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DEVELOPMENT, COOPERATION AND INTEGRATION IN THE SADC REGION

by

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ABSTRACT

In 1980, the Southern African Development Coordination Conference (SADCC) was established with the major objectives of decreasing economic dependence on the apartheid regime and fostering regional development. The strategy adopted for meeting these objectives was regional development and cooperation. In 1992, SADCC was reborn as the Southern African Development Community (SADC). The member states decided the time had come to move the region toward the creation of one regional market. Since market integration has failed miserably on the African continent, this article argues that a different approach should be adopted — regional integration. Regional integration is defined as a process that allows member states to have access to each other's markets on a voluntary basis and at various degrees. Economic, political, social and cultural benefits are realised from this interaction. Since regional development and cooperation remains a central component of the SADC strategy, this article proposes a way forward that would enhance regional development, cooperation and integration. This includes (1) the need for the SADC member states to make a serious political commitment to regional development, cooperation and integration; (2) the creation of an environment of political and economic stability; and (3) enhanced national and regional development.

Keywords : SADC, regional integration, regional cooperation, regional development , Southern Africa

INTRODUCTION

In April 1980, the nine independent nations of Southern Africa (Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia, and Zimbabwe) established the Southern African Development Coordination Conference (SADCC) with the major objectives of decreasing regional economic dependence on South Africa and fostering regional development. Other objectives included the reduction of dependence in general; the forging of links to create a genuine and equitable regional integration; the mobilisation of resources to promote the implementation of national, interstate, and regional policies; and concerted action to secure international cooperation within the framework of the strategy outlined for economic liberation.[1] The member nations at the time agreed to focus on regional development and cooperation instead of market integration, since, they argued, regional development and cooperation had to be the precursor to market integration. Market integration was to be a future goal.

SADCC was created in reaction to the growing militarisation and hegemonic aspirations of the apartheid regime of South Africa. SADCC, therefore, must be understood within the context of the uniqueness of the geopolitical and economic situation that the member states were confronted with at the time. It was precisely because of the unusual regional circumstances that SADCC developed a regional strategy that deviated from the European Union (EU) model of market integration. After all, SADCC was designed to make a greater political statement than an economic one. It had only been a year since the member states rejected the idea by the apartheid regime to create an alliance with these regional nations, along with the nominal "independent" bantustans of South Africa, in the form of the Constellation of Southern African States (CONSAS). CONSAS, like SADCC, was to be a conduit for enhanced regional development and cooperation. With South Africa at the helm, however, such regional development and cooperation was designed to maintain and expand the apartheid regime's regional hegemony. In refusing to join CONSAS and denying South Africa membership in SADCC, the regional nations became victims of the apartheid regime's intensified regional destabilisation strategy, designed to make SADCC realise that regional development and cooperation was not possible without South Africa's participation[2].

In 1992, the SADCC member states determined that the time had come to move toward market integration. This decision was sparked by the changes occurring in South Africa and within the world economy. With a prospective post-apartheid South African government joining the organization, SADCC knew it could no longer have, as a major objective, decreasing economic dependence on the apartheid regime. Similarly, with enhanced globalisation and the creation of new trading blocs, the SADCC member states felt that market integration was necessary in order to prevent the region from becoming further marginalised within the world economy. This reassessment resulted in the rebirth of the organisation as the Southern African Development Community (SADC), with the major objective of fostering regional development integration. By 1997, SADC had fourteen member states (the original nine plus Namibia, South Africa, Mauritius, the Democratic Republic of the Congo, and Seychelles).[3]

The purpose of this article is threefold: 1) to place regional development, cooperation and integration in the SADC region in theoretical perspective; 2) to assess regional development, cooperation and integration in the SADC region with respect to constraints, problems and prospects; and 3) to propose a way forward for the SADC region.

Regional Development, Cooperation and Integration in the SADC Region in Theoretical Perspective

SADC[4] has, since 1980, struggled with finding the appropriate theoretical framework to guide its strategy for regional cooperation, development and integration. It has had to come to terms, however, with the fact that often there exists a huge gap between the theory and practice of regional cooperation, development, and integration.

This section of the article discusses theories of regional cooperation and integration. The first is economic or market integration, which was rejected by SADC between 1980 and 1992. Instead, the member states opted for regional cooperation, which is the second theoretical approach discussed in this section. The third approach is development integration, which was adopted by SADC in 1992, and includes market integration. The final theoretical approach is regional integration.

Market Integration

Market integration theory was first referred to as customs unions theory. As Tom Østergaard notes, since a customs union "applies to only one of the stages in the envisaged evolution from a free trade area to an economic union, it is more appropriate to speak of 'market integration' because it more adequately captures this body of theories."[5] Since market integration and economic integration are synonymous terms, they will be used interchangeably in this section.
Economic integration, according to Balassa (1961), is defined as both a process and a state of affairs. "Regarded as a process, it encompasses measures designed to

abolish discrimination between economic units belonging to different national states; viewed as a state of affairs, it can be represented by the absence of various forms of discrimination between national economies”[6].

Such integration, according to Balassa, can take on several forms, representing different degrees of integration: free trade areas, customs unions, common markets, economic unions, and total economic integration. In a free trade area, tariffs and quantitative restrictions to trade are removed among member countries, but countries maintain their own tariffs against non-member countries. A customs union consists of a free trade area plus the introduction of a common external tariff against non-member countries. With a common market, the customs union remains, and the free flow of the factors of production (capital and labour) are allowed. An economic union consists of a common market plus the harmonisation of monetary and fiscal policies; and total economic integration includes the unification of monetary and fiscal policies along with the creation of a supranational authority that has the power to enforce decisions[7].

Over the years, the above linear progression of degrees of market integration has been modified to include, for example, a preferential trade area and political union. For some theorists, a preferential free trade area, where tariff rates among regional countries are lower than those imposed on external countries, can be the first theoretical type of market integration,[8] or for others, the pre-integration phase. Also, for some theorists, the last stage of market integration is political union, which includes the creation of a supranational authority. Under these circumstances, the degrees of integration include a free trade area, customs union, common market, complete economic union and complete political union[9].

The costs and benefits (welfare gains) from integration are based on *trade creation* (shift from a high-cost to a low-cost regional producer) and *trade diversion* (shift from a low-cost external producer to a high-cost regional producer). To the extent that there exists more *trade creation* than *trade diversion*, economic integration is deemed to be welfare producing. The possible sources of gain from economic integration, according to Peter Robson (1980), include

- increased production arising from specialisation according to comparative advantage;
- increased output arising from the better exploitation of scale economies;
- improvements in the terms of trade of the group with the rest of the world;
- forced changes in efficiency arising from increased competition within the group;
- integration-induced changes affecting the quantity or quality of factor inputs, such as increased capital inflows and changes in the rate of technological advance [10].

In order for these gains to be realized, however, it is assumed that there exists

- Perfect competition in transparent markets;
- Free flow of labour and capital inside but not between countries;
- No transport cost;
- Tariffs as the only trade restrictions and balanced trade between countries;
- Prices reflecting the opportunity costs of production;
- Resources, e.g. labour, fully employed [11].

That these conditions do not exist in developed countries, let alone in developing countries, has been well established in the literature[12]. Aly(1994), for example, notes that the conditions that enhance trade creation among developed countries are different from those in developing areas.

> Developing countries suffer from structural disequilibria and, particularly, the lack of a well-developed manufacturing sector. Invariably, they produce primary commodities, and foreign trade is conducted with developed countries, whereas trade among developing countries is extremely low. Reallocation gains are therefore not expected to accrue from these unbalanced patterns of production and foreign trade. Integration can at best be neutral, and hence useless, when neither country is producing a given commodity. In this case, the removal of tariffs on trade between trading nations causes no change in the pattern of trade in this commodity; each country will continue to import it from the cheapest possible source outside the group[13].

Further to the above, unemployment is usually high, transport costs are prohibitive, and markets are distorted.[14] In addition, since most of the countries are producing similar products, there may exist competitive advantage instead of comparative advantage.

To the extent that market integration among developing countries is to be evaluated as desirable, the emphasis should be placed on the dynamic as opposed to the static effects. The static effects consist of "the impact of the formation of a customs union on trade flows and consumption in the united countries"[15], while the dynamic effects include economies of scale, economic growth, investment, efficiency, and technological development.[16] While static effects are usually realized in the early phase of economic integration, dynamic effects can only be realized over time. Because it is difficult to calculate dynamic gains, often such gains are excluded from the analysis of market integration models[17].

One of the most problematic aspects of market integration has to do with the polarization effects. Specifically, the most developed country or countries in the region experience an overwhelming disproportionate amount of the gains. They thus become poles of development while the less developed member countries become poles of stagnation. Market integration therefore becomes untenable for the latter group. After all, nations choose to participate in these types of regional schemes because of the anticipated economic benefits, including the creation of a wider market for their goods[18].

Regional Cooperation

Regional cooperation, in its most simplistic construct, is defined as "a vague term, applicable to any inter-state activity with less than universal participation designed to meet some common need"[19]. Perhaps a more instructive definition of regional cooperation is "a process whereby nation states in common solve tasks and create improved conditions in order to maximise internal and external economic, political, social and cultural benefits for each participating country"[20]. Regional cooperation takes place through, for example,

- execution of joint projects, technical sector cooperation, common running of services and policy harmonization;
- joint development of common natural resources;
- joint stand towards the rest of the world;
- joint promotion of production[21].

In adopting regional cooperation as a strategy, SADC was attempting to enhance the development of the region in order to bring about regional structural transfor mation.[22] Of primary concern was altering the economic structures of dependency that existed between the SADC member states and the apartheid regime. Enhanced intra-regional trade through market integration was to be a future goal of the orga nization. While economic concerns were of primary importance, during its first ten years, the organization served as a viable anti-apartheid force. In fact, in its 1992 document, *Towards the Southern African Development Community, A Declaration by the Heads of State or Government of Southern African States,* SADC declared that, "Of all the contributions SADCC has made to regional development, the greates has been in forging a regional identity and a sense of a common destiny among the countries and peoples of Southern Africa"[23].

The SADC strategy entailed regional coordination to develop seven sectors: transport and communications; food, agriculture, and natural resources; industry and trade; energy; mining; manpower; and tourism. Each member state was given the responsibility for coordinating the development of at least one sector or subsector. A project approach was implemented and all member states were given the opportunity to present projects for funding, including national projects that would have a regional impact. With each member state in charge of a sector or subsector, and allowed to present for funding national projects, it was felt that all members would benefit from regional development and cooperation and thus feel they had a stake in SADC. This was the case even though their economies were at different levels of development. Also, instead of adopting a formal treaty, the member states signed a Memorandum of Understanding as the basis for cooperation.

SADC referred to its regional cooperation approach of project or sectoral coordination as "functional cooperation, i.e. the discrete project by project or sector approach."[24] It is also referred to as functional integration. According to Robert Davies, the functional integration or integration through project cooperation approach

> …set out from the premise that cooperation in the formulation and execution of joint projects aimed at overcoming underdevelopment-related deficiencies in the spheres of production and infrastructure should have first priority in programs in Third World regions. Not only was this viewed as essential to remove immediate barriers to regional trade, it has also been seen as means of generating a regional identity and consciousness which would set in train processes of interaction which would lay the ground for a more secure integration than would overly hasteful trade liberalization. The latter, it was agreed, would under conditions of underdevelopment tend to benefit stronger partners disproportionately and could thus lead to a polarization ultimately prejudicial to the whole integration effort[25].

Of the SADC approach, Emang Motlhabane Maphanyane, a former SADC official, noted that, "A modest agenda…was agreed providing for the rehabilitation and building of the region's economic and physical infrastructure…This had the effect of making the benefits of cooperation immediate and tangible, and also building confidence among member states"[26].

Critics of regional cooperation argue that while the scope of cooperation can be wide, usually it is not deep and that changes are not accomplished regarding key issues, including those of policy coordination and harmonization. While it is argued that policy coordination towards the rest of the world can reach significant levels, it has had limited success with respect to the promotion of production[27].

Supporters of regional cooperation, such as John Ravenhill, suggest that the incremental approach that entails the implementation of limited functional projects appears to avoid many of the problems associated with market integration. Also, a flexible, functionally-specific approach impinges little on the sovereignty of participating states. Thus, in the cooperation approach, regional interaction is a supplement to national development efforts and cannot substitute for these.[28] More specifically, Ravenhill argues that, "If we are serious about overcoming the constraints that impede African cooperation, we should be focusing on the coordination of policies rather than on integration."[29] With respect to SADC, Gavin Maasdorp argues that it is more realistic for the organization to pursue sectoral cooperation versus trade integration because it is easier to achieve and the benefits can be spread more rapidly[30].

In critiquing its regional project coordination approach, SADC noted the following weaknesses:

- Lack of strong linkages between national policies and plans, and regional integration efforts;
- The potential for conflict arising from differences in national and regional sectoral policies and plans; and
- Inability of the project-based coordination to respond to changes in national sectoral policies and in the economy generally[31].

As a result of these weaknesses, the following was approved:

- The formulation and adoption of effectively coordinated sectoral policies and plans; and
- The building of a capacity for sectoral policy analysis and planning within SADCC organs, especially within the Secretariat and the Sector Coordinating Units[32].

These weaknesses are still evident and continue to be a constraint to more efficient regional development and cooperation. Notwithstanding these weaknesses, the SADC member states decided, at least in theory, to adopt a new strategy, development integration.

Development Integration

The development integration approach, while based on the market integration approach,[33] attempts to address the problems created by it. According to Jens Haarlov, the development integration approach

> Is born out of the problems and dysfunction of the pure market integration approach…the market approach's static character, its sole focus on how trade creation and trade diversion will influence welfare, and its tendency to widen economic differences between lesser and more developed areas, when market forces are left to function on their own. The development integration approach's answer to this is to change the agenda in three areas: 1. The objective of the integration process; 2. The timing and level of interstate binding commitments; and 3. The distribution of cost and benefits of the cooperation.[34]

With respect to the first area for agenda change, the objective of integration becomes economic and social development.[35] For example, since developing countries have little productive capacity, the "efficiency maximization of existing capacity" is not a point of focus. Instead, the development integration model focuses on how to stimulate the creation of productive capacity. With this approach, the theory of integration is linked with the theory of development. Also central to this theory is a much higher degree of state intervention than in market integration. It is through such conscious intervention by regional partners that cooperation and interdependence is promoted[36].

In terms of the timing and level of interstate binding commitment, a high level of political cooperation is required for implementation.[37] While in the market integration approach political commitment comes at a much later stage, in the development integration approach, political commitment is seen as the backbone of the integration process, since "co-ordination of policies becomes a simultaneous — or even prior — requisite for trade liberalization…to prevent, among other problems, unequal inter-country distribution of the benefits deriving from the process"[38].

The third agenda item concerns the distribution of costs and benefits. It involves an attempt to ensure that the benefits from regional integration are distributed equitably. This consists of the implementation of redistribution measures that are of a compensatory or corrective nature. The compensatory measures include budgetary transfers and a transfer tax (a policy that allows the less developed members of a customs union to impose limited tariffs on goods imported from partner countries)[39].

Corrective measures include regional industrial strategies that are planned and favour the less developed countries; priority loans that are given to these countries by funds or regional banks; provisions that give them a longer time to abolish tariffs than other members; and common fiscal incentives to investment which allow them to offer more favourable terms. While compensatory measures cannot solve the problem of uneven economic development, corrective measures are very difficult to implement[40].

Although the development integration model may seem superior to the market integration model, it requires a greater degree of commitment on the part of member states. Consequently, it has proved to be as, if not more, difficult to implement[41].

A development integration approach, according to SADC officials, that includes investment, production and market or trade integration, was considered appropriate for SADC, and therefore member states needed to:

- Mobilise and promote greater mobility of investment capital within the region;

- Create a single regional market, in which there is increasing and freer move ment of goods and services;
- Progressively remove barriers to the free movement of people within the sub-continent;
- Accord in each country on a reciprocal basis, to all SADCC citizens and SADCC companies, treatment equivalent to that accorded to nationals.

In order to realize these goals, the organization said major constraints needed to be addressed including:

- The various bureaucratic, regulatory and administrative non-tariff barriers to the movement of goods, services and people in the region;
- The non-convertibility of currencies and other payment related problems;
- The inadequate physical and economic infrastructure in a number of areas;
- The low effective demand arising from the underdeveloped nature and lack of compatibility of the economies of countries in the region[42].

Although SADC envisages in the future the creation of a single regional market, functional cooperation remains a central part of the organization's strategy[43]. The current objectives of SADC include:

- Deeper economic cooperation and integration, on the basis of balance, equity and mutual benefit, providing for cross-border investment and trade, and freer movement of factors of production, goods and services across national borders;
- Common economic, political, social values and systems, enhancing enterprise and competitiveness, democracy and good governance, respect for the rule of law and the guarantee of human rights, popular participation and alleviation of poverty;
- Strengthened regional solidarity, peace and security, in order for the people of the region to live and work together in peace and harmony[44].

In a report commissioned by SADC, *Review and Rationalisation of the SADC Programme of Action*, the consultants concluded that "The development integration approach adopted by SADC is constrained by an inadequate management framework which would clearly articulate goals, policies, strategies and time frames…The content and destination of economic integration has not been laid out. This has resulted in some confusion about the strategies and policies needed to realise this goal"[45].

As SADC moves into the 21st century, it is challenged to devise a regional strategy that will enhance regional development, cooperation and integration. Prior to analyzing the constraints to, and problems and prospects for, regional development, cooperation and integration in the SADC region, the final part of this section will attempt to place in theoretical perspective the term regional integration.

Regional Integration

Although in much of the literature a distinction is not made between regional economic (market) integration and regional integration, for purposes of this study, a distinction is made. Regional economic (market) integration, as defined earlier, implies the suppression of various forms of discrimination between national economies. In this regard, the objective of member states is to merge their separate markets into one large market. This process takes place through a linear progression of integration — a free trade area, customs union, common market, complete economic integration and complete political integration. Eventually, a supranational organization is put in place to oversee the complete unification of fiscal and monetary policy, as well as finance and investment policies.

Regional integration is defined as "a process through which a group of nation states voluntarily in various degrees" have access "to each other's markets and establish mechanisms and techniques that minimize conflicts and maximize internal and external economic, political, social and cultural benefits of their interaction"[46]. As Haarlov notes, "this definition of integration includes the issue of general access to each other's markets and building up mechanisms for operating the scheme, but without demanding any specific institutional arrangement"[47]. For purposes of this study, general access to each other's market will include both the formal and informal market. Specifically, it means formal and informal intra-regional trade, including revenue from the sharing of national resources (e.g., energy, water); the free movement of capital and labour between member states; the harmonization of their fiscal and monetary policies; and the harmonization of finance and investment policies. However, it is only the formal sector that allows for the states to establish mechanisms and techniques to enhance the integration process. Although the informal market is said to be a major hindrance to market integration, it nonetheless is a form of integration and therefore should not be discounted when assessing the level of integration between and among countries in a region.

While market integration is a form of regional integration, regional integration does not necessarily mean market integration. The two terms are distinguished by the fact that, while formal institutions are necessary to oversee the linear progression of the various phases of market integration, regional integration does not necessarily require formal institutional structures, nor is there necessarily a linear progression of integration. In the case of the latter, integration is assessed by the amount of economic, political, social and cultural interaction that transpires between member nations. It does not require all member states to share these activities simultaneously.

The importance of making a clear distinction between market integration and regional integration can be illustrated by a comment Jeffrey Herbst, a professor from Princeton University, made at a conference in South Africa in 1997. He posited that the only reason for African countries to pursue regional integration was to enhance openings to the international economy.

> Why go through the effort to try to have a relatively small number of poor people trade with each other when the world economy is larger and growing faster?...There are few reasons beyond sentiment to develop regional organisations unless they are used to institutionalise openings to the international economy. To say otherwise is to misunderstand how the global economy is developing and, paradoxically, to underestimate the opportunities available to African countries[48].

While Herbst is correct about Africa and the world economy, he is not correct in suggesting that the only reason for African countries to pursue regional integration is to enhance openings in the international community. Here Herbst is using regional integration too loosely, as if market integration is synonymous with regional integration. For developing countries, regional integration is far more than market integration. For these countries, regional integration means development. Consequently, regional integration in the developing world has become synonymous with economic development, with enhanced intra-regional trade being only one component of such development.

Regional Development, Cooperation and Integration in the SADC Region: Constraints, Problems and Prospects

While theoretical frameworks are instructive for attempting to explain what in theory should happen, they don't necessarily explain what is happening in practice. Although there exists a gap between theory and practice in SADC, the organization has been successful in enhancing regional development, cooperation and integration. It is impossible in this article to give an appropriate analysis of SADC's successes and failures. However, it is important to note that SADC has laid the foundation for regional development, cooperation and integration to take on a momentum of its own. This means that while on the one hand SADC as an organization is directly involved in spearheading regional development, cooperation and integration, on the other, it is merely a conduit for the process. Consequently, while the specific focus for the analysis below is on SADC as an organization, the general focus is on the process of regional development, cooperation and integration in the region as a whole. The analysis is divided into two parts: Constraints to Market Integration; and Regional Development, Cooperation and Integration: Problems and Prospects.

Constraints to Market Integration

For the reasons that market integration has failed in the developing world in general and in Africa specifically, it will fail, at this juncture, in Southern Africa. The economies of the SADC member states, with the exception of South Africa, are small, and most of the countries are major exporters of primary products and importers of manufactured products. Most of their trade is with developed countries, and while competition exists among the member states, it is not complementary, therefore, for the most part, there does not exist comparative advantage in the region. The latter must exist in order for welfare gains to be realized from market integration. Market integration will therefore result in more trade diversion than trade creation. In addition, South Africa, as the regional giant, will be the main beneficiary of market integration, a factor that will lead to greater polarization.

The Southern African Customs Union (SACU), a colonial and later apartheid relict[49] that impeded industrialization[50] in Botswana, Lesotho, Namibia and Swaziland (BLNS countries), is very instructive with respect to market integration in the region. The negotiations with South Africa for a new structure, that would, among other things, allow the BLNS countries to be involved in the decision-making process on an equal level with South Africa, and allow the implementation of a new industrialization policy, reached a stalemate in January 1998. While negotiations did resume again later in the year, the projected April 1999 deadline for an agreement was not met[51]. Interestingly, some have suggested that market integration in Southern Africa should be pursued within the context of SACU, since it is a long-standing regional institution that works.

Other existing regional arrangements pose further constraints to market integration. The Common Market for Eastern and Southern Africa (COMESA), which includes all the SADC member states except Botswana, Lesotho, Mozambique and South Africa, is also pursuing a strategy of market integration. Its goals and objectives in this regard not only duplicate those of SADC, but include countries in eastern Africa that are not members of SADC. In addition, the Cross Border Initiative (CBI), which is an extra-regional strategy developed by the World Bank (WB), the International Monetary Fund (IMF), the African Development Bank and the EU, envisages the creation of a free trade zone among its member states designed to enhance sub-Saharan Africa's integration into the world economy. As Marina Meyer and Rosalind Thomas note:

> The CBI, which was implemented in 1993, is a further attempt by the WB and IMF, supported by the ADB and EU, to foster an 'open regionalism' in Africa…The CBI is widely viewed as an unwarranted intervention by extra-regional actors in a process which should be driven by the region. Moreover, it is seen as an attempt to create a 'sellers market' for developed countries rather than a genuine attempt to further the economic interests of the region. In relation to intra-regional trade, this laissez faire approach to trade integration is inimical to the region's objective of achieving industrial development through trade integration[52].

Of the 14 CBI members, seven (Malawi, Mauritius, Namibia, Swaziland, Tanzania, Zambia, and Zimbabwe) are also members of SADC, two are members of SACU (Namibia and Swaziland), and all are members of COMESA. How can these nations be involved simultaneously in a customs union (SACU), and/or organizations that are working toward market integration (CBI, SADC, COMESA)?

The EU-SA Free Trade Agreement (FTA) finalized in March 1999 is likely to further inhibit market integration, as exemplified by the dumping of EU beef, canned tomatoes, and flour into South Africa. With respect to beef, in September 1993, all quantitative controls on beef imports were lifted, resulting in an increase of over-subsidized beef imports into South Africa from 6,600 tons to 46,000 tons by 1995. At its peak, such beef was being sold for less than half the price charged by South African producers[53]. This resulted in massive revenue losses by producers in South Africa, Namibia, Botswana, and Swaziland. In fact, the estimated loss to South Africa and Namibia producers was larger than the total EU aid package.[54] Namibia loss approximately 11 percent of its beef export market[55].
Over-subsidized EU canned tomatoes has also threatened the production of SA tomato canneries,[56] and South Africa's milling industry has asked the government to take action against heavily subsidized EU flour, which is threatening the SA flour market[57].

Numerous studies evaluating the impact of an EU-SA FTA have pointed to the serious consequences for the SADC region. The IMF, for example, notes that

> *For non-SACU SADC countries, there is likely to be a loss of export competitiveness in the EU markets because it would erode the value of the preferential access (relative to South African exports) that they currently receive in the EU agreement as a result of the Lomé agreement. This loss relates not only to trade but the potential reduction in investment that had located in these countries to benefit from the benefits granted under the Lomé agreement. In addition, it would erode the value of the preferential access (relative to European exports) that will be conferred on these countries in the South African market by the SADC*[58].

In addition, SADC Executive Secretary Kaire Mbuende expressed his concern that "EU exports of grain, dairy and livestock products threatened to wipe out vast chunks of the region's labour-intensive agriculture sector"[59].

Other critics have noted that for the SACU countries, an EU-SA FTA would result in revenue losses that amount to six to eleven times the annual EU aid received, or between US$ 400 and 800 million[60].

The SADC document, *Protocol on Trade in the Southern African Development Community (SADC) Region*, outlines the programme for implementing market integration. While all the SADC member states, except Angola, signed the protocol, only the governments of Botswana, Tanzania, Mauritius, and Zimbabwe have ratified it. In order for the protocol to become a treaty, it must be ratified by a two-thirds majority of member states. The slow progress in the ratification of the protocol is perhaps a result of the projected problems that the individual states feel they would experience with market integration, including the loss of needed trade revenue. Even if the Protocol is ratified, SADC Chief Economist Prega Ramsamy notes that it will not necessarily be implemented because the member states must also agree on a programme that will result in phased tariff liberalization[61].

While market integration in Southern Africa would strengthen the region's position within the world economy, it is not likely to be realized for sometime to come, if at all. It is therefore more important for the SADC member countries to focus on regional development, cooperation and integration.

Enhanced Regional Development, Cooperation and Integration: Problems and Prospects

As one of the richest regions in the world, Southern Africa continues to have tremendous potential for enhanced regional development, cooperation and integration. While this potential was greatly constrained during the apartheid years, on the eve of the 21st century, the region's potential is unlimited. This potential will only be realized, however, if the SADC member states commit themselves at the highest level to the development and integration of the region. The lack of political commitment by the SADC member countries must be resolved if the organization is going to enhance its viability, especially amidst challenges emanating from the changing global arena. SADC, unfortunately, has earned a reputation of being prolific when it comes to rhetoric, but slow when it comes to implementation.

A renewed political commitment needs to go hand in hand with a more appropriate SADC strategy for regional development, cooperation and integration. This includes a revised sectoral strategy that focuses more on the implementation of regional as opposed to national projects.

The SADC member states are also confronted with the implications of the huge disparity that exists between South Africa's economy and that of the other member states. Although SADC as an organization remains committed to the idea of balance, equity and mutual benefit, it is usually the regional giant that benefits the most from such schemes. In the area of trade, for example, South Africa, with its domination of the regional market, has been accused of being an unfair trading partner.

One of the most promising aspects of regional development, cooperation and integration is the seemingly increasing involvement of the private sector in this area. The private sector, along with governments, is sharing in the task of regional development, cooperation and integration. A case in point is the Maputo Development Corridor (MDC), which is a bilateral initiative between the governments of Mozambique and South Africa. The MDC was officially launched in May of 1997. Most of the development will take place between the port of Maputo in Mozambique and the town of Witbank in South Africa's Mpumulanga province. Both public and private sector financing is involved in this project.

The MDC and other governmental and private sector regional projects are important because they go a long way toward enhancing regional development, cooperation and integration. It also enhances regional self-reliance and interdependence. One of the major weaknesses of SADC is that it continues to rely on funds from its cooperating partners for sectoral project implementation. This dependence, which currently stands at 86%, is untenable. Without greater regional self-reliance, the region will never become a major force in the world economy, no matter how rich it may be in natural resources. The cooperating partners will continue to be able to dictate policy to the organization. Again, the altering of this level of dependence will largely depend on member states making a greater political commitment to regional development, cooperation and integration.

Most recently, there has been a significant increase in the sharing and trading of natural resources in the region. The first phase of the Lesotho Highlands Water Project, which allows Lesotho to share its water with South Africa, was recently completed. This project, as well as recent agreements that will result in the enhanced sharing of energy sources among members states, attest to the growing integration of Southern Africa.

Although a free trade area will not be realized in the near future, statistics indicate that there has been an increase in intra-regional trade, and the SADC member states continue to sign new bilateral trade agreements with each other.

The Way Forward

Enhanced regionalism among African nations is necessary in order to attempt to decrease the further marginalization of the continent within the world economy. To this end, in 1991, the Organization of African Unity (OAU) established the African Economic Community (AEC) with the objective of creating one African market by 2025[62].

Notwithstanding the failure to date of market integration in Africa, it continues to be the cornerstone of proposed regional strategies in Africa. Is this because African nations genuinely believe that there is no alternative to market integration, or is market integration imposed on Africa by Western governments and international financial institutions so they can have freer access to African markets? Since market integration has failed miserably in Africa, should African nations abandon attempts to replicate a model that is fundamentally not viable given the current economic situation on the continent? Is it not possible that a well-planned regional development, cooperation and integration strategy in which the members states are first and foremost politically committed to regionalism, more significant than one that will result in greater polarization and trade diversion?

A viable regional development, cooperation and integration strategy for developing countries requires: (1) that member states, first and foremost, be politically committed to regionalism; (2) that political and economic stability exist in member states; and (3) a level of commitment to national and regional development that allows each nation to either develop a regional comparative advantage(s) or capitalize on existing comparative advantage(s). If the SADC region is going to decrease its vulnerability to being completely undermined by globalization, a planned strategy of development must go hand in hand with efforts to enhance intra-regional trade and harmonize regional policies. If market integration remains the ultimate objective of the SADC member states, the conditions must be created for it to be realized.

Political Commitment

In responding to the forces of globalization as a strong regional political entity, African states can perhaps better negotiate their economic dispensation. For some SADC governmental officials, the lack of SA's commitment to regional integration was evident by its negotiations with the EU for a FTA. That South Africa would negotiate such an agreement separate and apart from the other SADC member states reinforced the perspective that South Africa is not serious about regional development, cooperation and integration. Some governmental officials are even nostalgic about the political unity that existed among the SADC member states when the apartheid regime of South Africa was the common "enemy" that the member states were fighting against.

The "exceptionalism" that has been bestowed on South Africa by Western governments and international financial institutions, and South Africa's apparent positive response to same, does not bode well for the type of unity that is required to foster sustained and deepening regional cooperation and integration among developing countries. The South African government's acquiescence to the no doubt overwhelming overtures from the West appears to be short-sighted in that South Africa's economic prosperity rests with a viable SADC region. After all, South Africa's "exceptionalism" is based mainly on the fact that it is deemed to be the "gateway" to economic prosperity for international financial capital in the region, not because it stands alone on the continent in its ability to become a major force in the world economy.

As the original SADC member states united together politically to make a strong statement against the apartheid regime, the current government of South Africa has a moral obligation to put the region on the correct path with respect to deepening regional cooperation and integration. This can be achieved by displaying that first and foremost South Africa is committed to regional development, cooperation and integration, although this may prove to be extremely difficult in light of the EU-SA FTA. In leading by example, however, other SADC member states, whose commitment to regional development, cooperation and integration is still at the level of rhetoric, will be more inclined to become more committed to the process. It is out of fear of being overwhelmed by South Africa that the Zimbabwe government has decided it needs to ratify the COMESA treaty.

South Africa's current regional and international economic policies are reminiscent of the apartheid regime's policy of regional destabilization. It was only after 1990 that officials in the Ministry of Foreign Affairs admitted that the government did not have the foresight to realize that an economically destroyed region would mean that South Africa would not have a market for its products, most of which are only marketable in Africa. Therefore, during the early 1990s, South African entrepreneurs were hastily rebuilding what had been destroyed in the region in order to create a market for South African products. South Africa must therefore decide if it is going to play the role of a regional semi-periphery that serves as a conduit for international financial capital, or a regional centre whose objective is to help buffer itself, and its fellow cohorts, against the inhumane and pillaging forces of globalization.

It is only because of the perception that the region is not politically united and committed to regional integration that US Trade Representative Charlene Barshefsky could be so arrogant as to propose that, "Only those members of the Southern African Development Community (SADC) that have signed the SADC trade protocol — Tanzania, Mauritius and Botswana[63] — qualify for a new US trade benefit designed to encourage African countries to work collectively to increase their exports and speed up the formation of regional free trade areas"[64]. It is doubtful that had SADC been a politically united regional bloc, the US would have announced such a policy. As a regional bloc, the SADC member states should have responded to the US in a manner that such an arrogant and imperial statement deserves. Since when is it the responsibility of the US government to determine how fast the region should move toward market integration? And are the SADC member states to believe that US concern about expediting market integration grows out of its altruism toward the region, or with its desire to expedite the further recolonization of Southern Africa by having greater access to a more liberalized region?

Without a political commitment to regional development, cooperation and integration at the highest levels of government, that includes a willingness to relinquish some degree of sovereignty and withdraw membership in overlapping and extra-regional economic arrangements, the SADC member states will not be able to realize their objectives in the near or distant future.

Political and Economic Stability

The second requirement for fostering sustained regional development, cooperation and integration rests with political and economic stability. While it is laudable that the SADC member states continue to forge ahead with efforts to create a free market, where will the market for regional goods be if political and economic stability does not exist throughout the region? Creating a viable regional market in Southern Africa means, first and foremost, enhancing regional employment. At this juncture it appears that enhanced employment is largely dependent upon increased domestic and foreign investment. Capital does not usually gravitate toward places that are experiencing real or projected political unrest. Two of the most developed countries within SADC, South Africa and Zimbabwe, are currently experiencing serious economic and/or political problems.

In the case of South Africa, the unfulfilled expectations of the majority population makes the country ripe for an implosion. With rising unemployment, increased poverty, and rampant criminal violence, the country is not experiencing the type of economic growth needed to prevent prospective political and economic instability. The national elections scheduled for June 2, 1999 have already resulted in increased tension between and within political parties over who can best fulfill the socioeconomic needs of the masses. The struggle over the limited resources of the country that are available for the masses could likely result in violent confrontations. With economic apartheid still in place, a politically unstable South Africa could thwart efforts at creating the necessary environment for deepening regional development, cooperation and integration.

The hostile response by some South Africans to the presence of immigrants, many of whom have skills that the majority population lacks because of the legacy of apartheid, could deepen the economic crisis in the country. The negative response to immigrants to date suggests that the free movement of labour in the region will not be possible in the near future[65]. However, as Christopher Clapham points out, a free labour market is an essential component of market integration:

> The potential political problems created by free markets in goods and capital are nothing, however, compared with those of a free market in labour. It is difficult to see how any regional integration scheme can work if the state that draws the greatest benefits from it seeks to restrict those benefits to its own population, by denying the opportunity to participate (and, in the process, to compete with its own workers) to the populations of the peripheral states…While it would be impertinence to say what any government or group of governments should decide to do under any given circumstances, free movement of labour is in fact the key criterion by which any regional integration scheme — especially in Africa, where labour is exceptionally mobile — is likely to stand or fall[66].

Again, the problem of unemployment in South Africa must be resolved as a precursor to deepening regional integration, and for the future, market integration.

Similarly, unresolved political and economic issues in Zimbabwe have resulted in increased unemployment and poverty. The political instability emanating from the current economic crisis resulted in the government, during the early part of 1998, acting like a police state against protesters and rioters. All major opposition to the government remains politically silenced. During June 1998, the government, in an effort "to stem sweeping price hikes which could trigger social unrest, slapped a blanket freeze on all basic food prices increases…and reversed a price rise imposed on the staple maize"[67]. This policy, reminiscent of the "socialist" days of the Robert Mugabe government, reflects the extent to which the political stability of the country is tenuous.

While South Africa and Zimbabwe are not alone in needing to create an environment for political and economic stability, as two of the most developed countries, however, their internal situation has a great impact on the entire region.

Political instability in the region intensified during the latter part of 1998 as Zimbabwe, Angola, and Namibia intervened in the war in the Democratic Republic of the Congo (DRC) in an effort to prevent the military overthrow of the government of President Laurent-Desiré Kabila by rebel forces. Although the intervention was ostensibly in the name of SADC, President Robert Mugabe of Zimbabwe, President Eduardo dos Santos of Angola, and President Sam Nujoma of Namibia admitted in April 1999 that it was a fiction that they represented SADC allied forces. Consequently, Mugabe unveiled a new defense pact that calls for military assistance between the four countries (DRC, Angola, Namibia, and Angola)[68]. Not only has political instability increased in the region, but also a serious political rift has developed within SADC.

In addition to serving as a disincentive to foreign investors, a hindrance to economic growth and the development of a viable regional market, political and economic instability prevents countries from harmonizing economic and political policies. How can, for example, the SADC member states put in place a mechanism for currency convergence without currency stability?

The SADC member states must, if they are genuinely serious, practice good governance and address the political as well as the socioeconomic needs of the people in order to create the level of economic and political stability that sustained and deepening regional development, cooperation and integration requires.

National and Regional Development

The third requirement for sustained and deepening regional development, cooperation and integration is national and regional development. Without such planned development for the region, only a select group of countries will benefit from regional integration. Notwithstanding the failure to date by developing countries to plan regional development, this is a must if regional integration is to be a success. It would be to the great peril of the SADC member states if they accept the recommendation of the SADC-commissioned rationalization report which argues that "Areas of co-operation should be selected only if they contribute to the integration of regional markets for goods, services and factors of production; add to regional output, capacity or resources; develop, facilitate or promote trade and investment…"[69] If this policy is adopted, who will benefit from regional cooperation and integration?

The African experience with regional cooperation and integration to date reflects the reality that new development (especially investment) usually occurs in the most developed countries. Foreign investors tend to gravitate toward these countries, and the region becomes even more polarized between the most developed and least developed countries. The reality of unequal development among the SADC member states is reflected in the fact, for example, that the GDP of South Africa is four times larger than that of all the remaining 13 SADC member states[70]. In addition,

> The relative concentration of SADC wealth and population reveal enormous differences. Thus, the range of wealth in terms of aggregate GDP from the largest economy (South Africa) to the smallest (Lesotho), at 132 to 1, reduces to a ratio of 44 to 1 in terms of GNP per capita, in the case between Mauritius ($3,545) and Mozambique ($80). In terms of their purchasing power parity (PPP), the difference between the economy with the largest GNP per capita (Mauritius) and the smallest (Tanzania) reduces to 20 to 1. Three countries (Botswana, Mauritius and South Africa) have a GNP per capita figure over two and a half times the SADC average. In contrast, in 1995, half the SADC members, accounting for 64% of the total SADC population — Angola, Malawi, Mozambique, Tanzania, Zambia and Zimbabwe — each had an average GNP per capita of less than the SADC average, giving a combined average GNP per capita of just $235 a year[71].

Very few of the member states have any form of comparative advantage, and the regional production structure is not complementary. While it will be impossible to create a level playing field because of the huge economic disparities that exist among regional countries, efforts must be made to create comparative advantage(s) for all member countries to prevent major problems arising from the unequal distribution of benefits. If SADC member states don't plan regional comparative advantages, SADC's objective of regional cooperation and integration on the basis of balance, equity and mutual benefit will remain elusive.

The current trade imbalance between South Africa and the other SADC member countries is a case in point. South Africa's trade imbalance with the SADC countries is 6 to 1. While it is laudable that South Africa admits that this imbalance is untenable, if left uncorrected, South Africa could, in the near future, make the idea of market integration irrelevant because it will have hegemonic control over the regional market. Such a fear already exists among many of South Africa's regional partners. South Africa's non-compromising domination of the regional market is reminiscent, to some extent, of the dominant role Zimbabwe played in the region, especially in its trade with Zambia, prior to the transition in South Africa. With respect to the current South African trade imbalance with the region, Mayer and Thomas note that

> …It is widely held that such a surplus is unsustainable, both within South Africa and in the rest of the region. Indeed, South Africa could end up impoverishing her neighbours if the trade imbalance is not rectified substantially or offset by compensatory investment inducing capital flows in the opposite direction. Clearly, impoverished countries do not make for strong trading partners. Indeed, the potential for negative economic spillovers and mass labour migration into South Africa are real [72].

In addition to planned development, the SADC member states should put in place a planned economic liberalization strategy[73]. To open up regional markets too quickly to the forces of globalization, in the name of economic efficiency, could also result in the economic destabilization of the region. The governments of developing countries, as the Asian experience has instructed, can open up their economies to foreign capital at a pace that could prove to be counterproductive. In writing about the Asian crisis, Moin Siddiqi notes that

> …absolute liberalisation may not be desirable for developing countries. A partial liberalisation based on the Chilean model has a high chance of success. Since the early 1990s, Chile has discouraged short-term portfolio investment by imposing reserve requirements on external financial instruments and credits. As a result, 60% of inward foreign capital since 1991 is FDI[74] …Such an approach should be followed by other developing countries seeking to improve investment and growth prospects[75].

Further to the point, Paul Bell, in writing about South Africa, notes that,

> Capital, being amoral and fleet of foot, is unforgiving in its urges and seeks no forgiveness for them. Possessed of no higher instinct than self-preservation, it hunts and runs for its own account. Democracy and social equity are not capital's intrinsic concern; they are embraced to the extent that they contribute to capital's growth, and eschewed to the extent that they don't…Within that construct the global economic establishment has long asserted, and our government has since been required to accept, that there is no alternative to the low-inflation, macro-economic austerity that has driven world economic growth since the start of the eighties. Within that construct also, it was common until a very few years ago to refer — as

> if democracy were a luxury good — to South Africa's "misfortune" that unlike many of the Asian tigers, it was required to democratise and grow simultaneously rather than put growth first and ease in democracy at a pace better suited to the flightiness of capital. But if democracy was unavoidable, then the policy of the democratising state should at least conform to the amoral nature of capital and the leaner-meaner economic regimen it demanded...Conforming in this way worked well enough for developed nations which had long since institutionalised their democracies, and held their social problems much closer to the margins of their societies. But it imposed far more onerous terms on developing nations, whose policies and populations have been left to the doubtful mercy of supply-siders, risk managers, youthful screen-jockeys and, when there is trouble, as elsewhere in the developing world, and even among quasi-reformist capitalists like George Soros whose crisis of conscience is scoffed at in the West, the clamour of dissent is growing[76].

Since globalization has no boundaries if left alone, it is incumbent upon regional blocs in the developing world to protect their markets from the ravages of the world economy. In the final analysis, what good is economic efficiency when your economy is being managed by extra-regional forces (e.g. the IMF, World Bank, transnational corporations) and the majority of the population is unemployed and in poverty?

Summary and Conclusion

This article has attempted to place SADC in historical and theoretical perspective in order to analyze the viability of the organization's strategy for regional development, cooperation and integration. The first section of the paper places the SADC strategy for regional development, cooperation and integration within the context of theories of regional cooperation and integration. When SADCC was established in 1980, the member states rejected market integration as a strategy and instead decided to focus on regional development and cooperation. In 1992, however, when the organization became SADC, a new approach was adopted — development integration, that includes market integration. The member states at this juncture committed themselves to move toward total economic integration.

The second section of the paper analyzes the constraints to market integration in Southern Africa, and the problems and prospects for regional development, cooperation, and integration. Given the constraints to market integration, it appears that it is destined to fail, at this juncture, if it is seriously attempted by the SADC member states. It would appear that instead of focusing on market integration, the member states should work toward continued regional development, cooperation and integration. Notwithstanding the problems to date with regional development, cooperation and integration in Southern Africa, on the eve of the 21st century, the prospects for enhanced regional development, cooperation and integration are tremendous.

The final section of the paper identifies three requirements for the way forward for sustained and deepening regional development, cooperation and integration in Southern Africa, which includes a political commitment to regional integration; economic and political stability; and national and regional development. If African nations are to be successful in pursuing regional development, cooperation and integration as a strategy to prevent the continent from becoming further marginalized within the world economy, African leaders must go beyond mere rhetoric and create an enabling environment that will result in regional economic and political empowerment.

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FOOTNOTES

[1] SADCC, *Southern Africa: Toward Economic Liberation — A Declaration by the Governments of Independent States of Southern Africa Made at Lusaka on the 1st of April, 1980.*

[2] For an overview of SADCC from 1980 to 1988, see Margaret C. Lee, *SADCC: The Political Economy of Development in Southern Africa* (Nashville: Winston Derek Publishers, 1989).

[3] Namibia became a member in 1990, South Africa in 1994, Mauritius in 1995, and the Democratic Republic of the Congo and Seychelles in 1997.

[4] The new name of the organization, the Southern African Development Community (SADC), will be used throughout the remainder of the article.

[5] Tom Østergaard, "Classical Models of Regional Integration — what Relevance for Southern Africa?" in Bertil Odén (ed.), *Southern Africa After Apartheid: Regional Integration and External Resources* (Uppsala: Nordiska Afrikainstitutet, 1993), p. 29. While customs unions theory pre-dates Jacob Viner, he is seen as the originator of an approach that challenged the notion of the welfare gaining properties of customs unions. In his seminal work, *The Customs Union Issue* (New York: Carnegie Endowment for International Peace, 1950), Viner challenged "the old belief that customs union, representing a step toward free trade, will increase world welfare even if it does not lead to a world welfare maximum. By introducing the now familiar concepts of trade creation and trade diversion, Viner demonstrated that there can be no general presumption as to the welfare orientation of a customs union." See, Ahmad A.H.M. Aly, *Economic Cooperation in Africa: In Search of Direction* (Boulder: Lynne Rienner, 1994), p. 36.

[6] Bela A. Balassa, *The Theory of Economic Integration* (Homewood, Illinois: Richard D. Irvin, Inc., 1961), p. 1.

[7] *Ibid.*

[8] Miroslav N. Jovanovic, *International economic integration* (London and New York: Routledge, 1992), p. 9

[9] See, for example, Ali M. El-Agraa, "General Introduction," in El-Agraa (ed.), *Economic Integration Worldwide* (New York: St. Martin's Press, 1997), p. 2.

[10] Peter Robson, *The Economics of International Integration*, Second Edition (London: George Allen and Unwin, 1980), p. 3.

[11] Jens Haarlov, *Regional Cooperation and Integration within Industry and Trade in Southern Africa: General Approaches, SADCC and the World Bank* (Aldershot: Averbury, 1997), p. 26.

[12] See for example, Robson, p. 151.

[13] Aly, p. 37.

[14] Haarlov, pp. 26-27.

[15] Jovanovic, p. 14.

[16] Ali M. El-Agraa, "The Theory of Economic Integration," in El-Agraa (ed.), *Economic Integration Worldwide* (New York: St. Martin's Press, 1997), pp. 45-46; and
[1] SADCC, *Southern Africa: Toward Economic Liberation — A Declaration by the Governments of Independent States of Southern Africa Made at Lusaka on the 1st of April, 1980.*
[2] For an overview of SADCC from 1980 to 1988, see Margaret C. Lee, *SADCC: The Political Economy of Development in Southern Africa* (Nashville: Winston Derek Publishers, 1989).
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[5] Tom Østergaard, "Classical Models of Regional Integration — what Relevance for Southern Africa?" in Bertil Odén (ed.), *Southern Africa After Apartheid: Regional Integration and External Resources* (Uppsala: Nordiska Afrikainstitutet, 1993), p. 29. While customs unions theory pre-dates Jacob Viner, he is seen as the originator of an approach that challenged the notion of the welfare gaining properties of customs unions. In his seminal work, *The Customs Union Issue* (New York: Carnegie Endowment for International Peace, 1950), Viner challenged "the old belief that customs union, representing a step toward free trade, will increase world welfare even if it does not lead to a world welfare maximum. By introducing the now familiar concepts of trade creation and trade diversion, Viner demonstrated that there can be no general presumption as to the welfare orientation of a customs union." See, Ahmad A.H.M. Aly, *Economic Cooperation in Africa: In Search of Direction* (Boulder: Lynne Rienner, 1994), p. 36.
[6] Bela A. Balassa, *The Theory of Economic Integration* (Homewood, Illinois: Richard D. Irvin, Inc., 1961), p. 1.
[7] *Ibid.*
[8] Miroslav N. Jovanovic, *International economic integration* (London and New York: Routledge, 1992), p. 9
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[12] See for example, Robson, p. 151.
[13] Aly, p. 37.
[14] Haarlov, pp. 26-27.
[15] Jovanovic, p. 14.

[16] Ali M. El-Agraa, "The Theory of Economic Integration," in El-Agraa (ed.), *Economic Integration Worldwide* (New York: St. Martin's Press, 1997), pp. 45-46; and Fredrik Söderbaum, *The New Regionalism and the Quest for Development Cooperation and Integration in Southern Africa,* Department of Economics at the University of the Lund, Minor Field Study Series, No. 73, 1996, p. 11.
[17] Söderbaum, p. 11.
[18] Østergaard, p. 28.
[19] Isebill V. Gruhn, *Regionalism Reconsidered: The Economic Commission for Africa* (Boulder: Westview Press, 1979). pp. 13-14.
[20] Haarlov, p. 15.
[21] *Ibid.*, p. 16.
[22] See Lee.
[23] SADC, *Declaration Treaty and Protocol of Southern African Development Community* (Printing and Publishing Company Botswana (Pty) Ltd., 1993), p. 4.
[24] *Ibid.,* p. i.
[25] Robert Davies, "Promoting Regional Integration in Southern Africa: An Analysis of Prospects and Problems from a South African Perspective," in Larry A. Swatuk and David R. Black (ed.), *Bridging the Rift: The New South Africa in Africa* (Boulder: Westview Press, 1997), p. 112.
[26] Emang Motlhabane Maphanyane, "SADCC — Future Challenges," in Odén (ed.), p. 175.
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[31] SADCC, *Towards Economic Integration*. The Proceedings of the 1992 Annual Consultative Conference Held in Maputo, Republic of Mozambique 29th-31st January 1992 (Gaborone, Botswana: Printing and Publishing Company (Pty) Limited, 1992), p. 27.
[32] *Ibid.*, p. 28.
[33] See Haarlov, p. 30 and Østergaard, pp. 33-34. Østergaard says that he doesn't know if it is fair to claim that the development integration model represents a separate theory (see, p. 33).
[34] Haarlov, p. 30.

[35] *Ibid.*
[36] Østergaard, p. 34.
[37] *Ibid.*
[38] Haarlov, p. 31.
[39] Østergaard, p. 35.
[40] *Ibid.*, pp. 35-36.
[41] *Ibid.*, p. 35.
[42] SADCC, *Towards Economic Integration*, pp. 28-29.
[43] SADC expanded the sectors. Currently they are energy; livestock production; animal disease control; agricultural research; environment and land management; water; inland fisheries, forestry and wildlife; tourism; culture and information; transport and communications; marine, fisheries and resources; finance and investment; human resources development; industry and trade; mining; labour and employment; and food, agriculture and natural resources.
[44] SADC, *Declaration Treaty and Protocol of Southern African Development Community*, p. 5.5
[45] SADC, *Review and Rationalisation of the SADC Programme of Action*, Volume 1: Executive Report, April 1997, p. 3.
[46] Haarlov, p. 15.
[47] *Ibid.*
[48] Jeffery Herbst, "Developing Nations, Regional Integration and Globalism," in Antoinette Handley and Greg Mills (eds.), *South Africa and Southern Africa: Regional Integration and Emerging Markets* (Braamfontein, South Africa: South African Institute of International Affairs, 1998), p. 3.
[49] As James D. Sidaway and Richard Gibbs note, "…the SACU has its origins in a colonial policy that sought to incorporate the High Commission Territories into South Africa." They further note that "comparisons with text-book schemes which describe states moving from a 'free trade area' to an 'economic unit' via a customs union and common market would be rather futile…No autonomous state-elites were voluntarily ceding elements of their sovereignty to a higher joint authority." (See James D. Sidaway and Richard Gibbs, "SADC, COMESA, SACU: Contradictory Formats for Regional 'Integration' in Southern Africa," in David Simon (ed.), *Southern Africa in Africa: Reconfiguring the Region* (Oxford: James Currey, 1998), p. 170.
[50] Industrialization projects blocked by South Africa included the attempt by Swaziland to establish a fertilizer factory, breweries proposed for Botswana and Lesotho, and in Namibia a planned Citroen motor vehicle assembly plant. See Adebayo Adedeji, "Within or Apart?," in Adedeji (eds.), *South Africa and Africa: Within or Apart?* (London: Zed Books, 1996), p. 21.
[51] *Business Day* (SA), March 25, 1999.
[52] Marina J. Mayer and Rosalind H. Thomas, "Trade Integration in the Southern African Development Community: Prospects and Problems," in Lolette Kritzinger-

van Niekerk (ed.), *Towards strengthening multisectoral linkages in SADC*, Development Bank of Southern Africa, Development Paper No. 33, March 1997, p. 16.
[53] Gottfried Wellmer, "SADC Agriculture Trade with the EU in the Post Lomé Future," ACTSA, June 21, 1998, p. 6.
[54] *Mail and Guardian*, March 27 to April 3, 1997.
[55] Michael Laidler, Claude Maeten, and Artur Runge-Metzger, "EU support for Zimbabwe's livestock sector: The present picture and some thoughts for the future," *The Courier*, No. 163, May-June, 1997, p. 73.
[56] See, for example, Wellner, pp. 9-10.
[57] *Financial Mail* (SA), April 2, 1999.
[58] IMF, *South Africa: Selected Issues*. IMF Staff Country Report No. 98/96. 1998, p. 159.
[59] *Business Day* (SA), April 16, 1999.
[60] Panos, *Trading in Futures — EU-ACP Relations: Putting Commerce before Cooperation?* Panos Briefing No. 31, November 1998, p. 20.
[61] Prega Ramsamy, "Challenges and opportunities for regional trade integration in SADC," *SADC Today*, Vol. 2. No. 1, April, 1998, p. 3.
[62] For an overview and critique of the proposed AEC see Aly, pp. 87-89.
[63] Obviously the drafters of this policy were not aware of the fact that Zimbabwe has ratified the SADC Trade Protocol.
[64] *Business Day* (SA), July 3, 1998.
[65] See, for example, Human Rights Watch, *Prohibited Persons: Abuse of Undocumented Migrants, Asylum-Seekers, and Refugees in South Africa* (New York: Human Rights Watch, 1998).
[66] Christopher Clapham, " Regional Integration in Africa: Lessons and Experiences," in Handley and Mills (eds.), p. 26.
[67] *The Financial Gazette*, June 18, 1998.
[68] *Mail and Guardian*, April 16, 1999.
[69] SADC, *Review and Rationalisation of the SADC Programme of Action,* p. 6.
[70] Greg Mills, "Preface," in Handley and Mills (eds.), p. x.
[71] SADC, *Macroeconomic Convergence and Adjustment*, Southern African Development Community Finance and Investment Sector Co-ordinating Unit, 1998, p. 3-2.
[72] Mayer and Thomas, pp. 28-29.
[73] This idea was discussed between the author and Dr. P. Ramsamy, SADC Chief Economist, during an interview at the SADC Secretariat, Gaborone, Botswana July 7, 1998.
[74] FDI is foreign direct investment.
[75] Moin Siddiqi, "A double-edged sword," *African Business*, July/August 1998, No. 234, p. 18.
[76] Paul Bell, "Truth or Consequence," *Leadership*, Vol. 17, No. 2, 1998, p. 31.