



Director of
Central
Intelligence

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NOFORN-NOCONTRACT

4326

South Africa: Weathering the Storm (C NF)

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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South Africa: Weathering the Storm ~~(C/NF)~~

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in the preparation of this National Intelligence Estimate.*

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in the preparation of this Estimate:*

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The Defense Intelligence Agency
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The Director of Naval Intelligence,
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The Assistant Chief of Staff, Intelligence,
Department of the Air Force
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Impact of ANC Suspension of Talks

A flurry of political activity has occurred in South Africa since the African National Congress (ANC) suspended its participation in the Convention for a Democratic South Africa (CODESA). An ANC delegation delivered the group's demands to President de Klerk's office. These include banning all dangerous weapons, repealing repressive laws, and disarming and confining all special security forces to barracks. Significant breakthroughs at this initial meeting seem unlikely because tensions remain high. (CNY)

Nonetheless, Nelson Mandela has said that Pretoria need not satisfy all ANC demands before the group would consider rejoining CODESA. Senior ANC spokesmen, moreover, have reaffirmed their commitment to a negotiated settlement and have rejected calls for arming township militants. (CNY)

Pretoria's Strategy

Pretoria is anxious to resume formal negotiations. The broad wording of the ANC's requests should help Pretoria to meet them. De Klerk has taken several steps in this direction:

- Foreign Minister Botha will soon meet UN Secretary General Boutros-Ghali, whom the ANC has asked to investigate the recent massacre and monitor township violence.*
- Pretoria announced it will welcome international factfinding missions but will not accept "direct international intervention."*
- De Klerk has asked a respected South African justice, who is heading a commission to investigate the violence, to invite a person with solid international credentials to join his inquiry. (CNY)*

Nonetheless, the situation in South Africa almost certainly will deteriorate further. The ANC will go forward with its program of mass actions. Factional violence and attacks against government targets will intensify as extremists seek to exploit the setback in negotiations. For now, de Klerk probably will resist growing pressures to impose nationwide emergency security measures. He will not hesitate, however, to take steps to rein in whites or blacks intent on using violence to disrupt negotiations. (CNY)

Key Judgments

South Africa: Weathering the Storm (C/N)

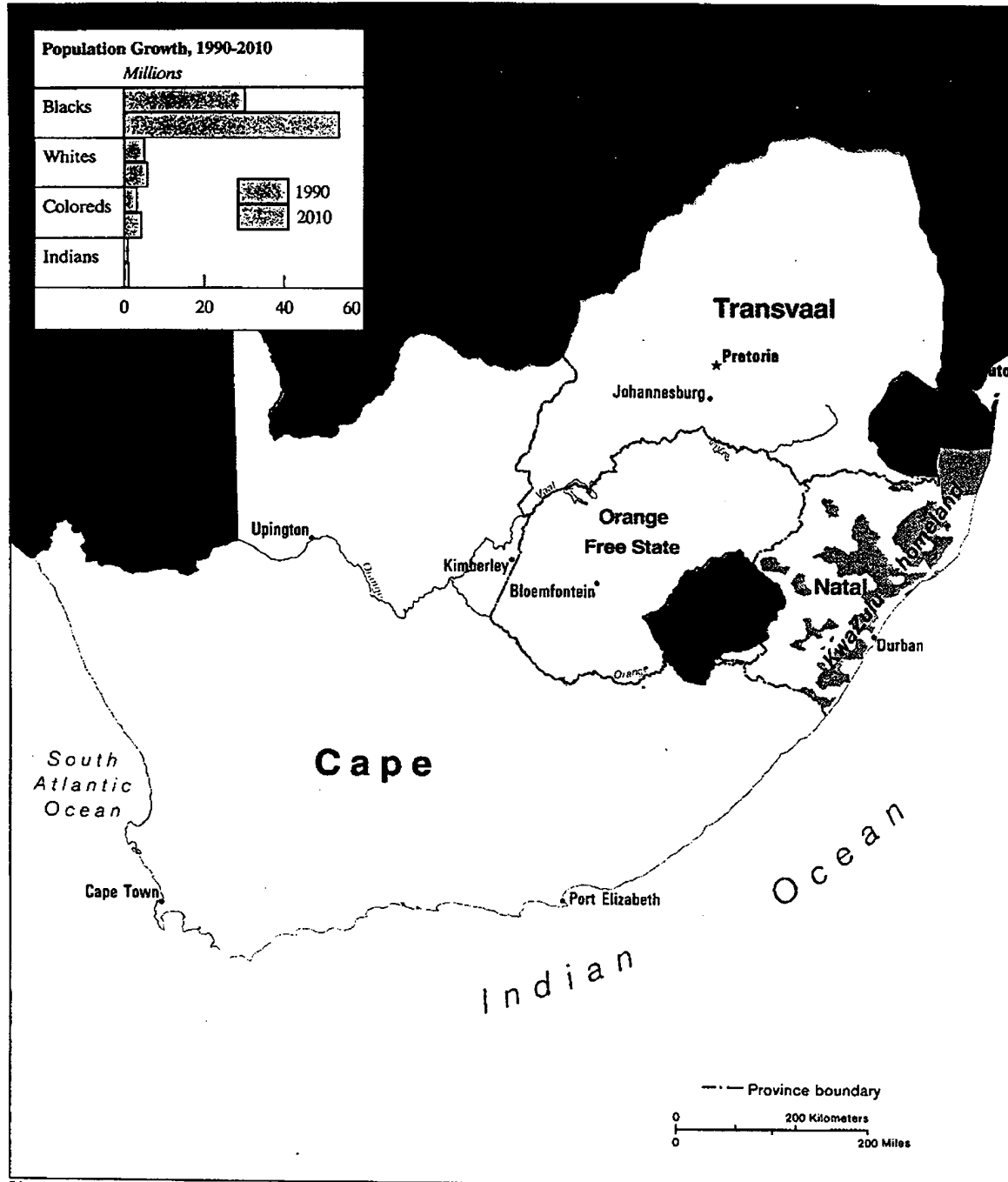
The recent surge in factional violence and the African National Congress (ANC) suspension of talks have dealt the negotiations process a serious—but we believe not fatal—blow. The climate for talks is unlikely to improve significantly for some time, and the implementation of a multiracial interim government is likely to slip beyond the next 12 months. Nonetheless, South Africa remains on the path toward a majority-led government. The ruling National Party (NP) and the ANC remain committed to reaching a negotiated settlement, and the Convention for a Democratic South Africa (CODESA) process, possibly in a restructured format, probably will weather the current storm. (C/N)

Recent events notwithstanding, CODESA has made remarkable progress in six months on a range of issues affecting South Africa's transition. CODESA has become institutionalized and stronger even as the main actors have become more antagonistic. The CODESA management committee functions independently to guide the talks. The personal relationship between President de Klerk and Nelson Mandela, although still important to the talks, is increasingly less pivotal as decisionmaking becomes more widely dispersed throughout the bureaucracies of the government, the ANC, and CODESA itself. (C/N)

Nonetheless, the period of sweeping, conciliatory gestures has ended. South Africa's transition will occur in fits and starts as the key players try to reach a settlement. Some contentious issues—such as the structures of a postapartheid economy and military—will periodically slow progress in the talks, but the central struggle will remain the apportionment of power in the new South Africa:

- The NP will press for extensive checks and balances at every level of government and considerable decentralization of authority to regional and local structures.
- The ANC and its allies will resist formulas that give disproportionate power to minority parties or significantly weaken the authority of the central government.
- Both the government and the ANC are aware of the power of Zulu nationalism. They will go to great lengths to accommodate Chief Buthelezi's wishes in a final settlement because he has the power to disrupt an agreement. (C/N)

Figure 1
South Africa



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Mandela will have more problems with his constituents during this period than de Klerk. Mandela's base of support will be threatened by persistent factional violence in the townships and by charges that the government, with which he is negotiating, is fomenting the violence. In contrast, de Klerk's overwhelming victory in the March whites-only referendum gives the NP considerable latitude in the talks, as long as a settlement includes sufficient protection of white interests. Incidents of rightwing violence and actions by rogue policemen remain likely, but prospects for a successful military coup are virtually nil. (C NP)

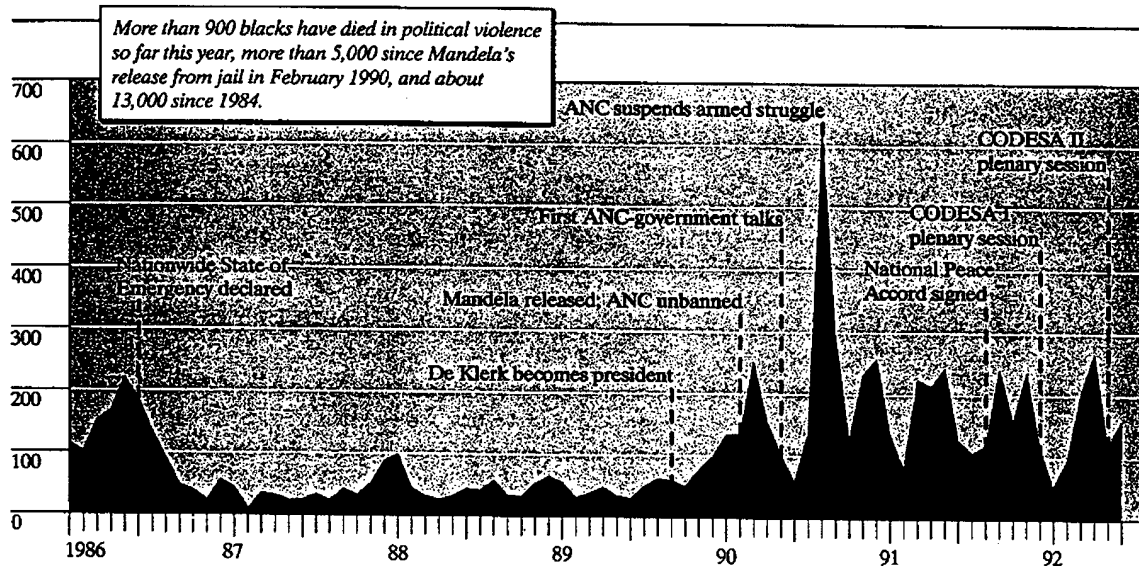
A lengthy disruption of talks would stretch out the transition process and make it even more violent. The ANC and its allies, however, are no match for the white-controlled security forces, while the NP cannot make a new system work without the cooperation of the ANC and its allies. Consequently, a halt to the talks probably will be temporary as the principal actors try to restart the process and avoid unprecedented bloodshed and irreparable damage to the economy. Once an interim government is in place, a collapse of the transition process and a resulting civil war are possible but we believe unlikely. (C NP)

Our judgment that the transition program will stay on track is based more on the previous behavior of the key players and the assumption that they fully appreciate the disastrous consequences of a breakdown than on any current compelling evidence. In the event that such rationality does not prevail or that politics internal to the participating groups override it, the talks would collapse, touching off a wave of political violence and international condemnation. Mounting instability and racial conflict would spur white secessionist movements, white emigration, and renewed foreign disinvestment, ensuring a severe economic downturn and soaring black unemployment and poverty. (C NP)

The United States and other foreign governments can play an important role in keeping reform and transition on track. Pretoria wants political support and economic investment. The ANC views its international standing as a key strength. Both sides know that an abandonment of the present course would undermine the favorable stance that Washington and other governments have adopted. (C NP)

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Figure 2
South Africa: Monthly Unrest Deaths, 1986-92



Note: Data thru June 22, 1992.

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Discussion

The recent surge in factional violence and the African National Congress (ANC) suspension of talks at the 19-organization Convention for a Democratic South Africa (CODESA) have dealt the negotiating process a serious but probably not fatal blow, and the climate for talks is unlikely to improve significantly for some time. Nonetheless, the two dominant players at CODESA, the ruling National Party (NP) and the ANC, will remain committed to reaching a negotiated settlement because they have no choice other than civil war. Negotiators already have made significant progress on a range of issues affecting South Africa's transition, although the implementation of a multiracial transitional government is likely to slip beyond the next 12 months. (C NF)

Political violence—primarily factional fighting between supporters of the ANC and Inkatha—will remain a persistent threat to CODESA but will not bring the collapse of the current government or end efforts to negotiate a new constitution. Violent white and black extremist opposition to the talks is supported by only a small minority of South Africans. Most whites and blacks appear willing to give their leaders enough latitude to negotiate compromises. Nonetheless, relative moderates, including President de Klerk and Nelson Mandela, come under severe political pressure during periods of heightened violence. As a result, additional temporary breakdowns and logjams in the talks are virtually ensured. (C NF)

Elements across the political spectrum probably will continue to use violence at times to advance their political agendas. For example, some ANC supporters will resort to intimidation to enforce participation in mass protests, and Inkatha supporters will use violence to avoid becoming marginalized in the negotiations and to demonstrate the power of Zulu nationalism. Despite almost unanimous support last year for the so-called National Peace Accord, which established multiparty structures and a commission of inquiry to cope with the violence, none of the main actors have made a consistent effort to halt the fighting. (C NF)

We do not believe or have evidence to support allegations charging that President de Klerk is directing efforts to foment violence and thereby weaken the ANC. On the contrary, his efforts to purge the security forces, particularly the police, of rightwingers have been so pronounced that the local media have openly speculated on the possibility of security elements mounting a coup. Nonetheless, a growing body of credible reporting indicates that rogue rightwing sympathizers within the security forces are providing support and assistance, including arms, to any forces that are instigating violence. Moreover, a government-sponsored commission recently lambasted the security services for not doing enough to stop the killing. (C NF)

Getting Down to Brass Tacks

The furor over the recent massacre at a black squatter camp confirms that the period of sweeping, conciliatory gestures has ended, and the political stakes ensure a grueling process ahead. Violence almost certainly will surge at critical junctures—intensifying when talks approach a deadlock, accompanying breakthroughs in the process, and marring peaceful mass action campaigns—as the parties begin to grapple with the core issues that will determine the shape of the new South Africa, including:

- The distribution of power at the national, regional, and local levels.
- The timetable for the transition.
- The structures of the postapartheid economy and security forces.
- The selling of the product of negotiations to diverse constituencies. (C NF)

The distribution of power issue will permeate each phase of the negotiations. Some issues—political violence, the participation of minor parties, the role of traditional leaders, reintegration of the nominally

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independent black homelands, and the conduct of a national election—will seize center stage at times and will periodically slow or temporarily halt progress in the talks. But most of these issues are secondary to the central struggle between the NP and the ANC-led alliance to apportion power. Other key questions—the timetable for the transition and the structures of the postapartheid economy and security forces—also are part of the broader struggle for power. (C NP)

A crucial test lies ahead as the NP and ANC work out the modalities of the new constitution. The NP—with coalition partners—believes it could get 25 percent of the vote in a nonracial election for a constitution-drafting body. But it doubts it could win 30 percent or more. The ANC, for its part, doubts it could win more than two-thirds of the vote. Consequently, deciding what portion of the constitution-drafting body will be required to adopt provisions of the constitution has far-reaching implications for the ultimate balance of power. Moreover, the NP will press for protection of white interests through extensive checks and balances at every level of government and through strong regional and local government. The ANC and its allies will resist formulas that give disproportionate power to minority parties or significantly weaken the central government. (C NP)

Any timetable for the transition process that the Nationalists and the ANC agree on probably will slip. The NP will try to extend the period at least several years, with a multiparty interim government ruling the country as representatives draft the final constitution. Its preference for a longer transition reflects white fears of losing power and a belief that a prolonged transition would be necessary before the ANC and its allies learn the skills to govern effectively. The ANC, facing considerable pressure to produce tangible benefits from negotiations, will press for a much shorter transition, with the interim government and constitution-drafting phase lasting less than a year. (C NP)

The struggle over these issues will continue to strain relations among key players. The ANC and its allies—the South African Communist Party and the Congress of South African Trade Unions—are threatening a general strike to press their demands and

The Key Players

National Party (NP): Currently controls 102 of 178 seats in white parliament . . . won nationwide, whites-only referendum on reform by 69 percent in March 1992 . . . poll in May indicates NP would win 16 percent of votes in nonracial general election . . . has held power since 1948. (C NP)

African National Congress (ANC): Membership of about 600,000, but would win 52 percent of nationwide vote, according to May 1992 poll . . . much of support drawn from country's 7 million Xhosas . . . formal allies include Congress of South African Trade Unions—country's largest labor federation with some 1.2 million members—and South African Communist Party, which claims over 30,000 members. (C NP)

Inkatha Freedom Party (IFP): Claims nearly 2 million members . . . preponderance of support from country's 8 million Zulus . . . May 1992 poll suggests IFP would take 10 percent of vote in election. (C NP)

Conservative Party: Largest of numerous rightwing groups . . . legal opposition party, holds 42 seats in white parliament . . . party unity floundering after resounding defeat in March whites-only referendum . . . nonparticipant in the Convention for a Democratic South Africa (CODESA), but has agreed to bilateral talks with NP . . . split from NP in 1982. (C NP)

Black Consciousness Groups: Largest black exclusivist groups are Pan-Africanist Congress and Azanian People's Organization . . . both are boycotting CODESA . . . polls show little nationwide support . . . PAC claims some 10,000 members and AZAPO 55,000 to 75,000. (C NP)

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Rightwing Whites and Far-Left Blacks: Will They Join the Talks?

Elements of fringe groups on both ends of the political spectrum will probably join the talks at some point but are unlikely to exercise significant influence. Hardliners in the white Conservative Party and the black Pan-Africanist Congress so far have prevented their organizations from participating in the Convention for a Democratic South Africa. As the political costs of standing on the sidelines rise, these groups—or at least breakaway factions—probably will try to join the talks, perhaps as elected members of a constitution-drafting body. Neither group commands a large constituency, but the prospects for a smoother, more peaceful transition would be improved if representatives of these groups were drawn into negotiations.

(C NF)

already have launched a mass action campaign to mobilize support. Heated rhetoric, at times degenerating into personal attacks between de Klerk and Mandela, will increasingly characterize the talks. Likewise, we see little chance that the long history of mutual recriminations between the ANC and Zulu Chief Buthelezi's Inkatha movement, another important player in CODESA, will end. Buthelezi is suspicious of cooperation between the ANC and the government and fears being marginalized once an interim government and constitution-drafting body are established. Both the government and the ANC are aware of the power of Zulu nationalism. They will go to great lengths to accommodate Chief Buthelezi's wishes in a final settlement because he has the power to disrupt an agreement. Nonetheless, political violence fueled largely by the ANC-Inkatha rivalry will persist. *(C NF)*

Getting to Agreement

Temporary breakdowns or logjams in the negotiating process are inevitable. The ANC will resort to walk-outs, demonstrations, and strikes to influence the talks

and assure its constituents that it will not cave in to white demands just to obtain a settlement. Should a general strike be implemented, the ANC and its allies could bring the economy to a virtual standstill for several days at a time. Most ANC leaders realize, however, that mass action is not a tool that can be used willy-nilly and that large-scale, prolonged actions—difficult to sustain—could have unintended consequences, touching off a wave of bloody violence, further damaging the economy and poisoning the climate for fruitful talks. *(C NF)*

Nevertheless, the evolving negotiating stances and underlying interests of the key players—especially the NP and the ANC—suggest a settlement is within reach. Despite public rancor and the tough bargaining that lies ahead, the CODESA process is fundamentally sound and would survive the loss of President de Klerk or Nelson Mandela. CODESA has institutionalized the negotiating process, strengthening it even as the main actors become more antagonistic. The personal relationship between de Klerk and Mandela, although still important to the talks, is increasingly less pivotal as decisionmaking becomes more widely dispersed throughout the bureaucracies of the government, the ANC, and CODESA itself. *(C NF)*

Although a final constitution may still be years away, the broad elements of a viable settlement will include:

- *A majority-led central government.* The winner in a free and fair election—probably the ANC—would play the leading role in the executive and legislative branches of government.
- *Continued white political and economic influence.* Elements of a coalition government would persist, and whites would retain key positions as top civil servants, military officers, and economic actors.
- *Protection of minority rights.* A system of extensive checks and balances would be written into the constitution, including a significantly empowered independent judiciary and a bill of rights.
- *Strong regional and local governments.* Despite longstanding ANC opposition to federalism, some form of regional and local government would be instituted.

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CODESA Progress to Date

First Plenary Session (December 1991). Delegates draft declaration of intent that sets reasonable guidelines for CODESA endeavors . . . ratify general rules and procedures . . . reach key compromise on implementing decisions . . . establish five working groups to hammer out consensus reports on free political participation, broad constitutional principles and the constitution-drafting process, interim government, reincorporation of black homelands, and time frames. (u)

Second Plenary Session (May 1992). Four of five working groups complete reports beforehand . . . deadlock over division of power in a constitution-drafting body dominates session . . . CODESA structures subsequently streamlined to facilitate compromise and pave way for third plenary session, perhaps in July. (u)

- *Mixed economic system.* A mixed economy would be adopted in which a preponderance of market-oriented economic activity is balanced with state intervention to redress racial inequities. (C NF)

Forging the Interim Executive

Once the first interim governing arrangements are in place, the players will concentrate on making the new mechanisms work. Negotiators already have agreed to create a multiparty transitional executive to rule the country in the runup to elections for a transitional legislature. Multiparty councils are planned to oversee local, regional, and national political structures; foreign affairs; finance; and all security forces. (C NF)

The complex issues to be dealt with by the transitional executive virtually ensure initial teething pains. For example, the new executive may be charged with handling the sensitive issue of integrating government, homeland, and ANC security forces. We believe that individual members of the ANC military

wing and homeland armed forces eventually will be integrated into the South African Defense Force, as opposed to a wholesale merger of forces into a reconstituted South African armed force. (C NF)

Compromising on Economic Issues

Economic issues will take a backseat to political ones in coming months but will assume greater prominence once an interim government is in place. The installation of an interim government would strengthen business confidence by demonstrating the viability of power sharing and open the way for large inflows of foreign aid that will boost the economy and help redress deficiencies in black living standards. Likewise, the recent formation of a government-business-labor forum will broaden participation in the talks process and ease uncertainties over the country's economic future. By reaching a consensus, if only on broad postapartheid economic policies, an economic forum would remove some of the uncertainties that deter potential investors. It would also facilitate efforts by the ANC and other opposition groups to hew a relatively moderate course on economic issues. (C NF)

Bringing Constituents Along

As the talks progress and the prospect of a national election nears, de Klerk and Mandela will increasingly weigh compromises with an eye on their respective constituencies. Both leaders recognize that they must ultimately sell the product of the talks and that a durable settlement requires broad-based support. Otherwise, the political process would eventually collapse and perhaps trigger a civil war. (C NF)

Mandela probably will have more problems with his constituents during this period than de Klerk. Persistent factional violence in the townships and recurring charges that the government with which he is negotiating is fomenting the violence will threaten to erode Mandela's base of support for the talks. Many blacks already fear the ANC will give away too much just to get a settlement. (C NF)

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Economic Forum Parallels Political Talks

The long-awaited forum for negotiating post-apartheid economic issues is taking shape. Representatives from government, business, and labor hope to hold the first plenary session of the forum in July. In preparation, they have established working groups to discuss job creation, industrial strategy, and macroeconomic policy. (C N)

The forum is expected to examine proposals for restructuring the economy to promote growth and to correct the socioeconomic disparities of apartheid. Until an interim government is established, however, it probably will have only a modest impact on government policies. Pretoria is unlikely at this stage to undertake major economic initiatives that would bind a future government. Once blacks are represented in an interim government, the forum could become a key venue for crafting economic policies. (C N)

The ANC's alliance with the South African Communist Party will survive over the coming year. But differences over future economic policy; ANC attempts to broaden its base of support among relatively conservative voters, including Indians and mixed-race Coloreds; and competition for the urban black vote in the runup to national elections will ultimately strain the alliance, perhaps to the breaking point. (C N)

By contrast, the NP probably will maintain and build its support during this period. De Klerk's overwhelming victory in the whites-only referendum in March gives the NP considerable latitude in the talks as long as a settlement includes sufficient protection of white interests. Incidents of rightwing violence remain likely, but the chance of a successful military coup is virtually nil in the near term. Rightwing whites will face increasing pressure to join the talks or lose their chance—already remote—of securing a white redoubt in the hinterland. (C N)

Alternative: The Talks Bog Down or Unravel

The negotiating process can survive prolonged delays, but a slow pace will increase the chances of future breakdowns, as well as strikes, demonstrations, and protests—and accompanying factional violence—aimed at breaking the deadlock. Most likely, any halts to the talks would be temporary because the NP cannot make a new system viable without the cooperation of the ANC, and the black opposition is no match for the white-controlled security forces. As a result, we believe the central actors would seek new compromises to restart the talks in order to avoid unprecedented bloodshed and irreparable damage to the economy. (C N)

Alternatively, if the main actors are unable to break a deadlock over a critical issue, such as the formula for decisionmaking in the constitution-drafting body, the talks would collapse, touching off a wave of political violence and international condemnation. The ANC alliance probably would not revive a military campaign immediately but would conduct massive nationwide demonstrations and general strikes. Mounting instability and racial conflict undoubtedly would spur white secessionist movements. Massive white emigration, capital flight, and renewed foreign disinvestment would ensue, ensuring a severe economic downturn and soaring black unemployment and poverty. (C N)

Opportunities for the United States and Other Third Parties

The United States enjoys considerable influence with most of the principal players in South African politics. A continuous stream of South African visitors to the United States, representing a wide range of organizations, will continue to look to US policymakers and experts in every field for advice and assistance. Moreover, the prospect of US investment in South Africa once an interim government is in place will provide an incentive to keep the reform process on track. (C N)

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Other foreign governments can also influence key players. Recent travels by de Klerk to Russia and the Far East and by Mandela to West Africa and Scandinavia reflect the emphasis both leaders place on improving their own and South Africa's international images. The Commonwealth leaders in April lifted all remaining sanctions, opening the way for Europeans to invest in South Africa once a more positive business climate is established. Business leaders in Germany and Japan, two of South Africa's largest trading partners, have indicated that further investment awaits the formation of an interim government. (C-2)

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