Accurate data on South African trade is increasingly difficult to obtain, since trade statistics are no longer made available. A Commonwealth study of nine countries which have applied trade sanctions shows that these nine had cut their trade with South Africa by a third, and cost South Africa seven percent of its foreign exchange earnings in 1987. At the same time, South Africa had restructured its foreign trade by increasing exports to countries such as Taiwan, Switzerland, Argentina, Brazil and Turkey.

Another study, by the *Economist Intelligence Unit*, states that approximately sixty percent of total exports are not particularly vulnerable to embargoes — gold, diamonds, platinum, chromite, wool, and pulp and paper. What is vulnerable are the bulk export commodities such as coal, iron and steel, and agricultural products. Further pressure on these products — which make up about one-third of South African exports — would seriously undermine South Africa's capacity to repay debt, finance domestic investment, and pay for essential imports.

To date, bans on sales to South Africa have been restricted to oil, arms and nuclear exports. In addition, some countries have barred computer exports. Restrictions on South Africa's necessary imports would pose an immediate threat to the operation of its economy. Such restrictions on crucial goods have so far been few. When the US pulled back as a key supplier, West German and Japanese exports surged — to the embarrassment of these countries and the clear annoyance of the US. The US president has the power to penalize countries which exploit the US import ban, but this power has not been exercised.

Thus, these are the three pressure points of the South African economy: trade, foreign investment, and international credit. It has become fashionable to present disinvestment and the withdrawal of loans as purely hard-headed, economic decisions on the part of business leaders. This view simplifies a complex phenomenon. At the root of many private sector decisions has been the recognition that the public disapproves of doing business with South Africa. Governments, too, have responded to this form of domestic political pressure.

Sanctions have become one of the key factors affecting South Africa's economic prospects over the next ten years. The debate about sanctions has become prolix, bitter, and inextricably linked to the survival of *apartheid* itself.

THE CASE AGAINST SANCTIONS

The case against sanctions has shifted substantially over the past thirty years. In the 1960s, opposition to sanctions was based on strategic factors, such as South Africa's importance as a naval base in the South Atlantic, its abundance of gold, or its wealth of minerals essential to Western industries, especially defence. By the 1980s, these arguments had weakened, especially because of changes in superpower relations. The old arguments were still being put forward in the case of strategic minerals, but, in general, public arguments against sanctions began to emphasize the impact that sanctions would have on the people of South Africa, especially blacks.

Today, the most important arguments against sanctions run something like this: economic growth, supported by the international community, will eventually erode *apartheid*. Sanctions will only deepen economic crisis and entrench attitudes, making change less likely. This line of reasoning underpins the opposition to sanctions coming from the white liberal opposition in South Africa, large parts of the business community, black leaders such as Gatsha Buthelezi, and the governing Nationalist Party. It is presented in two variants: positively, that growth will generate black political empowerment; and negatively, that sanctions hurt blacks most and harden white resistance to change.

CHANGE THROUGH GROWTH?

Economic growth, it is argued, strengthens black consumer and labour power, and the political leverage of the black community. In the words of the director of the South Africa Foundation: "apartheid is being destroyed by the very antithesis of sanctions and disinvestment, namely increasing black economic empowerment." Major South African companies have developed economic models to demonstrate this argument, and the impact of sanctions on growth. Dr. Ronald Bethlehem, of the mining group, Johannesburg Consolidated Investments (JCI), says that economic sanctions will lower black incomes to under twenty-five percent of the GNP by the year 2000, down from its current twenty-eight percent. Without sanctions, this figure could be expected to rise to thirty-five percent, with the creation of an additional two million jobs.

Proponents of change through growth point to the role of black economic empowerment and the potential of black advancement. Increasing numbers of blacks are obtaining tertiary education, and there has been a growth in black-owned business during the 1980s. The removal of some petty *apartheid* laws adds weight to this argument. Black workers and consumers are now allowed into some urban areas due to economic changes.

Nevertheless, black participation in the economy remains marginal. Black businesses are principally conduits of goods and services to the black community, concentrated in retailing. They remain a very small percentage of the total economy — about one percent. Increasingly, even in successful sectors of black business — such as taxis — ownership and control rests with white investors, since access to capital for blacks is restricted. The management of the economy remains firmly in white hands, and black professional organizations have become disillusioned with "black advancement" programmes operated by large companies.

The growth argument is plausible because the political influence blacks seek will come partly through greater economic leverage. However, this type of analysis does