# GEOGRAPHICAL IMPORTANCE AND INTEREST OF SOUTH AFRICA IN SOUTHERN AFRICAN DEVELOPMENT COMMUNITY

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### **MASTER OF PHILOSOPHY**

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### **DECLARATION**

I declare that the dissertation entitled "GEOGRAPHICAL IMPORTANCE AND INTEREST OF SOUTH AFRICA IN SOUTHERN AFRICAN DEVELOPMENT COMMUNITY submitted by me for the award of the degree of MASTER OF PHILOSOPHY of Jawaharlal Nehru University is my own work. The dissertation has not been submitted for any other degree of this or any other University.

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**CERTIFICATE** 

We recommend that dissertation may be placed before the examiners for evaluation.

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Centre for West Asian & African Studies School of International Studies Jawaharlal Nehru University New Delhi-110 067 (India) ...To Mummy & Papa

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### **PREFACE**

South Africa is socially and economically most developed country in the African continent especially developed in the financial services, transport, infrastructure, manufacturing, agriculture and technological research. Geographical location of southern region of South Africa is more sustainable for transportation. A number of southern African countries share South Africa's transport network, manufacturing industries, labour market, scientific and technical expertise as well as her capital. The transport system of South Africa provides a reliable trade link to the six land-locked (Botswana, Lesotho, Malawi, Namibia Swaziland, Zaire (DRC), Zambia and Zimbabwe) countries of the region with other countries of the world. South Africa has greater control over the economies of neighboring countries. The transport depending for the SADC is more crucial than those of trade dependency. South Africa's mineral resources are outstanding in their quality, quantity and variety as compared to all other countries natural resources. The most important factor determining the nature of South African regionalism is South Africa's absolute dominance in the region and how to manage and maintains this dominance.

The South Africa's capital market is well developed than the other SADC countries and attracts significant flows of international portfolio capital. The primary focus of South Africa's foreign policy is to recognize the importance of African neighbors. Its geographical location naturally influences its foreign policy. South Africa's foreign policy towards its neighboring countries is an important aspect in the post-apartheid period. In September 1996, Nelson Mandela became chairman of SADC and he pursued a more active foreign policy in an effort to resolve regional problems. South Africa's foreign policy with regard to the southern African region effects a commitment towards close diplomatic, economic and security co-operation with integration, the adherence human rights. Thus, South Africa continues to be a dominant feature of the politics of the Southern Africa and will continue to do so for the near future. The promotion of democracy, preservation regional solidarity, peace and democratic stability in the region depends on South Africa's co-operation. In recent times South Africa's economy is being dominated by agriculture and mining of precious metals. Mining remains an important source of foreign exchange.

Agricultural earning has increased in a diversified way. Its economy is largest in the sub-Saharan region and heavily influences trade and investment flows in the continent. The contribution of national income in South Africa is because of three most productive sectors- manufacturing, mining and agriculture that have changed remarkably over the years. SADC helps to supply the regions requirements in skilled work-force by providing training.

South Africa's hegemonic position creates a number of serious obstacles for regional integration. Most importantly, it raises the question of how best to integrate a dominating semi-developed state i.e. South Africa with the other developing or lesser developing countries of SADC. In SADC countries, Mozambique remains the second biggest importer of South African goods. The rail, roads links between the two countries serve as the main arteries linking the respective economies. South Africa has been assigned the financial and investment sector of the SADC as its special area of responsibility. South Africa has played a leading role in the region to address issues such as closer collaboration and economic integration, which includes the establishment of a free trade area in the region, the development of basic infrastructure, human resources and the creation of the necessary capacity to drive this, complicated process forward.

Since joining the SADC, South Africa is involved in the activities of the community. South Africa has been coordinating the finance, investment transport, agriculture, trade, energy mining and health sector. South Africa's dominant position in the region arises from the size, experiences and operational capability of its security force. The economic superiority is another reason for its dominant position in the South Africa region. There is no doubt that membership of South Africa in SADC is giving a major boost to regional integration efforts by enhancing the regional market.

*The first chapter* Introduction is focused on a brief introduction of Southern Africa's geographical location in SADC and highlighted the resources in Southern Africa. The chapter will also analyze SADC and its geographical location.

The second chapter South Africa and SADC: in Geopolitical Perspective shall present the geopolitical analysis of SADC and geographical importance of South Africa and its involvement in SADC.

The third chapter South Africa's Interest in SADC will analyse the formation and features of SADC. It will also analyse the various weakness of SADC and role and position of South Africa in its general operation since its formation. It will specifically examine multiple interests of South Africa in SADC.

The fourth chapter discusses the co-operation areas between South Africa and SADC, will also critically evaluate its involvement and policy of comprehensive engagement of South Africa. It will examine the outcomes of cooperation and benefit accruing to different partners.

*The concluding chapter* attempts to bring out some conclusions about above issues and focus on the South Africa's role in the Southern African region and SADC organisation.

### List of Abbreviations and Acronyms

ACSA : The Airports Company of South Africa

AEC : African Economic Community

ANC : African National Congress

ASEAN : Association of South East Asian National

BLS : Botswana, Lesotho and Swaziland

BP : British Petrolium

CAP : Common Agricultural policy

CBM : Confidence-Building Measures

CMA : Common Monetary Area

CONSAS : Constellation of Southern African States

CSIR : Council for Scientific and Industrial Research

CVRD : Companhia do Vale do Rio Doce

DBSA : Development Bank OF South Africa

DRC Democratic Republic of Congo

EU : European Union

ELMS : Environmental and Land Management Sector

FANR : The Food, Agriculture and Natural Resources

FEED : Front-End Engineering Design

FRELIMO : Front for the Liberation of Mozambique

FTA : Free Trade Area

GDP : Gross Domestic Product

GNP : Gross National Product

HRD : Human Resources Development

ITCZ : Inter-tropical Convergence Zone

LNG : Liquefied Natural Gas

MOU : Memorandum of Understanding

NAFTA: North American Free Trade Area

OAU : Organization of African Unity

PTA : Preferential Trade Area

PTO : Public Telecommunications Operators

RENAMO : Resistencia National de Mocambique

RETOSA : Regional Tourism Organization of Southern Africa

SAA : South African Airways

SACCAR : The Southern African Centre for Co-operation in Agricultural

Researcher

SACU : Southern African Customs Union

SADC : Southern African Development Community

SADCC : The Southern African Development Coordination Conference

SACCI : Southern African Chambers of Commerce and Industry

SAPP : Southern African Power Pool

SARB : South African Reserve Bank

SAARC : South Asian Association of Regional Co-operation

SATRA: The South African Telecommunications Regulatory Authority

SATS : South African Transport Service

SARCC: The South African Rail Commuter Corporation

SARCCUS: Southern African Regional Commission for the Conservation

and Utilisation of the Soil

SARDC : Southern African Research and Documentation Centre

SARATA: Southern Africa Regional Air Transport Authority

SATCC : Southern African Transport & Communications Commission

SCU : Sector Coordinating Unit

SIPRS : The Southern Africa Telecommunications Policy and

Regulatory Support Project

SRAP : Sub-Regional Programme

SWAPO : South-West Africa People's Organization

TNC : Transnational Corporation

TRASA : Telecommunications Regulators Association of Southern

Africa

UK : United Kingdom

UNHCR : United Nations High Commissioner for Refugees

UNITA : Uniao Nacional apara Independencia Total de Angola

UK : United Kingdom

US : United States of America

USAID : United States Agency for International Development

WTO: World Tourism Organization

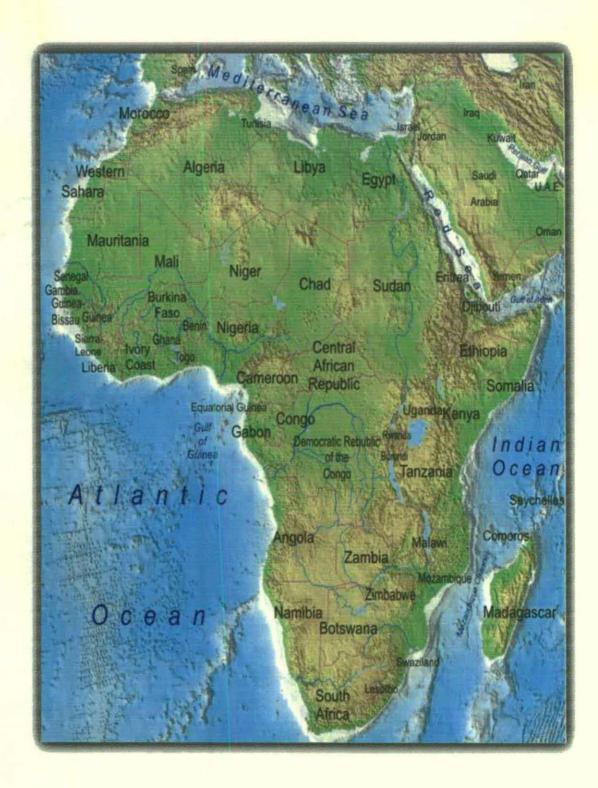
WSSD : World Summit on Sustainable Development

ZANU : Zimbabwe African National Union

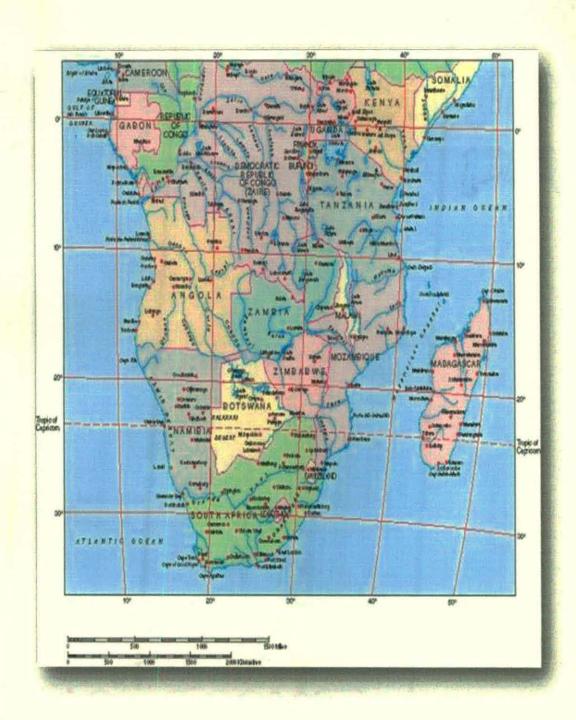
ZAPU : Zimbabwe African People's Union

ZESCO : Zambia Electricity Supply Company

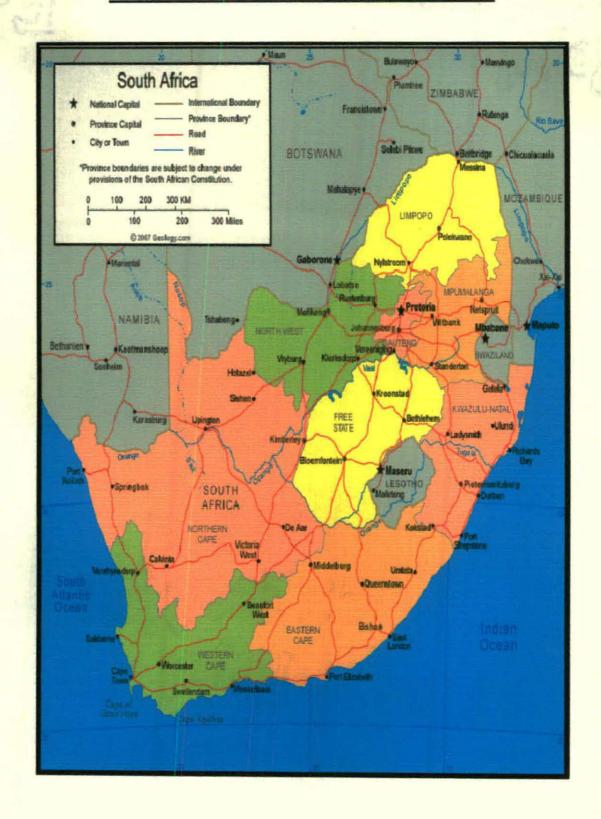
# **AFRICA**



# Physical Map of the Southern Africa



# THE REPUBLIC OF SOUTH AFRICA



# CHAPTER-1 INTRODUCTION

### 1.1. Southern Africa's Geographical Spread and Countries:

To understand the importance and interests of South Africa in SADC it is first essential to discuss the geographical location of South Africa which has placed the country geo-politically in an advantages position as compared to the other countries belonging to the same regional grouping.

Southern Africa is in the southernmost region of the African continent. Southern Africa encompasses approximately the entire continent to the south of the Republic of Zaire and bordered on the east Kenya, Uganda, Burundi, Rwanda, Sudan and in west Central African Republic and Congo and in south respectively by the Indian and Atlantic Ocean. It extends longitudinally from 11°45″ E-52°E and latitudinally from 5°30′N-35°S (approximately). It consists of fourteen political divisions Angola, Botswana, Congo, Gabon, DRC, Lesotho, Madagascar, Malawi, Mozambique, Namibia. South Africa, Swaziland, Tanzania, Zambia and Zimbabwe.¹ The entire region of Southern Africa is 9,859,816 sq. km. (3,806,895 sq. miles) and the total population of the region is 242,383,628. <sup>2</sup> Although the population is still generally rural, Southern Africa has some of the continent's most urban nations. Dense tropical rain forests in the north and arid desert in the southwest have kept habitation to minimum. Malawi is the most thickly populated country in the Southern region. <sup>3</sup>

Southern Africa is recognized for the richest deposits of precious minerals on the continent. South Africa is the wealthiest and most industrialized state in the region. Most of the surrounding countries depend on it for trade and employment.<sup>4</sup> In relation to the continent, the most distinctive feature of the region are its peninsular character, its high and extensive plateau elevations averaging more than 1,000 m above sea level, and, most particularly of all, the fact that in any other part of the continent, with the result that over a long period of time racial conflict between Africans and Europeans has overshadowed almost all other considerations in the

<sup>&</sup>lt;sup>1</sup> E. A. Boateng, "A Political Geography of Africa" (New York: Cambridge University Press, 1978).

pp. 157. <sup>2</sup> "Africa South of the Sahara-2007", 36<sup>th</sup> edition (London & New York: Europa Publication, 36<sup>th</sup> Edition, 2006), pp.57-1297.

<sup>&</sup>lt;sup>3</sup> ATLAS, "Penguin India Pvt. Ltd." (Published in India: Noida, 2002), pp. 130.

<sup>&</sup>lt;sup>4</sup> ibid. pp. 131.

political geography of the region and produced social tensions without a parallel in the rest of the continent. Racial segregation under apartheid operated from 1948 to 1994, when South Africa held its first multiracial elections.<sup>5</sup> The terrain of Southern Africa is diverse, ranging from forest and grasslands to deserts. The area has both low-lying coastal region, and mountains. In terms of natural resources, this region has the world's largest resources of platinum and the platinum group elements, chromium, vanadium, and cobalt, as well as uranium, gold, titanium, iron and diamonds.<sup>6</sup>

Area and Population of Southern African Countries (Table: 1.1)

Political division	Area in Sq. km. (Sq. miles)	Population 2005
Angola	1,246,700 sq. km. (481,354 sq. miles)	15,941,000
Botswana	581,730 sq. km. (224,607 sq. miles)	1,765,000
DRC	2,344,885 sq. km. (905,365sq. miles)	57,549,000
Lesotho	30,355 sq. km. (11,720 sq. miles)	2,022,3317
Madagascar	587,041 sq. km. (226,658 sq. miles)	18,595,4698
Malawi	118,484 sq. km. (45,747 sq. miles)	12,884,000
Mauritius	2,040 sq. km. (788 sq. miles)	1,248,592
Mozambique	799,380 sq. km. (308,641 sq. miles)	19,420,036
Namibia	824,292 sq. km. (318,261 sq. miles)	2,031,000°
South Africa	1,219,090 sq. km. (470,693 sq. miles)	46,888,200
Swaziland	17,363 sq. km. (6,704 sq. miles)	1,032,000
Tanzania	945,087 sq. km. (364,900 sq. miles)	38,329,000
Zambia	752,612 sq. km. (290,585 sq. miles)	11,668,000
Zimbabwe	390,757 sq. km. (150,872 sq. miles)	13,010,000

Sources: UN, World Population Prospects: The 2004 Revision.

<sup>&</sup>lt;sup>3</sup> ibid., pp. 131

<sup>&</sup>lt;sup>6</sup> Accessed on 29<sup>th</sup> Jan (2008). URL: http://www.wikipedia.org/wiki/southernafrica.com.

<sup>&</sup>lt;sup>7</sup> Accessed on 2<sup>nd</sup> Feb (2008), URL SADC official website

http://www.sade.int/member\_states/index.php?country=Lesotho

<sup>8</sup> ibid Madagascar

<sup>&</sup>lt;sup>9</sup> "Including data for Walvis Bay, sovereignty over which was transferred from South Africa to Namibia with effect from March 1994. Walvis Bay has an area of 1,124 sq.km. (434 sq. miles) and had a population of 22,999 in 1991" in *Africa South of the Sahara-2007, 36<sup>th</sup>* ed. London & New York: Europa Publication, pp.843.

### 1.1.1. Climate and Natural Vegetation in Southern Africa:

In the Southern African region can be divided into two groups. The first group includes the southwestern countries bordering the Kalahari Desert (Angola, Botswana, Zimbabwe, Namibia, and South Africa). The climates of these countries range from semiarid and sub-humid in the east, to hyper-arid in the west (Darkoh, 1989). The second group of countries is chiefly in the eastern part of the continent (Tanzania, Malawi, Mozambique, Swaziland, Lesotho, and the five Indian Ocean islands), where the climates range from semiarid in most parts to sub-humid.<sup>10</sup>

The region is squeezed in between subtropical high pressure cells to the west and east (the Atlantic Ocean and Indian Ocean anticyclones). Southern Africa as a whole is prone to frequent droughts and uneven rainfall distribution in time and in space. Generally, there are two distinct seasons - the wet season with the Inter-tropical Convergence Zone (ITCZ) as the chief synoptic feature causing rainfall (November to April) and the dry season (May to October). "The rainfall in Southern Africa originates largely from the Indian Ocean, although several weather systems combine to form the rainfall patterns. Rainfall is seasonal throughout most of the region. As illustrated, in many areas a five to seven month wet season occurs during the summer when virtually all of the annual rainfall occurs. These rainfall patterns, especially the long dry season, affect agricultural and grazing practices. 12 Much of the region is subject to unpredictable droughts, of which those in the 1980s and 1990s have been particularly severe. In the Southern African Development Community (SADC) region seven per cent of the area is desert with less than 100mm of rain per year, fifteen per cent is arid with 100-400mm per year, sixteen per cent is semi-arid with 400-600mm per year, nineteen per cent is dry sub-humid with 600 - I 200mm per year, forty per cent is moist sub-humid with 1 200-1 500mm per year and three per cent humid with more than 1 500mm per year.<sup>13</sup>

<sup>&</sup>lt;sup>10</sup> Accessed on 15<sup>th</sup> April (2008), URL: http://www.wikipedia.org/wiki/southernafrica.com.

<sup>&</sup>lt;sup>11</sup> Prof. Dr. J. Jacobeit Dipl. Geogr. J. Rathmann (2003). "Climate and Circulation Changes in Southern Africa".

<sup>12</sup> Ibid.

<sup>&</sup>lt;sup>13</sup> A. H. Conley (October 1996), "A Synoptic View of Water Resources in Southern Africa", Chief Engineer: Strategic Planning, Department of Water Affairs And Forestry". South Africa No 6.

The atmosphere provides the supporting medium for human well-being and environmental goods-and-services. Its dynamism is characterized by seasonal and daily changes in temperature, rainfall and wind systems which shape human cultures, food production and the location of settlements, as well as the general state of the environment. Climate is the most important aspect of atmospheric phenomena. However, changes and variability in climate patterns in Southern Africa in the form of changes in rainfall patterns, rising temperatures and the increased frequency of extreme weather events such as droughts, floods and tropical cyclones have farreaching impacts on socioeconomic development and human well-being.<sup>14</sup>

The climate of Southern Africa is highest in January (35°C) and cooler in October (15°C). In states of Southern Africa has a different type of climate that's why in southern state of Africa have full of vulnerability mean different type of natural resources including agriculture sector. Temperature is highest in the Kalahari Desert and rainfall is plentiful in the center of Southern Africa. July is cooler and drier with rainfall concentrated in North Congo (DRC), so the natural vegetation is the tropical rain type forests. The Atlantic Coast of Namibia receives little rain all year round. The climate contributes and ensures fertility of land to this region for vegetation, which made southern Africa a very rich than other part of the region. The main vegetation are Bananas, sugarcane, coffee, sisal, corn, cotton, manioc (tapioca), tobacco, plantains, livestock, forest products, fish, sorghum, maize, millet, beans, sunflowers, groundnuts palm oil, rubber, tea, quinine, cassava (tapioca), root crops, corn, fruits, wood products corn, wheat, pulses, barley, livestock vanilla, cloves, cocoa, rice, cassava (tapioca), peanuts, potatoes, Macadamia nuts, tropical fruits, sunflowers, beef, poultry, grapes, citrus, pineapples. Climate variations in semiarid regions have a strong socio-economic impact, because of large populations and limited natural resources. The climate variations and limited natural resources.

# **1.1.2.** Capital and currency: The Capital and currency of the Southern African countries are shown by the following table:

<sup>. .</sup> 

<sup>&</sup>lt;sup>14</sup>Accessed on 13<sup>th</sup> May (2008), URL:

http://wwweoearth.org/article/abouth\_the\_EoE\_Southern\_africa\_and\_the\_atmosphere.html

<sup>&</sup>lt;sup>15</sup> ATLAS, "Penguin India Pvt. Ltd." (Published in India: Noida, 2002), pp. 131.

<sup>&</sup>lt;sup>16</sup> "Africa South of the Sahara-2007", 36<sup>th</sup> edition (London & New York: Europa Publication, 36<sup>th</sup> Edition, 2006), pp.57-1297.

Capital and Currency of Southern African Region (Table: 1.2)

COUNTRY	CAPITAL	CURRENCY
Angola	Luanda	Kwanza (AOA)
Botswana	Gaborone	Pula (BWP)
Democratic Republic of the Congo (DRC)	Kinshasa	Congolese franc (CDF)
Lesotho	Maseru	loti (LSL); South African rand (ZAR)
Madagascar	Antananarivo	Madagascar Ariary (MGA)
Malawi	Lilongwe	Malawian kwacha (MWK)
Mauritius	Port Louis	Mauritian rupee (MUR)
Mozambique	Maputo	metical (MZM)
Namibia	Windhoek	Namibian dollar (NAD); South African rand (ZAR)
South Africa	Pretoria (administrative capital) Recently renamed Tswane <sup>17</sup> Bloemfontein (judicial) Cape Town (legislative)	South African rand (ZAR)
Swaziland	Mbabane	Lilangeni (SZL) and South African rand (ZAR)
Tanzania	Dar-es-Salaam.	Tanzanian shilling (TZS)
Zambia	Lusaka	Zambian kwacha (ZMK)
Zimbabwe	Harare	Zimbabwean dollar (ZWD)

Sources- "Africa South of the Sahara-2007", 36th edition. London: Europa Publication, pp.57-1297.

### 1.1.3. Food, agriculture and Fisheries in Southern Africa:

Southern Africa has made several institutional and legal measures to strengthen the production of food, agriculture and transformed the natural resources in the Southern Africa. Over the year, it has brought reforms and changes through introduction of science and technology in quality production of food. *The Directorate of Food, Agriculture and Natural Resources* (hereinafter Directorate) aims to develop, co-ordinate and harmonize policies and programmes on agriculture and natural resources with a focus on sustainability. The Directorate covers the following sectors: agriculture research and training; inland fisheries; forestry; wildlife; marine fisheries and resources; food security; livestock production and animal disease control; and

<sup>&</sup>lt;sup>17</sup> Accessed on 21th May(2008),

URL:http://www.sadc.int/member\_states/index.php?country=South+Africa

environment and land management. The principle objectives in this field are regional food security, agricultural development and natural resource development.<sup>18</sup>

The Southern African Centre for Co-operation in Agricultural Research (SACCAR) was established in Gaborone, Botswana, in 1985. Its aim is to strengthen national agricultural research systems, in order to improve management, increase productivity, promote the development and transfer of technology to assist local farmers and improve training. Examples of activity include: a sorghum and millet improvement programme; a land water management research programme; a root crop research network; agro forestry research, implemented in Malawi, Tanzania, Zambia and Zimbabwe; and a grain legume improvement programme, comprising separate research units for groundnuts, beans and cowpeas.<sup>19</sup>

Southern Africa aims to promote inland and marine fisheries as an important, sustainable source of animal protein. Marine fisheries are also considered to be a potential source of income of foreign exchange. The expansion of fresh water fisheries is focused on aquaculture projects, and their amalgamation into rural community activities. In Southern Africa the SADC *Fisheries Protocol* entered into force in September 2003. SADC aspires to protect and develop the health, environment and livelihoods of people living in the Southern African region; to defend the natural heritage and biodiversity of the region; and to uphold regional economic development on a sustainable basis.<sup>20</sup>

#### 1.1.4. Natural Resources in Southern Africa:

Southern Africa is abundant in natural resources which includes valuable mineral resources and water resource as well. The region's major mining countries are Zambia, Zimbabwe, Botswana and South Africa. For any developed country to invest in this region is a boon and hence the countries of the world are eager to establish relations with the Southern Africa and South Africa, being a developing country would like to remain a strong hold in the economy of the region which has an abundance of natural resources.

<sup>&</sup>lt;sup>18</sup> "Africa South of the Sahara-2007", 36<sup>th</sup> edition (London & New York: Europa Publication, 36<sup>th</sup> Edition, 2006), pp.1430.

<sup>19</sup> ibid

<sup>&</sup>lt;sup>20</sup> See Europa Year Book (2005), 34<sup>th</sup> ed., Europa Publication, London, pp. 114-115.

### 1.1.4.1. Mineral Resources (Minerals and mining areas):

The main mining products of Southern Africa are Petroleum, diamonds, iron ore, phosphates, copper feldspar, gold, bauxite, uranium, nickel, salt, soda ash, potash, coal, silver, cobalt, niobium, tantalum, zinc, manganese, tin, and mica, unexploited deposits of uranium, natural gas, hydropower, tantalum, and graphite lithium, cadmium, gem diamonds, platinum, copper, vanadium, salt, natural gas and Platinum group metals. <sup>21</sup> Malawi is famous for limestone, arable land, and hydropower, unexploited deposits of uranium, coal, and bauxite. The Republic of Mozambique is rich in Coal, titanium, natural gas, hydropower, tantalum, graphite. In Namibia main minerals are diamonds, copper, uranium, gold, lead, tin and Tanzania in hydropower, tin, phosphates, iron ore, coal, diamonds, gemstones, gold, natural gas, and nickel. Zambia is also famous for copper, cobalt, zinc, lead, coal, emeralds, gold, silver, uranium, and hydropower. <sup>22</sup>

Hence, due to the climate and fertile land of the southern Africa are rich from mineral point of view such as South Africa is world famous for best quality diamonds and gold, wherein is the largest diamond mine in Kimberley considered to be the biggest man made whole in the world and is one of the biggest producers of Uranium. Congo is an important gold and timber mining region. In Zimbabwe the main mineral is grade chrome ore and coal. Malawi is famous for limestone, arable land, and hydropower, unexploited deposits of uranium, coal, and bauxite. The Republic of Mozambique is rich in coal, titanium, natural gas, hydropower, tantalum, graphite. In Namibia main minerals are Diamonds, copper, uranium, gold, lead, tin and Tanzania in hydropower, tin, phosphates, iron ore, coal, diamonds, gemstones, gold, natural gas, and nickel. Zambia is also famous for copper, cobalt, zinc, lead, coal, emeralds, gold, silver, uranium, and hydropower.

In July 1992, 30 planned mining projects required financing of \$25m., of which \$5m.had been secured (representing funding for 13 of the projects). Studies on the manufacturing of mining machinery and spare parts, repairing and reconditioning facilities, and the development of a regional iron and steel industry had been

<sup>&</sup>lt;sup>21</sup>Accessed on 21<sup>st</sup> March (2008), URL:

http://www.sadc.int/member\_states/index.php?country=Angola-zimbabwe.

<sup>&</sup>lt;sup>22</sup>lbid.

<sup>&</sup>lt;sup>23</sup>Accessed on 2<sup>nd</sup> June (2008),

URL: <a href="http://www.foresttrends.org/biodiversityoffsetprogram/BBop%20library%202/South%20Africa%20-%20All%20Not%20Printed/Mining%20and%20Biodiversity%20in%20South%20Africa.pdf">http://www.foresttrends.org/biodiversityoffsetprogram/BBop%20library%202/South%20Africa.pdf</a>.

20-%20All%20Not%20Printed/Mining%20and%20Biodiversity%20in%20South%20Africa.pdf.

completed by 1986, and studies on the availability of skilled man-power, small-scale mining and a geological inventory were being undertaken. In January1992 a new five-year strategy for the promotion of mining in the region was approved. Investment in mining was to be encouraged by means of financial incentives. <sup>24</sup>

### 1.1.4.2. Energy, Oil, Gas and Electricity:

There are 14 SADC states; only 12 of those states are located on the Southern African subcontinent: these are the Republics of Angola, Botswana, Malawi, Mozambique, Namibia, South Africa, Zambia, and Zimbabwe; the United Republic of Tanzania and the Democratic, Republic of Congo; as well as the Kingdoms of Lesotho and Swaziland. Main rivers in the region are Limpopo, Okavango, Orange, Kunene, Cuvelai, Congo, Zambezi, Nile, Rovuma, Zambezi, Buzi, Incomati, Save, Maputo, Pungue', Umbeluzi, and Kunene.25 Throughout the region there are significant reserves of water, coal, petroleum, and natural gas, which is the essential element of power generating that's electricity in SADC, is generated mainly through thermal or hydroelectric resources. Natural gas is becoming more significant to the region's energy sector as Mozambique, Namibia, South Africa and Tanzania develop natural gas fields in their respective countries. Due to the region's relatively small urban population (approximately 25.4 percent), access to commercial energy sources is limited. The majority of SADC's population still relies on the use of bio-fuel as its primary source of energy. The countries have attributed the outrages to archaic infrastructure failing to handle a growing demand for energy.<sup>26</sup>

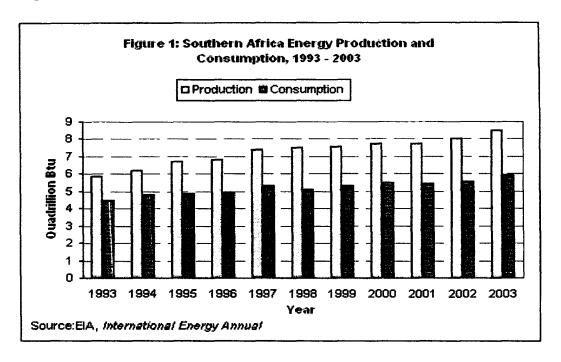
The SADC Energy Protocol outlines the various principles and objectives that the region has towards energy. Chief among those is SADC's desire to use energy to support economic growth and development in the region. Overall, SADC is a net energy exporter. In 2003, the countries belonging to SADC collectively consumed (see Table 2) 5.9 quadrillion British thermal units (Btu) (1.4 percent of total world consumption) and produced 8.5 quadrillion Btu (2.0 percent of total world production). The region's dominant economy, South Africa, accounted for 83 percent

<sup>&</sup>lt;sup>24</sup> Africa South of the Sahara-2007", 36<sup>th</sup> edition (London & New York: Europa Publication, 36<sup>th</sup> Edition, 2006), 1430-1431.

<sup>&</sup>lt;sup>25</sup> Ibid

<sup>&</sup>lt;sup>26</sup> Accessed on 14<sup>th</sup> May (2008), URL: http://www.eia.doc.gov/emeu/cabs/sadc/energy.html.

(4.9 quadrillion Btu) of the region's energy consumption, 69.8 percent (5.9 quadrillion Btu) of its energy production, and 88.8 percent (112 million metric tons) of its CO<sub>2</sub>emissions. <sup>27</sup>



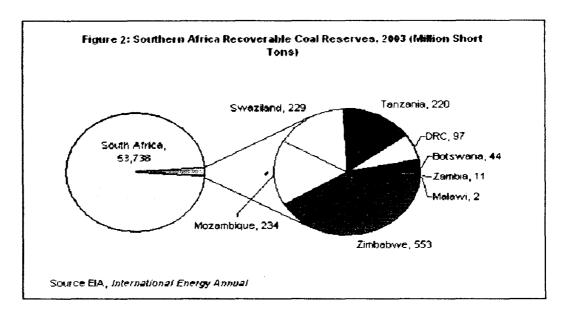
Self-sufficiency in the energy, oil and gas is the motto of the southern Africa. The energy programme consists of 83 projects, with total funding requirements of US \$751m., as at July 1992, when \$248m. had been secured. The main areas of work comprised: a study on regional self-sufficiency in the supply of petroleum products; exploitation of the region's coal resources; development of hydroelectric power and the linking of national electricity grids (Botswana-Zimbabwe, Botswana-Zambia, Mozambique-Zambia, Mozambique-Swaziland and Zimbabwe-Mozambique); new and renewable sources of energy, including pilot projects in solar energy; assessment of the environmental and socio-economic impact of the world-fuel scarcity; and energy conservation.<sup>28</sup>

Coal: Coal resources are abundant in SADC, especially in South Africa, where in 2003; recoverable reserves were estimated at 53.7 billion short tons (5.4 percent of world recoverable coal reserves). In 2003, regional coal production reached 269 million short tons (Mmst), of which South Africa produced nearly 264 Mmst. South Africa also consumed the vast majority (98 percent) of the region's coal in 2003. Coal

<sup>&</sup>lt;sup>27</sup> Ibid.

<sup>28</sup> Ibid.

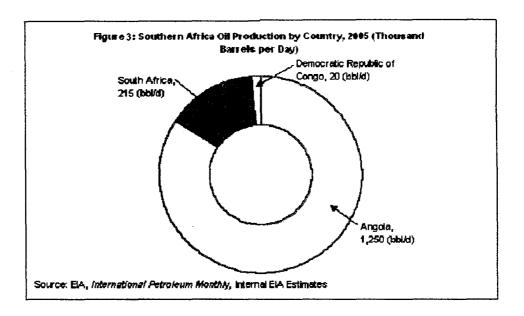
is primarily used in the production of electricity in the SADC region. However, South Africa has a highly developed synthetic fuels industry, in which, the country uses large amounts of coal along with natural gas and condensate to produce oil. South Africa is the world's sixth largest coal producer. The Mpumalanga province accounts for 83 percent of South African coal production, while Free State, Limpopo, and KwaZulu-Natal also have producing mines. Mozambique awarded Companhia do Vale do Rio Doce (CVRD) the rights to develop coal deposits in the Moatize mines.<sup>29</sup>



Oil: In southern Africa, Angola is the only significant oil producer, produced an average of 1.05 million barrels per day (bbl/d) in 2004. Angola's estimated reserves of 5.4 billion barrels constitute 96 percent of the region's estimated proven crude reserves. Smaller reserves are found offshore DRC and South Africa. The region's refineries are concentrated in South Africa, with additional refining capacity located in Angola, Madagascar, Tanzania and Zambia. South Africa is the region's largest oil consumer (over 68 percent of the region's total), and the second largest oil consumer in Africa after Egypt. Crude oil production in Angola has quadrupled over the past twenty years. 30

<sup>&</sup>lt;sup>29</sup> Accessed on 14<sup>th</sup> May (2008), URL: <a href="http://www.eia.doe.gov/emeu/cabs/sadc/coal.html">http://www.eia.doe.gov/emeu/cabs/sadc/coal.html</a>.

Accessed on 14th May (2008), URL: http://www.eia.doe.gov/emeu/cabs/sadc/oil.html.



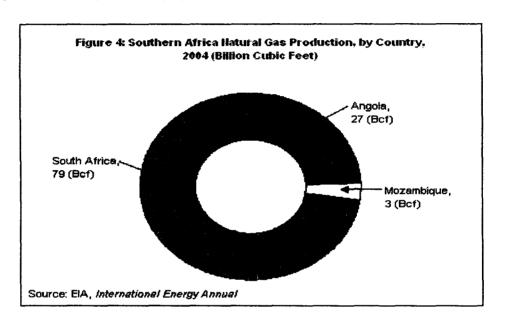
One of the main production areas located of shore o the Cabinda province. The seismic studies and drilling are expected to cost \$7 million. In February 2005, Mozambique launched its second offshore licensing round for blocks in the northern Rovuma offshore basin. As of June 2005, at least 24 blocks in Mozambique's two main oil and gas exploration areas were available. In 2004, Namcor launched Namibia's fourth licensing round; a fifth licensing round is expected in 2005. In March 2005, Vancouver-based Ener Gulf Resources and the national petroleum Corporation of Namibia (Namcor) entered into a memorandum of cooperation to jointly explore and develop offshore Block 1171, located along the maritime border with Angola. In May 2003, Vanco Energy announced plans to drill on the Kunene oil prospect, whose reserves have been estimated as high as 1.4 billion barrels of oil and 8 trillion cubic feet (Tcf) of gas.<sup>31</sup>

Now the Southern African states are signed agreement to explore the crude oil from the region to fulfill the demands of energy by the states. Angola, Madagascar, Mozambique, Namibia, South Africa, Tanzania and Zambia's National oil companies are get licensed to explore the crude oil in the region to increase the production and also seeing forward to fulfill the demand of the World market too. Because in that region natural oil is available in big quantity that's why all most all Southern African state did integrate oil companies and increase the pipeline transport in the region.<sup>32</sup>

32 ibid

Accessed on 14th May (2008), URL: http://www.eia.doe.gov/emeu/cabs/sadc/oil.html.

Natural Gas: In Southern Africa, significant natural gas reserves are located in Angola (1.6 Tcf), DRC (35 Bcf), Mozambique (4.5 Tcf), Namibia (2.2 Tcf), South Africa (1 Bcf) and Tanzania (800 Bcf). Overall, the region contains approximately 1.9 percent of Africa's natural gas reserves. Several projects are underway to expand use of natural gas in the region. Angola is developing projects to utilize associated natural gas. ChevronTexaco and a consortium of oil companies, including ExxonMobil, BP, Total and Norsk Hydro, are planning to gather associated natural gas from deepwater fields and develop shallow water fields in the Congo Basin as part of the Angola liquefied natural gas (LNG) project. <sup>33</sup>



The LNG facility is to be built at Soyo in northern Angola. In April 2005, the front-end engineering design (FEED) contract was awarded to Bechtel and a consortium of Halliburton's KBR, JGC of Japan and Technip. The Angola LNG project will likely come on-stream in 2010. The Namibian Government announced in October 2004 that gas from the Kudu field (discovered in 1974) could start flowing in 2009. Feasibility studies are currently underway. The \$1 billion project is being developed by the state-owned companies, Namcor and NamPower, in partnership with Energy Africa and Eskom. It includes the development of Kudu, which has estimated proven reserves of 1.3 Tcf, and the construction of an 800-MW power plant.<sup>34</sup>

<sup>33</sup> Accessed on 15th May (2008), URL: <a href="http://www.eia.doe.gov/emeu/cabs/sadc/naturalgas.html">http://www.eia.doe.gov/emeu/cabs/sadc/naturalgas.html</a>. ihid

Electricity: The electricity production mainly generated by making big dams in the rivers of the Southern African region and the newly established Southern African Power Pool (SAPP) in particular it is important to include the DRC. The DRC has extensive energy resources, including a potential hydroelectric capacity of approximately 100,000 MW. The Inga dam alone, on the Congo River, has a potential capacity of 40,000-45,000 MW, which could supply all of Southern Africa's electricity needs. The Kariba Dam altered the hydrological regime of the Zambezi River between Zambia and Zimbabwe. A major proportion of the region's electricity of some 10 000 MW is generated at four hydroelectric schemes in the catchment. Some 4 500 MW is generated at Kariba and Cahora Bassa dams (in Zambia/Zimbabwe and Mozambique respectively), and at Kafue Gorge and Nkula stations on its tributaries of Kafue and Shire Rivers in Zambia and Malawi, respectively. There are ten dams in Okavango.<sup>35</sup>

DRC exports hydroelectricity of its neighgbour, Republic of Congo alone 220 kilovolt (KV) connection and Mozambique Cahora Bassa hydroelectric facility is located on the Zambezi River in the Western Province of Tete, capacity estimated at 2,027 MW, Cahora Bassa a joint-venture between Portugal and Mozambique (82% and 14%) respectively. Currently Government of Mozambique seeking investors for new 24,00 MW hydroelectric facility on the Zambezi River about 43 miles south of the Cahora Bassa dam, while South Africa's Eskom has expressed interest in constructing a 100 MW power station adjacent to Mozambique's Moatize coal field. About 50 per cent of Namibia's electricity is generated domestically, mainly from the 240-MW Ruacana hydro power plant. The production level is cyclical, so imports from South Africa are needed to cover the periodic gaps in production. Namibia has begun to prepare itself for reduced power supply.<sup>36</sup>

The Namibia Government is actively seeking new energy sources, including the proposed 800-MW Gas-fired power plant by the Kudu gas fields. Thus Zambia has abundant hydro electric resources and meets most of its energy needs from its own hydroelectric stations which are operated by the State-Owned Zambia Electricity Supply Company (ZESCO). Zambia exports Electricity to its neighbours, especially

<sup>&</sup>lt;sup>35</sup> Accessed on 15<sup>th</sup> May (2008), URL: http://www.eia.doe.gov/emeu/cabs/sadc/electricity.html.

<sup>&</sup>lt;sup>36</sup> Tore Horvei, "Powering the region: South Africa in the Southern African Power Pool" in David Simon, South Africa in Southern Africa: Reconfiguring the region (eds), James Currey Ltd. Oxford. pp. 146-147.

### Tanzania and Kenya.37

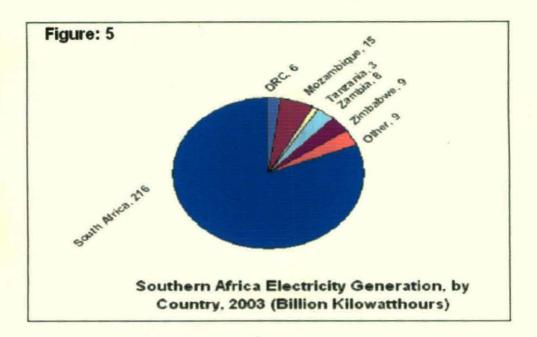
Angola has four main dams on the Cunene River, three built primarily for hydroelectric power. The power generated at the Matala and Ruacana Dams, which have a potential capacity of 280 MW, is used in Angola and Namibia. The Calueque Dam had to be abandoned during construction in 1975. This incomplete dam has a 2,2m3/second capacity pump station which supplies water to 600 000 people for domestic use, stock-watering and irrigation in Ovamboland in Namibia (in the Cuvelai basin, which drains into the Etosha Pan) outside the Cunene River basin. The fourth dam, for generating hydropower at Gove, was damaged during the Angolan civil war. This also placed irrigation schemes at Matala and Calueque in Angola out of operation. With the loss of regulation at Calueque Dam upstream of Ruacana, power can only be generated from run-of-river flow. At present, the 240 MW run-ofriver power stations at Ruacana periodically has to reduce or stoped production during low flows, but when the upstream waterworks are restored, continuous operation will be possible.<sup>38</sup> The northernmost basin - the Zaire - has a water resource potential that dwarfs all rivers to the south. The MAR is over ten times that of the Zambezi and of the order of 100 times that of the Orange or Okavango. The hydropower potential at Inga is an enormous 45 000 MW - more than sufficient to meet the present electricity demand for the whole of Southern Africa<sup>39</sup>

Mauritius is the single country in Africa to boast full electrification, largely thanks to its early start and political commitment to electrification. Liquefied Petroleum Gas is becoming an increasingly popular energy sources on the island. Figure 2003 showed us that DRC, Mozambique, Tanzania Zambia, Zimbabwe and other southern African state are the main electricity producing countries while South Africa is the biggest electricity producer country and rest of the region is little bit production of electricity production. All electric power projects in order to provide low-coast and environment friendly electricity to ensure the economic development in the region. <sup>40</sup>

<sup>37</sup> *Ihid*, np. 149

<sup>38</sup> A. H. Conley (October 1996), "A Synoptic View of Water Resources in Southern Africa", Chief Engineer: Strategic Planning, Department of Water Affairs And Forestry", South Africa No 6.

<sup>&</sup>lt;sup>40</sup> Accessed on 15<sup>th</sup> May (2008), URL: http://www.eia.doe.gov/emeu/cabs/sadc/electricity.html.



### 1.2. Transport and Communication in SADC:

At the SADC's inception transport was observed as the most significant area to be developed, on the grounds that, as the Lusaka Declaration noted, 'the dominance of the Republic of South Africa has been reinforced by its transport system. Without the establishment of a sufficient regional transport and communications system, other areas of co-operation become impractical'. Priority was to be given to the improvement of road and railway services into Mozambique, so that the land-locked countries of the region could transport their good through Mozambican ports instead of South African ones.<sup>41</sup>

The railway network in Southern Africa spans across eleven countries namely: Angola, Botswana, Congo D R, Malawi, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe. The network has some 36 000 route-Km, operates 150 000 freight wagons using 4 000 locomotives and conveys over 200 million tonnes of traffic per annum.<sup>42</sup>

See Europa Year Book (2005), 34th ed., Europa Publication, London, pp. 114.

<sup>&</sup>lt;sup>42</sup> Maxwell Mlenga, "The Southern African Railways Experience: An Operations and Policy Overview", Paper Presented at the Asia Pacific Rail, 18-21 March, 2003.

### Transport System in South Africa



\*Source- Cecilia Goitseone Mamelodi, (Presentation) SADC Framework for the Development of Telecommunications/ICT, Senior Programme Manager Communications and Meteorology 43

Rehabilitation of the railway between Malawi and Beria on the coast of Mozambique was under way in 1982, while work on the line from Malawi to the port of Nacala in Mozambique began in 1983. Other proposed railway projects include improvement of lines and equipment in Angola and Botswana, between Mozambique and Swaziland, and between Tanzania and Zambia. In early 1988 plans were announced for a ten-year rehabilitation plan (to cost \$575m.) for the Benguela railway, leading to the port of Lobito in Angola, and for the second phase of the rehabilitation of the Limpopo railway, running from Zimbabwe to Maputo, Mozambique. In February 1989 donors agreed to provide \$90m. for the first phase of the Benguela railway scheme. In 1991 completion of projects improving port facilities at Beira, Mozambique, were reported, which increased the capacity of SADC's ports by 9%. Work on the port facilities at Nacala and Maputo (in Mozambique), Dar-essalaam (Tanzania) and Lobito (Angola) was continuing in 1992.44

<sup>43</sup> Accessed on 21st May (2008) URL: http://www.cmamelodi@sadc.int

See Europa Year Book (2005), 34th ed., Europa Publication, London, pp. 114.

There are plans for the rehabilitation and upgrading of roads throughout the region, and, in particular, work on the main roads connecting with Swaziland (from 1986) and with Zimbabwe, and on the road between Tanzania and Zambia. Civil aviation projects include a new airport at Maseru, Lesotho, completed in 1985, and improvements of major airports in Mozambique, Swaziland, Zambia and Zimbabwe, together with studies on the joint use of maintenance facilities, on regional aids.<sup>45</sup> Work on a satellite earth station in Swaziland had been completed by 1984, while two more, in Angola and Zimbabwe, were being constructed.

Telecommunications: Sothern region of Africa has a combined population of around 187 million people, which represents about 3.2% of the world's population but has only 5 million telephone lines - less than 0.7% of the world's telephone "population". There is wide variation in telephone penetration in individual countries – ranging from 0.4% to 22%. Within these overall figures, the reality of access to telecommunications is that throughout the region there are huge disparities between the urban, peri-urban and rural areas. In addition, poor telecommunications reduces employment opportunities, encourages population drift to already-overcrowded urban areas, and has significant adverse impact on areas such as health extension service, education, and general civil society.<sup>46</sup>

With the exception of South Africa, the National Public Telecommunications Operators (PTO), the providers of fixed network services, are government-owned. However, there is significant interest by SADC Governments in attracting private investment to their PTOs and, at this time, positive steps are being taken by Tanzania and Malawi to attract strategic equity partners. Consideration of privatisation is active in most of the other countries.<sup>47</sup>

Notwithstanding, the dominance of state-controlled PTOs, there has been significant growth in the past few years in private-sector participation in the telecommunications sector. As at 31 December 1998, there were 2.88 million mobile cellular customers in the SADC region. Projects are undertaken in telecommunication and postal services, and there is a SADC Post Office Express Mail Service. In July

<sup>45</sup> Ibid

<sup>&</sup>lt;sup>46</sup> Brian Goulden (May 1999), "Southern Africa Telecommunications Restructuring Programme MIDCOM", Abu Dhabi, PricewaterhouseCoopers.
<sup>47</sup> Ibid.

1992 it was reported that financing secured for the transport and communications programme now amounted to \$3,103m.<sup>48</sup>

The Southern Africa Telecommunications Policy and Regulatory Support Project (SIPRS) is an 18 month, \$1.4 million Cooperative Agreement supported by USAID/RSCA, and implemented by Internews Network. The telecommunication in Southern African Development Community (SADC), the member countries to harmonize a common framework of telecommunications policies, regulations and procedures and the objective of telecommunication in SADC to equitable regional integration and economic growth will be achieved through better telecommunications, supported by policies adopted by the Telecommunications Regulators Association of Southern Africa (TRASA) and member countries. And result, increased liberalization of the telecommunication sector and ICT competition with the SADC market, on a regional and member country basis, evidenced by development of e-government and use of e-commerce.<sup>49</sup>

SIPRS organizes workshops, consultations, and bilateral technical assistance to meet these and associated issues such as universal service obligations, rural access, consumer protection, interconnection, internet pricing and the development of regional internet exchange points (IXPs). Country specific assistance is primarily focused on Angola, Botswana, Malawi, Mozambique, Namibia, South Africa, and Swaziland. Additionally, SIPRS was meant to work with TRASA on expanding member capacity to address Human Resource Development issues, work with the SADC Parliamentarians building capacity to in e-government and support of e-commerce throughout the region.<sup>50</sup>

### 1.1. Profile and members of SADC:

Angola: Angola borders the South Atlantic Ocean while its land borders stretch to a total: 5,198 kilometers. Border countries: Democratic Republic of the Congo 2,511 km (of whic225 km is the boundary of discontiguous Cabinda Province), Republic of the Congo 201 km, Namibia 1,376 km, Zambia 1,110 km. Angola attained its independence from Portugal on 11<sup>th</sup> November 1975. The country known for its

<sup>48</sup> Ibid

<sup>49</sup> Ibid.

<sup>50</sup> Ibid.

riches in natural resources did not know peace immediately as a bitter rebel war ensued. Rebels belonging to UNITA led by Dr Jonas Savimbi fought a bitter guerilla war which lasted until 2002 when the rebel leader was killed. Since then Angola has prospered with a booming economy and better production of oil and diamonds.<sup>51</sup> The form of government and administration in Angola is Republic; multiparty Presidential regime.

Botswana: Border countries: Namibia 1,360 km, South Africa 1,840 km, and Zimbabwe 813 km. Formerly the British protectorate of Bechuanaland, Botswana adopted its new name upon independence in 1966. Four decades of uninterrupted civilian leadership, progressive social policies, and significant capital investment have created one of the most dynamic economies in Africa. Mineral extraction, principally diamond mining, dominates economic activity, though tourism is a growing sector due to the country's conservation practices and extensive nature preserves. Botswana has one of the world's highest known rates of HIV/AIDS infection, but also one of Africa's most progressive and comprehensive programs for dealing with the disease.<sup>52</sup> The Government and administration in Botswana is Parliamentary republic.

Democratic Republic Of Congo: Border countries: Angola 2,511 km (of which 225 km is the boundary of Angola's discontiguous Cabinda Province), Burundi 233 km, Central African Republic 1,577 km, Republic of the Congo 2,410 km, Rwanda 217 km, Sudan 628 km, Tanzania 459 km, Uganda 765 km, Zambia 1,930 km established as a Belgian colony in 1908, the Republic of the Congo gained its independence in 1960, but its early years were marred by political and social instability. Ethnic strife and civil war, touched off by a massive inflow of refugees in 1994 from fighting in Rwanda and Burundi, led in May 1997 to the toppling of the Mobutu regime by a rebellion led by Laurent Kabila. He renamed the country the Democratic Republic of the Congo (DRC), but in August 1998 his regime was itself challenged by an insurrection backed by Rwanda and Uganda. Troops from Angola, Chad, Namibia, Sudan, and Zimbabwe intervened to support the Kinshasa regime. A cease-fire was signed in July 1999 by the DRC, Congolese armed rebel groups, Angola, Namibia, Rwanda, Uganda, and Zimbabwe but sporadic fighting continued. Laurent Kabila was

52 Ibid. Botswana

<sup>&</sup>lt;sup>51</sup> Accessed on 3<sup>rd</sup> March (2008), URL:

http://www.sadc.int/member\_states/index.php?country=Angola

assassinated in January 2001 and his son, Joseph Kabila, was named head of state. In October 2002, the new president was successful in negotiating the withdrawal of Rwandan forces occupying eastern Congo; two months later, the Pretoria Accord was signed by all remaining warring parties to end the fighting and establish a government of national unity. A transitional government was set up in July 2003; Joseph Kabila remains as president. The transitional government held a successful constitutional referendum in December 2005, because of the Kabila system is more influence in DRC and plans to hold a series of elections in 2006 to determine the presidency and National Assembly seats. <sup>53</sup>

Lesotho: It is situated at Southern Africa, an enclave of South Africa. Lesotho is only country in Africa which is fully surrounded by South Africa. Basutoland was renamed the Kingdom of Lesotho upon independence from the UK in 1966. The Basuto National Party ruled for the first two decades. King Moshoeshoe was exiled in 1990, but returned to Lesotho in 1992 and reinstated in 1995. Constitutional government was restored in 1993 after 7 years of military rule. In 1998, violent protests and a military mutiny following a contentious election prompted a brief but bloody intervention by South African and Botswana military forces under the aegis of the Southern African Development Community. Constitutional reforms have since restored political stability; peaceful parliamentary elections were held in 2002 and again in 2007. 54

*Madagascar:* Madagascar is the Southern Africa's island in the Indian Ocean, east of Mozambique. Formerly an independent kingdom, Madagascar became a French colony in 1896, but regained its independence in 1960. During 1992-93, free Presidential and National Assembly elections were held, ending 17 years of single-party rule. The government and administration in Madagascar is Republic. In 1997, in the second Presidential race, Didier Ratsiraka, the leader during the 1970s and 1980s, was returned to the presidency. The 2001 Presidential election was contested between the followers of Didier Ratsiraka and Marc Ravalomanana, nearly causing secession

53 Ibid Democratic+Republic+of+Congo

http://www.britannica.com/eb/article\_9113829/LESOTHO

of half of the country. In April 2002, the High Constitutional Court announced Ravalomanana the winner. 55

*Malawi:* Location of Malawi is in Southern Africa, east of Zambia. Established in 1891, the British protectorate of Nyasaland became the independent nation of Malawi in 1964. After three decades of one-party rule under President Hastings Kamuzu BANDA the country held multiparty elections in 1994, under a provisional constitution which came into full effect the following year. Current President Binguwa-Mutharika, elected in May 2004 after a failed attempt by the previous President to amend the Constitution to permit another term.<sup>56</sup>

*Mauritius:* Southern Africa, island in the Indian Ocean, east of Madagascar. Although known to Arab and Malay sailors as early as the 10th century, Mauritius was first explored by the Portuguese in 1505; it was subsequently held by the Dutch, French, and British before independence was attained in 1968. A stable democracy and parliamentary with regular free elections and a positive human rights record, the country has attracted considerable foreign investment and has earned one of Africa's highest per capita incomes. <sup>57</sup>

Mozambique: Southeastern Africa, bordering the Mozambique Channel, between South Africa and Tanzania. Almost five centuries as a Portuguese colony came to a close with independence in 1975. Large-scale emigration by whites, economic dependence on South Africa, a severe drought, and a prolonged civil war hindered the country's development. The ruling Front for the Liberation of Mozambique (FRELIMO) party formally abandoned Marxism in 1989, and a new constitution the following year provided for multiparty elections and a free market economy. In December 2004, Mozambique underwent a delicate transition as Joaquim Chissano stepped down after 18 years in office. His newly elected successor, Armando Emilio Guebuza, has promised to continue the sound economic policies that have encouraged foreign investment. 58 Now the type of government in Mozambique is Republic.

<sup>58</sup> Ibid. Mozambique





Accessed on 3<sup>rd</sup> March (2008), URL: http://www.sadc.int/member\_states/index.php?country Madagascar

<sup>56</sup> Ibid. Malawi

<sup>57</sup> Ibid. Mauritius

Namibia: Southern Africa, bordering the South Atlantic Ocean, between Angola and South Africa Occupied the German colony of South-West Africa during World War I and administered it as a mandate until after World War II, when it annexed the territory. In 1966 the South-West Africa People's Organization (SWAPO) freedom fighting group launched a war of independence for the area that was soon named Namibia, but it was not until 1988 that South Africa agreed to end its administration in accordance with a UN peace plan for the entire region. Namibia won its independence in 1990 and has been governed by SWAPO. Hifikepunye Pohamba was elected President in November 2004 in a landslide victory replacing Sam Nujoma who led the country during its first 14 years of self rule.<sup>59</sup> Now the reform of government in Namibia is Republic.

South Africa: South Africa, at the southern tip of the continent of Africa, is bordered by the Atlantic Ocean on the west and by the Indian Ocean on the south and east. Its neighbors are Namibia in the northwest, Zimbabwe and Botswana in the north, and Mozambique and Swaziland in the northeast. The kingdom of Lesotho forms an enclave within the southeast part of South Africa. The southernmost point of Africa is Cape Agulhas, located in the Western Cape Province about 100 mi (161 km) southeast of the Cape of Good Hope. After the British seized the Cape of Good Hope area in 1806, many of the Dutch settlers (the Boers) trekked north to found their own Republics. The discovery of diamonds (1867) and gold (1886) spurred wealth and immigration and intensified the subjugation of the black people. The Boers resisted British encroachments, but were defeated in the Boer War (1899-1902). The resulting Union of South Africa operated under a policy of apartheid - the separate development of the races. The 1990s brought an end to apartheid politically and ushered in a majority rule. 60 The government system in South Africa is Parliamentary Republic.

Swaziland: It is situated in Southern Africa, between Mozambique and South Africa. Autonomy for the Swazis of southern Africa was guaranteed by the British in the late

<sup>&</sup>lt;sup>59</sup> Ibid <u>Namibia</u>

<sup>60</sup> Ibid. South+Africa

19th century; independence was granted in 1968. The system of government in Swaziland is monarchy. <sup>61</sup>

*Tanzania:* Eastern Africa, bordering the Indian Ocean, between Kenya and Mozambique. Shortly after achieving independence from Britain in the early 1960s, Tanganyika and Zanzibar merged to form the United Republic of Tanzania in 1964. One-party rule came to an end in 1995 with the first democratic and republic elections held in the country since the 1970s. Zanzibar's semi-autonomous status and popular opposition have led to two contentious elections since 1995, which the ruling party won. <sup>62</sup>

Zambia: It is located in Southern Africa at the east of Angola. The territory of Northern Rhodesia was administered by the [British] South Africa Company from 1891 until it was taken over by the UK in 1923. During the 1920s and 1930s, advances in mining spurred development and immigration. The name was changed to Zambia upon independence in 1964. In the 1980s and 1990s, declining copper prices and a prolonged drought hurt the economy. Elections in 1991 brought an end to one-party rule, but the subsequent vote in 1996 saw blatant harassment of opposition parties. The election in 2001 was marked by administrative problems with three parties filing a legal petition challenging the election of ruling party candidate Levy Mwanawasa. The Zambian leader was re-elected in 2006 in an election that was deemed free and fair, by the Republican type of government. 63

Zimbabwe: It is situated in Southern Africa, between South Africa and Zambia. The UK annexed Southern Rhodesia from the [British] South Africa Company in 1923. A 1961 constitution was formulated that favored whites in power. In 1965 the government unilaterally declared its independence, but the UK did not recognize the act and demanded more complete voting rights for the black African majority in the country (then called Rhodesia). UN sanctions and an uprising finally led to free elections in 1979 and independence (as Zimbabwe) in 1980. Robert Mugabe, the

<sup>61</sup> Ibid. Kingdom+of+Swaziland

<sup>62</sup> Ibid. Tanzania

<sup>63</sup> Ibid. Zambia

nation's first Prime Minister, has been the country's President since 1987. Now the government system in Zimbabwe is Parliamentary Democracy. <sup>64</sup>

#### 1.2. Ethnic groups in the Southern African region:

The southern region of Africa, ethnicity is much richer than other parts of the region. Each state has its own ethnic groups which plays a crucial role to save the unique demography of the region. The main ethnic groups in the region are Bantu, Herero, Khoikhoi, Ndebele, Ovambo, Shona, Sotho, Swazi, Tswana Xhosa and Zulu found in Southern Africa. Country wise main ethnic groups in Southern Africa are listed bellow:

**Ethnic Groups in Southern African Countries (Table: 1.5)** 

Ethnic Groups in Southern African Countries (Table: 1.5)						
Country	Ethnic Groups in Southern African Countries <sup>65</sup>					
Angola	Ovimbundu 37%, Kimbundu 25%, Bakongo 13%, mestico (mixed European					
	and native African) 2%, European 1%, other 22%					
Botswana	Tswana (or Setswana) 79%, Kalanga 11%, Basarwa 3%, other, including					
	Kgalagadi and white 7%					
Democratic	Over 200 African ethnic groups of which the majority are Bantu; the four					
Republic of	largest tribes - Mongo, Luba, Kongo (all Bantu), and the Mangbetu-Azande					
the Congo	(Hamitic) make up about 45% of the population					
Lesotho	Sotho 99.7%, Europeans, Asians, and other 0.3%					
Madagascar	Malayo-Indonesian (Merina and related Betsileo), Cotiers (mixed African,					
	Malayo-Indonesian, and Arab ancestry - Betsimisaraka, Tsimihety,					
	Antaisaka, Sakalava), French, Indian, Creole, Comoran					
Malawi	Chewa, Nyanja, Tumbuka, Yao, Lomwe, Sena, Tonga, Ngoni, Ngonde,					
	Asian, European.					
Mauritius	Indo-Mauritian 68%, Creole 27%, Sino-Mauritian 3%, Franco-Mauritian 2%					
Mozambique	African 99.66% (Makhuwa, Tsonga, Lomwe, Sena, and others), Europeans					
	0.06%, Euro-Africans 0.2%, Indians 0.08%					
Namibia black 87.5%, white 6%, mixed 6.5% note: about 50% of the po						
belong to the Ovambo tribe and 9% to the Kavangos tribe; o						
	groups includes Herero 7%, Damara 7%, Nama 5%, Caprivian 4%, Bushmen					
	3%, Baster 2%, Tswana 0.5%					
South Africa	Black African 79%, white 9.6%, colored 8.9%, Indian/Asian 2.5% (2001					
	census)					
Swaziland	African 97%, European 3%					
Tanzania	Mainland - African 99% (of which 95% are Bantu consisting of more than					
	130 tribes), other 1% (consisting of Asian, European, and Arab); Zanzibar -					
	Arab, African, mixed Arab and African.					
Zambia	African 98.7%, European 1.1%, other 0.2%.					
Zimbabwe	African 98% (Shona 82%, Ndebele 14%, other 2%), mixed and Asian 1%,					
	white less than 1%					
	A contraction of the contraction					

<sup>64</sup> Ibid.= <u>Zimbabwe</u>

<sup>&</sup>lt;sup>65</sup> Accessed on 1<sup>st</sup> Feb (2008). URL: <a href="http://www.sadc.int/member\_states/index.php?country=Angola-zimbabwe">http://www.sadc.int/member\_states/index.php?country=Angola-zimbabwe</a>.

### **CHAPTER 2:**

## SOUTH AFRICA AND SADC: IN GEOPOLITICAL PERSPECTIVE

#### 2.1. GEOGRAPHICAL IMPORTANCE OF SOUTH AFRICA IN SADC:

South Africa's location has had a great influence on many aspects of its geography and development. Thus both its sunny, dry climate and the small variation between summer and winter daylight periods are attributable to its subtropical latitudinal position. South Africa's isolated location has largely determined the course of its history and economic development. Major shipping lanes pass along the South African coastline in the south Atlantic and Indian oceans. Approximately 96% of the country's exports are conveyed by sea, and the seven commercial ports are the conduits for trade between South Africa and its southern African partners as well as hubs for traffic to and from Europe, Asia, the Americas and the east and west coasts of Africa.

South Africa's attention is focused mainly on Southern Africa which, together with South Africa, consists of 10 countries, namely Angola, Mozambique, Malawi, Zambia, Zimbabwe, Lesotho, Botswana, Swaziland and Namibia. These countries cover some 6 million km. sq. in surface area A numbers of Southern African countries share South Africa's transport network, manufacturing industry, labour market, scientific and technical expertise, as well as their capital resources.<sup>3</sup> As:

Transport: Long distance between harbors and inland urban centers necessitate a well-developed transport system. The country's transport system provides a reliable bulk trade link with the outside world for at least six land-locked countries in the region. They are the BLS countries (Botswana, Lesotho, Swaziland), Zimbabwe, Zambia and Malawi. Located along the 8,500 km coastline of the subcontinent are major ports, six in South Africa, one in Namibia, three in Mozambique and three in Angola. The sub continental railway system is largely an extension of the South African grid. There are also pipe-lines conveying liquid cargo from Durban in South Africa and Beira in Mozambique to the interior. South African Airways (SAA) and other regional carriers (for example Comair, Airlink and Regional Air) provide air

<sup>&</sup>lt;sup>1</sup> South African Yearbook of International Affairs: 1994, Pretoria Alexander Johnston Foreign Policy, No. 110, Special Edition: Frontiers of Knowledge pp. 1

<sup>&</sup>lt;sup>2</sup> Ibid. (1994), pp. 135.

<sup>&</sup>lt;sup>3</sup> Ibid.

services for the transportation of passengers, mainland cargo between the main business centers and Southern African countries. <sup>4</sup>

Trade & Employment: South Africa is an important market for manufactured products from Zimbabwe, for cattle and sheep from Namibia and for beef both Namibia and Botswana. Africa has the highest population growth rate in the world (3.1 per cent a year) and the lowest average rate of economic development. Hundreds of migrant workers make their way to South Africa every year mainly Lesotho, Mozambique, Malawi, Botswana, and Swaziland. In recent years more than 1.2 million migrant workers and daily commuters from neighbouring countries were legally employed in South Africa at any one time. Thousands more are unconventionally employed or self-employed in South Africa.<sup>5</sup>

**Power and Water:** South Africa's national power utility, Eskom, provides more than 50% of the electricity generated on the entire continent of Africa and export electricity to all neighbouring countries. South Africa's is a natural partner for power utilities in Southern and central Africa in the establishment and operation of a power grid which will allow optimal utilization of the rich energy sources of the subcontinent through the import and export of electricity. Bulk supply agreement with utilities in Botswana, Lesotho, Mozambique, Namibia, Swaziland and Zimbabwe incorporate the principles of independent action, underpinned by coordinated planning of expansion and cooperation for the benefit of the entire region. The largest water supply scheme ever undertaken in Africa is the Lesotho Highlands Water Project- a joint venture of the South African and Lesotho governments. The project will also be a source of electricity for Lesotho, which stands to benefit from income generated through the transfer of its surplus water to South Africa.

Agriculture and Technology: South Africa is a founder member of the Southern African Regional Commission for the Conservation and Utilisation of the Soil (SARCCUS) founded in 1948. SARCCUS is an intergovernmental organization with

<sup>&</sup>lt;sup>4</sup> Ibid. pp.134.

Accessed on 12<sup>th</sup> April (2008), URL: http://www.SouthAfrica.info/economy/trade/industry.htm (reporter, incorporating material from the Department of Trade and Industry, SADC Trade Industry and Investment Review 2007/2008A. and South Africa year book (1994), pp 135.

<sup>&</sup>lt;sup>6</sup> South African Yearbook of International Affairs: 1994, Pretoria Alexander Johnston Foreign Policy, No. 110, Special Edition: Frontiers of Knowledge p.134.

<sup>&</sup>lt;sup>7</sup> See Europa Year Book (2005), 34<sup>th</sup> ed., Europa Publication, London, pp.1103.

eight member countries. Its mission is the promotion of closer technical co-operation in all matters pertaining to agriculture and the rational development, control and utilization of all related resources. The permanent Secretariat, hosted by South Africa is seated in Pretoria. South Africa is a willing partner in the Southern African region, sharing its agricultural expertise and advanced technology. By employing and training migrant workers, as well as workers in countries in which projects are undertaken, South African mining houses, construction and other companies operating. <sup>8</sup>

South Africa plays a significant role in supplying energy, relief aid, transport, communications and outward investment on the SADC country. South Africa has the resident marketing skills and distribution channels imperative for commercial ventures into Africa. South Africa's industrial production growth is well above the average for developing markets. South Africa's manufacturing and technological research and quality standards are world-renowned. The country has developed a number of leading technologies, particularly in the fields of energy and fuels, steel production, deep-level mining, telecommunications and information technology.

#### 2.1.1. GEOGRAPHICAL SPREAD OF SOUTH AFRICA'S BORDERS:

The Republic of South Africa is situated at the Southern tip of the African continent. It occupies the southernmost part of the African continent stretching from the Limpopo River in the north to Cape Agulhas in the south. South Africa stretches latitudinally from 22°S-35°S and longitudinally from 17°E-33°E. To the north, South Africa has common boundaries with Namibia to the north-west, The Republic of Botswana and Zimbabwe to the north, while the Republic of Mozambique and The Kingdom of Swaziland lie to the north-east. The Kingdom of Lesotho is only country in African continent which completely enclosed or surrounded by South African territory, lying within the eastern part of the Republic. The tropic of Capricorn passes as for as latitude 34°51'S. The Republic covers a total area of 1,219,080 Square Kilometer (470,689 Square Miles). To the east, west and south, South Africa

<sup>&</sup>lt;sup>8</sup> South African Yearbook of International Affairs: 1994, Pretoria Alexander Johnston Foreign Policy. No. 110, Special Edition: Frontiers of Knowledge p.134.
<sup>9</sup> Ibid. pp.1.

<sup>&</sup>lt;sup>10</sup> See Europa Year Book (2005), 34<sup>th</sup> ed.. Europa Publication, London, Europa Publication, London, pp.1103. "This area includes the uninhabited Prince Edward Island (415 Square Kilometer) and Marion Island (388 Square Kilometer), lying 1900 Kilometer Southeast of Cape Town, which were annexed by South Africa in 1947.pp.1086.

borders on the west the Atlantic and Indian Oceans on the continents southern tip and on the south and east. The country's coastline covers some 2.968 kilometers. The southernmost point of Africa is Cape Agulhas, located in the Western Cape Province about 100 mi (161 km) southeast of the Cape of Good Hope in South Africa. Njesuthi in the Drakensberg at 3,408 m (11,424 ft) is the highest peak in South Africa.

South Africa has a generally temperate climate, due in part to it being surrounded by the Atlantic and Indian Oceans on three sides, by its location in the climatically milder southern hemisphere and due to the average elevation rising steadily towards the north (towards the equator) and further inland. Due to this varied topography and oceanic influence, a great variety of climatic zones exist. Even though South Africa is classified as semi-arid, there is considerable variation in climate as well as topography. The land of South Africa is a vast, rather flat, and sparsely populated scrubland, Karoo, which is drier towards the northwest along the Namib Desert. In contrast, the eastern coastline is lush and well-watered, which produces a climate similar to the tropics. It has particularly high temperatures, and is also the location of extended subtropical agriculture. The high Drakensberg Mountains form the south-eastern escarpment of the Highveld, offer limited skiing opportunities in winter. The coldest place in South Africa is Sutherland in the western Roggeveld Mountains, where midwinter temperatures can reach as low as -15 degrees Celsius (5 °F).<sup>14</sup>

South Africa also has one possession, the small sub-Antarctic archipelago of the Prince Edward Islands, consisting of Marion Island (290 km²/112 sq mi) and Prince Edward Island (45 km²/17.3 sq mi). <sup>15</sup>

<sup>&</sup>lt;sup>11</sup>Accessed on 15<sup>th</sup> June (2008)

URL: http://www.cia.gov/library/publcations/the-world-factbook/Coastline.

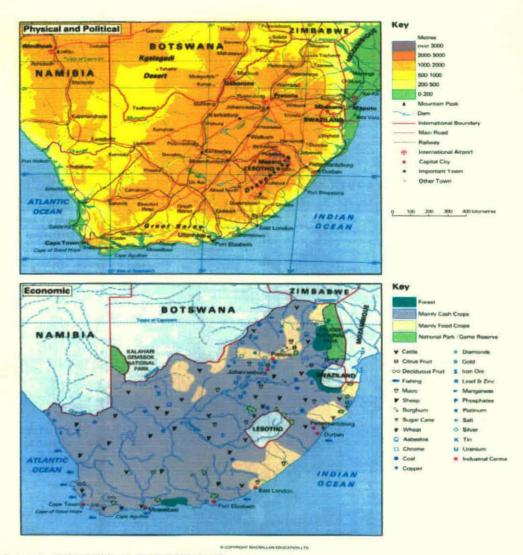
<sup>12</sup> Ibid.

<sup>&</sup>lt;sup>13</sup> Accessed on 19<sup>th</sup> Feb (2008), URL: http://www.britannica.com/eb/ southafrica Encyclopædia Britannica, Online Accesses at May19, 2008.

<sup>&</sup>lt;sup>14</sup> Accesses at May19 (2008), URL: http://www.britannica.com/eb/southafrica.html.

<sup>&</sup>lt;sup>15</sup> Prince Edward Island not to be confused with the Canadian province of the same name.

#### Physical and Economic Map of South Africa



#### 2.1.1.1. BOUNDRY COUNTRIES:

Botswana, Lesotho, Mozambique, Namibia, Swaziland and Zimbabwe are the boundary countries of Africa which are also the members of SADC.

Botswana: the Republic of is a land-locked country. It is located at the north of South Africa and shared 1,840 km. border with South Africa. South Africa's relations with Botswana were normalized in the early 1990s, after a period of strained ties in the 1980s. The most contentious issue between the two countries had been Botswana's willingness to provide safe haven for the ANC military wing, MK, and, to a lesser

Accessed on 1st May (2008), URL <a href="http://www.Cia.world/factbook/boundries.html">http://www.Cia.world/factbook/boundries.html</a>.

extent, for other opposition groups such as the Black Consciousness Movement of Azania (BCMA--the external wing of the Black Consciousness Movement). Its geographic and economic vulnerability deterred it from imposing economic sanctions against South Africa, with whom it maintained extensive but unpublicized trade relations. Relations improved in the early 1990s, as apartheid was gradually dismantled, as several hundred political exiles returned to South Africa under a program administered by the United Nations High Commissioner for Refugees (UNHCR). A substantial number of Botswana people are employed in South Africa, many of them in mining.<sup>17</sup>

Lesotho: The Kingdom of Lesotho, a small, land-locked country of an area of 30,355 sq. km., is enclosed on all sides 909 km, completely surrounded by South Africa; Lesotho depended heavily on South Africa for its economic well-being. After Lesotho became independent in October 1966, South Africa played a major role in the country's internal affairs--for example, by supporting the new government led by Chief Leabua Jonathan. Both, countries established full diplomatic ties in May 1992. Pretoria recognized the outcome of Lesotho's March 1993 elections, the first in twenty-two years. In January 1994, Lesotho's democratically elected civilian government sought South African assistance in quelling an army mutiny over pay and conditions of service in the Lesotho Defence Forces. Pretoria refused to intervene directly, but threatened to seal off Lesotho's borders, which would have blocked vital commercial transportation to and from Maseru. De Klerk and Mandela, together with the Presidents of Zimbabwe and Botswana, urged both sides to negotiate an end to the crisis, a move that represented the likely pattern of Post- Apartheid diplomacy in southern Africa.<sup>18</sup>

*Mozambique:* The Republic of Mozambique is located at the north eastern part of the South Africa and bordered 491 km with South Africa. After Mozambique's independence from Portugal in 1975, relations between South Africa and Mozambique were shaped by the rise to power of the revolutionary Front for the Liberation of Mozambique (Frente de Liberação de Moçambique--FRELIMO) government. South Africa provided covert military assistance to the anti-FRELIMO

18 Ibid

<sup>&</sup>lt;sup>17</sup> Accessed on 1<sup>st</sup> May (2008). URL: <a href="http://www.countrystudies.us/south\_africa/71.html">http://www.countrystudies.us/south\_africa/71.html</a>.

insurgency, RENAMO. This accord committed both countries to end their assistance to each other's opposition movements, and to establish a joint security commission to monitor.<sup>19</sup>

Relations continued to improve in 1989 following a South African initiative to help resolve Mozambique's civil war. Pretoria nonetheless played an important role in persuading the two men to pursue a negotiated peace. In 1993 South Africa and Mozambique agreed to formalize their trade missions in each other's capitals and to upgrade diplomatic ties. President Mandela made his first official state visit to the country on July 20, 1994, and he emphasized the challenges both countries faced in strengthening democratic institutions. The two governments signed agreements establishing a joint cooperation commission to pursue shared development goals in agriculture, security, transportation, and medicine.<sup>20</sup>

Namibia: Namibia is situated north-west part of South Africa and bordered 967 km with South Africa. South Africa's relations with Namibia (formerly South-West Africa) were normalized following the 1988 agreement that paved the way for the solution to the interlinked conflicts in Namibia and Angola. After Namibia's independence in March 1990, South Africa and Namibia established diplomatic ties, but relations between the two countries were uneasy, in part because many of Namibia's senior government officials had been leaders in the guerrilla war to oust South Africa from their country. Namibia nonetheless joined the Southern African Customs Union (SACU) and continued to be almost totally dependent on South Africa in trade and investment. In 1992, 90% of Namibia's imports came from South Africa, and South Africa purchased 30 percent of Namibia's exports. Relations improved as apartheid was dismantled. The prospects for multiracial democracy in South Africa prompted Namibia to sign a series of bilateral agreements with Pretoria in anticipation of the close ties they hoped to maintain through the rest of the 1990s. Namibia also works as buffer state between South Africa and Angola.<sup>21</sup>

<sup>21</sup> Ibid.

<sup>&</sup>lt;sup>19</sup> Hasu H. Patel (1992), "The SADCC States, The International Environment and change in South Africa" in Gavin Maasdorp and Alan Whiteside, Towards a Post-Apartheid Future (eds.), London: Macmillan Publication.

<sup>&</sup>lt;sup>20</sup> Accessed on 1<sup>st</sup> May (2008). URL: http://www.countrystudies.us/south\_africa/71.html

Swaziland: It is an enclave within the Republic of South Africa by 430 km and in east with only neighbor Mozambique. South Africa's relations with the Kingdom of Swaziland, one of Africa's smallest nations--which South Africa surrounds on the north, west, and south--were shaped by the kingdom's complete dependence on its powerful neighbor for its economic and political well-being. South Africa invested heavily in Swaziland's economy, and Swaziland joined the Pretoria-dominated SACU. South Africa and Swaziland also signed a judicial agreement providing for South African judges, magistrates, and prosecutors to serve in Swaziland's courts. South Africa also agreed to provide training for Swazi court personnel. In August 1995, the two countries signed an agreement to cooperate in anti-crime and anti-smuggling efforts along their common border.<sup>22</sup>

Zimbabwe: Zimbabwe is situated at the northern part of South Africa by 225 km. border. Bilateral relations between South Africa and Zimbabwe improved substantially as apartheid legally ended. Relations between the two countries began to stabilize in 1990, after Mandela was released from prison and South Africa moved toward constitutional reform. The two countries debated trade issues throughout the year, primarily centered on efforts to dismantle apartheid-era tariffs. In November 1995, a ceremony attended by presidents Mandela and Mugabe marked the opening of a new bridge linking the two countries, across the Limpopo River.<sup>23</sup>

#### 2.1.1.2. REGIONAL COUNTRIES:

Angola: Angola is situated at the north of South Africa. South Africa has long-standing geographic, commercial, and political ties with Angola, which became independent from Portugal in November 1975. Until the early 1990s, relations between the two countries were strained, however, owing primarily to South Africa's extensive military support for the insurgent movement in Angola. Relations between South Africa and Angola deteriorated after Pretoria withdrew its diplomatic representation from Luanda in late 1992. Early in 1993, however, both governments again began working to normalize diplomatic ties, and Pretoria promised to crack down on private channels of assistance from South Africa to Savimbi. The two countries established full diplomatic relations on May 27, 1994, and Luanda

<sup>22</sup> Ibid.

<sup>&</sup>lt;sup>23</sup> Ibid.

appointed an ambassador to South Africa later that year. Pretoria initially provided the venue for talks between dos Santos and President Mobutu Sese Seko of Zaire, as dos Santos sought an end to Zairian assistance to UNITA. Finally, in November 1994, Mandela witnessed an agreement between dos Santos and Savimbi to end the fighting in Angola and to begin rebuilding the country, and the slow process of disarming rebel fighters began in 1995.<sup>24</sup>

Democratic Republic of Congo: South Africa played an active role in negotiating and drafting the Lusaka Cease-fire Agreement and was present when the documentation was signed on 10 July 1999. In August 1999, the South African Minister of Foreign Affairs Dr. Nkosazana D lamini-Zuma played a major role in getting the DRC rebel movement to sign the Agreement. South Africa has consistently encouraged the parties in the DRC conflict to honor the Cease-fire Agreement. In 1999, South Africa participated in various bilateral connotations with parties to the conflict, in order to promote the peace process in the DRC. The visit to South Africa by President Laurent Kabila of the DRC and a senior ministerial delegation in July 1999, during which positive bilateral discussions were held, underlined this principle. <sup>25</sup>

*Madagascar:* The Democratic Republic of Madagascar, the fourth largest island of the world and several much smaller offshore island. Madagascar is located from South Africa in east in Indian Ocean. The whole territory covers an area of 58,041 sq. km. Madagascar's main cash crops are vanilla and cloves. Madagascar is the world's largest producer of natural vanilla, accounting for more than one-half of the world's output. Its export with South Africa 16.2 US\$ million and import to South Africa 77.5 US\$ million. Its capital Antananarivo situated to the south-east coast of Africa in the Indian Ocean. There are sizeable deposits of graphite and chromite and smaller deposits of mica, nickel and copper.<sup>26</sup>

*Malawi:* The land-locked Republic of Malawi extends some 840 km. from north to south, varying in width from 80 to 160 km. it is long narrow mountainous country, bordering Zambia, Tanzania and Mozambique. It has a total area of 118,484 sq. km. including 2428 sq. km. of inland water and is aligned along the southern continuation

<sup>24</sup> Ibid

<sup>&</sup>lt;sup>25</sup> "Africa South of the Sahara-2007", 36<sup>th</sup> edition (London & New York: Europa Publication, 36<sup>th</sup> Edition, 2006), pp.534.

<sup>&</sup>lt;sup>26</sup> Ibid. pp.687.

of the east African rift valley system. Malawi is the only country in the Southern African region which has formal diplomatic ties with South Africa, with consequent close economic and security relations and an inhospitable environment for the liberation movement. Labour has been a Malawian resource for many years and thousands of migratory workers seek employment in neighbouring countries, particularly in South Africa. Malawi import from South Africa in 2004, 32,221 k million and export Malawi to South Africa is 7,706 k million in 2004.<sup>27</sup>

Mauritius: The Republic of Mauritius, comprising the islands of Mauritius and Rodrigues, together with the Agalega Island and the Cargados Carajos Shoals, lies in the Indian Ocean 800 km east of Madagascar. The island of Mauritius covers 1,865 sq. km. in area and a volcanic island. The population is of mixed origin, including people of European, African, Indian and Chinese descent. English is the official language, and Creole (Kreol), derived from French, the lingua franca. The most widely spoken languages at the 2000 census were Creole (38.6%) and Bhojpuri (30.6%), a Hindi dialect. Mauritius has achieved good rates of economic growth during the past two decades. Tourism is one of the most important sources of foreign exchange, and has become increasingly important with the diminution of that from sugar and textiles. Its export to South Africa 796 million rupees (rupee is the national currency of Mauritius) and import from South Africa is 8,001 million rupees in 2005. 28

Tanzania: The 945,087 sq. km. of the United Republic of Tanzania (incorporating mainland Tanganyika and a number of offshore islands, including Zanzibar, Pemba, Latham and Mafia) have a wide variety of land forms, climates and peoples. The country includes the highest and lowest points in Africa- the summit of Mt. Kilimanjaro (5,892 m above sea-level). Dar-es-salaam is the main port, the dominant industrial centre, and the focus of government and commercial activity. The country includes the highest and lowest points in Africa- the summit of Mt. Kilimanjaro (5,892 m above sea-level). Dar-es-salaam is the main port, the dominant industrial

<sup>&</sup>lt;sup>27</sup> Ibid. pp.713.

<sup>&</sup>lt;sup>28</sup> "Africa South of the Sahara-2007", 36<sup>th</sup> edition (London & New York: Europa Publication, 36<sup>th</sup> Edition, 2006), pp.787-788.

centre, and the focus of government and commercial activity. Its imports with South Africa306.3 US\$ million and export to South Africa39.1 US\$ million in 2003.<sup>29</sup>

Zambia: South African-Zambian relations until 1990 were shaped by Zambia's support for antiapartheid movements inside South Africa, by its agreement to allow anti-South African SWAPO guerrillas to operate from Zambia's territory, and by its anti-RENAMO assistance to government forces in Mozambique. As one of the leaders of the frontline states against South Africa, Zambia provided safe haven for the ANC, which had its headquarters in Lusaka, prompting military reprisals by South Africa in the late 1980s. Relations between the two countries improved as apartheid was being dismantled in the early 1990s, leading to several visits by the two countries' leaders. Then-President Kaunda visited South Africa for the first time in February 1992, and the two countries established diplomatic ties and began to normalize trade relations later that year. (Zambia was already South Africa's second largest African trading partner.) President de Klerk visited Lusaka in mid-1993, the first visit by a South African Head of state. In 1994 South Africa continued to be the most important source of Zambian imports--mostly machinery and manufactured goods--and the two countries were exploring new avenues for trade during the rest of the 1990s.<sup>30</sup>

#### **2.1.1. NATURAL RESOURCES:**

South Africa has rich natural resources in the World which are the essential things for social and economic development in the country and rest of the world, particular in Southern Africa. It is the world's largest producer and exporter of gold and platinum and also exports a significant amount of coal. South Africa is very rich in mineral resources such as, Gold, chromium, antimony, coal, iron ore, manganese, nickel, phosphates, tin, uranium, gem diamonds, platinum, copper, vanadium, salt, natural gas are found in South Africa. In agriculture corn, wheat, sugarcane, fruits, vegetables; beef, poultry, mutton, wool, dairy products are found in South Africa. Thus, South Africa's geographical importance in SADC and rest of the African continent is very much high as on.<sup>31</sup>

<sup>&</sup>lt;sup>29</sup> Ibid., pp.1191-92.

Accessed on 2<sup>nd</sup> May (2008), URL: http://www.britannica.com.

<sup>&</sup>lt;sup>31</sup> South African Yearbook of International Affairs: 2000-2001. Pretoria Alexander Johnston Foreign Policy, No. 110, Special Edition: Frontiers of Knowledge.

Agriculture: South Africa's diverse climate permits the cultivation of a wide range of crops, even though only 13% of the land surface is suitable for arable farming, owing largely to inadequate or erratic rainfall, and only 11% of the total land area, or 132,000 sq km, is under major crops. Topographic difficulty is the main factor limiting the extent of irrigation, although ambitious irrigation schemes are expected eventually to increase the total irrigated area by about 300,000 ha, or 37.5%. South Africa has a dual agricultural economy: a well-developed commercial sector and a predominantly subsistence-oriented sector in the traditionally settled rural areas. In monetary terms agriculture's share in the economy has long since been outstripped by those of the mining and secondary industry. Corn, wheat, sugarcane, fruits, vegetables; beef, poultry, mutton, wool, dairy products etc. are agriculture products of

Agricultural Production in South Africa (crop years; '000 tones unless otherwise indicated) Table 2.1						
Products	2001	2002	2003	2004	2005	
Sugarcane	23,876	21,157	23,013	20,419	19,095	
Maize	7,487	9,732	9,392	9,482	11,450	
Wheat	2,504	2,438	1,547	1,687	1,804	
Grapes	1,328	1,522	1,664	1,761	1,682	
Oranges	1,118	1,263	1,267	1,330	1,140	
Potatoes	902	782	805	900	n/a	
Beef and veal	525	574	610	632	672	
Sunflower seeds	691	967	682	674	645	
milk (m liters)	2,358	2,457	2,354	2,505	2,657	

Source: Department of Agriculture, Abstract of Agricultural Statistics, 2006.

South Africa (See Table 2.1). The 2006 budget proposed a 16% increased in expenditure for the agricultural sector.<sup>32</sup>

About 13 percent of South Africa's surface area can be used for crop production. The largest area of farmland is planted with maize, followed by wheat and, on a lesser scale, sugar cane and sunflowers. The largest export groups are raw sugar, fresh grapes, citrus, nectarines, wine and deciduous fruit. Other important exports include avocados, plums, maize, black tea, groundnuts, pineapples, tobacco and cotton.<sup>33</sup>

*Fisheries*: South Africa's long coastline has few natural harbours, but close to its shores are some of the richest fishing areas in the world. The catch includes Southern Africa anchovy, Cape hakes, Southern African pilchard, Cape horse mackerel and Whitehead's round herring where fisheries production is in very develop condition. South Africa's commercial fishery industry is valued at about R2 billion annually and employs 27,000 people. The country's 2,968-kilometre coastline produces more than 600,000 tonnes of fish annually (including molluses and crustaceans).<sup>34</sup>

Mineral Resources: It is in mineral deposits that South Africa's greatest wealth lies. The discovery, first of diamonds and then, more importantly, of gold, during the latter part of the 19<sup>th</sup> century, formed the basis of the country's modern economic development. South Africa's mineral resources, outstanding in their variety, quality and quantity, overshadow all the country's other natural resources. They are mainly found in the ancient Pre-Cambrian foundation and associated intrusions and occur in a wide curving zone which stretches from Limpopo Province through the Free State and Northern Cape to the west coast. To the south of this mineralized zone, one of the richest in the world, the Pre-Cambrian rocks are covered by Karoo sedimentaries

<sup>&</sup>lt;sup>32</sup> Charles Mather "Land Reform and Agriculture" in Anthony Lemon and Christian M. Rogerson (2002), Geography and Economy in South Africa and its Neighbours, (eds.) England: Ashgate publications ltd. pp.37.

<sup>&</sup>lt;sup>34</sup> Lance van Sittert, "Leviathan Bound: Fisheries Reform in South Africa, 1994-2001" in Anthony Lemon and Christian M. Rogerson (2002), Geography and Economy in South Africa and its Neighbours, (eds.) England: Ashgate publications ltd

which generally do not contain minerals, with the exception of extensive deposits of bituminous coal, the country's only indigenous mineral fuel.<sup>35</sup>

Coal is of particular importance to South Africa because of relatively low production elsewhere in the continent south of the Equator and South Africa's current dependence on imported petroleum. There are huge reserves of coal-28,600m. metric tons, the seventh largest in the world-with a pit-head price that is probably the lowest in the world. The country's iron-ore reserves rank ninth in the world. In 2004 South Africa possessed about three-quarters of the world's reserves of manganese ore, more than two-third of the world's chromium, and more than one-half of world reserves of platinum-group metals and more than one –quarter of its zirconium-group minerals, plus a significant proportion of the world's titanium minerals and fluorspar. In addition, South Africa is a major producer of copper, lead, zinc, antimony and uranium.<sup>36</sup>

The most important mineral regions are the Witwatersrand and the northern Free State, producing gold, silver and uranium; the diamond areas centered on Kimberley, Pretoria, Jagersfontein and Koffiefontein; and the Transvaal bushveld complex containing multiple occurrences of a large number of minerals, including asbestos, chrome, copper, iron magnesium, nickel, platinum, tin, uranium and vanadium. In the Northern cape important deposits of manganese, iron ore and asbestos occur in the Postmasburg, Sishen and Kuruman areas, while in the north-western Cape reserves of lead, zinc, silver and copper are being exploited. This list of occurrences and minerals is by no means exhaustive and prospecting for new mineral resources is continuing. In 1988, a substantial reserve of natural gas and petroleum was discovered south-west of Mossel Bay, off the south coast of the Cape Province. South Africa is the world's leading producer of both gold and platinum.<sup>37</sup>

Water: The country is largely semi-arid and prone to erratic, unpredictable extremes in the form of droughts and floods. Water is most abundant in the marginal zone along the eastern and southern coastlines, remote from the major demand centres in the

<sup>&</sup>lt;sup>35</sup> Paul Crankshaw, "Mining and Minerals" in Anthony Lemon and Christian M. Rogerson (2002). Geography and Economy in South Africa and its Neighbours, (eds.) England: Ashgate publications ltd.pp.63-65.

<sup>&</sup>lt;sup>36</sup> See Europa Year Book (2005), 34<sup>th</sup> ed., Europa Publication, London, pp.1103.

<sup>&</sup>lt;sup>37</sup>Accessed on 12<sup>th</sup> March (2008),

http://www.southafrica.info/gateway to the nation/economy/infrastructure

hinterland. Rivers are the main source of water in South Africa. More than 70 percent of South Africa's water users are dependent on ground water, and 13 percent of all the water used in the country is ground water. Agriculture and irrigation are the largest users.<sup>38</sup>

#### 2.1.1. TRANSPORT AND COMMUNICATION:

South Africa's transport and communication system is well-developed in the region because of the technological development is very much high. That's why SADC member states which are less develop depend upon South Africa's transport and communication system in the region.

*Transport:* South Africa has a modern and well developed transport infrastructure. The roads are world-class. The air and rail networks are the largest on the continent. And the country's ports provide a natural stopover for shipping to and from Europe, the Americas, Asia, Australasia and both coasts of Africa. The transport sector has been highlighted by the government as a key contributor to South Africa's competitiveness in global markets. It is increasingly being seen a crucial engine for economic growth and social development. Transport in South Africa is coordinated by the Department of Transport.<sup>39</sup>

**Roads:** South Africa has the longest road network of any country in Africa. Its national road network currently covers 7,200 km. The national road system provides links to all the major centers in the country as well as to neighbouring countries. The country's primary road network is managed by the National Roads Agency (NRA), a registered company whose purpose is to maintain and develop the national road network and to manage assets with an estimated value of more than R135 billion. In 2003/04 provincial budgets for infrastructure and road development rose by 7.5% R to 5.1% R billion. Construction of the N4 Maputo Corridor Toll-Road has been completed, one of the few privately financed cross-border toll-roads in the world. <sup>40</sup>

**Rail:** South Africa has an extensive rail network - the 10th longest in the world - connecting with networks in the sub-Saharan region. The rail network in South Africa falls under the control of Spoornet, a division of Transnet Limited, and the South

<sup>40</sup> Ibid.

<sup>38</sup> Ibid.

<sup>&</sup>lt;sup>39</sup> Accessed on 2<sup>nd</sup> April (2008), URL: <a href="http://en.wikipedia.org/wiki/Transport\_in\_South\_Africa">http://en.wikipedia.org/wiki/Transport\_in\_South\_Africa</a>.

African Rail Commuter Corporation (SARCC). Spoornet runs an extensive rail network throughout the country and connects with rail networks in the region. It provides rail transport mainly for goods and containers, but also transport for passengers on the long-haul routes between major cities. Spoornet is Southern Africa's largest railroad and heavy haulier with an annual turnover of R9 billion, generated mainly by the transportation of 180 million tons of freight. The South African Rail Commuter Corporation operates the Metrorail commuter services in Cape Town, the Eastern Cape Province, Durban, and greater Johannesburg and Pretoria, focusing mainly on poorer South Africans.<sup>41</sup>

Air Ports and Shipping: The Airports Company of South Africa (ACSA) owns and operates the 11 principal airports, including the three major international airports in Johannesburg, Cape Town and Durban. The others are domestic airports in Bloemfontein, Port Elizabeth, East London, George, Kimberley, Upington and Pilanesberg. Other airports in South Africa include Lanseria, Gateway, Nelspruit and Kruger. BA/Comair, SA Express, SA Airlink, and Interair provide services within Africa and the Indian Ocean islands. In addition to serving Africa, South African Airways (SAA) operates services to major cities worldwide. Scheduled services to South Africa are offered by more than 50 international airlines. Major shipping lanes pass along the South African coastline in the south Atlantic and Indian oceans. The state-owned Transnet National Ports Authority manages the country's ports. These are: Richards Bay and Durban in KwaZulu-Natal, East London and Port Elizabeth in the Eastern Cape, and Mossel Bay. Cape Town and Saldanha in the Western Cape. Durban is Africa's busiest port and the largest container facility in southern Africa, while Richard's Bay is the world's largest bulk coal terminal.<sup>42</sup>

**Telecommunication**: The South African Telecommunications Regulatory Authority (SATRA) was officially launched in 1997 in terms of the Telecommunication Act of 1996. An independent body, it promoted quality and affordable services to those people previously denied them, smoothed the way for new operators to enter the industry and issued all new licences in the sector. South Africa has approximately 4.9 million installed exchange lines. The country has a large transmission infrastructure,

<sup>41</sup> Ibid.

<sup>&</sup>lt;sup>42</sup>Accesses on 12<sup>th</sup> March (2008), http://www.southafrica.info/gateway to the nation/economy/infrastructure

required by the vast geographical area. Covering about 156 million circuit kilometers, the transmission network is the backbone of all telecommunications services. Telkom South Africa Limited offers a wide range of telecommunications services including telegram services, telex and Teletex services, public e-mail and electronic data interchange, enhanced facsimile services, a telephone conference facility, and a nationwide network of microwave channels to link the South African Broadcasting Corporation and M-Net television studios and transmitters. <sup>43</sup>

#### 2.1.1. SOUTH AFRICA'S CONSUMPTION OF RESOURCES:

Main consumption of resources of South Africa is mining, agriculture, food stuffing and energy. South Africa holds the world's largest reserves of manganese ores, chromium, platinum group metals, vanadium, gold and alumino-silicates. Mining is the single most important source of foreign exchange earnings and it provides more than 25 percent of all income earned by African workers. In South Africa the growth in real value-added by the mining sector decelerated steadily from 4% in 2003 to 2.75% in 2004 and 2.5% in 2005. The downward trend in annual growth in the real value-added by the mining sector reflected the lower output of gold and subdued growth in diamond, coal and platinum production. The dependence of the South African economy on mining has declined, and with that also its degree of exposure to commodity prices. The production mix has also changed substantially, with the production of gold nowadays adding less value than the production of platinum group metals.<sup>44</sup>

The best-known geological formation is the extensive Witwatersrand Basin, hosting a considerable portion of the world's gold reserves, as well as uranium, silver, pyrite and osmiridium. It yields around 98 percent of South Africa's gold output. The Bushveld Complex in the North West and Mpumalanga provinces contains more than half of the world's chrome ore and platinum group metals. It also contains ores of vanadium, iron, titanium, copper, nickel and fluorspar. The Transvaal System contains more than 80 percent of the world's manganese ores and also hosts large

<sup>&</sup>lt;sup>43</sup>SADC Review 11th Anniversary: 1997-2008, www.sadcreview.com © 1997-2008 Southern African Marketing Co. (Pty) Ltd & SADC Secretariat., Site last updated on 17 August 2007.

<sup>&</sup>lt;sup>44</sup> "Africa South of the Sahara-2007". 36<sup>th</sup> edition (London & New York: Europa Publication. 36<sup>th</sup> Edition, 2006). pp.1100.

amounts of iron ore, while Mpumalanga and KwaZulu-Natal has extensive coal and anthracite deposits.<sup>45</sup>

In agriculture a decline of 1.75 percent in 2004, the real value-added by the agricultural sector increased by 5.5 percent in 2005. Field crops, which contribute about 27 percent to the real value-added by the agricultural sector, performed exceptionally well in 2005. This was mainly due to the large crop of maize harvested in the 2004/2005 season. Production in the other sub-sectors of agriculture also expanded. Despite the bumper maize crop harvested in 2005, income was adversely affected by the lower price of maize. Consequently, the acreage of maize planted was scaled down considerably in the 2005/2006 season, reducing the contribution of field crops to the real value-added by agriculture in the first half of 2006. Growth in the other sub-sectors was also modest, with good rainfall raising the carry capacity of the land and prompting farmers to hold back livestock and expand their herds, thereby reducing abattoir supplies.<sup>46</sup>

The wine and spirits industry is an important part of the agricultural sector and includes about 4,500 grape producers with an annual harvest yield of 8.3 hectolitres, of which 66 percent is used in wine making. The Wine and Spirits Agreement between South Africa and the European Union was signed on 28 January 2002 and provides for duty-free tariff quota of 42 million litres. In addition, based on the Agreement, the European Union will make available Euro15 million for restructuring the South African wine and spirits industry.<sup>47</sup>

Gross Domestic Production in South Africa by different sectors: (Table: 2.2)

Gross Domestic Product by Sector (R m; constant 2000 prices)						
Products	2001	2002	2003	2004	2005	
Agriculture, forestry, fishing	26,558	28,292	27,700	27,223	28,684	

<sup>&</sup>lt;sup>45</sup> "Africa South of the Sahara-2007". 36<sup>th</sup> edition (London & New York: Europa Publication, 36<sup>th</sup> Edition, 2006), pp.1100.

<sup>46</sup> Ibid.47 Ibid.

Mining, quarrying	63,325	63,927	66,502	68,356	69,989
Manufacturing	164,131	168,729	166,405	174,036	181,137
Electricity, gas, water	21,956	22,722	23,151	23,698	24,082
Construction	22,154	23,441	25,053	27,725	30,511
Trade, catering, accommodation	125,017	127,870	136,138	143,931	152,712
Transport, storage, communications	85,646	93,390	98,864	103,380	109,188
Finance, real estate, business services	169,015	179,623	187,062	201,170	216,632
Community, social, personal services	184,451	186,906	190,988	193,217	196,643
GDP at factor cost	862,25	894,900	921,863	962,736	1,009,578

Source: South African Reserve Bank, Quarterly Bulletin.

Energy: South Africa, supplies two-thirds of Africa's electricity, is one of the four cheapest electricity producers in the world. Ninety-two percent of South African electricity is produced from coal, with generation dominated by the utility Eskom, which also own and operate the national electricity grid. It is the world's fifth largest electricity utility, with an installed generating capacity of about 39,870 megawatts. Eskom was incorporated as a public company on 1 July 2002. South Africa has limited oil reserves and relies on coal for much of its oil production. It has a highly developed synthetic fuels industry. Sasol Oil and Petro SA are the two major players in the synthetic fuel market. Synfuels meet approximately 40% of local demand. Natural gas production in 2000 amounted to 1.7bn. cu. Meters; however, the prospects for natural gas production have increased by the discovery of offshore reserves close to the Namibian border in 2006 and will be channeled to regulate electricity during

production. South Africa uses 2,565.8 (kg. of oil equivalent per capita) energy in 2000.<sup>48</sup>

Petroleum and gas production is at the moment limited to the F-A and EM gas fields off Mossel Bay, for the Moss gas facility at Mossel Bay. The core of this is a large petrochemical plant, Petro SA, which converts the gas and condensates it into liquid fuel. The expected life of the plant is 25 years. Moss gas also produces anhydrous alcohols and specialty fuels for export, which brings in some R250 million per year. Four refineries process imported crude oil. Eight oil companies operate in South Africa under nine brand names. Refined petroleum products are exported to neighbouring countries. Sasol is the largest petrochemical corporation in South Africa.<sup>49</sup>

#### 2.2. SOUTH AFRICA INVOLVEMENT IN SADC:

South Africa's involvement in SADC, because South Africa want to explore its market in SADC and also want to secure its regional security and economic integration like SADC institution. That's why South Africa becomes member of SADC. There were a host of SADC Consultative Conference held in Johannesburg from January 23-31, 1996 discussed progress reports in various sectors which make up SADC's Rand 30 billion Plan of action, the most ambitious long term project. This was followed by a forum which was opened by President Mandela. The forum urged South Africa to drop high tariffs which rendered impossible attempts to offset the trade imbalances with the regional giant. While South Africa showed a lot of interest in the Plan of Action, as a foreign policy objective, Pretoria's relations with SADC member states include a wide and more complex variety of activities ranging from technical cooperation, trade links, environmental issues, water and sanitation, tourism, migration, refugees and crime prevention to cooperation in respect of transport and communications infrastructure and power generation. As seven of South Africa's nine provinces border countries of Southern Africa, it is of vital importance that the formulation of a foreign policy framework be determined in consultation with the

<sup>&</sup>lt;sup>48</sup> Ibid. pp.1102-1103.

<sup>&</sup>lt;sup>49</sup> Greg Mills (April, 1994), From Pariah to participant: South Africa's Evolving Foreign Relations. 1990-1994. Published by- The South African Institute of International Affairs: Johannesburg. pp.64-65.

provincial governments. This is the way the provincial governments are made to feel involved in foreign policy issues.<sup>50</sup>

The most important factor determining the nature of Southern African regionalism is South Africa's absolute dominance of the region and how to manage that dominance. The spatial configuration of development established by a particular blend of colonialism, capitalism and apartheid destabilization is characterized by intense inequality. In 1998, 73 per cent of the total GDP of SADC was produced in South Africa. Not surprisingly, therefore, South Africa dominates completely intraregional trade As a result of the Republic's relatively sophisticated manufacturing sector; it is in a very good position to export a wide variety of consumer and producer goods to a region that, with the exception of Zimbabwe, lacks a developed industrial economy. Southern Africa's striking inequalities and South Africa's hegemonic position within the sub-continent highlight the need for regional integration to incorporate some form of redistributive and compensatory mechanism that favour the least developed. Clearly, the potential for conflict between those forces advocating affirmative action to assist underdeveloped countries and those advocating open regionalism based on comparative advantage is considerable.<sup>51</sup>

South Africa and the countries of Southern Africa have developed bilateral relations though exchange of high level delegations. Practically all Heads of State of SADC countries have visited South Africa. President Mandela and his colleagues also keep visiting SADC countries. General cooperation agreements are signed with special care to ensure implementations of programmes. South Africa's relations with Zimbabwe, Namibia, Angola, Botswana and Mozambique are particularly warm. In an endeavour to overcome the shortage of funds, the government of South Africa has embarked on a programme to promote trilateral cooperation. The concept involves three parties: the recipient country, the donor and South Africa. South Africa is well placed to provide the necessary implementation capacity as a result of technology and expertise developed for and adapted to African circumstances. For the five landlocked countries of southern Africa (Botswana, Lesotho, Swaziland, Zambia, and

<sup>&</sup>lt;sup>50</sup> South African Yearbook of International Affairs: 2000-2001, Pretoria Alexander Johnston Foreign Policy, No. 110, Special Edition: Frontiers of Knowledge. pp.303.

<sup>51</sup> Regional Relations and Cooperation in Post-Apartheid South Africa: A Macro Framework Study Report (Gaborone, SADC, 1993), Para 6.9, p. 158.

<sup>52</sup> Hari Sharan Chhabra (1997), South African Foreign Policy: Principles-options-Dilemmas, African. Publications India: New Delhi, p.97-99.

Malawi), South Africa's well-developed system of roads, railroads, and port facilities provides a vital trade link. The Southern African Customs Union (SACU), headquartered in South Africa, provides a common customs area, including Botswana, Lesotho, Swaziland, and Namibia.<sup>53</sup>

#### 2.3. GEOPOLITICAL STRATEGY OF SOUTH AFRICA TOWARDS SADC:

The Post-Apartheid Government is likely to join the Southern African Development Community (SADC), but its impact remains an issue of keen debate. What is certain is that the region's future will, to a large extent, depend on what happens in South Africa under a post apartheid government. On the assumption of a stable policy and a revived economy, optimists argue that South Africa could become the 'engine of growth' for the entire region: thus capital and technical assistance would be readily available to help develop the region, while increased trade would produce benefits for all. Achieving this, however, will not be easy.<sup>54</sup>

After the collapse of apartheid, South Africa wants to continue to hold a dominant position in the external trade of several Southern African countries. In the mid-1980s, trade with South Africa accounted for over 90% of the imports of Swaziland and Lesotho and more than 35% of their exports. South Africa was also the largest trading partner of Namibia, Zimbabwe and Botswana. The imposition of economic sanctions against South Africa had no effect on trade within SACU and reduced. <sup>55</sup>

One of the central elements of South Africa's dominance relates to trade relations in the region. At the most extreme are Botswana, Lesotho and Swaziland which, as members of the South African Custom Union (SACU) are firmly integrated into South Africa's trading orbit. Except for Angola and Tanzania, which have no economic relations with South Africa, the rest of SADCC members obtain half of their total imports from South Africa. In 1984, Botswana, Lesotho, Swaziland and Zambia ran trade deficits of over \$100 million vis-à-vis South Africa. Although

<sup>53</sup> Ibid.

<sup>&</sup>lt;sup>54</sup> J.E.Spence (eds), *Change in South Africa*, 1994, The Royal Institute of International Affairs. Pinter Publishers, London.

<sup>55</sup> Stephen R. Lewis Jr., "Some Economic Realities in Southern Africa: One Huindered Million Futures" in Coralie Bryant. 41.

Zimbabwe had a trade balance with South Africa in the same year, the latter is its largest trading partner,, and the largest single market for its manufactured exports.<sup>56</sup>

In 1985 trade flows between South Africa and the SADC countries exceeded intra-SADC transactions by 4:1. While there some debate about the magnitude of trade between South Africa and SADC, the strategic importance of South Africa is clearly evident. It is estimated that in 1990 SADC members sent 30 per cent of their imports were sourced in the Republic. SADC members in SACU, the BLS countries and Namibia, make up a large proportion of this percentage. Manufactured goods continue to constitute the bulk (up to 95 per cent) of imports in the SADC countries, except Zimbabwe. The SADC's export of merchandise and services to SADC destinations more than double between 1984 and 1987, underlining the importance of SADC market for South Africa's manufacturing industry. The constraints acting against any increase in regional trade are a lack of tradable goods and services, a similarity, if not uniformity, of products and serious payment and foreign exchange problem in most SADC member states.<sup>57</sup>

Although these relations came under strain during the period of conflict in the 1980s the essential regionality of Southern Africa has remained intact. The programmes and policies of the SADCC, as it then was, while aiming to reduce dependence on South Africa, "were premised on strengthening co-operation among member states, and the degree to which ties with South Africa were reduced was actually very modest." The second reality is that Southern African regional economy is characterized by acute structural imbalances and great unevenness and disparities.

#### 2.3.1. BEFORE JOINING SADC:

In the beginning of the 1990s South Africa remained an important trading partner for all SADCC states except Angola and Tanzania. According to the Development Bank of South Africa (1990), South African imports dominated the

Stephen R. Lewis Jr., "Some Economic Realities in Southern Africa: One Huindered Million Futures" in Coralie Bryant, 41.

Gavin Massdorp\* Alan Whiteside, Rethinking economic cooperation in Southern Africa: Trade and Investment, Johannesburg: Konrad-Adenauer-Shifting, February 1993, p.9.

<sup>\*</sup>According to Gavin - Massdorp and Alan Whiteside, the value of intra- SADC trade is approximately 4% of the total trade of SADC countries; 25% of total trade is South Africa There is a severe imbalance in trade between South Africa and the region: 5.5:1 in favour of South Africa.

58 Ibid.

markets of Lesotho and Swaziland (both 90 per cent) and Namibia (75 per cent), and were the single most important source of Malawi, Zambia and Zimbabwe. That SADCC was not able to reduce its dependence on South Africa is not altogether surprising given the relative size, diversity, sophistication and regional competitiveness of the South African economy. In addition, Pretoria's policy of regional destabilization enforced SADCC's dependence on South Africa.<sup>59</sup>

The SADCC, new organization almost immediately faced opposition from various quarters. The greatest opposition came from the white minority regime of South Africa. This was quite expected because the white regime could not relish the idea of the black state of the Southern Africa trying to free themselves from its economic clutches. Moreover, the establishment of the SADCC sought to nullify the efforts of the white minority regime of South Africa to launch arrival organization, the Constellation of Southern African States (CONSAS) which would have fortified the dependency relations between the black states and South Africa. Enraged by the establishment of the SADCC, South Africa launched a devastating campaign of military aggressions and economic and political destabilization in the region, targeted mainly at the region's transport facilities. South African troops occupied Southern Angola, South Africa encouraged, armed and supported rebel movements in Angola, Mozambique and elsewhere in the region; South African commandos were active in a terror campaign of murder and destruction in the neighbouring countries. The entire region was, in fact, under siege. It has been estimated that material destruction and lost economic production in Southern Africa amounted to US\$ 60 billion between 1988-89.<sup>60</sup>

As in trade relations, the SADCC states depends on South African investment-in mining, manufacturing, distribution and tourism. In alliance with foreign capital, South African companies are involved in mining and manufacturing in Botswana, Lesotho, Malawi, Zambia and Zimbabwe. Of all the areas of SADCC's dependence on South Africa, transport and communications is the most significant. The extent of dependence on the South African Transport Service (SATS) is underscored by the fact

<sup>&</sup>lt;sup>59</sup> Gibb, R.A. & Michalak, W. (1994), 'Continentals Trading Blocs: the Growth of Regionalism in the World Economy', John Wiely, Chichester, pp. 19-23.

<sup>&</sup>lt;sup>60</sup> http://www.britannica.com/eb/ southafrica Encyclopædia Britannica, Online Inc.Accesses at May19, 2008.

that six of the nine states—Botswana, Lesotho, Swaziland, Zambia and Zimbabwe—are landlocked; only Tanzania, Angola and Mozambique had usable port and harbor facilities. South Africa has 75 percent of the sub continental rail network and the most efficient ports. <sup>61</sup>

South Africa's GDP after before SADC, Table 2.3

Countries	GDPs in dollars		
Lesotho	0.6		
Swaziland	0.9		
Mozambique	1.2		
Malawi	2.0		
Namibia	2.2		
Tanzania	2.2		
Botswana	3.6		
Zambia	3.8		
Zimbabwe	5.5		
Angola	7.7		
South Africa	91.2		

Data source: World Bank, World Development Report, 1993, New York; Oxford University Press, 1993.

In certain quarters, it was suggested that SADCC would be irrelevant after apartheid, and that South Africa, once politically acceptable, would assume the role of regional power to dominate, lead and give assistance to the rest of the region. In the latter connection, there were even suggestions that cooperating partners might then disengage from Southern Africa, in deference to South Africa playing the role of regional donor.

South Africa's regional strategy shifted significantly in 1978 with its decision to forge a regional "constellation" of moderate states. The policy was based on the premise that black rule in the region would not threaten the South African status quo as long as neighbouring countries could be kept weak, dependent and compliant. A primary objective was to isolate and ultimately to defeat Marxist governments and liberation groups in the region. South Africa also hoped to coerce its neighbours into expelling the ANC and softening their antiapartheid stances. It was hoped that a gradual acceptance of the "independence" of the homelands would develop within the

<sup>&</sup>lt;sup>61</sup> Gavin Massdorp, "*Trade Relations in Southern Africa-Changes Ahead*?", in Gavin Massdorp Alan Whiteside (1992) Towards Post-Apartheid Future: Political and Economic Relations in Southern Africa, Hampshire: Macmillan Press.

regional alliance. The new strategy also sought to consolidate the region's economic dependence on South Africa by increasing trade and investment.<sup>62</sup>

#### 2.3.2. AFTER JOINING SADC:

When South Africa was the process to join SADC then South Africa's GDPs was estimated to 91.2 in U.S. dollars but the combined GDPs of SADC member countries was only expected 29.7 in U.S. dollars, which had no match to South African economy. With a combined population of some 75 million (1990), the ten SADC states- Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe- stand to gain from South Africa's inclusion into the organization. Moreover, South Africa's GDP is almost four times the size of the SADC's and its total imports and exports are about three times the value of the combined trade of its neighbours. While South Africa's technical and financial expertise may prove beneficial, it is exactly this economic supremacy that frightens a number of the neighbouring states. However, a third view- that held by the ANC assumes that South Africa will exercise restraint and sensitivity in its relations with its neighbours, if only to avoid accusations that the new government, like its predecessor, is bent on dominating the region by virtue of its superior economic and political muscle. This is Nelson Mandela's view:

Southern Africa will... only prosper if the principles of equity' mutual benefit and peaceful cooperation are the tents that inform its future. Reconstruction cannot be imposed on the region by external forces or unilaterally by ourselves as the region's most powerful state. It must be the collective enterprise of Southern Africa's people. Democratic South Africa will, therefore, resist any pressure or temptation to pursue its own interests at the expense of the sub-continent.<sup>65</sup>

The premier position of South Africa in the region gives it to dominant role in controlling the structures of regional finance and credit. In Zimbabwe, for example, an estimated 25-30 percent of privately owned capital stock is reckoned to be South African, although there has been a small reduction since 1990. It is estimated that South Africans own approximately 40 percent of registered industrial enterprises in

<sup>62</sup> Ibid.

<sup>&</sup>lt;sup>63</sup> World Bank, (1993), 'World Development Report', 1993, New York; Oxford University Press.

<sup>&</sup>lt;sup>64</sup> J.E.Spence, *Change in South Africa*, The Royal Institute of International Affairs, Pinter Publishers, London, pp.15. 1994.

<sup>65</sup> Ibid. 'South Africa's future foreign policy',pp.91.

Botswana. In Zambia, South Africa owns key mining engineering firms and dominates the freight and forwarding business through-out the region. Political normalization in the wake of the demise of apartheid has led to a rapid increase in exports to the region, but imports from the region remain low to negligible, widening the gap in visible exports between South Africa and its neighbours. South African exports to SADC countries, mainly value-added goods, increased by 30 percent between 1996 and 1997 and the figures are higher than exports to the European Union, traditionally the country's biggest trading partner. Yet import from SADC neighbours accounted for only 5 percent of South African imports, a clearly untenable situation in view of the fact that the benefits of the economic interaction accrue mostly to South Africa, reinforcing historical asymmetries and distrust of the country.

The SADC members imports to South Africa are concentrated in primary, mostly agriculture goods, competition for which among the region's nations is not likely to be lessened, and thus the terms of trade would consistently favour South Africa, unless South Africa was willing to institute a compensatory policy along the lines of the European Union's Common Agricultural policy (CAP) for Southern African farmers. After joining SADC South Africa change his strategy towards whole region. Now participating as an active member of the SADC, South Africa works for regional peace and security.

<sup>&</sup>lt;sup>66</sup> R. Davies (1997), 'South Africa and Southern Africa'. paper delivered at a conference on *South and Southern Africa: Lessons from Emerging Markets* (Braamfontein: South African Institute of International Affairs) p.3.

<sup>&</sup>lt;sup>67</sup> Trade figures and information compiled from the *Monthly Abstract of Trade Statistics*, South African Commissioner for Customs and Excise.

SOUTH AFRICA'S GDP AFTER JOINING SADC, Table 2.4

		(percent)	Per Capita GDP, 2005E	
\$26.0	15.9	27.3	\$1,734	
\$9.0	4.8	5.0	\$4,944	
\$0.4	2.8	3.1	\$724	
\$5.5	6.8	6.5	\$97	
\$1.4	3.2	3.1	\$664	
\$4.0	5.5	6.5	\$223	
\$2.5	2.0	5.5	\$215	
\$6.3	3.0	2.6	\$5,149	
\$6.0	7.7	7.5	\$304	
\$5.0	3.8	3.7	\$2,505	
\$0.7	1.0	2.6	\$8,153	
\$239.4	4.9	4.5	\$5,093	
\$2.0	1.8	2.0	\$1,763	
\$12.0	6.8	5.7	\$284	
\$7.0	4.3	6.0	\$661	
\$2.9	-10.3	-5.2	\$218	
330.1	5.7	6.3	\$4,171	
	\$5.0 \$0.7 \$239.4 \$2.0 \$12.0 \$7.0 \$2.9	\$5.0  \$0.7  1.0  \$239.4  4.9  \$2.0  1.8  \$12.0  6.8  \$7.0  4.3  \$2.9  -10.3	\$5.0       3.8       3.7         \$0.7       1.0       2.6         \$239.4       4.9       4.5         \$2.0       1.8       2.0         \$12.0       6.8       5.7         \$7.0       4.3       6.0         \$2.9       -10.3       -5.2	

Source: Global Insight

# CHAPTER-3: SOUTH AFRICA'S INTEREST IN SADC

### 3.1. BACKGROUND OF SADC:

A background study of the SADC is essential to understand the vital and multiple interest of South Africa in the region. The Southern African Development Coordination Conference (SADCC) was established in Lusaka in 1980 following the adoption of Lusaka Declaration-Southern Africa towards economic liberation. The basic aim of SADCC was to reduce its members' economic dependence on apartheid South Africa and to promote regional economic development. SADCC's original strategy was to concentrate on promoting co-operation in the field of infrastructure, so that the SADCC members did not depend on South Africa's transport and port facilities.<sup>1</sup>

The setting of the Southern African Development Community (SADC), which was preceded by the Southern African Development Coordination Conference (SADCC), was possible as the result of the positive experiences of close co-operation gained in the political field by the governments and people of Southern Africa. The most immediate basis of the formation of the SADCC was the historic role played by the Front-Line states comprising Angola, Botswana, Mozambique, Tanzania, Zambia and Zimbabwe in the struggle against colonialism, racism and white minority regime in Southern Africa. The genesis of this group, that was to constitute the vital rear base of the liberation struggle in South Africa, was in itself an aspect of the process of regional co-operation. The concept of the Front-Line state was born as a result of the encouragement given by the Organization of African Unity (OAU) and its liberation Committee, and on the basis of Tanzania's role as the main rear base of the liberation struggles in Southern Africa.<sup>2</sup>

The organization of Front-Line states was formally constituted in 1975. The expansion of the group of the Front-Line states started from 1969 onward when Botswana began adopting 'northward-looking' policy in spite of its being extremely dependent upon South Africa. Botswana repeatedly called for the imposition of sanctions against South Africa. Sir Seretse Khama, President of Botswana, was extremely outspoken in his opposition to *apartheid*, and in asserting that Botswana

<sup>&</sup>lt;sup>1</sup> Chhabra Hari Sharan, (1997) South African Foreign Policy, principles-options-dilemmas; Africa Publications (INDIA) New Delhi, pp.101.

<sup>&</sup>lt;sup>2</sup> Ibid.

was an independent African state and not a 'Bantustan'. He also supported the armed struggle "when all other paths were closed" to the people of Southern Africa; and condemned western arms supplies to South Africa. Botswana's courageous stand played a very important role in drawing closer to Black Africa some other countries of Southern Africa which were not prepared to take a strong stand against South Africa on the issues of apartheid and Namibia. It was a significant achievement of the Front-Line states, and a boost for the struggle that they supported in Southern Africa. These Front-Line states include Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe. The group of Front-Line states played a very important role in the effort to solve numerous problems of Southern Africa. It looks a very firm stand on the question of majority rule in Southern Rhodesia (now Zimbabwe), and it was because of its efforts that the patriotic Front of the ZANU and the ZAPU was formed.4

The role and activities of the Front-Line states was necessary to highlight the fact that, through its activities, the independent states of Southern Africa got the first hand experiences of working together in pursuit of common goals. This co-operation among the Front-Line states in the political sphere laid a strong foundation for regional co-operation in the economic sphere. The leaders of the Front-Line states realized that national independence would meaningless and incomplete without economic independence. Liberation from the economic stranglehold of South Africa thus became the chief concern of the group of Front-Line states. The need to work together, rather than individually, became increasingly apparent to the leaders of Southern Africa as a pre-condition for political survival, economic development and social advancement.5

In May 1979, the Foreign Ministers of the Front-Lines States met in Gaborone, Botswana to discuss the question of economic co-operation among the states of Southern Africa. It was at this meeting that the decision to launch the SADCC was taken but, prior to that, a lot of preparatory work had to be done. This meeting had been also decided to convene an international conference in Arusha,

Motlhabane Maphanyane (1994), Southern Africa: IN search of Common Further (Gaborone. Southern Africa Development Community, p.8

<sup>&</sup>lt;sup>4</sup> S.C. Saxena (2001), "Africa: Economic and Strategic Issues", Kalinga Publication, New Delhi: India p.263.

Ibid. pp 264.

Tanzania, of donor governments and international development institutions.<sup>6</sup> The Arusha Conference took place in July 1979, bringing together, for the first time, government and international agency representative all parts of the world to discuss regional co-operation in Southern Africa. The Arusha pushed forward the idea of launching the SADCC as a front organization for a coordinated economic and social development of Southern African States.<sup>7</sup>

The Arusha conference, in turn, led to the landmark Lusaka Summit, held in 1st April 1980. At this Summit, The nine majority-ruled states of Southern Africa-Angola, Botswana, Lesotho Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe joined the organization and declared their commitment "The purpose and policies aimed at economic liberation and integrated development of our national economies." The Summit adopted the historic Lusaka declaration entitled "Southern Africa: Toward Economic Liberation" as well as a programme of Action. The Lusaka declaration also identified the main areas of development which would receive the attention of states in Southern Africa. The first priority was given to transport and communication. This was because the goal of economic liberation would require the creation and operation of adequate transport and communication links with its natural partners to replace the artificial ones which bound it to South Africa. The Lusaka declaration also envisaged concentrated action in other areas to such as development of regional trade system, prevention of environmental degradation and desertification, combating foot and mouth disease, exploitation of natural resources, increasing food production etc.8

Botswana was subsequently selected as chairman and headquarters of the SADCC when it was founded on 1<sup>st</sup> April in 1980. In his opening statement at the summit meeting on Southern Africa Development Coordination Conference (SADCC) on 1-2 April 1980, Sir Seretse Khama, President of Botswana, conceded that some degree of interdependence in this world was inevitable. What the states of Southern Africa were seeking to achieve was 'the ability to exercise some degree of

<sup>&</sup>lt;sup>6</sup> Southern African Development Community: Handbook, Gaborone, SADCC, 1994, p.4.

<sup>&</sup>lt;sup>7</sup> Ibid.

<sup>&</sup>lt;sup>8</sup> S.C. Saxena (2001), "Africa: Economic and Strategic Issues", Kalinga Publication. New Delhi: India p.265.

choice which ensure against domination by one powerful partner. He said: "We are looking for choice of transportation routes, choice of market, choice of sources of energy and choice of investment partners." Significantly, Sir Seretse Khama said: "It is not our objective to plot against anybody or any country but, on the contrary, to lay the foundation for the development of a new economic order in Southern Africa and forge a united community wherein will be our strength for survival in the future." At the opening of the Economic Summit of the Majority-Ruled states for Southern Africa in Lusaka on 1st April 1980, President Kaunda of Zambia said: "Let us form a powerful front against poverty and all its offshoots of hunger, ignorance, disease, crime and exploitation of man by man. Let us form an African Movement to wage a militant struggle against poverty. Let this summit be our workshop for sharpening our tools, forging new weapons, working out a new strategy and tactics for fighting poverty and improving the quality of life of our peoples."

It was under these conditions that the SADCC was founded. Countries that maintained large vested economic and strategic interests in South Africa were also sceptical of, if not hostile to, the SADCC. They opposed sanctions against South Africa, and saw the creation of the SADCC as part of the strategy to confront South Africa.

### 3.1.1. SADCC to SADC:

The SADCC was formed on 1<sup>st</sup> April 1980 soon after the Lusaka Declaration was adopted. Over the years, it is witnessed that SADCC failed in its endeavours to promote meaningful progress towards regional economic integration. SADCC's integrative strategy deliberately avoided competition, duplication and free market strategies in favour of project co-ordinate regional integration and, in so doing; it totally rejected the neo-classical open regionalism model.<sup>13</sup> The limitations of this 'project co-ordination' approach were recognized in the 1992 SADCC Theme Document:

<sup>&</sup>lt;sup>9</sup> See, President Seretse Khama's statement in *Southern Africa: in search of a Common Future*, op. Cit., p. 127

<sup>&</sup>lt;sup>10</sup> Ibid.

<sup>&</sup>lt;sup>11</sup> Ibid.,p. 128

<sup>&</sup>lt;sup>12</sup> See, President Kenneth Kaunda's statement in *Southern Africa: in search of a Common Future*. op. Cit., p.132.

<sup>13</sup> Ibid.

The level of integration which currently exists among the ten SADCC member states... remains extremely modest... regional project co-ordination... has been recognized as having only a limited impact in promoting deeper or wider co-operation and integration.<sup>14</sup>

The principle manifestation of this failure to integrate was the persistently low level of intra-regional trade, standing at 5% or less in the period 1980-94. This lack of intra-regional trade was the result of several contributory factors, of which the lack of complementarily between national economies was prominent: most countries export agricultural and mineral commodities for which the major markets are in developed industrial economies. Other constraints to intra-regional trade include uncompetitive industries, small markets, inadequate infrastructure, under developed financial and capital markets, and a lack of modern technology and skills.<sup>15</sup>

By the late 1980s, it had become apparent to the SADCC policymakers that the organization needed to be strengthened. The challenges presented by the profound socio-economic changes taking place in the region as well as globally necessitated a review of the Organization's mandate and priorities. Up to that time the SADCC had existed as a *de facto* international organization without a treaty or legally binding instrument. The SADCC actually operated on the basis of a Memorandum of Understanding adopted by the Summit in July 1981. Some critics therefore suggested that the absence of a treaty and a formal legal status meant that the SADCC was not the truly a regional organization. However, the approach of the founding fathers of the SADCC was that the Organization should demonstrate practical benefits of regional co-operation without placing heavy demands on member states at an early stage. The emphasis was on coordination of discrete projects within sectors coordinated by member states themselves. Hence, a formal treaty was not considered essential to promote the objectives of the SADCC. <sup>16</sup>

In 1989, the Summit of Heads of State and Government meeting in Harare, Zimbabwe, decided that the SADCC should be formalised to give it in an appropriate legal status taking into account the need to replace the Memorandum of

<sup>&</sup>lt;sup>14</sup> Southern African Development Community: Handbook (Gaborone, SADCC, 1992a), p.22.

<sup>15</sup> Ibid.

<sup>&</sup>lt;sup>16</sup> Richard Gibb, "Regional Economic Integration" in Anthony Lemon and Christian M. Rogerson (2002), Geography and Economy in South Africa and its Neighbours, (eds.) England: Hampshire. Ashgate publications ltd. P.278.

Understanding with an Agreement, Charter or Treaty. After four years of preparatory work and consultations, a strong consensus evolved indicating that member states wanted the mandate and mission of the SADCC to focus on concerted efforts towards deeper regional co-operation, beyond mere coordination of development projects for equitable integration of their economies. On 17 August 1992, the Head of State and Government met in Windhoek, Namibia and signed a Declaration and Treaty establishing the Southern Africa Development Community (SADC). Whereas the old SADCC sought to coordinate the economies of member states, the new SADC, on the other hand seeks to integrate them into a single whole. <sup>17</sup>

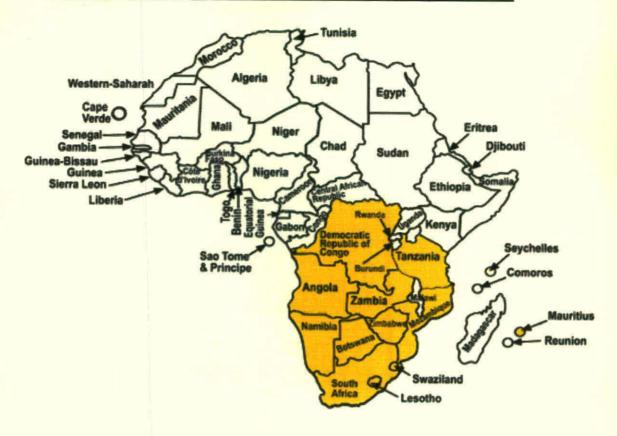
SADC is a dynamic organization that has experienced several enlargements, including Namibia (1990), the customs union approach (1994), Mauritius (1995), the DRC and the Seychelles (both 1997). Now fourteen members' states of SADC are Angola, Botswana, Democratic Republic of the Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. Although the fourteen states comprising SADC the addition of new members has made the organization significantly more diverse. In terms of political stability, economic infrastructure and resources, language and colonial legacies, SADC exhibits considerable internal diversity. This diversity is a particular challenge to an organization like SADC whose political institutions decision-making processes are widely regarded as inadequate.<sup>18</sup>

SADC's aim is to provide for regional peace and security, sectoral cooperation and an integrated regional economy. As a regional institution, it has laid the
basis on which regional planning and development in Southern Africa could be
pursued. The emphasis of the new organization changed from "development
coordination" to "development integration". In its new form SADC now provides the
desired instrument by means of which member countries can move along the path
towards economic integration. During the formative period, the limited size and weak
structure of most of the individual economies in SADC was interpreted as a ground to
undermine arguments in favour of promoting regional integration. However,
regionalism in Southern Africa, or anywhere else for that matter, can only be as strong
as its constituent parts. In other words, regional integration is limited by the strength

<sup>17</sup> Ibid.

<sup>&</sup>lt;sup>18</sup> Ibid. pp279.

## Member Countries of SADC in Africa and the Logo of SADC







of participating member states and in Southern Africa those states are, on the whole, extremely weak, both economically and politically. 19

Generally speaking, the establishment of the SADC to replace the SADCC was necessitated due to increased globalisation during 1990s. Over the years, the SADCC witnessed some of below-mentioned factors which forced to renew it. Firstly, the international environment of the early 1990s was much less accommodating than it had been in 1980. Western countries generosity was waying-assistance to Eastern Europe and Russia clearly was more important to them than to sustain a venture that failed to "take of". 20 Secondly, the SADCC also felt threatened by pressures to merge with the Preferential Trade Area (PTA) for Eastern and Southern Africa. Thirdly, South Africa's return to international acceptance would deprive the SADCC of its raison d'etre, since this organisation was set up primarily to reduce dependence on that country. Fourthly, the founders of the SADCC saw an urgent need to prepare for the day when South Africa would be free to assert itself in the region unencumbered by international censure and sanctions. Fifthly, and finally, the SADCC, being concerned only with coordination and co-operation, was downgraded in favour of the PTA which was aiming at a free trade area as a step towards further economic integration.<sup>21</sup>

The rethinking of the SADCC's objectives and *modus operandi* occasioned by these developments crystalised in a policy document entitled, SADCC: Towards Economic Integration, and approved by the Organization's Maputo Conference in January 1992.<sup>22</sup> The paper proposed a systematic progression towards closer regional ties and a more regimented policy approach. It laid the foundation for the treaty of August 1992 which founded the SADC.<sup>23</sup>

The SADC has inherited the institutional structure of the SADCC created by the aforesaid Memorandum of Understanding as amended on 22 July 1982. The

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<sup>&</sup>lt;sup>19</sup> Ibid. pp279.

<sup>&</sup>lt;sup>20</sup> Children on The Front-Line: The Impact Of Apartheid, Destabilization and warfare on children in Southern and South Africa (New York, UNICEF, 1989), p.38.

<sup>&</sup>lt;sup>21</sup> Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe. See Cape Times, 18 August 1992; and weekly Mail, 21-27 August 1992.

<sup>&</sup>lt;sup>22</sup> Richard Gibb, "Regional Economic Integration" in Anthony Lemon and Christian M. Rogerson (2002), Geography and Economy in South Africa and its Neighbours, (eds.) England: Hampshire, Ashgate publications ltd. P.276. <sup>23</sup> Ibid.

SADC added some new structures such as National Contact Pointed, Sectoral Contact points and the Tribunal. We now turn our attention to the consideration of these organs or institutional structures. It appears that in many respects SADC is merely a renamed SADCC. SADCC's purpose was to reduce the dependence of South Africa's neighbiurs on its white-controlled economy. SADC, incorporating the same ten member-states as SADCC, plans to develop a common market with a regional parliament to, *inter alia*, and defuse the threat of economic domination from a powerful post-apartheid South Africa. What was, as SADCC, a 'gentlemen's agreement', has now become framework for integration in economic affairs. As on organisation; the SADC has a great deal of legitimacy and has built a sense of regional belonging among its member governments. Within the SADC context, integrated development of the region as a whole is a priority. Despite the vast disparities in the levels of development and structural features of the twelve SADC member countries, there is vast potential for all too significantly benefit from regional integration and co-operation. Es

It is important to remember, however, that South Africa's ability to coordinate, for example, regional transport and power networks, and an even security
action is substantially greater than the expertise in the neighbouring states and in
SADC. This could severely undermine the rationale of the Development Community
in a post-apartheid region. After all, in 1987, for example, all SADCC members had
more trade with South Africa than with their partners combined, and total SADCC
trade with the Republic was roughly six times higher than all intra-SADCC trade.<sup>26</sup>
The membership and purpose of SADCC/SADC could be further destabilized if, as is
suggested in some quarters, Lesotho and Swaziland opted for closer economic
incorporation with a 'new' South Africa.<sup>27</sup> The setting of the SADC replacing the
SADCC did not mean simply a change in name. The SADCC was a loose and
informal grouping whose primary task was to facilitate coordination of member
states' development programmes and projects. The SADC, on the other hand, intends
to go beyond coordination; it aims at integrating or bringing together not only

<sup>&</sup>lt;sup>24</sup> Ibid.pp.277

<sup>&</sup>lt;sup>25</sup> Ibid.

<sup>&</sup>lt;sup>26</sup> Ibid.pp.278

<sup>&</sup>lt;sup>27</sup> S.C. Saxena (2001), "Africa: Economic and Strategic Issues", Kalinga Publication, New Delhi: India p.265.

economies of member states but the people of the region as well. The aim of the coordination advocated by the SADCC was to reduce dependence on South Africa, without which black states could not achieve "economic liberation" and "genuine" political liberation. On the other hand, the aim of the SADC is to "achieve development and economic growth, alleviate poverty, enhance the standard and quality of the life of the people of Southern Africa", "promote self-sustaining development on the basis of collective self-reliance", "achieve complementarily between national and regional strategies and programmes", and "strengthen and consolidate the long standing historical, social and cultural affinities and links among the people of the region."<sup>28</sup>

The aim of SADC is to create a Community providing for regional peace and security, and an integrated regional economy. As a regional institution it has laid the basis on which regional planning and development in southern Africa could be pursued. It also provides the desired instrument by means of which member states should move along the path towards eventual economic integration. Furthermore, SADC also forms one of the building blocks of the African Economic Community (AEC).

### **3.1.2. INSTITUTIONAL STRUCTURE:**

At present SADC consist of the following fourteen countries: Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. The organizational structure of SADC is complex but can be simplified into two basic components. First, there are those institutions, the 'Summit' and 'Council' of Ministers', responsible for overall policy direction. The summit is made up of the Heads of States or Government and the Council is comprised of ministers from each of the fourteen member states, usually those concerned with economic trade issues. The council advises the summit on policy matters and approves SADC policies, strategy and work programmes. However both the Summit and Council meet infrequently, perhaps once or twice a year under normal circumstances. Decision in both the Summit and Council are taken by consensus, with each state having a *de jure* right of veto. The Summit is characterized by 'an

<sup>&</sup>lt;sup>28</sup> Ibid.pp.281.

atmosphere of ritualized diplomatic politeness and protocol' where diplomatic etiquette prevents substantial critique of other member states. The real horse-trading takes place in the Council, again on the basis of consensus.<sup>29</sup> In order to implement the programme, the organizational and operational structure of SADCC was deliberately decentralized with functions and responsibilities shared between member states and the secretariat. Each member was allocated an area of co-operation to coordinate. This implied that each member state was expected to propose sectoral policies, strategies and priorities for discussion and adoption by the organization; monitoring progress in the implementation of the programme and reporting to the Council of Ministers. The principle organs or institutional structures of the SADC are as follows:

- a. *The Summit:* the Summit consists of Heads of state and Government of all member states; it meets at least once a year. The Summit is the supreme of the SADC responsible for the overall policy direction of the organization. The Chairman and Vice-Chairman are elected for an agreed period. The SADC Summit is responsible for creating commissions and other institutions, as well as for the appointment of the Executive Secretary and Deputy Executive Secretary of the Organization.
- b. *The Council of Ministers*: It consists of one Minister from each member state, preferably a minister responsible for his country's economic planning or finance. The Council is responsible for overseeing the proper functioning of the SADC. It ensures that policies decided upon by the Summit are properly implemented. The Council advises the Summit on policy matters and approves SADC policies, strategies and work programmes. One of the major tasks of the Council is to decide upon sectoral areas of co-operation and the allocation of responsibility for carrying out these sectoral activities. The Chairman and Vice-Chairman of the Council are appointed by member states holding the chairmanship of the SADC respectively.
- c. Sectoral Committees and Commissions: The SADC is assisted by a number of commissions and sector coordinating units to guide and coordinate regional

<sup>&</sup>lt;sup>29</sup> James Sidway Richard Gibb, "SADCC, COMESA, SACU: Contradictory Formats for Regional 'Integration' in Southern Africa?" in David Simon South Africa in Southern Africa: Reconfiguring the Region, Oxford: James Currery, 1998.pp.168.

policies and programmes in specific areas. The sectors are allocated to individual member states to coordinate and provide regional leadership. Sectoral activities are supervised by Sectoral committees of Ministers. The Minister representing the sector coordinating country chairs the Sectoral Committee of Ministers. Sectoral Commissions may be established as and when necessary through a convention or other instrument approved by the Summit and ratified by member states. Commissions are regional institutions supported by all member states, whereas Sector Coordinating Units are part of the national governments staffed mainly by civil servants of the sector coordinating country. Sectoral Committees and Commissions report to the Council of Ministers.

- d. *Standing Committee of Officials:* Each member state is represented in the Standing Committee by a Permanent Secretary or an official of equivalent rank. The official usually comes from a Ministry responsible for economic planning of finance. The Standing Committee acts as a technical advisory Committee to the Council to whom it reports. This group also meets at least once a year.
- e. *National Contact Points:* In every member state the National Contact Points are located in the Ministry responsible for SADC matters and act as vital links between other agencies of the government and the SADC organs. The responsibility of National Contact Points also includes regular consultation with and briefings of relevant government institutions, the enterprise community and media and matters relating to the SADC.
- f. Sectoral Contact Points: These constitute the grass root level in the SADC organisational structure. All government Ministries with line responsibilities for the SADC sector (s) are sectoral contact points and work closely with the respective sector coordinating units in the preparation of sectoral policies and strategies, and formulation of project proposals. Sectoral contact points attend and participate in sectoral meetings and assist sector coordinating units in monitoring the projects.
- g. *Secretariat:* As the principal executive institution of the SADC, the Secretariat of often strategic planning and management of SADC programmes. Headed by the Executive Secretary, who is the appointed by the Summit, the Secretariat is responsible for implementing decisions made by the Summit and the Council. The

Secretariat organises and manages SADC meetings and is charged with the task of financial and general administration of the Community.

h. *Tribunal:* A Tribunal shall be constituted to ensure adherence to and proper interpretation of, the provision of the SADC Treaty and subsidiary instruments and to adjudicate upon disputes referred to it. The compositions, powers, functions, procedures and other related matters governing the Tribunal will be prescribed in a Protocol to be adopted by the Summit. Decision by the Tribunal shall be final and binding. The SADC Tribunal has not yet been constituted.

**Procedure for decision making:** Decisions in the SADC are reached by consensus. Some has argued that this gives the smallest and the least willing member states a disproportionate power to block progress or even a voting power. This view is not correct because consensus does mean unanimity; rather, it requires that every effort should be made to bring all member states to conform to the overwhelming view. In an organization of sovereign states there seems to be really no practical alternative to this approach.

No place for outside organization: Outside organizations are not allowed to attend the SADC meetings even as observers. Only the ANC and SWAPO were allowed to attend its meetings but that practice was followed as an exception until Namibia became independent and majority rule was established in South Africa. The ban on outside organizations enables the SADC member states to meet as family members in strict privacy. <sup>30</sup>

### 3.1.3. SECTOR-WISE RESPONSBILITIES:

This approach of co-operation has been instrumental in instilling a spirit of solidarity and identity since member states have actively participated in the administration and development of projects of direct benefit to the region, formulation of sectoral strategies and programmes and the delegation of sectoral responsibilities to sector coordinating units based in sector specialist ministries in their countries. The SADC is a highly decentralized organization. The rationale for this decentralization is to avoid the creation of a large unwieldy centralized bureaucracy, and to foster the

<sup>30</sup> Ibid. pp.266

spirit of "We" among its members, as opposed to excessive centralization which would result in SADC being perceived as "They" by the member states- a factor which has weakened regional integration efforts in Africa. The result of decentralization is that member states and their institutions have been made the primary movers of the organization and the implementers of it programmes. For this purpose, each member state has been assigned a specific sector for the purpose of coordination. Hence, to discharge its responsibilities, each member state has been created a Sector Coordinating Unit (SCU), as part of its government structure to carry out its regional mandate.<sup>31</sup> The sectors allocated to the SADC have been different member states are until 2001 as follows:

SADC Sectors of Responsibility including Southern African Government (Table 3.1)<sup>32</sup>

Coordinating country	Sectoral Responsibilities	South African National Government Departments
Angola	Energy Commission	Mineral & Energy Affairs
Botswana	Agricultural Research & Training(Southern African Centre for the Coordination of Agricultural Research-SACCAR), Livestock Production and Animal Disease Control	
Lesotho	Environment, land Management and Water	Environmental Affairs, Land Affairs and Water affairs and forestry
Malawi	Inland Fisheries, forestry and Wild Life	Agriculture Water Affairs & Forestry Environmental Affairs & Tourism
Mauritius	Tourism (Regional Tourism Organization of Southern Africa-RETOSA)	Tourism
Mozambique	Culture, Information, sport, and the Transport and Communications (Southern African Transport & Communications Commission-SATCC)	Telecommunications, Public

<sup>&</sup>lt;sup>31</sup> Ibid. pp.272.

<sup>&</sup>lt;sup>32</sup> Hari Sharan Chhabra (1997), *South African Foreign Policy: Principles-options-Dilemmas*, African Publications (India): New Delhi, pp102. & www.dfa.gov.za/foreign/sadc.htm.

Namibia	Marine Fisheries and Resources Leaffairs	egal Environmental Affairs & Tourism
South Africa	Finance, Investment and Health	Finance, Trade & Industry, Reserve Bank, Financial Services Board, Central Economic Advisory Service
Swaziland	Human Resource Development	Labour, Health, Education, Population Development & Welfare, Home Affairs, Public Service & Public Service! Commission
Tanzania	Industry and Trade	Trade and industry finance
Zambia	Employment, Labour and Mining	Mineral & Energy Affairs, labour
Zimbabwe	Crop Production, Food-Secu Agriculture and Natural Resources	rity, Agriculture Water affairs and forestry Environmental affairs and tourism Agriculture research council Land affairs

- The official website of the Department of Foreign affairs of the Republic of South Africa
- The DRC and Seychelles had no sector responsibility.

### 3.1.4. OBJECTIVE OF SADCC AND SADC:

However the treaty does not bind member states to specific actions, outcomes or targets but sets out list of general objectives are met through the use of protocols attached to the Treaty. Each Protocol, for example the Trade Protocol or the Shared Water Courses Protocol, has to be approved by the Summit, negotiated by consensus in the Council and then ratified by individual member states. Clearly, national interests have priority over regional interests. Commenting on the weakness of SADC's institutional infrastructure:

The delay in realigning institutions inherited from the coordination Conference to make them consistent with the new mandate of regional integration ... has thwarted desires to build the required institutional capacities ... for effective and efficient management of the integration process.<sup>33</sup>

Notwithstanding these institutional constraints, SADC has passed protocols on immunities and privileges for SADC personnel, drug trafficking, a Southern African energy pool, mining, education and training, the integration of transport and communications and, most significantly, a trade protocol. However, many of these protocols await ratification by member states.

In August 1992, the Heads of State of Government at their meeting in Windhoek, signed a Treaty transforming the SADCC, Conference was set up to achieve the objectives outlined in the Declaration entitled "Southern Africa: Towards Economic Liberation" signed by nine Southern African states in Lusaka (Zambia) on 1 April 1980. The objectives outlined in this Declaration were:

- a. Reduction of economic dependence, on the Republic of South Africa;
- b. The forging of links to create genuine and equitable regional integration;
- c. The mobilisation of resources to promote the implementation of national, interstate and regional policies; and
- d. Concerted action to secure international co-operation within the framework of a strategy for economic liberation.

However, the objectives of the SADC have been fairly enlarged in the Treaty which established this organization. The additions to the objectives are as follows:

- a. Achieve development and economic growth, alleviate poverty, enhance the standard and quality of life of the people of Southern Africa and support the socially disadvantaged through regional integration;
- b. Evolve common political values, systems and institutions;
- c. Promote and defend peace and security;

<sup>&</sup>lt;sup>33</sup> S.C. Saxena (2001), 'Africa: Economic and Strategic Issues' (eds.), Kalinga Publication, New Delhi: India p.272. and also Accesses on 1<sup>st</sup> May (2008) URL: http://www.dfa.gov.za.

- d. Promote self- sustaining development on the basis of collective self- reliance, and inter dependence of member states;
- e. Achieve complementarity between national and regional strategies and programmes;
- f. Promote and maximise productive employment and utilisation of resources of the region;
- g. Achieve sustainable utilisation of natural resources and effective protection of the environment; and
- h. Strengthen and consolidate the long- standing historical, social and cultural affinities and links among the people of the region.

In order to achieve the aforesaid objectives, the SADC shall:-

- a. Harmonise political and socio- economic policies and plans of member states;
- b. Encourage the peoples of the region and their institutions to take initiatives to develop economic, social and cultural ties across the region, and to participate fully in the implementation of the programmes and projects of the SADC;
- c. Create appropriate institutions and mechanisms for the mobilisation of requisite resources for the implementation of programmes and operations of the SADC and its institutions;
- d. Develop policies aimed at the progressive elimination of obstacles, to the free movement of capital and labour, goods and services, and of the peoples of the region generally, among member states;
- e. Promote the development of human resources;
- f. Promote the development, transfer and mastery of technology;
- g. Improve economic management and performance through regional cooperative;
- h. Promote the coordination and harmonization of the international relations of member states;

- i. Secure international understanding, co-operation and support and mobilise the inflow of public and private resources into the region; and
- j. Develop such other activities as member states may decide to furtherance the objectives of this Treaty.

In January 1993, the SADC adopted a Framework and Strategy for integration and timetable for Community building and the major aim of SADC is to attain the main objectives of SADC.<sup>34</sup>

### 3.1.5. SOUTH AFR ICA'S ENTRY INTO SADC:

The government of South Africa strives to achieve regional economic cooperation and development through the instrument of Southern African Development Community. The SADC's organization and structure provide valuable opportunities for developing and executing South Africa's foreign policy objectives within Southern African.

On August 3, 1994, the South African government decided on becoming a member of the SADC and on August 29, 1994, at the Gaborone Heads of State summit, South Africa formally acceded to the SADC Treaty. This accession was approved by the Senate and National Assembly on September 13 and 14 respectively. South Africa became the eleventh member of the SADC, when the first Deputy President, Thabo Mbeki (now President of South Africa), signed the Treaty of Accession in Gaborone, Botswana. South Africa joined the SADC at a time of major changes in Southern Africa. There had been significant political reforms in several countries of Southern Africa. Several countries had switched over to multi-party, liberal democratic system such as Zambia, Malawi and Swaziland. The "negotiated transition" in South Africa, together with the progress towards democratic rule in the neighbouring countries, in fact, has changed the entire face of the sub-continent. He goes on to say that 'South Africa may have the know-how and appropriate technology' but it has neither the skilled manpower nor the capital resources to do so.' South Africa is the largest and

<sup>&</sup>lt;sup>34</sup> S.C. Saxena (2001), 'Africa: Economic and Strategic Issues' (eds.), Kalinga Publication, New Delhi: India p.273-274.

<sup>&</sup>lt;sup>35</sup> Ibid. pp.278.

<sup>&</sup>lt;sup>36</sup> Denis Venter, "Some Thoughts on South Africa", Africa Insight (Pretoria), vol.24 (3):1994, p. 159.

South Africa is the largest and most developed country in the region both in terms of population and the size of the economy. Its economy is also most sophisticated and most diversified, dominating the region as a source of imports and some capital and less as a destination of the region's exports. Historical developments, which have led to this pre-eminence, created a dependency relationship between South Africa and the rest of the region, which successive *apartheid* regimes have reinforced out of political expediency. However, contrary to the predictions that a free South Africa will provide a stronger basis for regional security, economic cooperation and integration Southern Africa, the emerging dispensation in the country will place so many demands and burden on the economy and polity that it will soon dispel any such illusions.<sup>37</sup>

In the South African case, the country was already a key economic player in the regional economy before formal membership of the SADC. South African investment in other countries are slowly picking up. As noted above, foreign investments in South Africa have increased sharply; about R20 billion was invested in the country in 1995 alone.

With regard to regional trade, South Africa was and remains the main origin of imports for seven SADC countries (Botswana, Lesotho, Malawi, Namibia, Swaziland, Zambia and Zimbabwe), while it is the main destination for export from three SADC countries (Lesotho, Swaziland and Zimbabwe). Its exports to Tanzania recently soared by 56.5% valued at R286 million, during the first half of 1995, according to South African Foreign Trade Organization. Other benefits from South Africa's entry into the SADC include economies of scale and access to the countries modern infrastructure such as sea ports especially Durban, which has began to facilitate the regional movement of goods.<sup>38</sup>

There is no doubt that membership of South Africa will give a major boost to regional integration efforts by enlarging the regional market and bringing the not inconsiderable strength and capacities of the South African economy. However the

<sup>&</sup>lt;sup>37</sup> S.C. Saxena (2001), "Africa: Economic and Strategic Issues", Kalinga Publication, New Delhi: India. pp.280.

<sup>&</sup>lt;sup>38</sup> N.N.Vohra & K.Mathews (1997), "Africa. India & South-South Co-operation". Har Anand Publication India. pp.366.

membership of South Africa will not resolve the dependency relationship which the old SADCC sought to redress, and may, in fact, aggravates the already sharp economic disparities among the member states.<sup>39</sup>

# 3.2. SOUTH AFRICA'S ROLE AND GENERAL OPERATION IN SADC SINCE ITS FORMATION:

South Africa has taken a leading role in the region to address such issues as closer collaboration and economic integration. These include the establishment of a free trade area in the region, the development of basic infrastructure, the development of human resources and the creation of the necessary capacity to drive this complicated process forward, as well as the urgent need for peace, democracy and good governance to be established throughout the region.<sup>40</sup>

Regarding the many activities of SADC, such as Transportation and Communications, Agriculture, Trade, Energy and Mining, etc., these are actively pursued by the relevant South African line function departments. The signature of the SADC Protocol on Trade in August 1996 confirmed the commitment of Southern Africa to establish a Free Trade Area in the region. Negotiations to determine Member States tariff structure are at an advanced stage. The Trade Protocol was ratified by more than two thirds SADC Member States and it was implemented on the 1<sup>st</sup> of September 2000. The responsibility of monitoring and managing South Africa's role in the process of regional integration lies with the Directorate: SADC National Contact Point in the Department of Foreign Affairs. Regarding the programmes and activities of SADC, these are pursued by the relevant line function Departments. These Departments are: National Treasury, Health, Agriculture, Land affairs, Trade and Industry, Environmental Affairs and Tourism, Minerals and Energy, Arts and Culture, Science and Technology, Labour, Education, Justice and Constitutional Development, Communications, Sport and Recreation, Transport, Water Affairs and Forestry, Social Development, South African Police Service and Parastatals and South

<sup>&</sup>lt;sup>39</sup> Ibid..pp.280

<sup>&</sup>lt;sup>40</sup> Hari Sharan Chhabra (1997), *South African Foreign Policy: Principles-options-Dilemmas*, African Publications (India): New Delhi, pp99-100.

African TNCs. Each Department is responsible for interacting with the relevant South African stakeholders in their respective areas of responsibility.<sup>41</sup>

South Africa has also played a leading role in the development of the Berlin Initiative, which strives to foster closer co-operation between the European Union and SADC. Priority issues that are included under this Initiative are the consolidation of democracy in the Southern African region, combatting illicit drug trafficking, clearance of landmines, regional integration, promotion of Trade and Investment and combatting HIV/AIDS. South Africa together with the other member states of SADC is also co-operating with the USA under SADC/US Forum Initiative. South Africa also played an important role in having gender issues placed on the SADC Agenda and is a signatory to the Declaration on gender and development and the Addendum on the Prevention and Eradication of Violence against women and children. As a follow-up to the Declaration on Gender and Development South Africa hosted a SADC Conference on violence against women and children in March 1998 in Durban. 42

South Africa, together with the other member states of SADC established the Organ on Politics, Defence and Security in June 1996 as a forum in which political issues in the region could be discussed and resolved. With regard to SADC meetings and conferences, South Africa is an active participant and has hosted many Ministerial and Official meetings. South Africa's membership of SADC provides an opportunity to tackle, in a coordinated fashion together with other member states issues such as sustainable regional economic growth, HIV/AIDS, the problem of illegal immigration and refugees as well as narcotics and arms smuggling into the region. South African Reserve Bank provides banking services to Lesotho, Swaziland and Namibia, the three forming the Common Monetary Area (CMA) with South Africa. Parity between the currencies of the CMA members facilitates mutual trade. South Africa is expected to play an important role in the Forum especially with regard

<sup>&</sup>lt;sup>41</sup> Accessed on 5<sup>th</sup> April (2008), URL: www.dfa.gov.za/foreign/sade.htm

<sup>42</sup> Ibid.

to Peace and Security in the region there are expectation that South Africa will get involved in Peace-Support operations in the region.<sup>43</sup>

### 3.3. MULTIPLE INTERESTS OF SOUTH AFRICA IN SADC:

South Africa's interest in Southern African countries used for its own national security, market for their manufactured material and for natural resources in SADC. South Africa continued to hold a dominant position in the external trade of several Southern African countries. In the mid-1980s, trade with South Africa accounted for over 90% of the imports of Swaziland and Lesotho and more than 35% of their exports. South Africa was also the largest trading partner of Namibia Zimbabwe and Botswana. The imposition of economic sanctions against South Africa had no effect on trade within SACU and reduced, but did not stop, trade with its other neighbours, hidden but significant trade dependencies remained in existence. South Africa has taken a leading role in the region to address such issues as closer collaboration and economic integration. These include the establishment of a free trade area in the region, the development of basic infrastructure, the development of human resources and the creation of the necessary capacity to drive this complicated process forward, as well as the urgent need for peace, democracy and good governance to be established throughout the region. 44 As a member of SADC, South Africa's focus is on regional stability and co-operation for the socio-economic development of the Southern African region. South Africa's interest and objectives in the Southern African region are guided by the existence of strong linkages between the domestic and regional economy. 45

Thus, in the case of South Africa, the concept of 'National Interest' was abused in political usage. This extended to its three central domains- the aspirational, the operational and the polemical. On the aspirational plane, 'National Interest' never encapsulated a vision of the good life for the nation as a whole. On the operational level, the interests of the majority of South Africans were not actively pursued, and consequently not reflected in actual policies. Even on the polemical level, the use of

<sup>43</sup> Ibid.

<sup>&</sup>lt;sup>44</sup> Robert Stock, (1995). *Africa South of the Sahara: A Geographical Interpretation*, Newyork: The Guliford Press

<sup>&</sup>lt;sup>45</sup> South African Yearbook of International Affairs: 1994, Pretoria Alexander Johnston Foreign Policy, No. 110, Special Edition: Frontiers of Knowledge pp. 243.

the concept in political argument to explain, evaluate, rationalize or criticize international behavior failed. 46 South Africa manufactures are substantially cheaper and more suited to regional markets than similar ones from the industrial West, and another factor is the inability of African countries to supply South Africa competitively and appropriately of their products so the regional countries also attracted towards South Africa.

# 3.4. FOREIGN POLICY OF SOUTH AFRICA TOWARDS SADC COUNTRIES:

Since 1994 the South African government has regarded the Southern African region as the most important priority of its foreign relations. To illustrate the importance attached to this region, the first foreign policy document adopted by this government was in fact a "Framework for Co-operation in Southern Africa" approved by Cabinet in August 1996. In terms of this "Framework", our vision for the Southern African region is one of the highest possible degrees of economic co-operation, mutual assistance where necessary and joint planning of regional development initiatives, leading to integration consistent with socio-economic, environmental and political realities. In order to carry out South Africa's foreign policy objectives in Southern Africa, South Africa joined the Southern African Development Community (SADC) in August 1994.<sup>47</sup>

South Africa's foreign policy with regard to South African region reflects a commitment to close diplomatic, economic and security co-operation, adherence to human rights, promotion of democracy and preservation of regional solidarity and peace. Understandably, the effects of post-apartheid South Africa on the economy of Southern Africa are being viewed with a mixture of hope and fear in neighbouring states. South Africa's GDP is almost four times the size of the SADC's and its total imports and exports are about three times the value of the combined trade of its neighbours. While South Africa's technical and financial expertise may prove beneficial, it is exactly this economic supremacy that frightens a number of the

 <sup>&</sup>lt;sup>46</sup> Frankel, J, "Contemporary International Theory and the Behavior of States" London: OUP, 1973.
 <sup>47</sup> Greg Mills (April, 1994), "From Pariah to participant: South Africa's Evolving Foreign Relations, 1990-1994". Published by- The South African Institute of International Affairs: Johannesburg. pp.64-65.

<sup>&</sup>lt;sup>48</sup> Ibid. pp96.

neighbouring states. The old SADCC warned that it would not accept economic domination by South Africa 'under whatever political system.' But its successor might not have all that much choice in the matter. The policy objective is to strengthen linkages between South Africa and the other SADC countries.<sup>49</sup>

There seems to be a need for Confidence-Building Measures (CBM) that would broaden political and diplomatic interaction between South Africa and SADC beyond that of a functionalist nature. A mechanism modeled on the Joint Monitoring Commission (JMC) established to monitor and facilitate the implementation of the 1988 international agreements on Namibia and Angola, for example, could conceivably be useful as a confidence- building mechanism. Special institutional arrangements involving diplomats and official from the different states could also be considered during South Africa's transition to a majority- based government. Likewise, existing regional institutional arrangements such as SADC, the DBSA and the SACU could be involved in the setting up of specific mechanism charged with a variety of tasks such as rural development, security, trade, investment, ecology and health.<sup>50</sup>

### 3.4.1. EXPORT AND IMPORT TOWARDS SADC COUNTRIES:

South Africa's economy is still largely reliant on the export of primary and intermediate commodities to industrialized countries. However, manufactured goods account for about 70 percent of exports to Africa. Imports mainly consist of capital goods, raw materials, semi-manufactured goods (approximately 76 percent of total trade imports), and consumer commodities. South Africa maintains formal trade relations with various countries by means of treaties, trade agreements, and membership in international trade institutions, trade between South Africa and other SADC countries-South Africa exports mainly higher value-added manufactured goods but imports largely lower value primary commodities.<sup>51</sup>

<sup>&</sup>lt;sup>49</sup> South African Yearbook of International Affairs: 1994. Pretoria Alexander Johnston Foreign Policy, No. 110, Special Edition: Frontiers of Knowledge pp.243.

Greg Mills (April, 1994), "From Pariah to participant: South Africa's Evolving Foreign Relations.
 1990-1994". Published by- The South African Institute of International Affairs: Johannesburg. pp.65.
 Hari Sharan Chhabra (1997), South African Foreign Policy: Principles-options-Dilemmas. African Publications (India): New Delhi, pp96-97.

The government's key policy objective is to strengthen trade and investment linkages between South Africa and the other SADC countries. Trade with SADC countries increased dramatically during the period 1988 to 1997. At present, the ratio of South Africa's exports to imports to SADC countries stands at 6:1. Exports to the region are concentrated in high value-added sectors, such as minerals and base metals, chemicals, machinery, transport equipment, and food and beverages. South Africa's fastest growing imports from the world are mainly manufactured goods, although primary commodities. Imports have grown slightly faster than exports over the period. This reflects greater integration with the world economy, as South Africa benefits from trade liberalisation and the entry of foreign firms into local markets.<sup>52</sup>

The most important SADC purchaser of South African exports is Zimbabwe, followed by Mozambique, Zambia, Mauritius, Malawi, Angola, and Tanzania. Zimbabwe is also the largest source of imports, followed by Malawi, Angola, Zambia and Mozambique. The member states of the SADC are negotiating a Free Trade Agreement (FTA) to strengthen trade, investment, and industrial linkages within the region. See South Africa's export and import from SADC countries in table 3.2 and 3.3.

South Africa's exports to SADC	Countries (average g	rowth rate 1999-2003) Table 3.2
Product	% growth	Exports 2003 (R-million)
Pearls, precious stones,	97.7	121
metals, coins, etc		
Works of art, collectors	56.7	5
pieces and antiques		
Cereals	46.5	1,014
Umbrellas, walking-sticks,	45.7	7
seat-sticks, whips, etc		
Oil seed, oleagic fruits,	43.2	134
grain, seed, fruit, etc, nes		
Cotton	38.2	168
Ships, boats and other	37.3	38
floating structures		
Edible fruit, nuts, peel of	34.5	256
citrus fruit, melons		
Beverages, spirits and	33.5	945
vinegar		
hides and skins (other than	29.3	4
fur skins) and leather		
Essential oils, perfumes,	29.1	350
Essential ons, perfumes,	29.1	330

<sup>52</sup> Ibid.

cosmetics, toiletries		
Live animals	28.6	62
Lac, gums, resins, vegetable	27.6	13
saps and extracts nes		
Impregnated, coated or	26.4	4
laminated textile fabric		
Printed books, newspapers,	26.4	68
pictures etc		
Nickel and articles thereof	25.8	154
Lead and articles thereof	24.5	1
Articles of leather, animal	23.0	П
gut, harness, travel goods		
Silk	22.6	16
Manufactures of plaiting	21.7	2
material, basketwork, etc.		
Total Exports to SADC		13.1
Source: Trade and Industrial Poli	icy Strategies (TIPS)	

The fastest growing imports from SADC towards South Africa are a mixed bag, mainly consisting of basic processed goods and some agricultural commodities.

South Africa's imports from the SADC countries (Table 3.3)				
Product	% growth	Imports 2003 (R-million)		
Ores, slag and ash	261.8	1,061		
Sugars and sugar	146.0	98		
confectionery				
Wool, animal hair, horsehair	136.6	6		
yarn and fabric thereof				
Works of art, collectors	122.5	148		
pieces and antiques				
Lac, gums, resins, vegetable	91.2	1		
saps and extracts nes				
Aircraft, spacecraft, and parts	85.6	156		
thereof				
Manmade filaments	77.5	6		
Carpets and other textile floor	71.3	1		
coverings				
Zinc and articles thereof	70.4	31		
Manmade staple fibres	66.2	10		
Bird skin, feathers, artificial	64.4	0		
flowers, human hair				
Beverages, spirits and	63.0	14		
vinegar				
Meat, fish and seafood food	60.6	22		
preparations nes				

Animal, vegetable fats and	60.0	14
oils, cleavage products, etc		
Umbrellas, walking-sticks,	60.0	0
seat-sticks, whips, etc		
Cereal, flour, starch, milk	57.9	11
preparations and products		
Railway, tramway	55.3	9
locomotives, rolling stock,		
equipment		
Impregnated, coated or	48.8	2
laminated textile fabric		
Optical, photo, technical,	44.3	105
medical, etc apparatus		
Pulp of wood, fibrous	40.8	1
cellulose material, waste etc		
Imports from SADC		19.6

Source: Trade and Industrial Policy Strategies (TIPS)

# CHAPTER 4 SOUTH AFRICA AND SADC: CO-OPERATION AND CONTROL

### 4.1. SOUTH AFRICA AND SADC: CO-OPERATION AND CONTROL:

The co-operation in the sphere of the Southern African Development Community (SADC) and South Africa began with the political struggle against colonialism and the evil system of apartheid through the front-line states. The success of this cooperation and the realization of its member states that the region was very poor, with very low per capita incomes and dependent on the production of raw materials in agriculture and mining sectors, led the Southern African states to establish relations in the economic sphere. The SADC's vast potential is further illustrated by its geographical diversity and size of over 6 million square kilometers comprising coastal countries (Angola, Mauritius, Mozambique, Namibia, South Africa and Tanzania) and Inland countries (Botswana, Lesotho, Malawi, Swaziland, Zambia and Zimbabwe). The SADC Treaty is a legally binding one and all-encompassing framework by which countries of the region coordinate, harmonies and rationalize their policies and strategies for sustainable development in all areas of human endeavour. It also commits member states to fundamental principles of Sovereign Equality of member states, Solidarity, Peace and Security, Human Rights, Democracy and Rule of Law and Equity, Balance and Mutual benefit.1

The SADC Treaty identifies the following areas in which co-operation towards integration would be pursued:<sup>2</sup>

- Food security, land and agriculture,
- Infrastructure and services,
- Industry, trade, investment and finance,
- Human resources development, science and technology,
- Natural resources and environment,
- Social welfare, information and culture.

### 4.1.1. MIGRATION (HUMAN) SECURITY:

The recent xenophobia in South Africa has raised the question of migrants and refugees in South Africa. The mob targeted the Zimbabwean and Mozambique

<sup>1</sup> http://www.dfa.gov.za/foreign/sade.htm.

<sup>&</sup>lt;sup>2</sup> Ibid

refugees particularly who were blamed for stealing the jobs of the South African natives. A South African Cabinet Minister has noted that migration is one of 'the most difficult yet explosive problems in the region, and one that is requiring constant government attention. Uncontrolled population growth inside and outside South Africa, coupled with increased regional impoverishment, undermine also the ability of government to sustain order and rule. <sup>3</sup>

The migration of Southern African are very much because of availability of employment that's why SADC countries migrant from their native country to South Africa. The century-long flow of migrant workers from Southern African countries to South Africa has remained a very important linkage. The number of migrant workers going to South Africa still exceeds 250,000. Colonial and some postcolonial governments made arrangements with the contracting agencies that allowed them to appropriate directly a significant part of migrants' earning. Southern African contract workers have worked in South Africa's mines and farms since the turns of the century. Agreements, treaties and conventions between the South African governments, the sending states and, in the case of the mining industry, the Chamber of Mines, have governed the numbers recruited and their conditions of its history to the economic development of South Africa make it different to do anything but provide a cursory overview. Southern Africans have been employed in South Africa's mining industry for over 150 years. Initially they came as individuals to work in the diamond mines.

South Africa has been receiving both kinds of migrants for decades. Since the turn of century over 40% of the labour working in South Africa's gold mines have come from outside South Africa, the majority of them from Mozambique, Lesotho and Swaziland. In 1994, over 150,000 of the more than 250,000 workers in the gold mines came from outside South Africa. Most of them were recruited in Mozambique,

6 ibid.

<sup>&</sup>lt;sup>3</sup> Jonathan Crush & Belinda Dodson, "Another Lost Decade: the Failures of South Africa's Post Apartheid Migration Policy. The Royal Dutch Geographical Society: 2007, Vol. 98 No. 4, pp. 436-454. 
<sup>4</sup> Robert Stock, "Africa South of the Sahara: A Geographical Interpretation", Newyork: The Guliford Press, 1995.pp.397-398.

Sally Peberdy, "Obscuring History? Contemporary Patterns of Regional Migration to South Africa", in David Simon, (eds.) South Africa in Southern Africa: Reconfiguring the region. (Cape Town: Oxford and David Philip, 1998), pp.192.

Lesotho and Swaziland. This migration is significant not only for the mining industry but also for the economies of the sending countries in the region.<sup>7</sup>

Within the region as a whole, there developed a series of overlapping migration streams funneling labour to the major employment centres - the Zambian Copperbelt, the Zimbabwean coal and gold mines, the South African mines, and the commercial farms of Malawi, Mozambique, Swaziland and South Africa. The point to emphasize is that cross-border migration for work is not a new phenomenon in South and Southern Africa. It has been going on in various forms for decades. The SADC has been a part of this regional labour market for the South African mines. Virtually every country in the SADC region has at one time or another sent migrants to work in the mines. There are three types of supplier:<sup>8</sup>

- a) Longstanding suppliers such as Mozambique, Botswana, Lesotho and Swaziland with relatively consistent (or slowly rising) numbers.;
- b) episodic suppliers such as Malawi and Zimbabwe with fluctuating numbers over time;
- c) Occasional suppliers such as Zambia, Tanzania and Angola whose labour was once important but is not at present.

### **4.1.2. FOOD SECURITY:**

During the colonial period this region was affected from food crisis because of the cultivation of cash crops, drought. Food security has affected not only by warfare but also by agriculture disease, degradation, mismanagement and climatic change. Drought in the Northern Transvaal area of South Africa alone was expected to force up to three million people to the cities in the early 1990s. The drought forced farmers to dismiss a third of workers and return them to homelands. Yet the nearby homeland areas of Gazankulu, Lebowa and Vendra are already under pressure from jobless labours, the same drought and some 200,000 Mozambique refugees. In 1992, in Venda one quarter of the population was said to be destitute and survived on food begged from friends and neighbours, and almost all dry-land crops planted there had failed. Some 600,000 people were classified as having serious water problems. In Gazankulu, nutritional diseases

<sup>&</sup>lt;sup>7</sup> Ibid. pp.193.

<sup>&</sup>lt;sup>8</sup> Accessed on June (2008), URL: http://www.un-instraw.org.

increased threefold between 1991 and 1992. Friction arising from such shortages could 'assume strategically-important proportion during the next decade'.<sup>9</sup>

Under the food security programme, the Regional Early Warning Unit aims to anticipate and prevent food shortages through the provision of information relating to the food security situation in member states. To address the scarcity and reduce the impact of the drought, SADC member states have agreed to inform the food security sector of their food and non-food requirements on a regular basis, in order to assess the needs of the region as a whole. A regional food reserve project was also to be developed. In June 2002/03, owing to both severe drought and flooding, and estimated that 12.8 million people throughout the region would require food assistance, mainly in Lesotho, Malawi, Mozambique, Swaziland, Zambia and Zimbabwe. 10 The SADC Regional Disaster Response Task Force recommended number of strategies for managing the situation. SADC aims to establish a Regional Strategic Food Reserve Facility, aimed at better prevention of preparation for potential future emergencies. A programme on irrigation development and water management aims to reduce regional dependency on rain-fed agricultural production, while a programme on the promotion of agricultural trade and food safety aims to increase intra-regional and inter-regional trade with a view to improving agriculture growth and rural incomes. An SADC extraordinary summit on agriculture and food security, held in May 2004 in Dar-es- Salaam (Tanzania), considered strategies for accelerating development in the agricultural sector and thereby securing food security and reducing poverty in the region. A regional cereals deficit of 1.5m tons was forecast for 2004/05.<sup>11</sup>

# 4.2. OTHER CO-OPERATION AREAS BETWEEN SOUTH AFRICA AND SADC:

Other co-operation areas between South Africa and SADC's are to develop science and technology, regional integration, Free trade area in the region, industry and mining, tourism, energy, transport and communication, food, agriculture:

<sup>&</sup>lt;sup>9</sup> Baynham, SJ, 'The new world order: regional and International Implications for South africa', *Africa Insight 27*, 2, 1992, p.93. See also *Cape Times*, 17 August 1992.

<sup>&</sup>lt;sup>10</sup> "Africa South of the Sahara-2007", 36<sup>th</sup> edition (London & New York: Europa Publication, 36<sup>th</sup> Edition, 2006), pp.1430.

<sup>&</sup>lt;sup>11</sup> Mariam Bibi Jooma (2005), 'Food security and HIV/AIDS', in the Africa Analysis Security Programme at the ISS, African Security Review 14 (1), pp60-66.

### 4.2.1. REGIONAL ECONOMIC INTEGRATION:

In the era of globalisation, regional and economic integration phenomena is very much high in the World. Like-wise EU, ASEAN, NAFTA and little bit SAARC, so the in the African continent Southern Africa also is running the phenomena of regional integration. It promotes the economic integration among member countries. The principal hindrance facing regional economic integration in Southern Africa arise from the number of inequalities in the levels of development between South Africa and the other states of the region. The most important feature of intra-regional trade in the period 1994-2000, during which time the sub-continent experienced substantial economic liberalization was the very high ratio of South African exports to imports, resulting in Pretoria holding a massive trading surplus with the region under conditions of unrestricted free trade the SADC, FTA could exacerbate this trend still further and damage the economies of many SADC states. Regional integration will prepare us for global competition. <sup>12</sup>

With the deepening and acceleration of its integration agenda... the region is increasingly enhancing its capacity and position to minimize the risks of globalization and take advantage of the opportunities it present in order to deal with the pervasive problems of extreme and overall poverty.<sup>13</sup>

Hence, SADC has adopted development-based regional integration to address current imbalances in the economic development of the region. The SADC has, therefore, over the years laid the foundation upon which regional integration and development can be pursued. In this regard, the SADC must begin seriously to promote the economic growth and development of the region. To achieve this objective, the region's private sector must rise to the challenge through investment and active participation in the integration process. With a combined population of the SADC is destined to evolve into a strong regional economic bloc, making it more attractive to regional and international investors.

<sup>&</sup>lt;sup>12</sup> If we do not integrate now and put our industries on a more competitive basis, they will be wiped out... (Joaquim Chissano, President of Mozambique, 2000).

<sup>&</sup>lt;sup>13</sup> (Prega Ramasamy, Executive President of SADC, 2000).

Apart from providing a bigger market, the potential for poling resources together in the main areas of economic activity is great.<sup>14</sup>

Deeper economic co-operation and integration, on the basis of balance, equality and mutual benefit, providing for cross-border investment and trade, and freer movement of factors of production, goods and services across national boundaries; political and social values and systems, enhancing enterprise, competitiveness, democracy and good governance, respect for the rule of law and human rights, popular participation, and the alleviation of poverty; and strengthened regional solidarity, peace and security, in order for the people of the region to live and work in harmony.<sup>15</sup>

### 4.2.2. FREE-TRADE IN SOUTH AFRICA AND SADC:

Free trade in Southern Africa between member state is a front issue, which will promote economic and social development in the region that's why, in August 1996 eleven out of the then twelve SADC members (all but Angola) signed a 'Protocol on trade' which committed signatories to establish a FTA (SADC, 1996). For the Protocol to enter into force it had to be ratified by at least a two- third majority, which was achieved on 25<sup>th</sup> January, 2000. The initial participants are South Africa, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe. War-torn Angola and the DRC decided not to join the FTA, as did the geographically remote islands of the Seychelles. The two most important objectives of the SADC Trade Protocol (SADC, 2000) are: 16

- The further liberalisation of intra-regional trade in goods and services on the basis of fair, mutually equitable and beneficial trade agreements;
- The establishment of a free trade area in the SADC region.

The basic characteristics of the SADC, FTA are:

• Lower tariffs (immediately) on all 'non-sensitive' trade to under 18 per cent;

<sup>&</sup>lt;sup>14</sup> Christopher R. Hill (Apr., 1983), Regional Co-operation in Southern Africa, African Affairs, Vol. 82, No. 327, pp. 215-239.

<sup>15</sup> Ibid.

Richard Gibb, "Regional Economic Integration" in Anthony Lemon and Christian M. Rogerson (2002), Geography and Economy in South Africa and its Neighbours, (eds.) England: Hampshire, Ashgate publications ltd. P.281-282.

- The liberlisation of 85 per cent of all intra-regional trade by 2008;
- The liberlisation of the remaining 15v per cent of 'sensitive' products by 2012
- The promotion of asymmetry whereby South Africa (and therefore states belonging to the Southern African Customs Union) will provide wider market access over a shorter time-period, resulting in all duties at 25 per cent and above being eliminated in five years;
- An aim to increase intra-regional trade from 25 per cent to 35 per cent and to facilitate foreign trade with the region as a whole.

The extent to which the FTA will increase SADC's trading profile and generate welfare benefits will depend, in part, on the relative strengths of trade diversion and trade creation. It has long been recognized that free trade area does not necessarily represent a step towards more free trade or enhanced welfare. If SADC imports of efficiently produced products from countries outside the region are displaced by more expensive exports from South Africa, then increased intra-regional trade could lower total trade and impose welfare losses as a result of this diversion. Conversely, trade creation may occur as a result of high-cost domestic production being replaced by cheaper imports sourced from within the FTA. However, both trade creation and diversion have the potential further to increase regional inequalities.<sup>17</sup>

Since South Africa's accession to SADC in 1994, trading patterns provide evidence that appears to support the thesis that free trade within Southern Africa will enhance the region's inequalities. South Africa's membership of SADC has had a profound impact on the organization in general and intra-regional trade in particular, raising the level of internal trade from below 5 per cent in the early 1990s, to 17 per cent in 1995 and 25 per cent in 2000. The SADC, FTA is attempting to address the issue of some states doing better than others by adopting an 'asymmetrical approach' to trade liberlisation, whereby South Africa (and therefore the Southern African Customs Union) provides better market access over a shorter time-period than other SADC signatories to the FTA. The redistributive mechanism adopted by SADC to tackle the issue of inequality is, therefore, market-led and based on the assumption that non-SACU industries will be able to exploit the benefits offered by a short-term

<sup>17</sup> Ibid.

preferential tariff regime. However, it is unlikely that this asymmetrical approach to trade liberlisation will be enough to prevent the South Africa – SADC trade imbalance growing wider as a result of the FTA. In the long-term, the asymmetrical nature of the South Africa-SADC trading relationship may prove unsustainable.<sup>18</sup>

There are several Protocols under SADC such as those on Agriculture, Fisheries, Trade and Telecommunications. The SADC Protocol on Trade which envisages the creation of a Free Trade Area within eight years of its entry into force was signed in Maseru, Lesotho on 24 August, 1996 by Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. Of the founding Members, only Angola did not sign the Protocol. Membership of the Trade Protocol has now reached fourteen with the joining of the Democratic Republic of Congo and Seychelles.

### 4.2.3. CO-OPERATION IN INDUSTRY AND MINING:

Industry: In spite of the abundant natural resources, the SADC's industrial sector has so far not exploited them to the full and thus transform itself; the sector remains largely undeveloped. Most of the products from the region are exported in raw and unprocessed form these from both agricultural and mineral products. An indication of this deficiency is the fact that only in Mauritius, South Africa, Swaziland and Zimbabwe does the contribution of the manufacturing sector to the GDP exceeds 20%. For Lesotho, Malawi, Mozambique and Zambia the industrial contribution to the GDP is between 10 and 15%, and is less than 10% for the rest of the countries of the region. The performance of the manufacturing sector in SADC member countries varies. In the period 1994-95, for example, the manufacturing sector generally performed well in South Africa, Zimbabwe, Mauritius, Swaziland, Namibia and Lesotho. In sharp contrast, Zambia, Tanzania, Angola and Mozambique and, to some extent, Malawi, experienced further contractions of their manufacturing sectors, the reasons for the latter are being mainly the shortage of investment capital and the transitional effects of economic restructuring. <sup>19</sup>

<sup>18</sup> Ibid.

<sup>&</sup>lt;sup>19</sup> N.N.Vohra & K.Mathews (1997), *Africa, India & South-South Co-operation*, Har Anand Publication India, P.372-373.

There is a wide range of production in SADC as light manufacturing industries, producing goods such as cement, paints, pharmaceuticals, textiles, clothing, footwear, furniture, radios, television sets, tyres, bicycles and motor assembly, etc. Most of the industries are aimed at import substitution and are, in many cases, operated as joint ventures in partnership with foreign capital. Greater emphasis is being put on the establishment of viable basic industries which depend on the utilization of regional resources to supply both the regional and external markets. Parts of the strategy are to romote the transfer of science and technology, and encourage the establishment of industries which are sensitive to economies of scale. <sup>20</sup>

Mining: Compared too many other parts of the world the SADC region is remarkably endowed with mineral resources. At an estimated annual production valued at US \$ 4 billion, the contribution of the mineral sector (11%) to the regional GDP is second only to that of agriculture (about 18%). However, the size of the mining sector in terms of the GDP varies considerably from country to country, from around 40% for Angola and Botswana, to lower percentages in other countries. The mineral sector is the principal foreign exchange earner (about 60%) in the SADC region. The key minerals of the region include petroleum, oil and diamonds in Angola; copper and nickel in Botswana; diamonds, copper and gold in Namibia; gold and diamonds in South Africa; copper and cobalt in Zambia; and gold, asbestos, chrome, copper, coal and iron ore in Zimbabwe. Opportunities exist for the exploitation mining and processing of a wide variety of other minerals such as gemstones, phosphates and clays. Nonetheless, further efforts are being undertaken by the SADC mining sector to attract investment to the region by providing an enabling business environment, mainly in terms of improving mining legislation. As part of this effort, the sector in December 1994 organized, with the support of the European Union, a Mining Investment Forum. A total of 200 projects dealing with the various aspects of mining were discussed during the Forum, the results of which are being followed up by the sector. 21

#### 4.2.4. CO-OPERATION IN TOURISM AND DEVELOPMENT:

<sup>21</sup> Ibid .pp.273-274.

N.N.Vohra & K.Mathews (1997), Africa, India & South-South Co-operation, Har Anand Publication India. P.372-373.

Tourism is one of the world's largest and fastest growing industries. World Tourism Organisation (WTO) statistics reveal that in 1994, Africa's tourism receipts were up by 7% to US \$ 6.3 billion. The WTO estimates that arrivals in Africa grew by 4.5% a year between 1990 and 1995, and will grow by 5.5% per annum for the second half of the decade and 4% of a year between 2000 and 2010. The Southern and the Eastern Africa account for the most rapid growth forecasts. During the 1970s and 1980s, there was heavy investment in the BLS countries to develop a tourist industry catering to South African visitors. Zimbabwe also receives many South African visitors-239,000 in 1983. The region's tourist attraction includes wildlife, a rich variety of tropical forests, and empty deserts and natural wonders of the world like the Victoria Falls, the Okavango Delta, the Kilimanjaro and Table Mauritius. Added to these are the long sandy beaches, scenic mountain ranges and bright sunshine. The cultural heritage of the region is equally unique. Hence, the region is a major attraction for eco-tourists, hunters, sun-seekers and those visiting friends and relatives. Great potential exists for investment in areas such as large and small resort area development, tourism accommodation, inclusive of extra-modern city hotels and lodges and camps in game parks; eco-tourism, special interest centers etc. In addition, the rehabilitation of tourist facilities requires special attention, particularly in Angola and Mozambique where, due to the civil wars, most of the tourist infrastructure was destroyed.<sup>22</sup>

As a means of enhancing the development of the tourism industry in the SADC region, the Council of Ministers in August 1995 approved the establishment of the Regional Tourism Organization of Southern Africa (RETOSA). Among some RETOSA's objectives are to forge a partnership between the public and private sector within the region; to seek and facilitate tourism investment into and within the region; and to enhance contribution of the tourism sector to the economies of the region.<sup>23</sup>

#### 4.2.5. CO-OPERATION IN ENERGY SECTOR:

The Southern African Development Community is endowed with large reserves of energy resources, the principal once being coal, hydro, natural gas and petroleum. However, while the SADC's reserves are large enough to meet regional

<sup>&</sup>lt;sup>22</sup> Ibid. pp.274.

<sup>&</sup>lt;sup>23</sup> Ibid. pp.275.

needs and export markets well into the next century. They remain largely unexploited. Huge coal reserves are, for example, found in South Africa, Botswana, Namibia, Zimbabwe, Swaziland, Tanzania and Zambia. Significant skills in the mining of coal, its processing and its transportation are also readily available in the region. This is a major incentive for future investment.

South Africa's parastatal company Eskom is one of the largest electric utilities in the world and generates 95 percent of the country's electricity. Eskom has 36,200 megawatts (MW) of net generating capacity, which is primarily coal-fired (32,100 MW). In addition, Eskom operates one nuclear power station at Koeberg (1,800 MW), two natural gas turbine facilities (340 MW), six conventional hydroelectric plants (600 MW), and two hydroelectric pumped-storage stations (1,400 MW). Eskom produces adequate electricity for domestic use and exports surplus power to Botswana, Lesotho, Mozambique, Namibia, Swaziland, and Zimbabwe. With regard to natural gas, rich fields have been confirmed in addition to proven reserves in Angola, Mozambique, Tanzania, South Africa and Namibia. Although this sub-sector is still in its early stages of exploitation in the region, its future utilization has at least two important advantages.<sup>24</sup>

With regard to oil, Angola alone has the potential to supply an estimated 90% of the needs of the region. Unfortunately, the bulk of Angola's current production is exported outside the region. The rest of the region, particularly the inland countries have yet to be extensively explored for petroleum resources. The joint SADC Petroleum Exploration Programme is aimed at initiating the exploration of the inland sedimentary basins comprising more than 2,000,000 kilometers which have had so far only 14 exploratory wells drilled. Further, oil refineries in the region need to be modernized and coordinated, to improve supply and capacity. <sup>25</sup>

The energy sector has been another priority area for the SADC ever since the adoption of the Lusaka declaration. The strategy and priority in this sector has been to secure supplies to member states through co-operation, the development of expertise in energy technologies, the rehabilitation of energy facilities destroyed or damaged

<sup>&</sup>lt;sup>24</sup> S.C. Saxena (2001), 'Africa: Economic and Strategic Issues' (eds.), Kalinga Publication, New Delhi: India p.274-275.

<sup>&</sup>lt;sup>25</sup> N.N.Vohra & K.Mathews (1997), *Africa, India & South-South Co-operation*, Har Anand Publication India, P.367-368.

during South Africa's destabilization campaigns, and increased efforts to conserves energy. The people of the region depend on wood-fuel, the conservation of these resources, and the development of alternative sources of energy for rural communities gained increasing importance. Hence, the major areas of co-operation in this sector have been electricity, petroleum, wood fuel, new and renewable sources of energy, coal and energy conservation. Development of solar energy, wind power and biogas are the subject of other SADC projects. The promotion of energy conservation is also on the SADC agenda.<sup>26</sup>

#### 4.2.6. CO-OPERATION IN TRANSPORT & COMMUNICATION:

The transport and communications sector is a priority sector in the SADC for a number of related reasons, among them the fact that the landlocked members (Botswana, Malawi, Swaziland, Zambia and Zimbabwe) depend upon the use of road and rail-links to sea-ports. Given this reality, this is important that the region's railway systems operate as commercial entities, relatively free from governmental operational subsidies and excessive public sector controls. There were other railway system too in Southern Africa but it was difficult to maintain them because of South Africa's destabilization policy. <sup>27</sup>

The key to the reduction of dependence lay in the field of transport and communication, where the economic dominance of South Africa had been reinforced by the many aspects of its continuing hold over the regional transport system. It was evident to SADCC's founders, drawing on their earlier experience of the Front-Line States in the 1970s, that, without an adequate regional transport and communications system especially to meet the needs of the land-locked countries, other areas of cooperation could not be effectively pursued. In this context, the SADCC identified its first institutional priority to be the creation of a *Southern African Transport and Communication Commission* (SATCC) to coordinate the use of existing systems, and the planning and financing of additional regional transport and communications

<sup>&</sup>lt;sup>26</sup> Ibid. pp.368

<sup>&</sup>lt;sup>27</sup> Ibid.

facilities. Transport was, therefore to be the major focus for regional action by the SADC.<sup>28</sup>

The SADC also paid attention to the development of civil aviation which was in a total mess in South Africa. A large proportion of intra-SADCC air traffic used to transit through Johannesburg in South Africa, even to go to a neighbouring state people had to go *via* Johannesburg. The SADCC undertook airport construction and extension project at Dar es Salaam, Lilongwe, Maseru and Manzini with the result that all SADC members now have the technical capacity to handle long haul aircraft. The creation of an enabling environment for airlines is to be supported by the establishment of an appropriate regional policy framework under the proposed Southern Africa Regional Air Transport Authority (SARATA), whose main objectives are to provide for the harmonization of norms, standards and recommend practices in areas pertaining to flight safety, air transport policy, fair competition etc.<sup>29</sup>

As a direct consequence of the SADC activities, a number of interconnection projects were implemented in the telecommunications field. These included the establishment of telephone exchange in Botswana, Zambia and Zimbabwe; satellite earth stations in Mozambique, Swaziland, Zambia and Zimbabwe; micro-wave links between Botswana and Zimbabwe, Malawi and Tanzania, Zambia and Zimbabwe. All SADC member states now have their own satellite earth stations. Now most of the telephone calls are going directly from one SADC country to another. In the postal field, an express service throughout the region has been introduced, while new postal terminals are scheduled in all SADC member states.<sup>30</sup>

In the telecommunications field, the SADC members are already taking some measures to restructure the sub-sector with the goal of turning national operators into public companies selling shares on the financial markets, which can attract capital from private sector investors. It is also intended to allow the private sector to participate in the provision of telephone services such as mobile telephone and paging. The postal services are also being restructured into autonomous commercial

<sup>&</sup>lt;sup>28</sup> S.C. Saxena (2001), 'Africa: Economic and Strategic Issues' (eds.), Kalinga Publication, New Delhi: India p.274-275.

<sup>&</sup>lt;sup>29</sup> Ibid.

<sup>30</sup> Ibid.

enterprises, whose operations would be expected to respond to the market demands rather than the mere provision of a public service.<sup>31</sup>

## 4.2.7. CO-OPERATION IN FOOD, AGRICULTURE AND NATURAL RESOURCES:

The Food, Agriculture and Natural Resources (FANR) Sector occupies a central position in the economic structure of the SADC region. Up to 80% of the population and labour force is dependent on agriculture and natural resources for subsistence, as well as for employment and income. Further, agriculture contributed about one-third of the region's GNP, while accounting for about 26% of total foreign earnings. It follows, therefore, that increasing the productivity of agriculture and natural resources is essential not only for meeting the increased demand for food, but also for raising the standard of living of the people of the region. <sup>32</sup>

To stimulate production, marketing and distribution of agricultural commodities, the SADC has undertaken comprehensive policy adjustments that promise to transform the sector by opening it to private investments. There are now several common policy approaches being adopted by the SADC member countries. Firstly, almost all countries have policies aimed at increasing local staple food production and reducing imports. Secondly, there is a common recognition that both small and large-scale farmers have an essential role to play in national agricultural production. Thirdly, under way in almost all the SADC countries are pricing reforms aimed at the liberalization of agricultural production by reducing the role of governments, while promoting that of the private enterprise. Accompanying this reform is the systematic removal of food subsidies that formerly led to great distortions of the market. <sup>33</sup>

In agriculture and Natural Resources and Training, there is a need to invest in agriculture and natural resources research. Supportive industries of agriculture and food security such as production and distribution and chemicals and fertilizers are all critical areas of investment. Other supportive niches, such as infrastructure for post-

<sup>31</sup> Ibid.

<sup>&</sup>lt;sup>32</sup> N.N.Vohra & K.Mathews (1997), *Africa, India & South-South Co-operation*, Har Anand Publication India.pp. 370-371.

<sup>33</sup> Ibid.

harvest loss prevention and food processing, transportation of food-stuffs, are equally in need of investment. With regard to livestock production and animal diseases control, there is a need for investment in, among other things, animal vaccine and drug production infrastructure. Supportive industries of this sector include production of animal feed, processing, marketing and distribution infrastructure for livestock products; and the establishment of an animal disease control fund to timely respond to the outbreak of the disease in future. The principle components of SADC's agricultural research and training priorities have been:<sup>34</sup>

- a. Developing high yielding food, cash crops and livestock better adapted to regional conditions;
- b. Irrigation and improved used of rain water;
- c. Promoting high income generating crops and livestock; and
- d. Conservation priorities

#### Co-operation in other areas:

The range of the SADC activities is, indeed, very wise. Apart from the aforesaid areas, it has been actively involved in numerous projects in the field of environment, fisheries, forestry, wildlife, livestock production and animal disease control, industry and trade, human resource and development, mining, tourism, culture and information.

#### 4.3. REGIONAL PROJECTS UNDER SADC AND SOUTH AFRICA:

The responsibility of monitoring and managing South Africa's role in the process of regional integration lies with the Directorate: SADC National Contact Point in the Department of Foreign Affairs. Regarding the programmes and activities of SADC, these are pursued by the relevant line function Departments. These Departments are:<sup>35</sup>

- National Treasury
- Health
- Agriculture
- Land Affairs
- Trade and Industry

<sup>34</sup> Ibid

<sup>&</sup>lt;sup>35</sup> Accessed on 2<sup>nd</sup> April (2008), URL: www.dfa.gov.za/foreign/sadc.htm

- Environmental Affairs and Tourism
- Minerals and Energy
- · Arts and Culture
- Science and Technology
- Labour
- Education
- Justice and Constitutional Development
- Communications
- Sport and Recreation
- Transport
- Water Affairs and Forestry
- Social Development
- South African Police Service
- Parastatals and South African TNCs.

Each Department is responsible for interacting with the relevant South African stakeholders in their respective areas of responsibility. South Africa have been also signed some treaties and protocols with South Africa. These are following: <sup>36</sup>

- Protocol on Immunities and Privileges
- Protocol on Shared Watercourse Systems in the Southern African Region
- Revised Protocol on Shared Watercourses
- Protocol on Combating Illicit Drug Trafficking in the Southern African region
- Protocol on Energy
- Protocol on Mining
- Protocol on Trade
- Protocol on Transport, Communications and Meteorology
- Protocol on Education and Training
- Protocol on Tourism
- Protocol on Wildlife Conservation and Law Enforcement
- · Protocol on Health
- Protocol on Legal Affairs
- Protocol on the Tribunal and the Rules of Procedure Thereof

<sup>&</sup>lt;sup>36</sup> Accessed on 2<sup>nd</sup> April (2008), URL: www.dfa.gov.za/foreign/sadc.htm

- Amendment Protocol on Trade
- Protocol on Fisheries
- Protocol on the Control of Firearms, Ammunition and other Related Materials
- Protocol Against Corruption
- Protocol on Politics, Defence and Security Co-operation
- Protocol on Culture, Information and Sport
- Agreement Amending the Treaty of SADC

South Africa has signed 21 of the Protocols and is in the process of acceding to the Protocol on Immunities and Privileges. South Africa has also ratified the Protocols on Shared Watercourse Systems, Combating Illicit Drug Trafficking, Energy, Mining, Transport, Communications and Meteorology, Health and Education and Training. The Revised Protocol on Shared Watercourse Systems has also been ratified. Of the 22 Protocols signed, the Protocols on Immunities and Privileges, Shared Watercourse Systems, Combating Illicit Drug Trafficking, Energy, Mining, Trade, Education and Training, Transport, Communications and Meteorology have received the required number of ratifications and have entered into force.

### 4.3.1. SADC: ENVIRONMENT, LAND MANAGEMENT AND INFRASTRUCTRE PROJECTS:

The fourteen Southern African countries namely Angola, Botswana, Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe continued to address the problems of desertification identified in the SADC Sub-Regional Programme (SRAP) to Combat Desertification in Southern Africa. The SADC, SRAP was adopted and approved by SADC Council of Ministers in 1997. The SADC Sub-region continued to operationalize the SADC, SRAP by developing specific programmes and activities under the seven priority programme areas namely: Capacity Building and Institutional Strengthening; Strengthening e.g. Early Warning Systems; Co-operation in the Sustainable Management of Shared Natural Resources and Ecosystems; Information, Collection, Management and Exchange; Development and Transfer of Appropriate

Technology to the Community Level; Development of Alternative Sources of Energy; and Socio-economic issues.<sup>37</sup>

There is also focus on capacity building, training, regional co-operation and the exchange of information in all areas related to the environment and land management. SADC operates an Environmental Exchange Network and implements a Land Degradation and Desertification Control Programme. Projects on the conservation and sustainable development of forestry and wildlife are under implementation. An SADC *Protocol on Forestry* was signed in October 2002, and in November 2003 *the Protocol on Wildlife Conservation and Law Enforcement* entered into force.<sup>38</sup>

The sub-region continued to implement ongoing programmes of relevance to the SRAP. SADC-ELMS together with its sub-region partners World Conservation Union (IUCN) and Southern African Research and Documentation Centre (SARDC) produced the 2000 State of Environment Report for the Zambezi River Basin and are in the process of the Second State of Environment Report for Southern Africa. The SADC Sub-region is actively participating in the preparatory process for the 2002 World Summit on Sustainable Development (WSSD) to hold in Johannesburg, South Africa in August/September 2002.<sup>39</sup>

SADC-ELMS continued to provide technical backstopping to member states in environment and natural resources management. Regular contact with National Focal Points has been maintained to provide technical support and monitor progress in capacity building and mainstreaming NAP into national budgeting and other sustainable development national frameworks. SADC-ELMS working closely with UNCCD Secretariat assisted some member states to prepare their draft NAP documents. Eight SADC member states developed their NAP Documents and these have been approved by their Parliaments. <sup>40</sup>

#### 4.3.2. COMMON CURRENCY AND MONETARY AREA:

<sup>&</sup>lt;sup>37</sup> SADC Sub-regional progress report on the implementation of the United Nations Convention to combat desertification in Southern Africa, Report prepared by the committee for the review of the implementation of the convention, Maseru, April 2002.

<sup>38</sup> Ibid.

<sup>39</sup> ibid

<sup>40</sup> Ibid.

The Republic of South Africa's current and potential experience of regional currency areas in the Common Monetary Area (CMA) and (SADC). There is no evidence that foreign currency is being used in any meaningful way inside South Africa. Thus no official and very little unofficial dollarisation has taken place in South Africa notwithstanding significant exchange control liberalisation in recent years. On the contrary, the South African Rand is used extensively as legal tender in other countries comprising the CMA while anecdotal evidence points to the rand being accepted as payment in some other countries in SADC. However, no statistics are available to corroborate the extent to which the rand is used outside the CMA.41

The present close monetary co-operation between South Africa, Lesotho, Namibia and Swaziland is based on the Multilateral Monetary Agreement (MMA) creating a common monetary area between these countries. This agreement has had a long historical development which started even before the Union of South Africa was formed in 1910. After the establishment of the South African Reserve Bank (SARB) in 1921, the South African pound became the sole circulating medium and legal tender in the geographical area that is today called the CMA, but including Bechuanaland (Botswana). The advantages for the countries involved in this informal arrangement included stability of exchange rates, which helped to foster the high level of trade in the area. There were, however, significant drawbacks such as the lack of monetary policy discretion for the smaller countries and no formal framework for consultation. The other member countries also did not share with South Africa in the seigniorage involved.<sup>42</sup>

After protracted negotiations, a formal monetary agreement was signed in December 1974 between South Africa, Swaziland and Lesotho, known as the Rand Monetary Area agreement, and the rand remained legal tender in all these countries. At that time, Botswana decided not to join the formalized arrangements, opting instead to pursue an independent monetary stance with its own national currency and central bank. The Common Monetary Area (CMA) replaced the Rand Monetary Area in July 1986 under the terms of a Trilateral Monetary Area Agreement between the three countries accommodating changes in the position of Swaziland. This trilateral

<sup>&</sup>lt;sup>41</sup> Lambertus van Zyl, "South Africa's Experience of Regional Ciurrency Areas and the Use of Foreign Currencies" BIS Paper No. 17. 42 Ibid.

agreement was replaced by the present MMA in February 1992, when Namibia formally joined the CMA, of which it had been a de facto member from the beginning.<sup>43</sup>

As was mentioned at the outset, creating a regional currency is not one of the immediate objectives of the SADC. Over time, however, it is to be expected that more attention will be given to the possibility of pursuing monetary integration. This will have implications for the CMA arrangements and consequently some discussion of the SADC seems warranted. The SADC was founded in August 1992 as a successor to the former Southern African Development Co-ordination Conference that had been established in April 1980 to enhance coordination of development programmes and projects of member states with a view to reducing their economic dependence on South Africa. The SADC aims to achieve development and economic growth through regional economic integration. This objective is to be achieved by harmonising and coordinating the economic policies of member states and by creating appropriate regional institutions. South Africa joined the SADC in 1994, and the following countries are currently members: Angola, Botswana, the Democratic Republic of the Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, the Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. Each member state accepts responsibility for the management and development of a specific economic sector. The Heads of State of the SADC countries are the main policy decision-making body. In addition, a Council of Ministers meets regularly to review progress.<sup>44</sup>

In 1995, a separate Finance and Investment Sector was created and allocated to South Africa. The Committee of Central Bank Governors in the SADC was also established in 1995. It reports to the Sectoral Committee of Ministers of Finance and deals with the development of well managed financial institutions and markets, cooperation regarding international and regional financial relations, and monetary, investment and foreign exchange policies. Objectives such as promoting regional macroeconomic stability and prudent fiscal and monetary policies are important to the financial sector. The Committee of Central Bank Governors has adopted its own terms of reference and developed a number of initiatives and work programmes to be pursued. It was accepted from the outset that sound financial structures and markets

<sup>43</sup> Ibid.

<sup>44</sup> Ibid.

were to be developed in each of the member states before the more challenging issues of macroeconomic development or financial integration could be addressed.<sup>45</sup>

While stronger monetary co-operation within the SADC will be a slow process, this integration initiative will eventually create a major challenge for the CMA. It remains to be seen whether the CMA has a pivotal role to play in the larger SADC initiative. Monetary co-operation in the SADC could eventually entail an entirely different framework or it could come about by extension of the CMA arrangements to include more SADC countries as and when they are willing and able to join.

#### 4.3.3. CO-OPERATION IN SCIENCE AND TECHNOLOGY:

Science and Technology (S&T) in the Southern African Development Community (SADC) falls under the Human Resources Development (HRD) Sector. The focus of the HRD Sector is education and training and consequently S&T policies and systems have not received the necessary attention. This led to the idea of bringing together Heads of S&T in the SADC region to deliberate in how they could create an enabling environment for improved S&T co-operation in the region.

The importance of Science and Technology for development and the need to develop appropriate policies in the context of a changing Science and Technology policy paradigm internationally and increasing globalisation were emphasised. Aggregation of regions (e.g. European Union (EU), Asia-Pacific countries, etc.) and the development of collaborative efforts are international trends underpinning this meeting. The South African thoughts on the development of larger Southern African programmes and the Council for Scientific and Industrial Research's (CSIR's) research on the distribution of pollutants in the region and the conducting of geomapping activities of the Geosciences Council were referred to. South Africa's effort to develop a comprehensive national system of innovation as outlined in the White Paper - Towards the 21st Century (1996) - was emphasised. The new approach is

<sup>45</sup> Ibid.

based on, and is emphasised by, multidisciplinarity, collaboration and innovativeness.<sup>46</sup>

The Ministry of Arts, Culture, Science and Technology is responsible for S&T in the country and it reports to the Cabinet. The Ministry also tackles issues of the Ministers' Committee on S&T for advice and debate. The National Advisory Council on Innovation advises the Ministry appropriately. The country's eight science councils and a number of other parastatals, higher education institutions and the private sector undertake S&T performance.<sup>47</sup>

- 1. Promote science, technology and innovation as a critical crosscutting programme within SADC in support of the regional development objectives.
- 2. Formulate, adopt and enter into force within a period of one year, a SADC protocol for science, technology and innovation as a binding instrument to regulate our collaborative initiatives in the region to support the implementation of the SADC RISDP and the Africa's science and technology Consolidated Plan of Action.
- 3. Constitute ourselves at the conclusion of the said protocol as a Standing Ministerial Committee that will meet regularly to exercise political oversight to the implementation of regional science, technology and innovation initiatives under the auspices of the SADC Secretariat.
- 4. Pursue the establishment of a dedicated and properly resourced science, technology and innovation unit within the SADC Secretariat, guided by the SADC Council decision of February 2006, in accordance with the terms of reference for such a unit as adopted at this meeting.
- 5. Request the SADC Secretariat in collaboration with partners including the African Union (AU) Commission and New Partnership for Africa's Development (NEPAD) Secretariat, to effectively co-ordinate the implementation of these initiatives including the mobilization of financial and technical resources.

<sup>&</sup>lt;sup>46</sup> Roodevalei, "Science & Technology in the SADC region in 21<sup>st</sup> century" Meeting of the Directors-General/Heads of Science and Technology in the SADC Region Pretoria (South Africa), 20-21 April 1999.

<sup>&</sup>lt;sup>47</sup> Accessed on 23<sup>th</sup> may (2008), URL: http://www.search.gov.za/info/previewDocument.jsp?dk=%2Fdata%2Fstatic%2Finfo%2Fspeeches%2 F2006%2F06071414451001.htm%40SpeechesandStatements&q=(+((SADC%3Cand%3Emeeting)%3 CIN%3ETitle)%3CAND%3E(dc.Date%3E%3D2004%2F01)+)+%3CAND%3E(+Category%3 Cmatches%3Es+)&t=SADC+Ministers+of+Science+and+Technology+on+innovation+adopted+in+re gional+meeting.

- 6. Engage our heads of State and government to promote at every opportunity the critical role of science, technology and innovation for regional development, particularly at the SADC Summit of August 2006.
- 7. Assist the SADC Secretariat, as an interim measure to co-ordinate science, technology and innovation initiatives until a permanent unit is established.
- 8. We express our gratitude to the Minister of Science and Technology, honourable Mosibudi Mangena, of the Republic of South Africa for the warm hospitality and excellent arrangements for this meeting.

#### 4.4. OUTCOME OF CO-OPERATION OF SOUTH AFRICA AND SADC:

In the light of South Africa's more immediate development concerns, it is debatable whether a non-racial democratic South Africa will undertake developmental initiatives given its oven internal crisis and contradiction. South Africa has signed 21 of the Protocols as Shared Watercourse Systems and Combating Illicit Drug Trafficking in the Southern African region, Tourism, Wildlife Conservation and Law Enforcement, Health, Legal Affairs, the Tribunal and the Rules of Procedure Thereof, Amendment Protocol on Trade, Fisheries, the Control of Firearms, Ammunition and other Related Materials, Protocol Against Corruption, Politics, Defence and Security Co-operation, Culture, Information and Sport, Agreement Amending the Treaty of SADC and is in the process of acceding to the Protocol on Immunities and Privileges. South Africa has also ratified the Protocols on Shared Watercourse Systems, Combating Illicit Drug Trafficking, Energy, Mining, Transport, Communications and Meteorology, Health, Education and Training. The Revised Protocol on Shared Watercourse Systems has also been ratified. As to science and technology, many Southern African countries draw freely on various technologies appropriate to African countries which were developed by South African organizations, such as a Council of Scientific and Industrial Research, the Bureau of Standards and various universities. Other instruments include the MOU on the Southern African Power Pool and the Charter of the Regional Tourism Organisation of Southern Africa (RETOSA) to which South Africa is a party (the Charter has also entered into force), as well as the MOU with the Southern African Chambers of Commerce and Industry (SACCI).<sup>48</sup>

<sup>&</sup>lt;sup>48</sup> Accesses on 5<sup>th</sup> May URL: http://www.dfa.gov.za/foreign/sadc.htm.

# CHAPTER 5: CONCLUSION

Southern Africa is very vast in area wise and also geographical perspective so that this region provide fertile condition of socio-economic development due the availability of vast natural resources and vegetation, climate also contribute and insure fertile land of the region. But this region is not so develop even presence of vast natural resources. Reason was that the policy of colonial power in the region. Post colonial power this region suffered problem like apartheid that's why there was no democracy in Africa continent. But after apartheid period region realize why region is least developed so that southern African countries form SADCC to developing the region and achieve some goal but lack of democracy and other internal contradiction like racial problem with in the region but SADCC not achieved the goals ,actually this region is land lacked, dependent on South Africa. In the era of globalization south Africa and southern Africa both realize that economic development can't run without integration of whole region that why south Africa join SADCC in 1994 to SADC.

SADC's strategy to redress the current inequitable trading relationship is market-driven and centered on eliminating all obstacles to the free movement of intraregional trade, albeit with an asymmetrical timetable that favours non-SACU, SADC countries. Given the evidence that free market conditions tend to favour stronger economies at the expense of the less developed, the SADC-FTA would appear to be an inadequate instrument to address the prevailing obstacles to promoting balanced intra-regional trade. Inevitably, demands that trade should be 'fair' as well as 'free' will lead to pressure for more co-ordinate and interventionist policies designed to promote growth in the least developed countries. However, South Africa's capability to promote a significant transfer of resources beyond the BLNS states is extremely limited. In an era dominated by multilateral liberalisation and tariff reductions, it looks likely that economic integration in Southern Africa will remain handicapped by the issue of how to address the problems associated with the region's profound inequalities.

After signing the SADC Treaty, South Africa's Foreign Minister, Alfred Nzo, went to great lengths to reassure the ten other members of the SADC that his country did not intend to dominate over its SADC members. He made it clear that South Africa "enters this new partnership as one player among many" and with "no desire to

be the dominant partner." He also made it clear that South Africa had no illusion of becoming the regional benefactor` because it did not possess such a capacity. We may accept the assurance of Alfred Nzo without any reservation.

The SADC is, in fact, so structured that no member will be able to dominate the organization. The SADC is guided by its longstanding principles of equity, balance and mutual benefit which require that all member states should be fully committed to restructuring the present unequal relations among them. To this end, no state shall be the loser, but rather a net gainer from regional cooperation.

Southern Africa Development Community (SADC) is not a new organization if we trace its origin from the date when the southern Africa development coordination conference (SADCC) was founded that is 1 April 1980. The SADCC did some communications work, especially in the development of transport and communications infrastructure in Southern Africa and agricultural research. However, the fundamental economic structures of the region remained much the same. The region continued to be a producer and exporter of primary agricultural and mineral products, and an importer of capital and consumer goods. The SADC region was facing economic problems arising fundamentally from underdeveloped and incompatible production and trade structures and other physical and socio-economic infrastructures.

By 1990 both regional and global circumstances had changed. The founders of the SADCC realized that the organization needed to be strengthened. The challenges presented by the profound socio-economic changes taking place in the region necessitated a review of the organization's mandate and priorities. Up to that time the SADCC had existed as a *de facto* international organization without a treaty or legally binding instrument, but in the late 1980s it was felt that a legal entity should take the place of the extra-legal organization which the SADCC was. After four years of preparatory work, the new organization, the SADC, was launched on 17 August 1992.

The SADC is built on the experience and lessons of the old SADCC. The SADC has thirteen years of experience in regional cooperation on which to draw in its efforts Sto build the community. During these thirteen years, there have been successes and failures and important lessons have been learnt. The regional solidarity

and identity have been engendered and the successful implementation of major projects energy, food and agriculture, achievement. The major areas where the SADC has not been able to make much progress include: (a) achieving higher level of investment, production and trade in the region;(b) mobilizing the region's resources to finance the SADC Programme of Action; and (c) promoting popular awareness and participation.

The SADC Treaty aims to build a community of nations which together are politically and economically strong to compete in the world market. The cornerstone of the SADC is the vision of a shared future within the regionally family. Through regional cooperation and integration, the community aims to provide balanced economic growth and development, political stability and security, for all its member states. The challenge now facing the SADC is to build upon its success to mobilize the region's own resources for sustainable development. The SADC has set itself a formidable task which will require commitment from governments, the business sector and other organizations as well as the peoples of the region. The people are very important because ultimately it is the people, and not the governments, who will integrate the economies and societies of Southern Africa. The challenge, therefore, is to release the inner dynamic of integration, to the let the people, that is, the business communities, the artists, the sports people, the professionals and civic society as a whole, to be the motor of the process of development.

Over all South Africa joined SADC in 1994 because this region (Southern Africa) has vast geographical importance and interest of South Africa in various terms. Firstly, few counties of SADC are land locked and touch the boundary with South Africa. Region is very much populated and rich in natural resources perspective, which provides fertile condition of South Africa, raw material. Man power and vast market as well. South Africa also wants to explore her economy though SADC, regional economic integration likes EU, SAARC, and NAFTA etc. Secondly South Africa insures regional peace. Security and economic development through SADC and also want to play a big role in the region to solve the problem like migration, food security, HIV/AIDS and the problem in Zimbabwe. South Africa is the largest and most developed country in the region, both in terms of population and the size of the economy. Its economy is also most sophisticated and diversified,

dominating the region as a source of imports and capital and less as a destination of the region's exports. South Africa has no desire to dominate the region but it has its own national interest, it found new market for their manufactured commodities, regional security and for exploitation of natural resources. The SADC countries have man power and raw material but they don't know how to use these things, that why there is a provision of free trade agreement with in SADC member countries to export and import the commodities. South Africa also want to insure it peace, security and economic development which is not possible without Southern Africa's support because Southern Africa is to close for South Africa, and in the era of globalization, each and every states are inter connected, what will happen in SADC member countries, defiantly south Africa will suffered. That's why the geographical importance and interest of South Africa in SADC automatically increase to insure regional peace, security and economic integration in the region.

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