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Towards a new aid paradigm: South Africa as African development partner

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Towards a new aid paradigm: South Africa as African development partner

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Abstract *As the largest African economy and the leading African aid-provider, with plans to establish an aid agency, South Africa is often ranked among the developing world's 'emerging donors'. However, the country's development cooperation commitments are smaller in scope, scale and ambition than the aid regimes of the BRIC (Brazil, Russia, India, China) or Gulf state donors. Given its limited resources and domestic socioeconomic challenges, South Africa prefers the role of 'development partner'. In this role, South Africa's development cooperation in Africa has ranged from peacekeeping, electoral reform and post-conflict reconstruction to support for strengthening regional and continental institutions, implementing the New Partnership for Africa's Development (NEPAD) and improving bilateral political and economic relations through dialogue and cooperation. This article seeks to determine whether Pretoria's development cooperation offers an alternative perspective to the aid policies and practices of the traditional and large rising donors. We conclude that South Africa does not fit neatly the 'donor' category of the Organization for Economic Cooperation and Development's (OECD's) Development Assistance Committee (DAC) and neither is Pretoria's aid-spending typically 'ODA' (official development assistance). Instead, with its new aid agency, South Africa occupies a unique space in Africa's development cooperation landscape. With fewer aid resources, but a 'comparative advantage' in understanding Africa's security/governance/development nexus, South Africa can play an instrumental role in facilitating trilateral partnerships, especially in Southern Africa.*

Introduction

As the largest African economy and the leading African aid-provider, with plans to establish an aid agency and development fund, South Africa is often ranked among the developing world's 'emerging donors'. However, compared with the quantum of external assistance and aid disbursed by these new benefactors, South Africa is only a middle power in development diplomacy. The country's development cooperation commitments are smaller in scope, scale and ambition than the aid policies and practices of the BRIC countries (Brazil, Russia, India and China) and the Arab Gulf states. Nonetheless, in recent years, South Africa has increased its contributions to the United Nations' (UN's) development agencies and peacekeeping operations, supported Africa's political and economic revitalization through the African Renaissance and International Cooperation Fund (ARF), subsidized the development of its smaller low-income neighbours,

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provided technical assistance and training programmes and delivered disaster and humanitarian relief to countries within and beyond Africa. Although there is no centralized accounting for development financing in South Africa, it is estimated that the country's total spending on development cooperation exceeds the official UN target of 0.7 per cent of gross domestic product (GDP), a significant achievement that few members of the Organization for Economic Cooperation and Development's (OECD) Development Assistance Committee (DAC) can boast (Alden and le Pere 2010).

Notwithstanding this growing repertoire of external development cooperation, South Africa's political elite are not comfortable with the connotation of the country as a 'donor'. Similar concerns have been observed in Brazil, China and India. This reflects sensibilities on the part of governing authorities about South Africa's perceived regional hegemony and contested continental leadership in Africa (Habib and Selinyane 2004; Alden and le Pere 2009), as well as South Africa's dual role as an aid donor and aid recipient.[1] Rhetorically, the government has preferred the term 'development partner' when referring to South Africa's role as a provider of development assistance, particularly to African countries. In recent years, there has been a concerted effort by the Zuma administration to burnish South Africa's donor-partnership credentials and improve coordination and delivery of the country's outgoing development cooperation, especially in Africa. This involves the establishment of the South African Development Partnership Agency (SADPA) and the Partnership Fund for Development, which are expected to be implemented incrementally from April 2013.[2]

This article explores the nature and role of South Africa's development cooperation, especially in the African context. Development cooperation is a wider, more multidimensional construct than the narrow OECD-DAC definition of official development assistance (ODA).[3] From South Africa's perspective, development cooperation involves cooperation between developing and developed countries in the field of aid, trade, security and politics to promote economic and social well-being in developing countries (Department of International Relations and Cooperation (DIRCO) 2011b). With that definition in mind, the article explores whether Pretoria's development cooperation offers an alternative perspective to the aid policies and practices of the traditional *and* large rising donors.

[1] South Africa received US$1032 million in net ODA in 2010, down from US$1075 million in 2009 and US$1125 million in 2008. Over the period 2000–2010, South Africa's share of ODA to Africa was about 2.2 per cent. The top ten donors of gross ODA to South Africa are the United States, European Union (EU) institutions, Germany, the United Kingdom, France, the Netherlands, the Global Fund, Norway, Denmark and Belgium (<www.oecd.org/dac/aidstatistics/1878742.gif>).

[2] Confidential interview, DIRCO, May 2012.

[3] The official definition of ODA is 'Flows of official financing administered with the promotion of the economic development and welfare of developing countries as the main objective and which are concessional in character with a grant element of at least 25 per cent (using a fixed 10 per cent rate of discount). By convention, ODA flows comprise contributions of donor government agencies, at all levels, to developing countries ("bilateral ODA") and to multilateral institutions. ODA receipts comprise disbursements by bilateral donors and multilateral institutions. Lending by export credit agencies—with the pure purpose of export promotion—is excluded' (IMF 2003).

The article proceeds in three steps. The first section provides a brief *tour d'horizon* of South Africa's development cooperation within and beyond Africa, providing five indicative case studies: the role of the ARF, South Africa's support for multilateral institutions and agencies, plurilateral development partnerships, revenue transfers to the Southern African Customs Union (SACU) countries, and South Africa's support for regional peace, stability and development. The second section identifies the ideas, interests and institutions that underpin and drive South Africa's role as a development partner in Africa. The final section of the article concludes that South Africa occupies a unique space in Africa's development cooperation landscape, which could provide Pretoria with a niche role in coordinating trilateral partnerships in the Southern African region.

Mapping South Africa's development cooperation

Although democratic South Africa is a latecomer to the donor community, the previous apartheid government had engaged extensively in development assistance. Confronting a hostile world, the white minority regime in Pretoria had for decades provided external assistance in the hope of winning friends and buying votes, particularly at the UN Security Council (Barber and Barratt 1990; Braude et al 2008). From the 1960s until the 1980s, Pretoria extended assistance to a range of countries with strong links to South Africa, including Lesotho, Gabon, Ivory Coast, Equatorial Guinea and Comoros—and, outside the continent, Paraguay. Development assistance was also used to support the so-called 'Homelands', which were nominally independent but internationally unrecognized mini-states created to support the fiction that black South Africans had places in which they could express themselves politically (Braude et al 2008).

Compared with the apartheid era's 'diplomacy of isolation' (Geldenhuys 1984), South Africa's transition to a multiracial democratic order in 1994 opened a heady new chapter in the country's international relations. The political transition also created new opportunities for South–South development cooperation, especially with African and other developing world partners. Although South Africa had wrestled ambivalently about constructing an African identity in the Mandela years, successive administrations from Mbeki to Zuma have committed South Africa to prioritizing Africa, strengthening regional integration in Southern Africa and supporting peace on the continent (Alden and le Pere 2010). Today, Africa constitutes the centrepiece of South Africa's foreign policy, which is anchored normatively on the transformative vision of 'Creating a better South Africa and contributing to a better and safer Africa in a better world'.[4] South Africa thus seeks to leverage its aid-spending to support Africa's vast development agenda.

Since there is no centralized accounting for development financing in South Africa, the exact volume and value of South Africa's outward development

[4] The South African government has agreed on 12 outcomes as a key focus of work up to 2014. Outcome 11 provides the vision for South Africa's international relations (<http://www.thepresidency.gov.za/MediaLib/Downloads/Home/Ministries/DepartmentofPerformanceMonitoringandEvaluation3/TheOutcomesApproach/Delivery%20Agreement%20Outcome%2011.pdf>).

cooperation are unclear and not listed in the public domain. By one estimate, South Africa's aid flows to Africa increased from approximately US$1.3 billion in 2002 to US$1.6 billion by 2004 (Alden and le Pere 2010, 5). A decade later, the figures for South Africa's aid-spending are likely to be higher, reflecting the trend of Pretoria's growing engagement and assistance to Africa. South Africa's support ranges from peacekeeping, electoral reform and post-conflict reconstruction to support for strengthening Africa's regional and continental institutions, implementing the New Partnership for Africa's Development (NEPAD) and improving bilateral political and economic relations through dialogue and cooperation (Braude et al 2008).

Reflecting the diverse range of South Africa's development cooperation activities is the growing number of actors involved in delivering South African aid and assistance. These actors range from government departments and agencies in most line functions, to state-owned enterprises and other statutory bodies that provide external assistance to African countries. The latter include South Africa's development finance institutions, namely the Development Bank of Southern Africa (DBSA) and the Industrial Development Corporation (IDC),[5] the Independent Electoral Commission, the Human Sciences Research Council, the National Research Foundation and the Public Administration Leadership and Management Academy.[6] Most government departments use their general budgets to fund external development assistance. Only the Department of Defence has a special Peacekeeping Fund that is allocated by the National Treasury. Five case studies are presented below to illustrate South Africa's broad range of outward development cooperation and aid-spending. These case studies suggest two important points: first, South Africa does not fit neatly the 'donor' category of the OECD-DAC; second, Pretoria's aid-spending is not typically 'ODA' as narrowly defined.

The ARF

The ARF, located within the DIRCO, is the flagship facility in South Africa's development cooperation repository. Established in 2000 by an Act of Parliament with initial funding of US$30 million (drawn from apartheid-era funds[7]), the ARF provides 'untied' grant financing aimed to achieve a range of foreign-policy-driven objectives, including the following:

[5] The DBSA is internally debating a greater donor role in post-conflict assistance in Africa. Development finance institutions are ideally suited to the post-conflict or post-disaster context due to their intermediate role between international finance institutions (IFIs) and the private sector, as they 'seek to narrow the gap between pure commercial loans from the private sector and grants from donor agencies' (Ruiters and Giordano 2010, 11). Their risk appetite is bigger than that of the private sector and they engage in economic development where the IFIs do not. This places them ideally at the forefront of post-conflict economic reconstruction with a potential role to '[a]ddress the capital market inefficiencies where private capital is unwilling or unable to bear the risk of providing capital to countries, projects or clients that are not considered creditworthy' (Musasike et al 2004, 18).

[6] Formerly the South African Management Development Institute (SAMDI).

[7] In 2000, the ARF replaced the Economic Cooperation Promotion Loan Fund Act of 1968 (as amended by the Economic Cooperation Promotion Loan Fund Amendment Act of 1986).

- cooperation between South Africa and other countries;
- promoting democracy and good governance;
- preventing conflict and assisting with conflict resolution;
- socioeconomic development and integration;
- humanitarian assistance and disaster relief in Africa; and
- technical assistance and capacity-building, specifically in terms of human resource development, management training and scholarships (DIRCO 2011a).

The ARF currently has a balance of approximately US$100 million (R900 million).[8] A review of the ARF's annual reports paints a broad picture of the foreign-policy-related projects and activities South Africa has financed over the past decade. These include supporting South Africa's participation in the African Union (AU) Observer Mission to the Sudan general elections and support for elections in Zimbabwe; implementing bilateral agreements between South Africa and partner countries; supporting the Burundi peace process and post-conflict reconstruction in the Democratic Republic of Congo (DRC) and Comoros; humanitarian assistance in the Western Sahara; building public administration capacity in Southern Sudan; helping the transitional government in Liberia; support for the AU's Commission on Terrorism in Africa; and small business development through the Southern African Development Community (SADC) Chamber of Commerce and Industry. Although the ARF constitutes a small part of South Africa's overall development assistance, its spending has steadily grown across a wide array of projects, helping to cement South Africa's role as the leading African aid-provider (see Table 1).

However, the ARF is not without its limitations, as a tool both for effective external assistance and for achieving South Africa's foreign policy objectives. Three challenges loom large for the ARF. The first is the lack of a project management office and methodology to identify, select and drive projects that would support strategically the achievement of South Africa's foreign policy objectives. Currently an Advisory Committee (AC), chaired by the Director-General of DIRCO,[9] recommends projects for approval by the Ministers of International Relations and Cooperation and Finance. However, the AC's process for selecting and approving these projects appears to be ad hoc and reactive, rather than a more proactive approach that reviews project proposals according to set criteria or objectives. The second challenge involves improved coordination between the two lead ministries, namely DIRCO and the National Treasury. Haphazard coordination appears to have resulted in regular delays in the disbursement of ARF grants. There have also been poor monitoring, evaluation and impact assessment of projects in recipient countries, even where South Africa's diplomatic missions are charged with that responsibility. Finally, South Africa has not leveraged ARF spending to the 'mutual interest' of recipient countries and 'SA Inc'. As Qobo (2010a) observes, South African companies are often overlooked for contracts in Africa, including major capital projects that are financed by the World Bank's International Finance Corporation. This is partly

[8] Confidential interview, DIRCO, May 2012.

[9] The ARF's Advisory Committee consists of seven members, all from government, namely five from DIRCO, one from the National Treasury and one from the Department of Trade and Industry.

Table 1. Selected examples of African Renaissance Fund grants

Recipient	Grant	Description	Cost
Zimbabwe	Agricultural project	Emergency food relief and the provision of seed and fertilizer	R300 million
Lesotho	Metolong Dam project	Dam construction in order to improve access to water in the lowlands of Lesotho	R60 million
Lesotho	Santi Top project	Relocation of border post and upgrading of road infrastructure from Himeville to Sani Top within the Maloti Drakensberg Transfrontier Conservation Area	R40 million
Mali	Timbuktu manuscript project	Conserving and preserving the manuscripts in Timbuktu's Ahmed Baba Institute, and rebuilding the Institute's library and archival infrastructure	R20 million
DRC	Capacity-building project	Administrative support and training funded through the Public Administration Leadership and Management Academy (PALAMA)	R20 million
Madagascar	Institute of Gemmology in Madagascar (IGM) expansion project	Transforming IGM into a gemological institute of regional scale and a centre of excellence in gemology in Southern Africa*	R14 million
Burundi	Peace process	Funding to support the continuation and finalization of the peace process	R10 million
Uganda	Oliver Reginald Tambo School of Leadership	Construction and refurbishment of the Oliver Reginald Tambo School of Leadership in Kawaweta	R8 million
Zimbabwe	South African Observer Mission (SADC) to Zimbabwe run-off elections	South African participation in the SADC delegation observing the June 2008 run-off elections	R3.5 million

Source: DIRCO (2010; 2011a). * This project has been placed on hold due to the political environment in Madagascar.

due to the lack of strategic interface between government and business, particularly Pretoria's failure to lobby effectively for industry or to offer the requisite capacity support for feasibility studies and tendering on big projects.

China's role as an aid-provider, notably in Africa, offers instructive lessons in this regard, although the developmental impact and terms of Beijing's infrastructure-for-minerals aid packages have been widely criticized by Western donors and progressive civil society movements in Africa (Grimm and Wenping 2012; also see article by Gregory Chin in this issue). It is anticipated that a new aid regime, to be established under the SADPA, may address some of these shortcomings.

Multilateral institutions and agencies

South Africa makes regular contributions to concessional lending institutions such as the African Development Bank and the World Bank. It is significant for Pretoria's donor credentials that South Africa is the *only* African country that participates in replenishing the International Development Association (IDA), which is the development facility for low-income countries. South Africa also contributes financially to replenishing the African Development Bank's African Development Fund.

South Africa also contributes to a diverse range of other related multilateral funds and facilities, including:

- The Commonwealth Fund for Technical Cooperation, which is used to further the Commonwealth Secretariat's goals and programmes, particularly those closely aligned to the Millennium Development Goals.
- The Vaccination Fund, in line with an agreement with the Global Alliance for Vaccines and Immunization.
- The Global Environmental Fund (GEF) Trust Fund, administered by the World Bank.

Plurilateral development partnerships: IBSA and BRICS

Formed in June 2003, the India–Brazil–South Africa (IBSA) Dialogue Forum aims to strengthen economic and political cooperation among the three countries and expand their influence on global issues (Alden and Vieira 2005). To achieve these objectives, IBSA has established 16 sectoral working groups and signed 20 agreements covering a range of areas,[10] while heads of state summitry have recently been institutionalized. The formation of IBSA has also opened up a range of new possibilities for South–South cooperation, including trilateral development partnerships such as the IBSA Fund for Poverty and Hunger Alleviation.

Launched in 2004, the Fund aims to use innovative approaches to share, replicate and scale up successful development experiences for combating poverty and hunger in underdeveloped parts of the world. Each IBSA country contributes

[10] These include agriculture, culture, defence, education, energy, environment and climate change, health, human settlements, information society, public administration, revenue administration, science and technology, social development, trade, transport and tourism.

US$1 million annually to the fund, which is managed by the UN Development Programme's Special Unit for South–South Cooperation. Projects are executed by various UN agencies and partners on the ground across the globe, with a strong emphasis on national ownership. The projects focus on sharing best practices and proven experiences, and include initiatives as diverse as improving agricultural techniques in remote villages, reducing urban violence in slums and delivering safe drinking water. Countries as diverse as Guinea-Bissau, Cape Verde, Cambodia, Palestine, Laos and Burundi have benefited from the Fund.[11]

The formation of the Brazil-Russia-India-China-South Africa (BRICS) Forum as an emerging powers leadership group in 2009 (Cooper 2010) has raised debate in South Africa over the future of IBSA as an anchor for South–South cooperation (for example, Kornegay 2009; Freemantle 2011). Having only joined the BRICS in 2011, it is still early days for South Africa as the smallest partner in this evolving club. Nonetheless, a process is underway within the South African government to develop a strategy for engaging the BRICS politically and economically, particularly as South Africa prepares to host the 2013 Summit. By joining the BRICS at this early stage (particularly ahead of other potential candidates, such as Indonesia and Turkey), there is a historic opportunity for South Africa to help define and shape the agenda, especially for development cooperation. As the only African country member of the BRICS, South Africa has signalled that Pretoria will articulate and champion the continent's interests vis-à-vis the other BRIC partners, particularly to harness BRICS assistance for regional integration, infrastructure investment and industrial development (Department of Trade and Industry (DTI) 2012; Sathekge 2012). Collectively, the BRICS are an important source of new investment capital, leading some members to propose establishing a BRICS Development Bank as an alternative to the Washington-based international financial institutions and their loan conditionalities.

It is not entirely clear where South Africa officially stands on the idea of a new bank. Whereas the National Treasury is known to have reservations and is conducting a feasibility analysis,[12] South Africa's Minister of International Relations and Cooperation announced in April 2012 that the Bank will be established and officially launched at the 2013 Summit in South Africa (Reuters 2012). Senior party leaders of the ruling African National Congress (ANC) have even proposed that South Africa should host this new institution (*The Star*, 31 July 2012). However, given the quantum of finance involved and the relatively small size of South Africa's development finance institutions, the DBSA and IDC, compared with their larger BRICS partners, particularly the China Development Bank, South Africa will need to consider very carefully this proposal. In the meantime, there are other opportunities for the BRICS countries to pool their human, institutional, technological and infrastructural resources if the Bank is not established, such as the proposal for a BRICS–NEPAD Infrastructure Development Fund.

[11] <http://www.ibsa-trilateral.org>.

[12] In the Delhi Declaration at the end of the Fourth BRICS Summit in 2012, the BRICS announced setting up the Bank, described as a 'BRICS-led South–South development bank'. The finance ministers of the member states were directed to conduct feasibility studies of the initiative and to submit their reports at the 2013 BRICS Summit in South Africa.

With growing competition for Africa's resources and markets (see McKinsey Global Institute 2009; Ernst and Young 2011), the BRICS should also consider arrangements to foster better coordination and cooperation of their development diplomacy in Africa. Joint facilities to finance infrastructure development are one possibility. In 2010, the DBSA and the Export–Import Bank of China offered a US$430 million joint loan to the Zambian state-owned power utility to raise the capacity of a hydropower station (*Engineering News* 2010). This was a big step in donor coordination for China, since Beijing has rejected overtures for such joint lending from the World Bank, despite the fact that it has signed a new Memorandum of Understanding on Cooperation with the Bank (Chin 2010, 96).

SACU revenue transfers

The SACU, the world's oldest functioning customs union, is based on a revenue-sharing agreement that disproportionately benefits the four smallest members of the union: Botswana, Lesotho, Namibia and Swaziland (BLNS). Each year, South Africa transfers the bulk of its customs duties to these countries, although this is not formally recognized as ODA. By one calculation, South Africa transfers more than one per cent of GDP per annum—about US$3 billion (R28 billion) for the 2009/2010 budget—to its BLNS neighbours (*Business Report*, 5 March 2010). Although South Africa contributes 98 per cent to SACU's common revenue pool and the BLNS only two per cent, it is the smaller countries that benefit by drawing more than half of the collected duties to finance their development.

This 'arrangement of convenience', which has a historical genesis, has present-day implications for South Africa's role as a donor. Under the 1969 SACU Agreement,[13] South Africa unilaterally set tariff policy for the Customs Union and designed it to protect its own domestic industry. In return, Pretoria provided financial compensation to the BLNS for the cost-raising and polarization effects of the tariff policy. This compromise resulted in the BLNS countries having a high level of fiscal dependence on their South African benefactor. Lesotho and Swaziland are the principal dependents, deriving more than half—and in some years up to 70 per cent—of their budget revenue from SACU. All member states recognize that this dependence on South Africa is both politically and economically unsustainable. Their macroeconomic vulnerability is exacerbated by external shocks, such as the 2008–2010 'Great Recession', which led to a significant contraction of the SACU revenue pool. As a result, most BLNS countries were forced into deficit spending, some even incurring new debt (for example, Botswana[14]).

In recent years, South Africa's National Treasury has grown increasingly uncomfortable with the extent of the subsidy, especially in light of the country's

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[13] The SACU Agreement was renegotiated in 2002 to establish more democratic structures and procedures. In particular, the Agreement makes provision for consensus-based decision-making and the establishment of a SACU Tariff Board, which means that decision-making, is no longer the sole preserve of South Africa. The new agreement also calls for the establishment of common policies and new supranational institutions in future.

[14] In the wake of the global financial crisis, reduced demand for and falling prices of diamonds led to lower export receipts and lower government revenues in Botswana. As a result, Botswana was forced to apply to the African Development Bank for a US$1.5 billion budget support loan to help cushion the impact of the crisis. Botswana last approached the Bank for support in 1991, 17 years earlier.

own growth and development challenges (see conclusion). This view is increasingly shared by other actors in the domestic polity, including South Africa's powerful labour federation, the Congress of South African Trade Unions (COSATU). The COSATU has, for example, heavily criticized the South African government for subsidizing Swaziland, Africa's last absolute monarchy, and transferring scarce public resources to Botswana, a country with a higher per capita GDP than South Africa (Woolfrey 2010). Tensions over the revenue-sharing formula have been amplified by the Economic Partnership Agreement (EPA) negotiations with Europe, which saw Botswana, Lesotho and Swaziland signing onto an interim trade agreement, to the chagrin of South Africa and Namibia (Vickers 2010).

South Africa has formally proposed a review of SACU's revenue-sharing formula. This would entail a more equitable distribution of the duties collected, as well as a shift from general revenue transfers by South Africa to development funding. Under the latter scenario, a newly created 'common revenue pool' would be converted into a development fund and possibly administered by SADPA, whereby the BLNS countries would submit plans to fund projects, such as cross-border infrastructure or industrial capacity. One school of thought is broadly supportive of this donor role for South Africa in the region, since 'it would be extremely hard to justify why South Africa continues to expend massive financial resources on building a moribund customs union arrangement, with a bulging bureaucratic infrastructure, when the country's developmental challenges are deepening, with social stability increasingly eroding' (Qobo 2010b). However, the obverse school of thought warns of irreparable damage to the region, even South Africa, risking two (Lesotho and Swaziland) and possibly three (Namibia as well) fiscally insolvent, even failed, states on South Africa's borders.

Regional peace, stability and development

In the post-apartheid period, South Africa has played an instrumental role in providing critical public goods for Africa, including peace, stability and development. The government has invested considerable resources in overhauling and strengthening the continent's institutional architecture—particularly the transition from the Organization of African Unity (OAU) to the new AU and restructuring SADC, to ensure greater efficiency. Since 2006, South Africa has annually contributed 15 per cent of the AU's budget, which represents a near doubling of its previous contributions. South Africa also hosts and sponsors the AU's Pan-African Parliament.

On the security front, Pretoria has mediated a range of difficult conflicts, including the DRC, Burundi, the Comoros, Swaziland, Liberia and Côte d'Ivoire. A significant portion of South Africa's aid spending is directed to the country's participation in UN and AU peacekeeping operations in the DRC, Burundi, the Central African Republic and Sudan's Darfur region. However, the capacity of the South African National Defence Force (SANDF) to take on additional peacekeeping demands in the future appears limited. This is due not entirely to funding constraints, but also to personnel and broader command and control challenges (Vines 2010).

The SANDF deployments to these conflict theatres have been followed by South African support for post-conflict reconstruction and development and public administration and electoral reform. Compared with some rising donors like China, which have concentrated their aid-spending in rehabilitating infrastructure in war-ravaged societies, South African assistance in post-conflict societies has focused largely on improving governance and strengthening institutional capacity, through technical assistance and personnel training. This concentration on institutional public goods is largely a result of the fewer resources that Pretoria is working with in comparison with China, India or the Gulf states, but also of a soft power strategy that aims at building shared norms and values to create and sustain 'good governance' and stability. South Africa's role in Sudan is a case in point.

South Africa has chaired the AU Ministerial Committee on Post-Conflict Reconstruction and Development in Sudan since July 2003, when the committee was first established following the end to Africa's longest civil war. South Africa has funded various state reconstruction and societal capacity and institution-building projects, including training 1500 officials from the Government of Southern Sudan (GOSS), in partnership with the University of South Africa. South Africa's Public Administration Leadership and Management Academy is in the process of establishing a Management Development Institute in Southern Sudan to provide training to public servants. The Department of Higher Education has offered five scholarships to senior education planners in the GOSS Ministry of Education to enrol for post-graduate work at the University of the Witwatersrand. The South African Police Service is providing training to the Sudan Police Services, and the Department of Justice and Constitutional Development has committed itself to providing capacity-building to the nascent judiciary and legal affairs institutions (Government of South Africa 2010). The Sudanese example illustrates the range of domestic actors involved, and the extensive coordination required, in South Africa's post-conflict reconstruction initiatives.

Given the country's preponderant economic power, there are expectations that South Africa should act as a regional engine for growth and development. In its role as development partner, South Africa has therefore entered into a range of strategic bilateral frameworks with many African countries, including commitments to provide technical assistance and capacity support. In addition, South Africa has consistently championed broader regional integration through SACU, SADC and the envisaged Tripartite Free Trade Area (T-FTA) spanning Eastern and Southern Africa, in order to correct imbalances in trade relations and generate growth and reduce poverty. South Africa's commitment to regional development is evident from the structure of the SADC free trade area (FTA), which has been largely implemented.[15] The FTA is poised asymmetrically, South Africa and SACU reducing their tariffs faster in the hope of stimulating regional production capacity and higher levels of intra-SADC trade. However, the failure since 2000 to grow more balanced intra-regional trade is largely due to chronic production,

[15] SADC's Regional Indicative Strategic Development Plan (RISDP) is based on a classical market integration paradigm. The launch of the FTA in 2008 (with some progress towards liberalizing trade in services) is seen as the initial step towards establishing a Customs Union which was set for 2010, a Common Market by 2015 and a Monetary Union by 2016. A regional central bank and a common currency are expected in 2018. Since the necessary structural and institutional prerequisites for deeper integration are presently lacking in the region, these benchmarks are being reviewed to accommodate a more 'developmental' regionalism.

supply-side and trade governance constraints in SADC. South Africa has therefore worked to shift the focus of the regional agenda away from market liberalization towards 'developmental integration' (DTI 2010). The idea here is to combine trade integration with cross-border infrastructural development and sectoral policy cooperation, to redress real economy constraints.

Several rising or re-emerging donors, led by China, India and the Arab Gulf states, have become significant sources of finance in the effort to overcome Africa's vast infrastructure deficits.[16] These countries are investing heavily in the rebuilding of Africa's network infrastructure, particularly roads, rail and power grids. However, investments in Africa by South Africa's state-owned enterprises—such as Eskom (electricity generation and distribution) and Transnet (transport infrastructure)—and development finance institutions, specifically the IDC and the DBSA, have long pre-dated this new 'continental scramble'. In more recent years, the DBSA has partnered with other development banks to support infrastructural investment, project development and training in SADC. The partners include the African Development Bank, the Agence Française de Développement, the European Investment Bank, the Islamic Development Bank, the KfW Bankengruppe of Germany and the World Bank (*Business Day*, 5 June 2009). In addition to coordinating the aforementioned regional lending and technical support, South Africa is the only African country that participates in the Infrastructure Consortium for Africa, which consists of the G8 countries, the World Bank Group, the African Development Bank Group, European Commission, European Investment Bank and the DBSA. The Consortium was established after the G8 Gleneagles Summit in 2005.[17]

Also at the regional level, South Africa's Department of Trade and Industry pioneered the Spatial Development Initiative (SDI) model in 1996, which can also be considered as one component of Pretoria's external aid programming for the Southern African region. The SDI has expanded across the region due to the strong backing that it has received from the SADC, the AU and NEPAD. The SDI model seeks to develop geographic zones with latent economic potential, by attracting investment into 'anchor projects' such as ports, parks, tourist facilities, mining areas and major industrial developments. The idea is to stimulate economic densification activities within the trans-boundary infrastructure corridors. South Africa, through the SDI Unit based at the DBSA, has sponsored a number of SDI feasibility and project preparation studies that analyse the region's potential for bankable projects. Over the next few years, South Africa is prioritizing five SDIs covering Angola–Namibia–South Africa (ANSA), Mozambique, Tanzania, the DRC and Zimbabwe. It is not unimportant that Angola and South Africa recently concluded a memorandum of understanding (MOU) to develop an industrial complex in Angola's Soyo region under the auspices of ANSA. The latter project points to the possibilities for linking regional infrastructure investment and industrialization.

[16] The World Bank estimates that Africa needs US$93 billion annually over the next decade to overcome its infrastructure deficits, particularly in the power sector, which is more than twice what was previously thought. The new estimate amounts to roughly 15 per cent of the continent's GDP, comparable to what China invested in infrastructure over the last decade (Foster and Briceño-Garmendia 2010).

[17] <http://www.icafrica.org>.

At the continental level, President Zuma chairs the Presidential Infrastructure Championing Initiative (PICI), which consists of seven presidential infrastructure projects across Africa. South Africa specifically champions the North–South Corridor, which aims to rehabilitate Africa's rail and road infrastructure from Durban to Dar-es-Salaam, while using the Corridor to promote local industrialization. These initiatives perhaps point to South Africa 'reclaiming' its leadership of NEPAD (Rukato 2009), which has waned in continental standing and credibility since the halcyon days of Thabo Mbeki and Nigeria's Olusegun Obasanjo.

The above discussion suggests that South Africa's repertoire of external development cooperation is not insignificant for a middle-income developing country that still must address its own domestic socioeconomic and growth challenges. Having provided a broad empirical perspective on South Africa's aid-spending, I shall next analyse the motivations underpinning South Africa's development cooperation agenda.

South Africa's emerging aid architecture: ideas, interests and institutions

Not unlike the aid regimes of the traditional and emerging donors, South Africa's development cooperation is underpinned by normative and instrumental foreign policy considerations. At the normative level, South Africa's aid agenda resonates with a deeply rooted internationalist commitment held by the ruling party since 1994, the ANC. As a liberation movement, the ANC had benefited considerably from the international support and solidarity that galvanized the anti-apartheid movement (Thomas 1996). When framed in terms of development cooperation, this international commitment in the immediate post-apartheid period translated into a perceived material and moral debt owed by South Africa to the region, given the apartheid regime's destructive campaigns that had caused regional destabilization and inter-state hostilities (Hanlon 1986). One of the ANC's first acts in office was to cancel Mozambique's and Namibia's external debts to Pretoria, which totalled over R1 billion.

The politics of solidarity have also framed South Africa's second decade of democracy. In February 2012, for example, the South African government cancelled Cuba's debt of over US$130 million (R1 billion) and provided Cuba with an economic assistance package, including credit lines, to stimulate greater levels of bilateral trade and investment (South African Government Information 2012). Since Cuba is a small market for South African exporters, it is apparent that this aid overture is motivated less by commercial gains and more by solidarity with the Cuban people for their decades-long support of the anti-apartheid struggle.

More recently, South Africa's White Paper on Foreign Policy has articulated this normative perspective as the 'diplomacy of Ubuntu', namely: 'The philosophy of Ubuntu means "humanity" and is reflected in the idea that we affirm our humanity when we affirm the humanity of others' (DIRCO 2012, 2). The White Paper then sets the tone for South Africa's international engagements, emphasizing partnerships for development:

> In the modern world of globalisation, a constant element is and has to be our common humanity. We therefore champion collaboration, cooperation and building partnerships over conflict. This recognition of our interconnectedness and

interdependency, and the infusion of Ubuntu into the South African identity, shapes our foreign policy. (DIRCO 2012, 2)

The instrumental dimension of South Africa's foreign policy involves South Africa's role in promoting peace, stability and development in Africa, particularly in SADC. For the South African state and South African capital, there is an underlying pragmatism in the provision of these regional public goods, since South Africa's own development and security are integrally entwined with the reconstruction and revitalization of the Southern African region. It is an axiom that South Africa cannot hope to become an island of prosperity in a sea of poverty, a scenario that could lead to unfettered migration as well as traffic in illegal arms, contraband and drugs.

Zimbabwe is a case in point, where the combined effects of political crisis and economic collapse in the late 2000s led to a large influx of refugees to South Africa. The estimated foreign population in South Africa is 1.6 to 2 million people, the majority of whom are Zimbabweans (1 to 1.5 million) (*Financial Times*, 24 August 2010). During this period, South Africa provided various forms of aid support to Zimbabwe, ranging from ARF-funded projects to an economic rescue package totalling US$88 million (R800 million). The latter involved a US$55 million (R500 million) credit line facility, the balance being budget support (*The Independent* 2009). Much of this aid appeared untied, since South Africa did not insist on any political dividend from Harare, such as stricter compliance on the 2008 Global Political Agreement that established Zimbabwe's fraught unity government. Considerations of pragmatism perhaps prevailed upon Pretoria not to ostracize further the Mugabe regime in Harare. However, South Africa has not been so lenient elsewhere.

In 2011, South Africa offered a US$307 million (R2.4 billion) bailout loan to Swaziland, but with conditions covering four pillars, namely confidence-building measures to be undertaken by Swazi Government, fiscal and related technical reforms required by the International Monetary Fund (IMF), capacity-building support to be provided by South Africa and cooperation in multilateral engagements. The most significant 'political' conditions involved the functioning of the Joint Bilateral Commission between South Africa and Swaziland, which was established in 2004 to promote economic and social development, multilateral cooperation, democracy, human rights and good governance, credible and effective leadership, development of a strong civil society and respect for universal human rights and the rule of law. As part of the loan guarantee, the Swazi government was urged to broaden the dialogue process to include all Swazi stakeholders and citizens, agree on milestones and time-frames and allow the parties to the Swazi dialogue to determine the appropriate reforms needed (Gordhan 2011). The 'tied' nature of this aid led the Swazi monarch to repudiate South Africa's support, casting the impoverished country further into economic crisis.

Smaller countries also have expectations that South Africa as (benevolent) 'hegemon' should provide more development aid. One example is Lesotho, a small landlocked least-developed country entirely surrounded by South Africa and largely dependent on the South African economy, especially migrant remittances. Notwithstanding the SACU transfer, Lesotho diplomats have complained privately that their '*only* neighbour' provides little development support when measured against the assistance disbursed to the wider African continent.[18] Pretoria has henceforth leveraged the ARF to fund two infrastructure projects in Lesotho valued at US$12 million (R100 million) in total. While much of this aid was untied, President Zuma astutely used his state visit to Lesotho in August 2010 to lobby his host's support for South Africa's candidacy for a second term as non-permanent member of the UN Security Council (*Business Day*, 13 August 2010).

Africa has also emerged as South Africa's most important market for its manufactured exports. Whereas South Africa's export profile to the rest of the world is dominated by minerals and commodities, its exports to Africa are mainly value-added manufactured goods (DTI 2010). Stable, prosperous and growing markets in Eastern and Southern Africa could provide a stimulus to South Africa's own industrialization and development objectives, as outlined by Pretoria's 'developmental state' architects in the National Development Plan (NDP) and the New Growth Path (NGP) economic policies.[19] However, there is a pragmatic concern within some government and policy circles that South Africa's role as a development partner in Africa, which involves substantial aid spending, is not delivering any commercial dividends for the country, especially in situations where South Africa has underwritten the costs of peace, stability and post-conflict reconstruction. In several African crises, South Africa's peace diplomacy has paved the way for external powers to enter these markets and reap the rewards through investment projects, public procurement tendering, preferential trade and other lucrative commercial offerings. In another view, South Africa's external assistance in Africa is 'taken for granted'.[20]

The DRC provides a good illustration of this quandary. Notwithstanding South Africa's extensive engagement in the DRC's peace process, Kinshasa has yet to join the SADC FTA or offer improved market access terms to South African exporters. In contrast, China successfully bid for access to ten million tons of copper and two million tons of cobalt in the DRC in exchange for a US$6 billion package of infrastructure investments. The latter include mine improvements, roads, railways, hospitals and schools. India, Brazil and the Arab Gulf economies are also forging new broad-based investment partnerships in Africa, particularly where South Africa has helped to underwrite zones of peace and stability. This disjuncture speaks to the need for greater institutional coordination of the country's political, economic and developmental diplomacy in Africa, as well as indicating some degree of inherent competition between South Africa and the rising states.

It is therefore not surprising that the Director-General of DIRCO, in a presentation to Parliament, acknowledged that SADPA's envisaged role is essentially twofold: to create a partnership with Africa by being proactive rather

[18] Confidential interview, DIRCO, Pretoria, July 2010.

[19] Since the advent of democracy in 1994, the ANC-led government has adopted a range of economic policies, including the Keynesian-inspired Reconstruction and Development Programme (RDP) in 1994, the fiscally conservative Growth, Employment and Redistribution (GEAR) macroeconomic strategy in 1996 and the hybrid Accelerated and Shared Growth Initiative for South Africa (ASGISA) in 2006. More recently, government planning for a 'democratic developmental state' has centred on the mixed economy New Growth Path (NGP) adopted in 2010, the diagnostic National Development Plan (NDP) released in 2011, and the massive infrastructure development programme announced by President Zuma in his 2012 State of the Nation address.

[20] Confidential observation made at a high-level government meeting, October 2010.

than reactive to Africa's development needs, including post-conflict reconstruction; and also to serve a narrower commercial objective, namely South Africa's interest in markets (Naidu 2012). This shift towards considerations of greater pragmatism and mutual interest in the debate on South Africa's development cooperation in Africa coincides with a stronger focus on economic diplomacy (DIRCO 2012) and the 'national interest' (Landsberg 2010) in South Africa's foreign policy during the Zuma administration. South Africa's successful lobbying for BRICS membership,[21] Pretoria's championing of ambitious African integration and infrastructure projects, and a more overt bid for positional leadership in Africa, as with the heavily contested campaign to elect Nkosazana Dlamini-Zuma to head the AU Commission, point to South Africa's more assertive pursuit of its interests. The latter in particular has led some commentators to remark on the 'end of the age of innocence in South Africa's foreign policy' (Naidu 2012).

South Africa is already the largest and most industrialized and diversified economy on the African continent. The country's GDP is 40 times larger than the average sub-Saharan African economy and constitutes one-third of the economy of sub-Saharan Africa and almost two-thirds of SADC. This status as Africa's continental colossus and SADC's economic powerhouse brings both advantages and disadvantages for Pretoria. On the positive side, South Africa has used its regional credentials to press Africa's developmental interests, including aid, trade, debt relief and the Millennium Development Goals (MDGs), particularly through the G20 and G8 Outreach processes (Vickers 2008). Inspired by former president Mbeki's reformist vision of an 'African Renaissance', South Africa has played an instrumental role in championing NEPAD, which still provides the strategic framework for Africa's engagement with the established and emerging powers.

On the downside, South Africa's economic dominance in SADC fuels the perception that the country acts selfishly in its own national interests—as a regional hegemon (in the negative critical sense, not as a 'benevolent' hegemon). Pretoria's detractors point to the country's protectionist trade and supposedly 'xenophobic' immigration policies, and the displacement of local entrepreneurs in other parts of the continent by South African business. These perceptions have influenced policymakers in Pretoria at a cognitive level: 'One cannot hope to make sense of the foreign policy predispositions of South Africa's policymakers without appreciating just how sensitive they are to views of the country being an African hegemonic state or bully' (Landsberg and Monyae 2006, 141). Policymakers thus hope that the establishment of SADPA, discussed below, coupled with proactive partner-driven cooperation, will address some of these challenges in Africa.

SADPA and the Partnership Fund for Development

Preparations and planning for establishing SADPA have progressed steadily since the agency was first mooted at the ANC's 52nd National Conference in Polokwane

[21] During his first 18 months in office, President Zuma paid state visits to each of the BRIC capitals to strengthen bilateral political and economic relations, lobby for BRIC membership and explore trilateral development partnerships.

in June 2007 (ANC 2007). The process gained added momentum following the 2009 general elections, when the Zuma presidency introduced key changes to the machinery of government. In particular, this involved renaming the Department of Foreign Affairs as the more post-Westphalian 'International Relations and Cooperation'. This signalled an important shift in the focus of the department and a reaffirmation of the African agenda in South Africa's foreign policy. As Nkoana-Mashabane (2009) later remarked:

> The important decision of our government to change the name of the department speaks of the need for us to focus on partnerships and sustainable relations that will advance the interests of our country, contribute to the development of Africa and make the world a better place. We have committed that this will also be manifested soon through the creation of a South African Development Partnership Agency.

After extensive preparatory work, which included a review of the institutional arrangements and aid modalities of various traditional and emerging donors, the business case for SADPA was formally approved by the Minister of International Relations and Cooperation, Public Service and Administration, and Finance in April 2012. SADPA has been established under the Public Services Act, which will repeal the ARF and establish the agency and a Partnership for Development Fund. A SADPA Institutional, Strategic and Operations (SISO) Framework has also been drafted, which will provide policy guidelines for managing South Africa's outgoing development cooperation.

SADPA will be established as a separate agency of government, but will receive policy direction from DIRCO. Its mandate will be to support South Africa's foreign policy by coordinating all outgoing international development cooperation, as well as related bilateral, trilateral and multilateral partnerships with cooperating countries, development institutions, civil society and the private sector. The Partnership for Development Fund will be governed by an Advisory Board, which will recommend approved projects to the Ministers of International Relations and Cooperation and Finance, while SADPA will manage the Fund and use its facilities to develop and implement development cooperation programmes and projects. Both the Head of SADPA and the Advisory Board will be under the executive authority of the Minister of International Relations and Cooperation, who has political oversight over both SADPA and the Fund. Importantly, the Fund does not belong to SADPA and exists independently from it.[22]

This new architecture for managing and coordinating South Africa's development cooperation introduces important changes to Pretoria's aid regime currently centred on the ARF. First, SADPA will undertake a more rigorous assessment process to review and select projects based on specific set criteria. In addition, aid disbursements will be accompanied by stricter monitoring, evaluation and impact assessment of projects on site. Second, all development cooperation will be based on a bilateral agreement between South Africa and its cooperating partner, which is not the case with the ARF. Third, unlike the ARF's funds voted by Parliament, the Partnership Fund for Development will have multiple sources of funding, including public and private, international donors, investments and revenue from projects. Unlike some of the emerging donors,

[22] Confidential interview, DIRCO, May 2012.

particularly China, SADPA will not dispense loans, but may facilitate such transactions through South Africa's development finance institutions.[23] With less cash to dispense, SADPA's aid modalities are likely to prioritize grants (including in-kind assistance) and technical cooperation to improve governance and strengthen institutional capacity in Africa, indirectly extending the country's soft power and democratic norms and values across the continent. Finally, the new regime will be guided by the African Platform for Development Effectiveness, adopted at Busan 2011, which moves the debate from 'aid' to 'development effectiveness' (NEPAD Secretariat 2012). The initial response from the donor community to the establishment of SADPA appears positive, some donors even proposing to match dollar for dollar SADPA's aid programmes.

Given this new policy framing and its partner-driven orientation, South Africa may feel less apologetic about its perceived regional hegemony and its donor role if the latter are leveraged as a 'force for good' in Africa as well as to benefit its own citizens. As Qobo (2010a, 26) notes: 'South Africa does not need to be awkward about being a donor country if in the end this serves its strategic priorities and the country is clear about the conditions under which countries access developmental assistance.'

Conclusion

This article has explored the nature and role of South Africa's development cooperation agenda, especially in the African context. With the imminent establishment of SADPA, the Partnership Fund for Development and stricter criteria for aid-spending, South Africa will formally institutionalize its role as an 'emerging donor'. Over the medium to long term, the litmus test for SADPA will be to improve on the efficacy and functioning of current aid practices and avoid simply becoming a 'revamped' ARF. The rationale for SADPA is not to play catch-up with the BRIC countries, as some have suggested, which dispense far greater aid-spending than South Africa. However, it does portend a heady new era of development cooperation for South Africa working *with* and *in* Africa, which still confronts serious socioeconomic challenges as the world's poorest continent (see Lundsgaarde 2012).

Three observations arise from this analysis. First, South Africa does not fit neatly the 'donor' category of the OECD-DAC. South Africa's approach is to promote and prioritize development cooperation, which involves cooperation between developing and developed countries in the field of aid, trade, security and politics to promote economic and social wellbeing in developing countries.

Second, Pretoria's aid-spending is not typically 'ODA' as narrowly defined. It is largely 'untied' and focused on building partnerships in a wider range of activities than with most traditional and emerging donors. Over the past few years, South Africa's development cooperation in Africa has ranged from peacekeeping, electoral reform and post-conflict reconstruction to support for strengthening regional and continental institutions, implementing NEPAD and improving bilateral political and economic relations through dialogue and cooperation. With less cash to dispense, Pretoria's preference has been for technical cooperation to strengthen governance and build institutional capacity in Africa, indirectly

[23] Confidential interview, DIRCO, May 2012.

extending the country's soft power and democratic norms and values across the continent. Many 'Western' concerns about the aid practices and governance standards of some emerging donors do not apply to South Africa's development cooperation in Africa (see Manning 2006).[24] There is strong 'likemindedness' with the Western donors in this sense. However, South Africa self-identifies with the South, like the rising donors and the re-emerging donors of the Gulf.

Classifying South Africa's role as a donor (or development partner) in comparison with the major rising donors is also not a straightforward exercise. From a simplistic perspective, South Africa is not on par with the likes of Brazil, China, India or the Arab Gulf states as a donor in terms of the total amount of aid-spending. However, at a deeper level of analysis, for example, on a per capita basis, South African aid contributions at least match if not exceed those of the rising donors from Brazil, China and India.

Finally, as an African development partner working *with* and *in* Africa, South Africa occupies a unique space in the development cooperation landscape. Certainly, South Africa is not the only African 'donor'. Countries such as Egypt, Libya (especially during the Muamar el Gadafi regime) and Nigeria have also played an important role in this regard (Grimm and Wenping 2012). Through their own particular approaches to development cooperation in Africa, these countries are re-reshaping the discourse on Africa's international relations (Dunn and Shaw 2001). Nonetheless, South Africa stands out with the establishment of SADPA and the Partnership Fund for Development. With fewer aid resources, but nonetheless a 'comparative advantage' in understanding Africa's security/governance/development nexus, South Africa can play an instrumental role in facilitating trilateral partnerships with the traditional and rising donors, especially in Southern Africa.[25] This may constitute a niche area for South Africa as part of its enhanced engagement with the OECD, particularly the DAC's aid governance regime. Such arrangements would enable South Africa to play an increasingly active role in the continent without incurring exorbitant costs or engendering a backlash from its neighbours.

South Africa's future role as an African development partner will depend increasingly on how well it can balance external expectations with the country's own socioeconomic realities. The list of South Africa's domestic challenges is long, including high levels of income inequality (between a rich white minority and an affluent emerging black middle class, on the one hand, and a large impoverished black majority, on the other), unemployment rates that are among the highest globally, rapid urbanization amid sprawling informal settlements, the highest incidence of HIV/AIDS in the world (an estimated 5.3 million people infected), a dearth of skilled human resources, and corruption, crime and domestic violence. Mounting social discontent, township protests against poor service delivery (for example, housing and sanitation) and competing fiscal demands in the context of

[24] With a wider range of financing options other than traditional ODA, Manning (2006) argues that low-income countries face three key risks: they may prejudice their debt situation by borrowing on inappropriate terms; they use low-conditionality aid to postpone necessary adjustment; and they waste resources on unproductive investments.

[25] Since 2000, Pretoria has experimented with a range of trilateral partnerships, collaborating with Belgium, Norway, Sweden, Switzerland and the Netherlands to deliver development assistance to African countries (Braude et al 2008).

a narrow tax base[26] may force the Zuma and future administrations to be more prudent about external transfers. Already South Africa's efforts at 'good continental citizenship' through aid projects have been tarnished by sporadic xenophobic attacks targeting vulnerable migrant workers from SADC (notably Zimbabwe) and beyond (for example, Somalia). Xenophobic tensions, particularly since 2008, have been driven by a combination of criminality and perceptions that foreigners take valuable jobs and drive down wages.

In the final analysis, Alden and le Pere (2009, 167) are correct that 'South Africa's future interface with Africa will depend on the extent to which it can confront its own horsemen of the apocalypse in the form of endemic poverty, crime and inequality, address its image deficits by changing its orientation in Africa to one based on genuine partnership, restrain the predatory and acquisitive instincts of its capital, and share its developmental successes with the continent in a fair and equitable manner'. It is anticipated that the establishment of SADPA and the Partnership Fund for Development may address some of these challenges.

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[26] With a population of almost 50 million citizens in mid-2010, only 12.7 million South Africans have jobs; 5.5 million are registered as taxpayers, and only about five million actually pay tax. At the same time, 13.8 million South Africans are on welfare payments (*Business Report*, 28 July 2010).

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