

---

---

SOUTH AFRICA  
*and the*  
WORLD ECONOMY  
*in the 1990s*

---

---

EDITED BY  
Pauline H. Baker, Alex Boraine  
and Warren Krafchik

DAVID PHILIP: Cape Town and Johannesburg  
THE BROOKINGS INSTITUTION: Washington DC  
*in association with*  
IDASA *and* The Aspen Institute

---

# Contents

---

Preface	vii
Introduction WARREN KRAFCHIK	xi
List of Contributors	xv
List of Abbreviations	xvi
 <i>PART 1: THE GLOBAL FRAMEWORK</i>	
1. Trends in World Trade and Foreign Direct Investment ROBERT LAWRENCE	2
2. Changes in Capital Markets for Developing Countries PAUL KRUGMAN	32
 <i>PART 2: INTERNATIONAL COMPETITIVENESS</i>	
3. What Will Make South Africa Internationally Competitive? SANJAYA LALL	50
4. Trade Policy and International Competitiveness: The South Korean Experience DUCK-WOO NAM	71
5. Foreign Direct Investment: Policies and Experiences of Malaysia and Other High-Growth Asian Economies DAIM ZAINUDDIN	79
6. Meeting the Global Challenge: A Framework for Industrial Revival in South Africa AVRIL JOFFE, DAVID KAPLAN, RAPHAEL KAPLINSKY AND DAVID LEWIS	91
7. The South African Trade Policy Debate: A Business Perspective PAUL R. HATTY	127
8. An Overview of Exchange Rate Policy in South Africa BRIAN KAHN	137
9. South African Exchange Rate Policy: A Reserve Bank Perspective CHRIS L. STALS	148
 <i>PART 3: INTERNATIONAL ARRANGEMENTS AND INSTITUTIONS</i>	
10. GATT and Its Impact on Developing Countries SHEILA PAGE	152
11. Implications of the Uruguay Round and the New GATT for South African Trade Policy DAVID HARTRIDGE	168

12. The Impact of the Bretton Woods Institutions on the Prospects for Development	JOHN WILLIAMSON	178
13. Development Implications for South Africa of Using IMF and World Bank Loans and Resources	VISHNU PADAYACHEE	184
14. The Implications for South Africa of Using World Bank Facilities	PETER FALLON	204
15. Review of the Debate on the Prospective Role of the IMF and World Bank in South Africa	LESLIE LIPSCHITZ	212

*PART 4: PERSPECTIVES ON REGIONAL INTEGRATION*

16. The Case for Economic Integration in Southern Africa	ROBERT DAVIES	217
17. A Cautionary Note on the Prospect of Regional Economic Integration in Southern Africa	S. PRAKASH SETHI	221
18. Regional Co-operation in Southern Africa: A Comment	BENNO J. NDULU	225
19. Is Development in South Africa Compatible with Development in Southern Africa?	LAURENCE COCKCROFT	228
20. The Advantages and Disadvantages of Current Regional Institutions for Integration	GAVIN MAASDORP	239
21. Conference Highlights	STEPHEN R. LEWIS, JR.	247

Bibliography		252
Index		259