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Defence conversion in South Africa: A faded ideal?

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INTRODUCTION

At the end of the Cold War, there was hope for peace, stability and an equitable distribution of resources that would benefit all people. With a global decrease in the commitment of gross national product for defence purposes, there was a stronger focus on human development rather than military power.¹ The concept of defence conversion also became a prominent issue on the international agenda with the idea that the redundant military resources could now be converted for civilian use.

This demilitarisation, although partial, presented both opportunities and threats. On the positive side, there was hope of the 'peace dividend', the expectation that military resources would become available for civilian use and thereby contribute to human development.² The downside to this process of demilitarisation, however, was the negative economic consequences for areas that were strongly dependent on defence industries or military bases: a situation comparable to economic decline in an area where a factory or a mine closes down.³

In 1994, with the first democratically elected government in place in South Africa, there was the hope that the peace dividend would indeed become a reality. The expectation was that the new regime would focus more on human development as a priority than on the military, especially in light of the highly militarised history from which the country had emerged. However, the new leaders rapidly latched on to the importance of a military and issues such as the peace dividend and defence conversion took a back seat. However, defence conversion in South Africa has not entirely been a wasted opportunity, because there are elements within the government who still believe in the conversion agenda and who are trying to keep the process on track. The Department of Defence and the Department of Public Works have undertaken some conversion initiatives. Although defence conversion has taken place in an uncoordinated manner, the cause may not be completely lost.

In South Africa, as in many developing countries, one of the biggest threats to security is poverty. Most government programmes and projects are aimed at poverty alleviation and job creation. Effective linkage between the various poverty alleviation initiatives and development programmes remains a problem. However, exploring the links and overlaps between programmes focused on defence conversion and other development initiatives in the country may result in a positive contribution to the poverty alleviation in South Africa.

This paper examines defence conversion, a neglected aspect of the defence transformation process in South Africa. It highlights some of the progress and problems to date and provides policy makers with some insights into the defence conversion process. It also raises pertinent questions for them to address and conclude with some tentative practical policy recommendations.

HUMAN SECURITY AND DEFENCE CONVERSION

Defence conversion refers to the operational process of demilitarisation and the practical management of disarmament.⁴ The literature on conversion emerges from a broader set of writings on security and demilitarisation.⁵ Since the end of the Cold War, the term 'security' has been transformed from its narrow definition in traditional military terms, where the primary concern is about an external threat to a nation's security, to one that is more concerned with human security. Human security is less about procuring arms and building military strength, and more about strengthening the social fabric of societies and improving their systems of governance.⁶

This broader conception of security requires a commitment to demilitarisation and an investment in poverty alleviation and human development programmes. The real threats to security are seen as, among others, large-scale environmental degradation and extreme poverty. Many countries have realised that they are not exempt from these insecurities and have consequently adapted their approach to security. The conversion of military resources for civilian use is part of a broader human security strategy, which aims to make use of state resources to optimise the conditions under which human development can take place.

After the end of the Cold War, the easing of global tensions and persistent economic pressures resulted in a number of countries initiating strategies to cut defence expenditures and promote the conversion of military resources for civilian use. Large-scale disarmament took place between 1980 and the mid-1990s as many of the world's largest countries reduced their military budgets.⁷ These cuts usually resulted in a pattern of events: a reduction in weapon systems and the size of armed forces, which resulted in the downsizing of defence industries, a reduction in military infrastructure and base closures.

Due to the large-scale disarmament, there was a need in the short term to remove weapons, but in the long term, there was a need for a more comprehensive developmental approach to this process of disarmament. Specifically, there was a need to convert the 'excessive' military capacity into resources that could productively be used by broader society. This was broadly referred to as the 'peace dividend'.

Experience has shown that the expected peace dividend did not arise automatically.⁸ The initial belief that economic benefits would flow from the disarmament process quickly dissipated when governments were saddled with devalued companies, unemployment, declining economic regions and devalued expertise. Some referred to it instead as the 'peace penalty'. The process of defence conversion was fraught with complexities and difficulties. For example, for armaments industries suddenly to start developing alternative products and competing in the open market was not easy.⁹

SOUTH AFRICA AND DEFENCE CONVERSION

After 1991, South Africa saw the demise of the apartheid system that had been propped up by the state's powerful coercive instruments. South Africa, like most of the world, also witnessed a reduction in defence expenditure: the defence budget was cut by 50% in real terms between 1989-1997.¹⁰ The defence budget was at 4.6% of GDP in 1989/1990, decreasing to 1.6% of GDP in 1999/2000. In order to ensure sustainability, the defence budget allocation, according to policy promulgated in the South African Defence Review, should be approximately R18.5 billion. The defence budget is currently operating below this, with serious ramifications in terms of the maintenance of bases and equipment, the ability of the military to perform its primary and secondary functions and ultimately force readiness.

Due to the cuts in the defence budget, there has been a downscaling of the military, which has forced a streamlining of the operations of the South African National Defence Force (SANDF). As a result, a number of bases, as outlined in the Defence Review, have become redundant. The defence budget cut also meant a cut in the personnel budget, which translated into the need for a well-planned demobilisation and rationalisation process.

International experience cautions that there is not necessarily a link between a reduction in military expenditure and development. However, defence conversion may have great potential for South Africa's national development strategy. The conversion of military bases,

for example, may unleash a number of economic and development opportunities. Viewing demobilisation as a broader development programme could also unleash potential for linkages with other reskilling programmes currently operational in the country.

Despite the restructuring and transformation of the military in South Africa, defence conversion, though important, remains a neglected issue. Its true potential has not been embraced. Whether this is because it has become a faded ideal of the anti-militarists, who aggressively campaigned for the peace dividend in the early 1990s, or whether it is viewed as impractical due to the number of complexities associated with it, remains unclear. Nonetheless, its potential has been insufficiently explored in South Africa.

The sections below will examine the different components of defence conversion in the South African context, with a specific focus on recent developments.

Defence industry conversion

Defence industry conversion refers to a process where there is direct re-use of defence industrial hardware, technology and personnel for alternative civilian production.¹¹ This is a narrow definition, however, which does not take into account the full range of options available to defence industries to adjust to the decrease in procurement and resource redistribution that followed the post-1991 period. For effective conversion to take place, industries should consider utilising the benefits of defence industry production and using these as spin-offs into the commercial market.

Many will argue that the South African defence industry has not been converted in the true sense of the word and that defence industries have merely adjusted their production strategies to face the new market challenges through diversification. Many defence industries are engaged in both military and commercial production. However, in order to understand the importance of defence industry conversion, the history of the South African defence industry should be considered.

The defence industry in South Africa had developed into one of the most significant industrial production sectors by the late 1980s, both in terms of the number of people employed, as well as its contribution to the national economy.¹² Approximately 130 000 people were employed in the industry by 1989.¹³ The domestic defence market spending during the 1989/90 period was approximately R6 billion. It dropped to R1.1 billion in 1998/99.¹⁴ Employment dropped from 130 000 in 1989 to about 70 000 in 1997.¹⁵ According to Batchelor, skilled workers in the defence industry bore the brunt of the retrenchments and found it difficult to find employment in civilian sectors.¹⁶ For example, scientists who have specialised in particular defence technologies will not necessarily be interested in or skilled to develop civilian products. They may then choose to leave the country to put their skills to use elsewhere or their skills would remain unutilised. On the other hand, some occupational groups, such as defence systems engineers, found it easier to be incorporated into the commercial sector.

Although the South African defence industry had difficulty in coping with the dramatic decline in the defence budget, there was sufficient prior warning to industries that the cut in the defence budget meant a decline in defence orders. By the late 1980s, South African defence industries were faced with numerous challenges. They needed to convert, diversify and/or increase exports.

To deal with the changing environment, South African defence industries pursued a number of strategies, including mergers with civilian firms, joint ventures and diversification. With government scaling down its arms procurement (a decrease of 70% in procurement expenditure between 1989 and 1996),¹⁷ defence companies were faced with the major challenge of finding new buyers, since there had been a high degree of dependence on government as a major buyer of their output. Some industries started developing civilian products using the existing defence technology and facilities, or even civilian technology to produce defence technology.¹⁸ Other industries started manufacturing both defence and commercial products or dual products, which could be sold to both defence and non-defence markets (this is easier at a lower level with component production). There is also an increasing overlap between defence and civilian production within companies, both nationally and internationally. Some argue that this may prove to be problematic. There must be a

balance between civilian and military production in the same company, or the two should remain separated, since they have different clients with different demands and also operate completely differently.¹⁹

Defence industry conversion does not necessarily create new jobs. In many instances, it merely becomes another competitor in the commercial market. For example, when Denel Aviation started producing trailers — traditionally the domain of Venter Trailers, the main South African manufacturer supplying the local and regional market — it was simply seen as a shifting around of orders rather than the creation of new jobs.²⁰

Due to the diversification strategies being followed, the research and development sector received a significant boost in an effort to identify new products and marketing strategies. However, the success of the diversification effort has been limited due to a number of obstacles. These include, among others, a highly competitive civilian market in which defence industries often find it difficult to survive due to the 'cosy' relationship that existed between the industries and the Ministry of Defence, their major client. The larger industries were able to adapt to the changes more easily and had more success with the conversion of products than the small and medium enterprises that were strongly defence-focused. For example, Grintek, one of South Africa's largest private sector defence companies specialising in electronics, has been reasonably successful and at least 30% of its current production is commercial.²¹

One of the problems cited by Batchelor was the lack of support by the government in terms of creating opportunities for former defence workers in the civilian economy and in guiding the direction of industries.²² However, this raises the question of how viable and sustainable the industries will be if defence industry conversion is directed and guided by the government. The counterargument has been that, in order for the defence industries to remain profitable and sustainable, market forces should instead be allowed to shape the direction that these industries should take. This approach has largely been followed in South Africa. The government has largely maintained a hands-off position in terms of defence industry conversion, mainly due to the lack of institutional capacity, which is a general obstacle in terms of government support for processes such as defence conversion.

Overall, conversion has not been popular in the defence industry sector, since it is regarded as expensive and complex. As mentioned earlier, an assessment of the South African situation indicates that complete conversion of the defence industry has not taken place. It has been more a case of diversification, with defence industries changing over from defence products to commercial products, or producing both. On the positive side, although in its infancy, there is an initiative to establish a defence industry conversion unit within Armscor. There is also talk about the establishment of the Defence Diversification Agency, with the idea to transfer existing defence technologies and make these accessible to commercial companies with the aim of exploring how such technologies can be of use to them.

However, defence industry conversion may be placed on the back burner for a while, with the South African government's recent R43 billion arms procurement package. Many of the defence industries that experienced serious setbacks with the cut in local defence spending are now poised for a period of growth. It was estimated that at least R15 billion worth of work would be available for the local defence industry because of offsets.²³ However, the details and true benefits of these offsets and the true cost of the package have become the source of much debate. The strategic arms package has been the centre of sustained controversy since it was announced in 1998. Corruption charges, among other improprieties, have been alleged. The government has appointed three agencies to investigate the details of the package. The arms package, however, does translate into a boost for local defence industries and has diminished the likelihood of significant conversion initiatives in the defence industry in the short term.

Demobilisation and human resource conversion

Demobilisation

For the purpose of this paper, demobilisation is defined as a "significant reduction of people employed by the military and their re-integration into civilian life."[24](#) Demobilisation/rationalisation is a sensitive, complex and politically contentious issue that requires careful and well-developed planning before it is operationalised, since it deals with personnel who would require intensive retraining to provide them with marketable skills when they are to be inserted back into civilian life. Human resource conversion is an important component of demobilisation and rationalisation. It refers to the effective transformation of the skills and knowledge of demobilised military personnel from a military focus to a civilian career.

With militaries scaling down, one of the obvious costs that needed to be trimmed down was personnel costs. The Department of Defence was also faced with the challenge of scaling down personnel due to the cut in the defence budget. In accordance with the Department of Defence's plans to realign the total defence budget, only 40% would be allocated to the personnel budget. Personnel costs currently stand at 52% of the total defence budget. However, demobilisation/rationalisation is not merely about reducing personnel numbers to fit in with a new budget.[25](#) There are a number of human, economic, social and political factors that impact on the demobilisation/rationalisation process.

In the South African context, personnel reduction has been divided into the processes of demobilisation and rationalisation. Demobilisation took place between 1996 and 1998 and was aimed at those who did not wish to integrate into the newly formed SANDF, or those who did not meet the new standards to integrate. In 1994, seven armies — Umkhonto we Sizwe (MK), the Azanian People's Liberation Army (APLA), the South African Defence Force (SADF), the former homeland forces (Transkei, Bophuthatswana, Venda and Ciskei — TBVC) and the KwaZulu Self-Protection Force (KZSPF) — were integrated to form the SANDF. At the peak of integration in 1996-1997, the SANDF had a force size of approximately 101 000.

A number of problems were experienced during the first phases of demobilisation. Some of the problems cited by former combatants include inadequate severance packages and poor attempts at reintegrating former combatants into civilian life.[26](#) The reskilling programmes were viewed as inadequate in terms of meeting the needs of former combatants.

The Service Corps was launched in 1995 as a measure to oversee the reintegration of former combatants. The Service Corps was to assist in the reskilling of former combatants and its aim was to serve as one of the vehicles of the South African government's Reconstruction and Development Programme. However, the Service Corps has been regarded by some as not being very effective in its attempt at reskilling and reintegrating former combatants because training was conducted by military personnel under a military ethos, and skills advice and psychological counselling were lacking.[27](#) In addition, the Service Corps was aimed at a lower level of skills training. No managerial training was offered and efforts to assist the more skilled demobilised military personnel to obtain jobs in other sectors were lacking.

To date, 9 771 personnel have been demobilised since the integration process started in 1994.[28](#) Personnel numbers have largely been reduced due to natural attrition,[29](#) voluntary severance packages and contracts expiring. It does appear that the process of natural attrition has resulted in a dramatic decrease in personnel numbers. The process of natural attrition has resulted in the loss of many people with skills that are invaluable to the efficient functioning of the new force structure, while many 'redundant' persons have remained. In essence, therefore, the Department of Defence has been downsizing and not rightsizing. Ultimately, this has left it with an undesirable force structure, for example, ageing staff in lower ranks.

Currently, the total number of former SADF members in the SANDF is 43 486 (compared to 82 705 in 1994). Former MK and APLA members comprise 10 734 and 5 071, respectively. The former TBVC forces have 5 970 members and the former KZSPF 1 608 members in the SANDF.[30](#) The current SANDF force size is 79 000.[31](#) According to the Department of Defence, the ideal force size is between 65 000 and 70 000. However, the viability of a force size of 65 000 has been questioned especially for a country of the size of South Africa. The recent

tasks that the SANDF has been called upon to do, such as disaster relief and peace support operations that require an infantry-heavy type force, have also lead to further questions on the issue of force size.

However, before the Department of Defence can initiate its rationalisation programme, it still needs to deal with the problems that emerged from the demobilisation programme. Disgruntled demobilised soldiers pose a serious potential threat to the country's security. In addition, those soldiers who left the system after integration and received packages and who are finding it hard to reintegrate into civilian life may pose a security problem later. There has been a link between demobilisation and criminality in some instances. For example, it has been alleged that former soldiers may have conducted the recent spate of cash-in-transit heists in the country. A record needs to be kept of those soldiers who did not register during the integration process. These soldiers are unaccounted for and may prove to be a potential security risk later if their situation is not monitored and their needs and grievances are not addressed. There is also a need to keep track of those soldiers who have left the system. Since some of these soldiers form part of the Reserve Forces, the Reserve Force Council is attempting to track them down, but the lack of resources makes its task more difficult. The key question that emerges is how wide to cast the demobilisation net. There is a need for an audit of all people with military skills as the absence of such a record may prove problematic later.

Demobilisation and reintegration indeed require creativity, since there are broader development problems that cannot simply be dealt with by the military alone. It is well known that the South African economy is currently experiencing jobless growth so the mere reskilling of demobilised personnel with the hope that they will be absorbed into the formal economy is not realistic. The informal economy would probably be a more viable option. Assistance should be provided to demobilised staff who may wish to start small, medium or micro-enterprises (SMMEs). Linking up reintegration programmes with agencies such as Ntsika and Khula Enterprises, which provide funding and assistance to SMMEs in the country, would be an important route to investigate.

The Department of Defence has also decided to transform the Service Corps into the Resettlement Agency. This, however, will require financing. It is envisioned that the Resettlement Agency will be headed by a civilian agency and that programme implementation will have a strong development focus. There is also talk of designing a transition support centre that will provide demobilised/ rationalised personnel with psychosocial support. This will be implemented once the rationalisation process is initiated.

Although demilitarisation and defence conversion have not been 'big' on the African agenda, some lessons can be drawn from the demobilisation programmes that were effected in some African countries. Countries such as Uganda, Mozambique and Zimbabwe have engaged in demobilisation and reskilling programmes. Uganda, for example, had a comprehensive demobilisation programme with a creative approach to job placement. The demobilisation programmes in some African countries have also been characterised by deliberate and systematic planning. The programmes were often supported by national and international institutions in terms of expertise and finance. An assessment of the programmes in different African countries indicates that local stakeholders need to be involved from the onset, particularly in the planning stages of demobilisation³². Ownership of demobilisation and reintegration programmes is also essential for successful demobilisation. The demobilisation and reintegration of former combatants into civil society are regarded as long-term processes, which require funds and the commitment and support of the government. Demobilisation and reintegration programmes are also seen as necessities to ensure stability and security that will aid the overall development of a country.

Rationalisation and reintegration

Rationalisation is the process that the Department of Defence has embarked on to rightsize to the desired personnel strength, while providing for the diverse reskilling needs of separated personnel at an affordable cost.³³ The process of rationalisation is necessary in order to achieve required personnel levels. However, for rationalisation to be successful and effective, a percentage of military personnel needs be cut in a manner that maintains a balance

between personnel shortages and surpluses in specific rank groupings, but achieves the required levels of staffing demanded by the chosen force design. Natural attrition, however, seems to have played quite a definitive role in decreasing personnel numbers. According to Department of Defence sources, approximately 200 people left due to natural attrition during the period January to March 2001.

It is encouraging that creative policy and programmes are being developed by the Department of Defence to facilitate a smoother rationalisation process. The importance of a well-planned reintegration strategy cannot be over-emphasised. For successful rationalisation and reintegration to take place, the effective reskilling and retraining of personnel at all levels should occur before they are reinserted into civilian life. Prior to this, an analysis of the needs, skills and aspirations of those to be rationalised should be conducted, as well as an assessment made of the socio-economic environment. In this way, the retraining offered should match the employment opportunities available. In addition, skills training should also be linked to employment creation initiatives. Training and reskilling, however, have cost implications. It is for this reason that public-private partnerships become important. The public sector can facilitate the process and the private sector can provide much-needed resources and opportunities. The rationalisation process also offers a unique conversion opportunity where the skills of some highly skilled military personnel can be effectively used in other sectors. However, the general concern is focused on military personnel with lower skills levels, who will find reintegration more difficult. Proper investment into the demobilisation/rationalisation and reintegration process can lead to further development in the country.

There are a number of phases that should ideally comprise human resource conversion programmes, but which are seldom realised in practice. The phases are briefly outlined below:

- *Political approval*: political approval is important for rationalisation programmes since it involves issues such as recognition of service, pensions, among others.
- *Identification phase*: a preliminary study should include a personnel audit, and focus on training requirements, employment prospects and societal perceptions of demobilised personnel.
- *Providing a support structure*: a support structure needs to be established that will manage the rationalisation programme and serve as an interface with which different stakeholders can liaise.
- *Preparation phase*: preparation of individuals is needed well in advance of the actual rationalisation. This is done through managing natural attrition, finalising the new organisation structure and by conducting detailed personnel audits.
- *Severance phase*: members are identified after careful consideration of all possible alternatives (such as interservice transfer or interdepartmental transfer).
- *Preparation of individuals for reintegration*: individuals are provided with a number of options (such as voluntary alternative placement, voluntary separation or selective alternative placement, depending on the organisational needs). They are also provided with much-needed psychosocial support.
- *Placement phase*: individuals are also exposed to reskilling and retraining programmes that may vary depending on their socio-economic characteristics and aspirations. A range of support measures that will accommodate everyone therefore need to be devised.
- *Monitoring phase*: follow-up is important so that successes or shortcomings can be evaluated.³⁴

Demobilisation/rationalisation is indeed a complex issue. It is much broader than the Department of Defence's programme to cut personnel numbers in order to achieve its desired personnel strength in line with its budgetary requirements. Some of the questions that are raised include:

- Are there resources for successful rationalisation?
- Who will be rationalised?
- What are the problems associated with demobilisation/rationalisation in a highly milita-rised society like South Africa?
- Do the opportunities for the effective reintegration of former combatants lie outside government?
- Should there be dedicated employment creation initiatives for demobilised soldiers?

- Should the reskilling of demobilised personnel not form part of the broader reskilling of the civil service?
- Are black empowerment initiatives perhaps not opportunities into which the demobilised can be drawn?

The overall approach to demobilisation should be developmental, since it is indeed a broader development concern. Perhaps because of its complexity, an agency is required that can champion demobilisation in the country, whether it is an independent agency or perhaps through the Deputy Minister of Defence's office, as is the case in some other countries. The Department of Defence could explore this option. However, political direction on these issues is of utmost importance.

Base conversion

Base conversion refers to the civilian re-use of redundant military facilities allowing for alternative land-use and tenure.³⁵ Military land has always been a contentious issue, since the military usually occupies large tracts of land and has largely been regarded as a polluter due to the nature of its activities. In South Africa, the issue of military land is particularly relevant both in terms of the country's land reform programme and the reduced defence spending that has led to the closure of a number of bases. Military land is under pressure as a result of the land restitution programme and state land has become available for redistribution or alternative civilian use through the closure of some military bases. Base conversion is therefore a relevant development issue for the South African government.

The conversion of military sites is also an international phenomenon. Base conversion was placed firmly on the international agenda at the Conversion Conference held in Germany in October 1996. During this event, the Kaiserslautern Declaration was issued, a statement by European countries to the world to encourage further efforts for international co-operation in the conversion of military sites and defence industries. Although less research has been conducted on base conversion in developing countries, there are some cases of sustainable conversion in the developing world. A well-known case is from the Philippines where a naval base at Subic Bay has been successfully converted and a new focus established on export-oriented economic development.³⁶ Studies on base conversion have also been conducted in countries such as Egypt³⁷ and some Eastern European countries.³⁸

It is evident from research that the question of base conversion encompasses a range of complex problems and opportunities. Costly environmental clean-up is often necessary when alternative uses are assigned to a site. After the closure of a base, there is also a lag before redevelopment takes place. This often results in the decline of the base's infrastructure due to the lack of maintenance and security. Several Western European governments have realised that initial investment and substantial effort are essential if they want to reap a return on defence conversion. From the experience of the industrialised world, partnerships and planning are central to the process of converting military infrastructure for civilian use. Base redevelopment is also seen as an economic empowerment tool for many disadvantaged communities and it could add value to overall development in a country if well co-ordinated.

In South Africa, the conversion of military land has been viewed as an important issue in terms of the country's land restitution and redistribution programme. In the 1980s, in particular, the South African military played a major role in the affairs of the state. The South African military had one of the largest allocations in the national budget and occupied large tracts of land.³⁹ Historically, much of this land was taken by force and many rural communities were dispossessed in the process. In taking over land, the military became an important agent in local economies, as a major employer and source of local revenue.

Since 1994, major defence cutbacks have resulted in many defence bases becoming redundant and facing closure.⁴⁰ The process of base closure and base conversion will therefore have an impact on local economies, either in a positive or negative manner, depending on the success of the re-use option that is implemented. International experience suggests that the process of closing defence bases and converting them to alternative uses have a critical impact upon the prospects for local economic development (LED).

To date, military bases that have been returned to communities through the land restitution

process include, among others, Riemvasmaak and Schmidtsdrift (Northern Cape), and Mosita (North-West). A few other cases with claims on military bases are still being negotiated. The Defence Review provides guidelines on the return of military land to claimant communities, for example, rights to land may be without physical occupation of the land, or alternative land may be given. The Department of Defence has taken this position in many instances in their negotiations with communities, arguing that the land is too contaminated to be occupied by civilians. The Department of Defence has also returned a number of redundant bases to the Department of Public Works.

In order to deal with the issue of base conversion, the Department of Public Works, the custodian of state land in South Africa, embarked on a project that would assist in establishing guidelines and policy for the redevelopment of military bases in the country. In 1998, the World Bank donated a R6 million grant to the South African government for a capacity-building project on base closure and re-use in South Africa. Local consultants were contracted to conduct feasibility studies on the redevelopment options for 10 military bases that were returned to the Department of Public Works by the Department of Defence. These include bases at Zwartkop (Gauteng), Klippan (North-West), Bourke's Luck (Mpumalanga), Port St Johns (Eastern Cape), Pomfret (Northern Cape), Saldanha-Toothrock (Western Cape), George Women's Training College (Western Cape), Devon (Mpumalanga), Langefontein (Western Cape), Soekmekaar (Western Cape) and Hoedspruit-Boston (Northern Province). Six underutilised military bases were also identified and examined by consultants in terms of their potential for joint use with the military. These include bases in Camden (Mpumalanga), Mmabatho (North-West), Wingsfield (Western Cape), Waterkloof (Gauteng), Thaba 'Nchu (Free State) and Ysterplaat (Western Cape). With assistance from the Bonn International Center for Conversion (BICC), the Department of Public Works used the reports to compile proposals on the disposal and redevelopment of military bases. The Department of Public Works tabled these proposals before cabinet in May 2001. The desired outcome is a framework within which the Department of Public Works can operate with regard to base redevelopment in the future.

The SANDF has developed a base conversion manual that outlines the manner in which a base will be closed before redevelopment or re-use takes place. The Department of Defence has also embarked on a process of developing a policy for facilities management and disposal. The policy still has to be promulgated by the Department, but it will address the areas of joint use, base conversion, land reform, environmental management, facilities acquisition, maintenance and utilisation. All these policies, programmes and strategies, however, have been formulated in a rather disjointed manner. If properly undertaken, base conversion may provide a vehicle for empowering disadvantaged communities in this country, given the necessary capital and commitment.

Base conversion has not been a priority issue on a continent that is still heavily militarised and dealing with conflict. However, it is important to note that base redevelopment has taken place on a small scale in Egypt.[41](#)

DEFENCE CONVERSION CHALLENGES FOR SOUTH AFRICA

The peace dividend has not become a reality in South Africa. Defence funds have not been redirected to development in a planned and co-ordinated manner in the country.[42](#) The Department of Defence has seen serious budget cuts and there has not been remarkable development in other defence sectors. Some efforts have been made at defence conversion, but a number of obstacles have prevailed.

Some of the obstacles that have impacted on defence conversion include, among others, a lack of capacity (both human and financial), a lack of understanding of defence conversion, the government's recent R43 billion rearmament package, the unsuccessful reintegration of demobilised soldiers, the lack of a co-ordinated strategy for base redevelopment, the lack of a comprehensive policy on defence conversion and perhaps a general disinterest and lack of effort to drive the process of conversion due to some of the above reasons.

In the policy arena, defence conversion has been a rather uneven process. The Department of Defence has promulgated a number of policy documents and strategies, but these are

often not well-integrated or co-ordinated with other departmental policies. For example, some of the policies and strategy documents include, among others, a policy on defence facilities management, which the Directorate of Policy and Planning within the Defence Secretariat is trying to promulgate; a Base Conversion Manual produced by the Environmental Security Working Group which formed part of the Mbeki-Gore Binational Commission; the policy on the establishment of the Service Corps; and policy on rationalisation and reintegration, which is still in its infancy. It is commendable that strategies and policies have been put in place. However, there is no overarching framework to guide them.

The lack of interdepartmental co-ordination, and even intradepartmental linkage, is a problem throughout the policy arena in South Africa. This lack of communication and co-ordination often leads to problems with service delivery and duplication. However, the government has tried to deal with this through cabinet and through the establishment of director-general clusters. As is the case in other countries where defence conversion has taken place, it would perhaps be appropriate to set up a dedicated secretariat to deal with defence conversion. A central co-ordinating node could play a positive role in making defence conversion a practical reality in South Africa.

One of the stark realities is that defence conversion is expensive. Defence conversion requires capital to kickstart the process. Since public-private partnerships have gained currency, it makes sense that this route for the implementation of defence conversion should be investigated. A realistic assessment of government resources for defence conversion also needs to be conducted.

Defence conversion, as a component of military restructuring should also be dealt with as a component of a broader development strategy. Defence conversion should not be seen as an issue only for the Department of Defence, but should involve other government departments such as Trade and Industry, Tourism, Economic and Land Affairs, to name but a few. The benefits and merits of defence conversion will become more visible if there are better linkages with other development programmes in other government departments. Co-ordinated redirection of military resources can unleash a number of development opportunities. If implemented, it could assist in addressing, for example, the provision of land for the landless and entrepreneurial opportunities for emerging businesses. The use of highly skilled defence workers in civilian sectors could also provide a chance to revitalise and integrate stagnating local economies. For those with lesser skills, attention should be paid to appropriate and dedicated employment creation initiatives. The links between the three aspects of conversion as outlined previously could also be explored in terms of employment creation initiatives. For example, base conversion and employment creation for former soldiers could be linked. Some demobilised soldiers are uniquely equipped to clean up contaminated land. In addition, some bases lend themselves to agri-industrial applications. With some initiative and creativity, these links could prove to be fruitful opportunities

CONCLUSION

Finally, it is clear that one of the fundamental problems with defence conversion in South Africa has been the lack of co-ordinated defence conversion policy that is linked to other development initiatives. Though the Defence Review does outline conversion as an aspect of defence transformation, details are still lacking of how it should be operationalised effectively. However, whether an overarching defence conversion policy is necessary for effective defence conversion to take place is debatable because well formulated policy does not necessarily translate into effective implementation. Such policy should provide guidelines for practical programme planning and strategy. A national conversion strategy could prove to be valuable if it includes some of the following elements: sound financial costing, a thorough analysis of the strategic environment, a provision for alternative courses of action, the identification of limitations and restraints, realistic targets, consistency and links with other government policies and finally clear guidelines for implementation in terms of roles and responsibilities.

Defence conversion will remain a debated academic concept and a faded ideal in South Africa unless a dedicated, multisectoral team drives it and resources are available to kickstart the process. If the starting point is a practical national conversion strategy, then South Africa

may well even taste the fruits of the much mentioned and less noticed 'peace dividend'.

However, the above is a rather simple and optimistic view, which stems from the few conversion initiatives that have taken place. The cynical side of the argument is that the climate for defence conversion was ideal during the immediate post-1994 period, when the newly elected democratic government came into power. There was hope that they would place defence conversion firmly on the agenda, especially since human development featured high on their list of priorities. Yet, it did not take place in a manner, or at a pace that many hoped it would. Instead, since 1998, the hope of defence conversion driven by the government seems to be fading especially in the light of the R43 billion rearmament package that was announced by the government. In addition, the nature of the South African economy currently does not encourage defence conversion initiatives. Although better co-ordination, improved linkages and the integration of policies are advisable, these could be rendered useless unless they are accompanied by much-needed economic growth and job creation. Perhaps the optimism for defence conversion stems from the fact that the government views the provision of basic needs, the upliftment of the poor, job creation and economic growth as priorities and its commitment to these priorities may make the benefits of defence conversion more visible. In turn, this may see defence conversion initiatives being linked to other development programmes. However, the proof lies in what has yet to unfold in the country. In the meantime, defence conversion remains a somewhat faded ideal.

NOTES

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14. Armscor annual reports, various years.
15. Batchelor, 1996, op cit.
16. *Ibid*.

17. Batchelor & Willett, op cit.
18. Ibid.
19. Interview with Maj-Gen (ret) J Kriel , co-drafter of the *White Paper on South African Defence Related Industries*, May 2001.
20. Ibid.
21. Ibid.
22. Ibid.
23. *The Star*, 29 July 1999.
24. BICC, Brief 18, Bonn International Center for Conversion, Bonn, 2000, p 41.
25. Demobilisation refers to downsizing of military personnel. The term rationalisation is the downsizing of both military and civilian personnel in the Department of Defence.
26. Refer to M Mokalobe, *Demobilisation and re-integration of ex-combatants in South Africa*, DDP publication, Group for Environmental Monitoring, Johannesburg, 1999; L Mashike, *Beyond the armed struggle: A sociological profile of ex-MK soldiers*, DDP publication, Group for Environmental Monitoring, Johannesburg, 1999.
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28. Statistics quoted from minutes of Defence Portfolio Committee Meeting, 27 February 2001, Parliamentary Monitoring Group, <www.pmg.co.za>.
29. Natural attrition includes retirement, resignation and death.
30. Statistics quoted from minutes of Defence Portfolio Committee Meeting, 27 February 2001, op cit.
31. Statistics provided by the Department of Defence, April 2001.
32. Inputs from USAID Demobilisation and Reintegration Workshop, Nairobi, Kenya, 20-21 March 2001.
33. Separation refers to an action through which an organisation manages to reduce its personnel numbers. This is either through natural attrition, expiration of contracts or retrenchments.
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ABOUT THIS PAPER

At the end of the Cold War, there was hope for peace, stability and an equitable distribution of resources that would benefit all people. With a global decrease in the commitment of gross national product for defence purposes, there was a stronger focus on human development rather than military power. This paper examines defence conversion in South Africa and highlights some of the progress and problems to date and provides policy makers with some

insights into the defence conversion process. It also raises pertinent questions for them to address and conclude with some tentative practical policy recommendations.

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