligence,  
Department of the Navy  
The Assistant Chief of Staff, Intelligence,  
Department of the Air Force  
The Director of Intelligence,  
Headquarters, Marine Corps

*This Estimate was approved for publication by the  
National Foreign Intelligence Board.*

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December 1991

Figure 1  
South Africa



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## Key Judgments

### South African Negotiations: More Progress and Problems Ahead

#### Fitful Progress During 1992

We believe the talks on a new constitution for South Africa will continue to make uneven progress in 1992. When formal negotiations begin later this month, both the ruling National Party and the African National Congress (ANC) will open with hardline positions. We expect that eventually they will abandon their more extreme demands because both believe the benefits of a settlement greatly outweigh the costs of returning to a violent stalemate. A modest economic upswing will also improve the climate for compromise. Issues likely to be resolved earliest include interim governing arrangements, the mechanism for drafting the constitution, and most of the principles underlying it.

#### But More Time Is Required

Nonetheless, Pretoria and the ANC are unlikely to agree on the details of a new political system and a postapartheid economy for several years. The debate on redistributing wealth and power will generate considerable heat. Moreover, both black and white constituencies will need time to adapt to the changes already made and to accept the compromises necessary for a settlement.

#### Conflicting Goals

The goals and strategies of the two central actors are still evolving. In 1992 the Nationalists will seek multiple constitutional checks against a black-led government because they believe that the ANC—which would probably win a nonracial election—cannot govern effectively yet. They will also attempt to build a multiracial coalition against the ANC, but we doubt its ability to win an eventual election.

The ANC leadership will increasingly act as an impatient but confident government-in-waiting, demanding the right to have input into Pretoria's decisions during the transition to majority rule. The ANC also wants to weaken support for the Zulu-based organization, Inkatha, by highlighting its close ties to the government.

Inkatha will support most of the Nationalists' negotiating positions but will remain sensitive to any moves to diminish its influence or undermine its regional power base. Despite the recent peace accord, Inkatha's fear that the ANC means to marginalize it contributes to endemic factional violence.

### **Violence Will Worsen**

Although violence has reached new heights since F. W. de Klerk became President in late 1989, it will probably get even worse. The closer constitutional talks approach agreement, the more active white extremists and other opponents of talks will become. Sustained violence at extremely high levels could derail the talks—an outcome we judge unlikely—as could assassinations of key leaders or revelations of government complicity in fomenting black-on-black fighting. We do not believe de Klerk is using violence to weaken the ANC. Nevertheless, the involvement of renegade police has persuaded many ANC members that the government is behind much of the turmoil.

### **Alternative Outcome: Negotiations Break Down**

If violence or deadlock caused talks to collapse, we judge that any halt would be temporary:

- Pretoria would try to negotiate a new constitution with any group that remained willing, while urging those who had left the talks to return.
- The ANC alliance, rather than reviving a military campaign, would conduct mass protests while lobbying the international community to pressure Pretoria into concessions.

On the other hand, if talks did not resume fairly quickly, the level of violence would rise precipitously and the economy would enter a sharp recession in the ensuing climate of pessimism and uncertainty.

### **The United States Counts**

The United States enjoys influence with both the government and the ANC. Independently or in concert with other Western states, particularly the United Kingdom, it can facilitate talks through informal mediation, advice, material assistance to antiapartheid groups, and the encouragement of investment. But intervention that appeared to dictate terms or favor one side over the other would risk setting back the negotiations.

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**Major Groups at a Glance**

**National Party, Holders 113 of 179 seats in white chamber of parliament.** July 1991 poll indicates 6 percent of white blacks would definitely back Nationalists in election and 11 percent would possibly do so. Party has ruled since 1948. **Headed by P. W. Botha.**

**African National Congress (ANC)** Has some 500,000 members. July 1991 poll indicates 50 percent of white blacks would back ANC in any election. Africa's second largest black group (over 7 million) form backbone of ANC support. **Current chairman is M. Nkomo.** **Headed by Nelson Mandela.**

**Inkatha** Has nearly 2 million members. **South Zululand country's largest white group (over 1 million).** Inkatha's leader, Mangosuthu Buthe, is also **Chief Minister of Natal.** **Black homestead**

**Congress of South African Trade Unions (COSATU)** Country's largest black labor union with some 1.2 million members. **Mostly black 14 affiliated unions.** **Formed July 1985.** **SACU** **Headed by M. Nkomo.**

**Conservative Party, Holds 17 of 77 seats in white chamber of parliament.** **Formed 1982 to oppose**

of white, would vote for the Conservative Party in the 1991 election. **Headed by P. W. Botha.**

**Black Consciousness Movement (BCM)** Has some 100,000 members. **Formed 1975 to oppose apartheid.** **Headed by P. M. S. Mofokeng.**

**South African Communist Party (SACP)** **World's largest Communist party.** **Formed 1927.** **Headed by M. Nkomo.**

**Democratic Party (DP)** **Formed 1984.** **Headed by M. Nkomo.**

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## Discussion<sup>1</sup>

The ruling National Party and the African National Congress (ANC) have made great strides toward resolving their differences and advancing to the next phase in their talks—negotiating a new constitution. Although they still disagree on some core issues, Pretoria, the ANC, and the other key actors all appear to assume that a settlement will occur sometime after 1992 and that the ANC and its allies currently have enough support to win a nonracial election. [ ]

### Fitful Progress in Constitutional Talks

Pretoria and the ANC remain committed to negotiating a new constitution and will meet soon with other groups to launch formal talks. Each believes that the benefits of a settlement greatly outweigh the costs of returning to a violent stalemate. Notwithstanding the frequently harsh rhetoric from both sides, their views on many key issues will probably continue to converge. Already, they agree on who should participate in the talks, on the necessity of interim arrangements, and on the need for a mixed economy. Nonetheless, the talks will remain vulnerable to disruption. Violence has reached unprecedented heights since de Klerk came to power in September 1989 and will probably get even worse. [ ]

<sup>1</sup> This Estimate was requested by the Assistant Secretary of State for African Affairs in light of the start of formal negotiations on a new South African constitution scheduled to begin on 20 December 1991. The time frame of the Estimate is one year.

### Mandela's Views

Nelson Mandela views the ANC as the underdog in talks with Pretoria, even though his group would probably win a nonracial election. He sees the talks as part of a decades-old struggle and is frustrated that the ANC is short on funds and in disarray. Mandela's relations with President de Klerk nose-dived in 1991; he is angry that Pretoria has not done more to end clashes between the ANC and Inkatha. Mandela also believes the West has given de Klerk too much credit for his reforms in light of apartheid's harsh legacy for blacks. [ ]

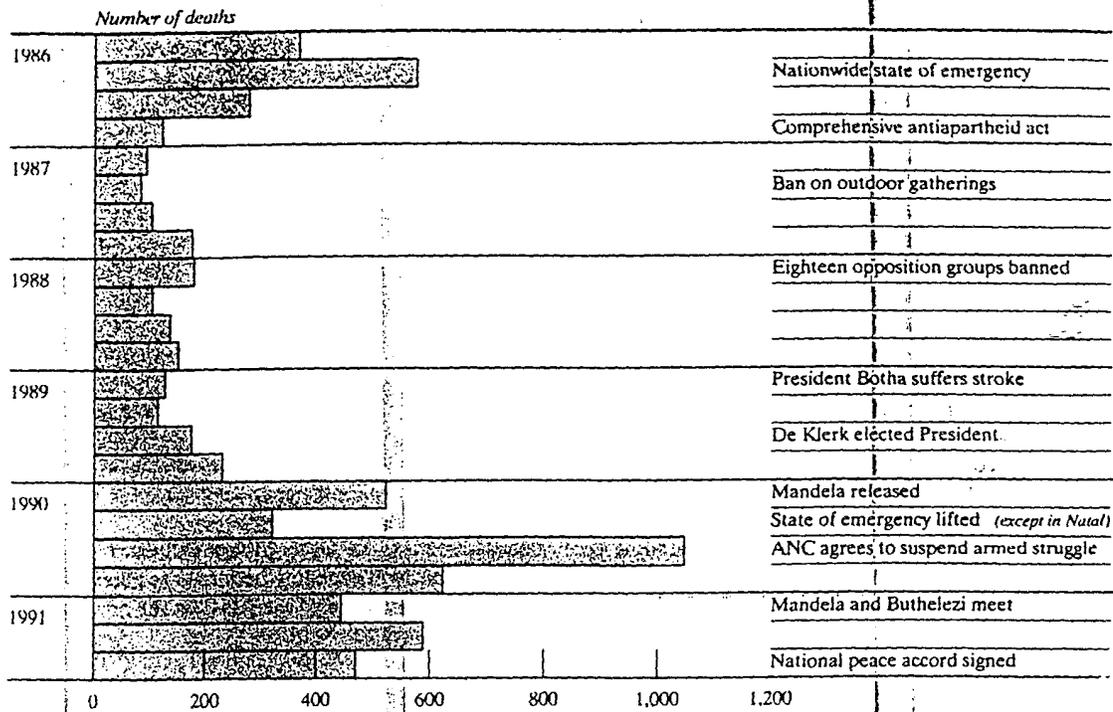
### ... But Worsening Violence

During the past 15 months more than 3,000 blacks died in fighting, most between ANC and Inkatha supporters. Random attacks by whites against blacks have also increased since de Klerk began his initiatives. The September peace accord signed by the government, ANC, and Inkatha has not had a major impact, perhaps because some of the grassroots structures it calls for have yet to be formed. Sustained violence at even higher levels with senior leaders targeted or revelations of government complicity could disrupt or even derail the talks. [ ]

South Africa's political atmosphere will remain so highly charged in 1992 that a single, explosive incident could disrupt the talks. For example, the ANC

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**Figure 2**  
**South Africa: Quarterly Unrest-Related Deaths, 1986-91**



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might halt the dialogue at least temporarily if security forces kill a large number of blacks while trying to control a mass protest.

**Eroding Trust**

The goodwill apparent at government-ANC meetings in 1990 has eroded in the violence of 1991. Prospects for a restoration of trust in 1992 are bleak. Both the ANC and the de facto government-Inkatha alliance will claim that the other is not negotiating in good faith. Although such charges will be aimed mainly at

constituent audiences and the international community, they will reflect the fundamental misgivings each group still has about whether its longtime adversaries will make the necessary concessions.

The continued influence of Communists in the ANC, signs of recent ANC military activity, and erratic ANC statements about the South African economy will diminish Pretoria's confidence in the group. A

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Figure 3. A victim of black-on-black violence watches his home burn.

major bombing traced to the ANC would undermine Pretoria's faith in Mandela's ability to control the ANC's military wing. Meanwhile, statements by Mandela and other ANC officials on plans to nationalize South Africa's mines and renegotiate or ignore its foreign debts have alarmed even the staunchest white supporters of the talks.

The ANC interprets Pretoria's aid to Inkatha as evidence the government is intent on mortally wounding it. Mandela's anger at de Klerk for not taking more drastic measures to control the police will not dissipate. Most ANC supporters, for their part, will emphasize vigilance rather than trust in the government. Their concerns will grow as Pretoria and Inkatha denounce likely ANC mass actions next year, especially if they perceive de Klerk and Buthelezi working closely together on negotiation issues.

For its part, Inkatha believes the ANC still means to marginalize it, despite the recent peace accord. Mandela's refusal after his release from prison to meet with Buthelezi and his harsh criticism of Inkatha set the stage for a continuing antagonistic ANC-Inkatha relationship. During the negotiations next year, it will

### *The Removal of Mandela or de Klerk*

*The sudden removal of either Mandela or de Klerk from the political scene would jar, but probably not derail, the talks. A coterie of competent, like-minded cabinet ministers supports de Klerk, and a leadership change would probably have little impact on party positions. Indeed, the leading contenders to succeed de Klerk—Finance Minister Barend du Plessis and Minister of Public Enterprises Dawie de Villiers—are firmly committed to reform. Succession probably would disrupt the ANC more, given Mandela's premier status in the black opposition, and could cause delays in the talks. ANC veteran Walter Sisulu would provide the greatest leadership continuity over the near term, but rising star Cyril Ramaphosa is well positioned to eventually take the helm. Both are committed to dialogue.*

be hard for de Klerk to accommodate the demands of either Mandela or Buthelezi without the other instantly assuming sinister motives.

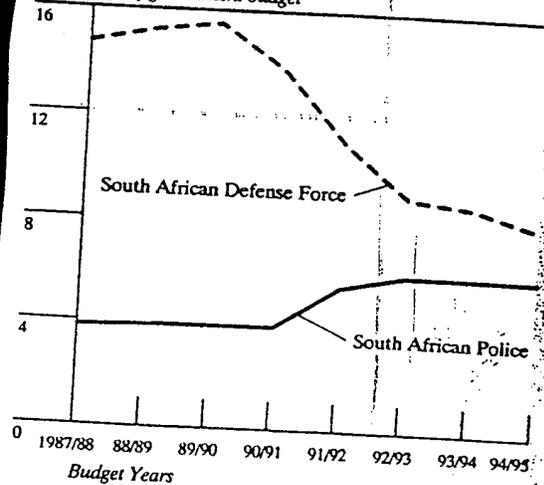
### **Organized Opposition**

Some rightwing white groups, even including the Conservative Party, have the means to disrupt the talks. Conservative Party members, however, are divided over whether they should boycott the talks or try to use them to secure a separate white homeland. The Conservatives will continue to play up the specter of a black authoritarian government to gain new supporters, although that tactic will not bring them any immediate benefits because under current law the Nationalists are not required to hold a general election until March 1995.

The closer constitutional talks approach agreement, the more active white extremists will become. White extremist groups have proliferated since de Klerk became President. More than 40 white paramilitary groups may now be operating in South Africa; estimates of their total membership range from 12,000 to

### Budget of the South African Defense Force and South African Police

Percentage of government budget



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45,000, reflecting their shadowy nature. Nonetheless, many rightwing extremists are well armed and well trained, and, therefore, capable of fanning black-on-black violence or assassinating key figures in the national negotiations.

members were responsible for the attacks, such a campaign would erode white support for de Klerk's efforts.

Disgruntled members of the ANC's military wing could also cause problems. If, for example, they were to mount a bloody bombing campaign—especially one that the government believed had Mandela's approval—Pretoria would suspend the talks. Even if Mandela convinced the government that renegade

#### Negotiating Goals and Strategies of Key Actors

None of the key players in the negotiations is under an immediate time constraint. The March 1995 deadline for a general election is artificial as de Klerk has

the parliamentary strength to change or ignore it. Its importance is tactical rather than strategic. To win negotiating concessions, players are likely to cite the deadline and the specter of a Conservative Party election victory.

#### National Party Hedging Its Bets

The Nationalists will seek multiple forms of insurance against potential abuses under a black-led government. They believe that the ANC is not yet capable of governing effectively and that the white minority would suffer without extensive checks and balances. Pretoria is counting on the process of drafting, ratifying, and implementing a new constitution taking at least several years. During that period it will continually reassess the ANC's organizational development and policies. Measures that Pretoria is seeking to guard white interests include:

- A devolution of power to regions and local communities.
- A comprehensive bill of rights, protecting private ownership and cultural rights in particular.
- A bicameral legislature with an upper chamber that in practice would allow whites to veto decisions of the black majority.
- A multiparty executive branch with a rotating presidency and a cabinet with members of many groups.
- An independent judiciary, which will remain predominantly white for some time.
- A ratification process requiring white voters and the current Parliament to approve a new constitution.

Pretoria appears close to compromising on the ANC's demand for an interim government. Blacks want a voice in policymaking while the talks grind on. Pretoria is not prepared to suspend the current Constitution, but it has pledged to seek transitional arrangements that would satisfy the ANC. The Nationalists may hope to persuade the black opposition to settle for a high-level advisory role on security and political matters. In addition, Pretoria may offer blacks limited economic decisionmaking powers to secure the support of their political and labor groups for achieving growth.

The Nationalists will strive to create a multiracial alliance that can offer stiff competition to an ANC coalition in a nonracial election for a new government. They will implement additional reforms to try to efface some of the effects of apartheid, court moderates of all races, and recruit more nonwhite members into National Party ranks. We believe that Coloreds, Indians, and many conservative blacks—including several million belonging to evangelical Christian churches—will be receptive to this effort.

#### ANC's Government-in-Waiting

ANC leaders will increasingly act as an impatient but confident government-in-waiting. Indignant ANC officials have already criticized the government for not consulting with them before making recent unilateral moves. In the coming talks, ANC officials will seek additional domestic and foreign leverage against Pretoria by portraying themselves as the leaders of an inevitable black successor government.

The ANC will press hard in coming months for interim structures that would undercut the National Party's monopoly on state power. Nevertheless, secure in the conviction that its eventual accession to power is assured, the ANC leadership will probably compromise on this issue because it recognizes that the National Party will not agree to any interim arrangement in which Pretoria and the ANC are equal partners. Moreover, the ANC sees certain advantages in being able to evade immediate responsibility for decisions unpopular with its constituency.

ANC leaders stand a good chance of securing Pretoria's agreement to their demand that a national constituent assembly be elected to draft a new constitution. The government realizes the ANC would walk out of the talks if it refuses to budge on this issue. Some signs suggest that the two may agree to hammer out broad principles first, hold a referendum on them, and then elect a constituent assembly to work out the details of a new constitution. De Klerk, however, almost certainly would insist on polling white votes separately in the referendum, in keeping with his promise to seek white approval for the changes.

Despite pressure from Pretoria and the international community, the ANC is attempting to strengthen its military wing. The intelligence chief of the military wing recently said that it has 10,000 members outside South Africa, though he judges only one-third to be operational. The group believes Pretoria should allow the military wing to coexist now with the government's security forces inside South Africa and protect ANC followers in the townships. Pretoria is unlikely to agree in 1992. Over the longer term, ANC leaders anticipate that some elements of the military wing will be integrated into the South African armed forces, but the government will resist incorporation of untrained ANC cadres.

#### **Inkatha's Bid To Stay in the Game**

Inkatha will support most of Pretoria's negotiating positions but will remain sensitive to any government or ANC moves to diminish its influence or undermine its regional power base. Like Pretoria, Inkatha opposes the ANC's notion of an interim government, wants the multiparty conference to draft a new constitution, favors devolving political power away from the central government, and strongly supports a market economy. Inkatha, however, has not supported the National Party's plan for a multiparty cabinet and rotating presidency.

Inkatha bases its long-term strategy on the belief that a new ANC-led government would be short lived. Acknowledging Mandela's popularity, Inkatha privately concedes that the ANC will win the first nonracial election. Accordingly, Inkatha's immediate aim is to support the creation of a multiparty democracy that allows Chief Buthelezi executive-level influence. Inkatha believes that an ANC regime will not meet the electorate's expectations, opening the way for Buthelezi to win the presidency in the subsequent election—an unlikely outcome, in our view.

**Congress of South African Trade Unions Emboldened**  
Heartened by its recent successful general strike, the Congress of South African Trade Unions (COSATU) is unlikely henceforth to confine itself to labor issues. Already, it is demanding a role in economic policy making. It probably will work mainly with its allies, the ANC and the South African Communist Party (SACP), to influence both political and economic issues in 1992. Over the longer term,



*Figure 4. Mandela, de Klerk, and Buthelezi meet at National Peace Conference to address ongoing violence caused by historic ethnic rivalries, gang warfare, crime, and sharp political competition.*

however, COSATU will play a more independent role in preparation for inevitable conflicts between it and a new government.

#### **Outlook: More Progress Likely . . .**

We believe the talks will make fitful progress in 1992. Each side's hardline opening positions will test the resolve of the other participating groups. We anticipate that Pretoria and the ANC will each abandon

some of its most controversial demands. The parties stand a greater-than-even chance of reaching agreement next year on interim governing arrangements, on the mechanism for drafting a new constitution, and on most of the principles underlying it.

A return to slow economic growth—real GDP rising at an annual rate of 2 to 3 percent—by the middle of 1992 should improve the climate for talks. Increased exports and an improving capital account, facilitated by South Africa's reintegration into the world economy, will reinforce the modest cyclical economic upswing already under way. Pretoria believes—and we agree—that it could boost annual growth to at least 4 percent if it regains access to IMF facilities. Whites, in particular, are likely to feel less nervous about pending political changes if their economic fortunes are improving.

... But Quick Settlement Improbable

The parties are unlikely to reach final decisions on the details of a new political system and a postapartheid economy for several years. In addition, Nationalists will not risk losing control of the government in 1992 to the ANC.

Lengthy negotiations in fact may be necessary for other reasons, as a settlement that occurs too soon may not prove viable. De Klerk and Mandela are both struggling to bring their constituents along on the politically mine-strewn course ahead. Both whites and blacks need time, not only to adjust to the changes already made under de Klerk, but to accept the compromises that will be necessary for a settlement.

Alternative Scenario: Talks Collapse

We judge that any halt to the talks from deadlock or violence would be temporary. Although whites control the government, the security forces, and the economy, they cannot prevent large-scale outbreaks of black violence that would make parts of the country unmanageable and economic recovery unachievable. At the same time, the black opposition would not yet be

*Economic Issues: Some Cause for Hope*

*Nascent Economic Consensus. Most parties increasingly recognize that a relatively unfettered private sector is essential for robust economic growth and job creation. The parties also accept that redressing the stark legacy of apartheid will require government intervention to supplement the slower redistributive effects of economic growth. Accordingly, key players expect that an economic settlement will entail a mixed economic system that entrusts government with greater responsibility for effecting redistribution but leaves the economy with a basic free market orientation.*

*Nonetheless, strong economic rhetoric will surely continue as the parties shore up bargaining positions and reassure constituencies. The parties still differ on the practical details of economic policy and must hammer out compromises on matters such as tax and spending levels, land transfer mechanisms, and affirmative action programs. Beyond the time frame of this Estimate, economic policies by any new government will be unpopular because of rising black expectations for redistribution. Meeting these expectations will be easier if economic growth is high.*

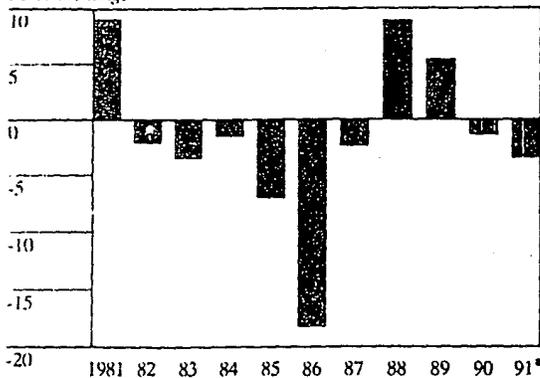
*Medium-Term Prospects Still Tentative. South Africa will experience slow economic growth—little help in lowering the 40-percent unemployment rate—for several years even if a political settlement is reached soon. Uncertainties about the stability and policies of a majority government will cloud the business climate and discourage much foreign investment. South Africa's chronic shortage of skilled manpower—partially the result of deficient black education—will persist for several generations, limiting the ability of businesses to expand.*

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**Figure 5**  
**South Africa: Selected Economic and Social Data**

*Sanctions, violence, and uncertainty have contributed to weak investment spending...*

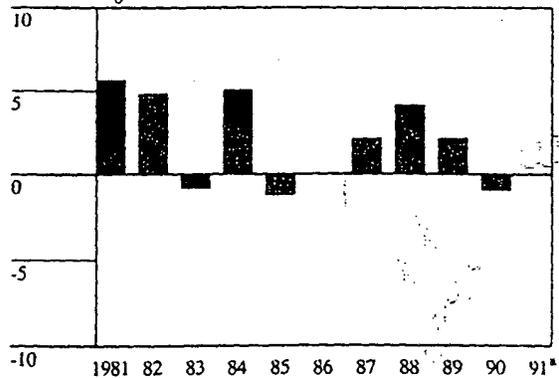
**Growth of Real Gross Domestic Fixed Investment**  
Percent change



<sup>a</sup> Estimated.

*... that has helped slow the economy.*

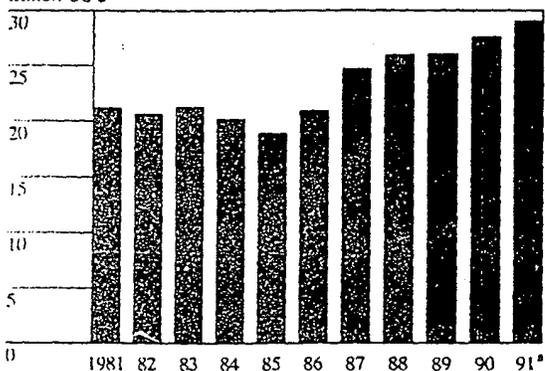
**Growth of Real Gross Domestic Product**  
Percent change



<sup>a</sup> Estimated growth for 1991 is zero percent.

*But steady increases in exports...*

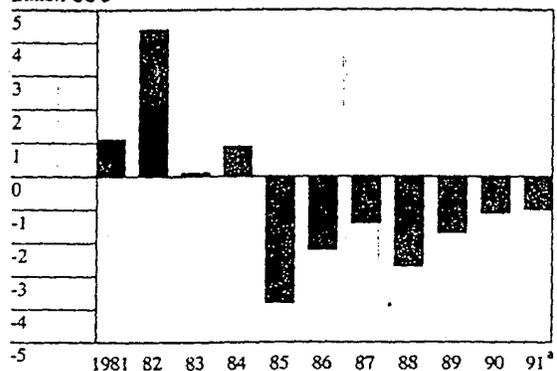
**Exports of Goods and Services**  
Billion US \$



<sup>a</sup> Estimated.

*... and lower capital outflows bode well for renewed economic growth.*

**Net Foreign Capital Flows**  
Billion US \$



<sup>a</sup> Estimated.

Se

**Eventual Outcomes**

Talks on a new constitution and subsequent elections hold the potential for a broad range of alternative outcomes. Listed in descending order of likelihood, the following are possibilities.

**Rule by Moderate ANC-Led Coalition**

**Possible Catalysts**

ANC coalition under Mandela's leadership wins election handily... National Party coalition satisfied for moment with limited opposition role and substantial checks and balances, believes time is on its side because of enormous challenges facing new, inexperienced regime.

**Impact**

Relative stability despite problems created by conservative whites resisting change and poor blacks unhappy over their economic plight... relations between ANC and Nationalist coalitions likely to be poor as each blames other for country's many remaining problems.

**Rule by ANC-National Party Coalition**

**Possible Catalysts**

Neither Nationalists nor ANC win majority in election... extremists on left and right mount violent attacks against moderate targets... Nationalists, ANC recognize close cooperation essential for viability of system and their own political survival.

**Impact**

Despite violence, relatively stable... ruling coalition strives to redress racial inequities without asking inordinate sacrifices from whites.

**Rule by Militant ANC**

**Possible Catalysts**

Landslide ANC election victory... blacks highly critical of National Party's bargaining tactics and security actions during talks... once in office, Mandela changes stripes, or dies and is succeeded by firebrand populist... attacks by white extremists causes greater militancy among blacks.

**Impact**

Unstable... threat of widespread white backlash as black regime becomes increasingly authoritarian... controversial government economic policies result in white flight, little new foreign investment.

**Rule by National Party-Led, Multiracial Coalition**

**Possible Catalysts**

Conservatism among blacks much deeper than previously realized... many mainstream blacks critical of ANC performance in talks... Nationalists garner votes of vast majority of whites, large portions of the black community.

**Impact**

Highly unstable... black extremists, including possible breakaway ANC faction, well poised to exploit black anger over perceived continuance of white rule... black support for the new system erodes.

capable of wresting control of the state from whites. Thus, both sides would find the stalemate intolerable and, after an interval of bluster, posturing, and violence, resume their efforts to negotiate a settlement:

- Pretoria would probably try to negotiate with any group that remained willing, while urging those who had left talks to return. Realizing that ANC support for a new system would be crucial, Pretoria would probably offer concessions to bring the group back into the process. De Klerk would also strive to maintain the country's improved ties to the international community.
- Presuming Mandela remained at the helm, the ANC alliance would probably not revive a military campaign immediately; instead it would conduct nationwide mass protests and wait for expected international pressure to bring Pretoria around.

Should talks not revive soon, however, an upward cycle of violent confrontations would ensue, leading to a sharp economic recession. Thousands of white professionals might emigrate, worsening an already critical shortage of skilled manpower. The unfavorable investment climate would spur capital flight, cause a precipitous fall in private-sector investments, stanch the inflow of new foreign loans, and complicate the country's efforts to refinance existing debt. Many foreign companies would feel a strong moral obligation to pull out.

#### Challenges and Opportunities for the United States

The United States can exercise influence over most of the principal players in the South African talks. US reactions to South African events are important to Pretoria. Washington has seized on opportunities, such as de Klerk's request for help in bridging the gap between the ANC and Inkatha, to press key players to make concessions when necessary to keep the reform process on track. Moreover, longstanding public and private US aid programs for black empowerment through scholarships, self-help community development, and labor union training attract widespread attention and appreciation among blacks.

Other foreign governments are also in a position to influence key players. The Commonwealth leaders in October agreed to a phased lifting of sanctions to help ensure a smooth political transition. West Germany, Japan, the United Kingdom, and Switzerland, which are South Africa's largest trading partners, will try to increase their influence by holding out the promise of more investment. The United Kingdom is particularly influential with both the government and the ANC.

The United States and other Western nations can facilitate talks through informal mediation but only if they are perceived as impartial. For example, substantial and visible assistance to the ANC and its allies would be viewed by many whites as an attempt by the United States to stack the deck in the ANC's favor. Such aid might undermine Pretoria's ability to bring whites along toward constitutional negotiations. Conversely, US support for the government would risk alienating the ANC. If, for instance, Washington acceded to Pretoria's request for access to IMF funding without taking ANC views into account, overall US influence would be jeopardized.

A collapse of the negotiations, regardless of which side was to blame, could cause Pretoria to impede US assistance to the black opposition. It would also trigger black demands for reimposition of economic sanctions against South Africa. Regionally, a breakdown of talks would probably not have a negative impact on US credibility, in view of Washington's role in supporting conflict resolution in neighboring countries such as Angol.