

**Regional Cooperation in Southern Africa:  
Achievements and Challenges of Southern  
African Development Community  
(SADC) 1994-2004**

*Dissertation submitted to Jawaharlal Nehru University  
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**MASTER OF PHILOSOPHY**

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### DECLARATION

I declare that the dissertation entitled "**Regional Cooperation in Southern Africa: Achievements and Challenges of Southern African Development Community (SADC) 1994-2004**" submitted by me for the award of the degree of **MASTER OF PHILOSOPHY** of Jawaharlal Nehru University is my own work. This dissertation has not been submitted for any other degree of this university or any other university.

  
(A. Arun Prashanth)

### CERTIFICATE

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

  
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*Date 29<sup>th</sup> July 2005  
New Delhi*

  
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## **Preface**

**Regionalism has emerged as an important discipline in international relations in the period after the Second World War when countries were still trying to recover from the destruction caused due to the war. When economic development was the priority regionalism was seen as an option. In the era of globalization regionalism also helps third world countries to have collective bargain in many multilateral economic forums. The purpose of the study is to analyze the contribution of regional cooperation for the countries of Southern Africa.**

**The first chapter consists of the history and origin of regional cooperation along with various theories on regionalism. The debate between regionalism and universalism is discussed in a detailed manner along with the role of the United Nations in promoting regionalism.**

**The second chapter consists of the history of regional cooperation in southern Africa which, started in the form of Southern African Development Coordination Conference with the objective of reducing the dependency on apartheid South Africa. The functioning of this organization along with the reasons for limited success is discussed.**

**The third chapter consists of the structure, organs and functions of Southern African Development Community which got the name from SADCC. The major difference between SADCC and the SADC as a result of diversified operation is compared and the impact of this on regional cooperation in southern Africa is analyzed.**

**The fourth chapter discusses in detail the role of South Africa in SADC. The role of South Africa in both during apartheid and after it became a member in SADC is very crucial due to the dominant role it plays as a regional power.**

**The fifth chapter is an account of the various challenges faced by SADC because of the diversified functions and the ways and means by which it is overcoming it.**

**The Conclusion consists of the findings of the study.**

## ABBREVIATIONS

AIDS	Acquired Immuno Deficiency Syndrome
ANC	African National Congress
ASCCI	Association of SADC Chambers of Commerce and Industry
BCP	Basutoland Congress Party
BDP	Botswana Democratic Party
BNF	Botswana National Front
COMESA	Common Market for Eastern and Southern Africa
CRC	Constitutional Review Commission
DP	Democratic Party
DRC	Democratic Republic of Congo
EAU	East African Union
ECA	Economic Commission for Africa
ECF	Electoral Commissions Forum of SADC Countries Electronic
EEC	European Economic Community
EEZ	Exclusive Economic zone
ESIPP	EU-SADC investment promotion programme
FANR	Food, Agriculture, and Natural Resources
FAO	Food and Agriculture Organisation of the UN
FDI	Foreign Direct Investment
FTA	Free Trade Area
GATS	General Agreement on Trade in Services
GDP	Gross Domestic Product
GEAR	Growth, Employment and Redistribution
GNP	Gross National Product
HDI	Human Development Indicator/Index
HIPC	Highly Indebted Poor Countries
HIV	Human Immuno Deficiency Virus
HRD	Human Resources Development
IFP	Inkatha Freedom Party
ILO	International Labour Organisation
IMF	International Monetary Fund

IOM	International Organisation for Migration
MPLA	Movimento Popular de Liberacao de Angola
NNP	New National Party
NTP	Non-Tariff Barrier
OAU	Organisation of African Unity
ODA	Official Development Assistance /Overseas Development Agency
OECD	Organisation for Economic Co-operation and Development
OPDS	Organ for Politics, Defence and Security
PAAP	Poverty Alleviation Action Plan
PTA	Preferential Trade Area
RENAMO- UE	Resistencia Nacional Mocambicana-Unitao Eleitoral CCAR
SACU	Southern African Customs Union
SADC	Southern African Development Community
SADCC	Southern African Development Co-ordination Conference
SADC- CNGO	SADC Council of Non-Governmental Organisations
SAP	Structural Adjustment Programme
SATA	Southern Africa Telecommunications Association
SC	Sectoral Commission
SCU	Sector Co-ordinating Unit
SIDA	Swedish Agency for Development Co-operation
SITCD	SADC Industry and Trade Co-ordination Division
STD	Sexually Transmitted Disease
SWAPO	South West Africa People's Organisation
TNF	Trade Negotiating Forum
UDI	Unilateral Declaration of Independence
WFP	World Food Programme
WHO	World Health Organisation
WWF	World Wide Fund
ZANU- PF	Zimbabwe African National Union- Popular Front

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Map: 1 Political Map of Africa



Source: Africa South Of the Sahara, 2005



**Map 2: Map of SADC Members**



**Southern African Development Community (SADC) Member States**

(Angola, Botswana, the DRC, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia & Zimbabwe)

Source: [www.sadc.int](http://www.sadc.int)

Map: 3 Provinces of South Africa



Source: [www.worldmaps.com](http://www.worldmaps.com)

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# **CHAPTER I**

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## **INTRODUCTION**

# CHAPTER I

## INTRODUCTION

### 1.1 HISTORY OF REGIONAL COOPERATION

Regional cooperation has gained tremendous importance in the present day international relations because of its contribution to international peace, economic development and collective bargain in case of poor and developing countries in many multi-lateral forums like the World Trade Organization (WTO). Even though the recent form of regional cooperation has become more popular due to the developments in the continent of Europe immediately after the end of Second World War on their attempt to form cooperation at continental level the origin can be traced to the period as early as 1664. A customs union of the provinces of France was proposed in 1664 and Austria signed free trade agreements with five of its neighbors during the 18th and 19th centuries. The colonial empires were also based on preferential trade agreements<sup>1</sup>

The 1930s saw a great fragmentation of the world trading system as governments struggled with the slump in demand without the benefit of global economic institutions to provide liberal focal points and regional preferences were one of the solutions adopted. The process of evolution of regional organizations started from Western Europe in the form of Capitalist countries joining together to confront the rapid spread of communist wave from the east. The reality of the post war politics

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<sup>1</sup> Maurice Schiff and L. Alan Winters, *Regional Integration and Development* (Washington: World Bank and Oxford University Press, 2003), p.4.

was the division of a huge and heterogeneous international system into sub-systems in which patterns of cooperation and ways of controlling conflicts are either more intense or less elusive than those in the global system.<sup>2</sup>

The regional cooperation that has been created in the post Second World War period can be broadly divided into three major models. The first model is of regional defense organizations such as the North Atlantic Treaty Organization (NATO), Central Treaty Organization (CENTO), and the Warsaw Treaty Organization (Warsaw Pact). The second model comprised economic organizations, which are also called functional organizations. European Economic Community (EEC), the Council of Mutual n

Economic Assistance (CEMA), and the Latin American Free Trade Association (LAFTA) are the examples. The third model carries out multi- functional activities, which are mostly a combination of political, economic, cultural and occasionally military and cultural like Organization of American States (OAS), the Organization of African Unity (OAU), the Arab League and the British Commonwealth of Nations.<sup>3</sup>

Lynn H. Miller divides all regional organization in to three general types as comparative, Alliance or Functional based on the “single variable of the Security orientation of component states as expressed through the organizational structure.”<sup>4</sup>

The classification of the organizations thus differs according to the purpose of its formation.

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<sup>2</sup> Stanley Hoffman, “ International Organization and the International System”, in Janus and Minerva (eds), *Essays in the Theory and Practice of International Politics*, (Colorado: West View Press, 1987), p.293.

<sup>3</sup> Mohd. Muslim Khan, *Regional cooperation in Southern Africa – Pattern, Politics and Prospects*, (Delhi: Delhi Research Publications, 1994), p.1.

<sup>4</sup> Lynn H. Miller, “Regional Organizations and Subordinate Systems”, in Louis J. Cantori and Steven L. Spiegel (eds), *The International Politics of Regions: A Comparative Approach*, ( Englewood Cliffs, N. J: Prentice- Hall, 1970), pp. 357-378.



## **1.2 OBJECTIVES OF REGIONALISM:**

- (1) Desire to obtain more secure access to major markets.
- (2) Governments' wish to bind themselves to better policies- including democracy – and to signal such bindings to domestic and foreign investors.
- (3) The pressure of globalization, forcing firms and countries to seek efficiency through larger markets, increased competition, and access to foreign technologies and investment.
- (4) Governments' desire to maintain sovereignty by pooling it with others in areas of economic management where most nation- state is too small to act alone.
- (5) A desire to jog the multilateral system into faster and deeper action in selected areas by showing that the GATT was not the only game in town and by creating more powerful blocs that would operate within the GATT system.
- (6) Desires to help neighboring countries stabilize and prosper.
- (7) The fear of being left out while the rest of the world swept into regionalism.<sup>5</sup>

These are some of the objectives behind the formation of regional groupings.

## **1.3 CAUSES OF REGIONALISM:**

- (1) The collapse of Soviet led to the countries of the Eastern Europe and the Baltic to embrace capitalism and democracy and those of Western Europe to seek ways of cementing and accelerating their transition.

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<sup>5</sup> Schiff, n.1, pp. 6-8.

- (2) The unification of Germany and end of Apartheid in South Africa created new opportunities in both Europe and Southern Africa for cooperation.
- (3) The change in understanding of the role of openness in development, coupled with natural political desire to limit the feared adjustment costs of unilateral nondiscriminatory liberalization.
- (4) The need to create a domestic dynamic for the reforms required achieving great openness while at the same time minimizing the political problems of disrupting existing sources of incomes and rent.
- (5) The changed attitude of the United States toward trade blocs, from active hostility to a broadly enthusiastic stance. This shift both fostered Regional Integration Agreements (RIA) and reduced the diplomatic pressure- overt (through General Agreement on Tariffs and Trade-GATT) and covert- for countries to desist from forming them. It stemmed at least in part from an expressed frustration with the slowness of the multilateral process.<sup>6</sup>

These are the fundamental causes of the proliferation of Regionalism in the post Cold War period. Of the 109 agreements notified to the General Agreement on Tariffs and Trade (GATT) between 1948 and 1994, 33 were notified since 1990. As a result, when the World Trade Organization was established in January 1995, all but its original 120 members were parties to at least one of the 62 regional agreements still in force, and some were parties to many. (The exceptions were Hong Kong, Japan

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<sup>6</sup>ibid, pp.9-10.

and Korea).<sup>7</sup> Of the 194 agreements that had been notified by the beginning of 1999, 87 dated from 1990 or after.

## 1.4 DEFINITIONS

### 1.4.1 REGIONS AND REGIONALISM

The problems of defining regions and regionalism attracted good deal of academic attention in the late 1960s and early 1970s but the results yielded very few clear conclusions. Regionalism was often analyzed in terms of the degree of social cohesiveness (ethnicity, race, language, religion, culture, history, consciousness of a common heritage); economic cohesiveness (trade patterns, economic complementarities), political cohesiveness (regime type, ideology), and organizational cohesiveness (existence of formal regional institutions).<sup>8</sup>

Kym Anderson and Hege Norheim note that while there is no ideal definition (of a region), pragmatism would suggest basing the definition on the major continents and subdividing them somewhat according to a combination of cultural, language, religious, and stage-of- development criteria.<sup>9</sup> Peter J. Katzenstein maintains that regional “geographic destinations are not ‘real’, ‘natural’, or ‘essential’. They are socially constructed and politically contested and thus open for change”.<sup>10</sup> Joseph Nye defines International region, “as a limited number of states linked together by a

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<sup>7</sup> Andre Sapir, “The political economy of EC regionalism”, *European Economic Review*, 42, 1998, pp. 717-732.

<sup>8</sup> Bruce M. Russett, “International Regimes and the study of the Regions”, *International Studies Quarterly*, Vol. 13, No. 4, December 1969, pp. 114.

<sup>9</sup> Paul F. Diehl, “The politics of Global Governance: International Organizations in an Interdependent World”, *International Organization*, Vol. 53, No. 3, Summer 1999, pp. 589-627.

<sup>10</sup> *ibid*, pp. 589- 627.

geographical relationship and by a degree of mutual interdependence”.<sup>11</sup> Regionalism may then be defined as the, “formation of interstate groupings on the basis of region”.<sup>12</sup>

#### ***1.4.2 REGIONAL COOPERATION***

Regionalism represents the body of ideas, values and concrete objectives that are aimed at transforming a geographical area into a clearly identified regional space.<sup>13</sup> Where as Regional Organization is a segment of the world bound together by a common set of objectives based on geographical, social, cultural, economic or political ties and possessing a formal structure provided for informal intergovernmental agreements.

Regional cooperation may therefore entail the creation of formal institutions, but it can often be based on a much looser structure, involving patterns of regular meetings with some rules, attached, together with mechanisms for preparation and follow- up.

#### ***1.4.3 REGIONALIZATION***

Regionalization refers to the growth of social integration within a region and to the often-undirected processes of social and economic integration. This was described as informal integration and soft regionalism. The term lays particular weight on autonomous economic processes, which led to higher levels of economic interdependence within a given geographical area than between that area and the rest

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<sup>11</sup> Joseph Nye (ed), *International Regionalism*, (Boston: Little, Brown & co., 1968), p.7.

<sup>12</sup> *ibid*, p.7.

<sup>13</sup> J. Andrew Grant and Fredrik Soderbaum, (eds), *The New Regionalism In Africa* ( Aldershot: Ashgate, 2003), p.7.

of the world. The most important driving forces for economic regionalization come from markets, from private trade and investment flows, and from the policies and decisions of the companies.

Regionalization can also involve increasing flows of people, the development of multiple channels and complex social networks by which ideas, political attitudes, and ways of thinking spread from one area to another and the creation of a transnational regional civil society. It is seen as undermining the monolithic character of the state, leading to the creation of a cross-governmental alliances, multi-level and multi-player games and to the emergence of new forms of identity both above and below existing territorially defined states.<sup>14</sup>

#### ***1.4.4 REGIONAL COOPERATION AND REGIONAL INTEGRATION***

In the process of analyzing cordial and cooperative interstate ties within any region, there is a tendency to use terms such as “regional cooperation” and “regional integration” interchangeably in spite of the difference between these two concepts. Cooperation refers to joint action, by two or more states, in the form of common programs of projects in functionally specific areas, while integration implies the creation of new, supranational institutions within which common policies are planned and implemented.<sup>15</sup> Ernst Haas defines integration as, “the process whereby actors in several distinct national settings are persuaded to shift their loyalties, expectations,

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<sup>14</sup> William Wallace, *The Transformation of Western Europe* (London: RIIA, 1990), p.72.

<sup>15</sup> Martin Guy, “African Regional Cooperation and Integration: Achievements, Problems and Prospects” in Ann Seidman and Fredrich Anang (eds), *Towards a New Vision of Sustainable Development*, (New Jersey: African World Press, 1992), p.72.

and political activities towards a new centre whose institutions possess or demand jurisdiction over the pre- existing national states".<sup>16</sup>

Regional integration involves specific policy decisions by governments designed to reduce or remove barriers to mutual exchange of goods, services, capital and people. Regional economic integration can be compared along various dimensions: scope (the range of issues included); depth (the extent of policy harmonization); institutionalization (the extend of formal institutional building); and centralization (the degree to which effective authority is centralized).<sup>17</sup> Cooperative ventures often precede projects of integration also advance through different stages such as formation of free trade area, customs union, common market, Economic union and total economic integration.<sup>18</sup>

## **1.5 THEORIES ON REGIONALISM**

### ***1.5.1 SYSTEMIC THEORIES***

In the modern world there can be no wholly self- contained regions, immune from outside pressures.<sup>19</sup> Systemic theories underline the importance of the broader political and economic structures within which regionalist schemes are embedded and the impact of outside pressures working on the region.<sup>20</sup> Two sets of systemic or structural

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<sup>16</sup> Ernst B. Haas, *The Uniting of Europe: Political, Social and Economic Forces* (London: Stevens, 1958), pp. 15-16.

<sup>17</sup> Peter H. Smith, "Introduction: The Politics of Integration- Concepts and Themes", in Peter H. Smith (ed), *The Challenge of Integration: Europe and the Americas*, (New Jersey: Transaction, 1992), p.5.

<sup>18</sup> Guy, n. 15, p. 73.

<sup>19</sup> Paul Cloke, Chris Philo, David Sadler (eds.), *Approaching Human Geography: An Introduction to Contemporary Theoretical Debates*, (London: Paul Chapman Publishers, 1991). pp.8-13.

<sup>20</sup> Iver B. Neumann, "A Region- Building Approach to Northern Europe", *Review of International Studies*, Vol. 20, no.1, January 1994, p.116.

theories are especially significant: first, neo- realist theory that stresses the constraints of the anarchical international system and the importance of power- political competition; and second, theories of structural interdependence and globalization which emphasize the changing character of the international system and the impact of economic and technological change.

### ***1.5.2 NEO-FUNCTIONALISM***

Neo-functionalist argued that high and rising levels of interdependence would set in motion an ongoing process of cooperation that would lead eventually to political integration. Supranational institutions were seen as the most effective means of solving common problems, beginning with technical and non- controversial issues, but ‘spilling over’ of group identity around the regional unit. Neo-functionalism has played a central, although much criticized, role in the development of theories of European integration.<sup>21</sup>

### ***1.5.3 NEO- LIBERAL INSTITUTIONALISM***

Neo-liberal institutionalism has been the most influential theoretical approach to the recent study of international cooperation and represents a highly plausible and generalizable theory for understanding the resurgence of regionalism.<sup>22</sup> Institutionalism theory would seek to identify the ways in which processes of regionalization and regional economic integration create first

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<sup>21</sup> Haas, n.16, pp.15-16.

<sup>22</sup> Helen Milner, “International Theory of Cooperation among Nations: Strengths and Weaknesses”, *World Politics*, 44, (April 1992), p.37.

‘international policy externalities’ that require collective management; and, second, incentives for reducing transactions costs and facilitating intra-regional linkages.<sup>23</sup>

#### ***1.5.4 CONSTRUCTIVISM***

Constructivist theories focus on regional awareness and regional identity, on the shared sense of belonging to a particular regional community, and on what has been called ‘cognitive regionalism’. As Wend puts it: ‘Constructivists are interested in the construction of identities and interests, and, as such, take a more sociological than economic approach to systemic theory. On this basis, they have argued that states are not structurally or exogenously given but constructed by historically contingent interactions’.

#### ***1.5.5 CUSTOMS UNION THEORY***

According to the customs union focus of integration, the principal objective of integration is to remove, in stages, such discriminations that may exist in trade and general economic relationships across national boundaries. The significance of national boundaries lies in the introduction of “discontinuities whether in trade, inflows of factors of production or in general economic policies, etc. These discontinuities actually lead to effective discrimination in the economic sphere”.<sup>24</sup>

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<sup>23</sup> Richard N. Cooper, “Interdependence and Co-ordinating of Policies”, in Richard N. Cooper, *Economic Policy in an Interdependent World: Essays in World Economics* (Cambridge, Mass.: MIT press, 1986), p. 116.

<sup>24</sup> *International Economic Integration among Developing Countries* (Paris: OECD Development Centre, 1968), p.11.



Jacob Viner is the author of a celebrated work on customs union.<sup>25</sup> Before Viner's major contribution to the customs union theory, the general view was that because customs unions bring about free trade, they tend to increase world welfare. This "free trade- world welfare" focus neglects issues concerning the misdistribution of world income and the privileged positions of the developed, capitalist economies in the international system.

According to Viner, the generally accepted view that customs unions promote world welfare is not proven. He introduced new concepts of trade creation and trade diversion, "defining trade creation as a shift in trade from a high-cost to a low-cost producer and trade diversion as a shift in the opposite direction. Trade creation being, from the point of view of free trade, a move in the right direction and trade diversion a move in the wrong direction, the net effect of a Customs Union on world welfare and on the welfare of the partners in the scheme depends entirely on which of the two forces is predominant".<sup>26</sup>

## **1.6 REGIONALISM AND UNIVERSALISM**

The period immediately after the Second World War saw international community debating seriously the choice between regionalism and universalism. This debate was a result of the fear that regionalism will undermine universalism particularly among the countries seriously affected by the war. Leaders like Winston Churchill along with many of the Latin American countries supported strongly for recognition of the

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<sup>25</sup> Jacob Viner, *The Customs Union Issue* (New York: Carnegie Endowment for International Peace, 1950), p. 16.

<sup>26</sup> *ibid*, n. 16.

legitimacy and importance of the role of regional agencies in promoting the aims of international peace, security, and welfare even during the period after the formulation of the Charter of the United Nations. The arguments by the group that supported regionalism over universalism are as follows,

- (1) There is a natural tendency towards regionalism based on the homogeneity of interests, traditions, and values within small groups of neighboring states.
- (2) Political, economic and social integration is more easily attained among a lesser number of states within a limited geographic area than on a global basis.
- (3) Regional economic cooperation provides more efficient economic units than the smaller states and these larger units can compete successfully in world markets.
- (4) By combining states into regional groupings, a global balance of power will be maintained and world peace and security will be promoted.
- (5) Local threats to the peace are more willingly and promptly dealt with by the governments of that area than by disinterested states at greater distance from the scene of the conflict. Regionalism is the first step in gaining experience and building areas of consensus towards essential intergovernmental coordination or integration.

The possibility of both functioning together and using of regional or universal organization should be according to the nature of the problem. Minerva Etzioni

explains this relation through concepts like compatibility and incompatibility.<sup>27</sup> Compatibility is defined as the relationship between two organizations by which “the activities of one do not undermine those of the other and vice versa”. The antagonism between regionalism and universalism occurs only when the jurisdiction and functions of organizations at the two levels are incompatible. The reasons given to substantiate the support for universalism over regionalism are as follows,

- (1) World interdependence has created an increasing number of problems that require global solutions. Political, economic and social problems reach across regional boundaries.
- (2) Regional resources are often inadequate to resolve the problems of states within the region. Since peace is indivisible only a world organization can deal effectively with threats to the peace that may, if unchecked, spread beyond local or regional limits.
- (3) Only a universal organization can provide an adequate check on the power of a large state that can often dominate the other members of a regional arrangement.
- (4) Sanctions against an aggressor are usually ineffective if applied on a regional basis because of sources of aid to the aggressor from outside the region.
- (5) The existence of numerous, moderately successful universal organizations demonstrate the desire of governments and people to cooperate on a global basis without the necessity of first using regional organizations as laboratories for gradually developing enlarged areas of consensus or community.

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<sup>27</sup> Minerva M. Etzioni, *The Majority of One: Towards a Theory of Regional Compatibility*, (Beverly Hills, CA: Sage Publications, 1970), p. 18.

### ***1.6.1 REGIONALISM AND UNITED NATIONS***

The relations between many of the regional groupings and the UN were confined to security and conflict resolution in the initial years after the formation of the UN. Dumbarton Oaks Conversations is an important event that clearly defined the relations between regional organizations and the UN when the world opinion was divided between regionalism and universalism during the formative days of the UN. This Conversation gave an unchallenged authority to the new world organization to deal with the basic issues of war and peace. Moreover, it was agreed that in certain circumstances, the Security Council might utilize regional agencies for enforcement action with the understanding that this could be done only when authorized by the council.<sup>28</sup>The San Francisco Conference made three fundamental concessions in the direction of regionalism.

The first amendments to the Dumbarton Oaks Proposals were designed to encourage states involved in local disputes to utilize regional agencies in their attempts to work out an amicable adjustment before turning to the Security Council for help. A second set of amendments dealt with the problem created by the existence of mutual assistance pacts, like the Anglo-Soviet treaty of 1942, and their integration into the UN systems. The Conference met this issue head on by inserting Article 53 into the Charter providing for the utilization, where appropriate, of regional arrangements by the Security Council for enforcement action. Finally, the most important amendment recognized the right of individual and collective self-defense against armed attack.

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<sup>28</sup>Proposals for the Establishment of a General International Organization, *Department of State Bulletin* (Vol. 2, No. 276, October 8, 1944), p.372.

This amendment (Article 51) admitted the right of Member states to defend themselves “until the Security Council has taken the measures necessary to maintain international peace and security.”

One interesting shift in the delicate balance established at San Francisco is reflected in the provisions of the treaties that have been negotiated setting up the various regional arrangements.<sup>29</sup> Both the NATO pact and the SEATO pact conveniently neglect to establish any regional relationship or commitments of this kind. The North Atlantic Treaty refers only to Article 51 and requires only that any measures taken against an armed attack shall immediately be reported to the Security Council. Since no mention is made of Articles 52-54 of the Charter, the presumption is to be drawn that its signatories did not consider NATO a regional agreement in the strict sense of that term. The SEATO pact, concluded in 1954, reiterates the principle that collective defense arrangements do not alter the rights and obligations of the parties under the Charter or the responsibility of the UN for the maintenance of peace.

A second shift in the balance between the regional organizations and the United Nations stems from the fact that the regional agencies have been far less active in the peaceful settlement of disputes than the framers of the Charter anticipated with the exception of OAS and OAU.<sup>30</sup> As a result it cannot be said that any clear-cut pattern of working relationships or any satisfactory division of labor between the regional organizations and the UN has been developed.

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<sup>29</sup> Norman J. Padelford, “Regional Organizations and the United Nations”, *International Organization*, (Vol. 8. No. 2), p.211.

<sup>30</sup> Francis O. Wilcox, “The United Nations: Accomplishments and Prospects”, *International Organization*, Vol. 19, No. 3, Summer 1965, p.795.

### ***1.6.2 UNITED NATIONS REGIONAL COMMISSIONS***

The regional economic commissions of the UN systems represents a middle approach between the global goals for which the organization was created and the manifold projects and agencies that carry decentralization. The major purpose of the regional commissions is to assist in raising the level of economic well-being in their region and to strengthen the economic relations of the countries of the region with each other and with other countries outside the area. Originally the principal activity of each commission was to provide research, surveys, and planning as a basis for coordinated economic development. After 1960 the importance of the commissions was intended to be upgraded by an official UN policy to strengthen the commissions and decentralize the UN economic activities. Each of the regional commissions is a subsidiary body of the Economic and Social Council, to which it reports.

The references in the Charter related to regionalism applied to only security related issues and no regional decentralization of the economic and social activities of the UN was provided for in the Charter. However the task of reconstruction and rehabilitation in the war-damaged areas provided the initial impetus for the establishment in 1947 of the Economic Commission for Europe (ECE) and the Economic Commission for Asia and the Far East (ECAFE). The title of ECAFE was changed in 1974 to the Economic and Social Commission for Asia and Pacific (ESCAP). Pressures from the Latin American States, with support from other underdeveloped countries in the General Assembly, after a lack of success in the Economic and Social Council, led to the creation in 1948 of the Economic

Commission for Latin America (ECLA). Its title was changed in 1984 to the Economic Commission for Latin America and the Caribbean (ECLAC).

Ten years later the beginning of the influx of new African states into the United Nations membership brought about the approval of an Economic Commission for Africa (ECA).<sup>31</sup> For many years proposals for a Middle East Commission fell prey to the hostility between the Arab states and Israel. As a substitute, a relatively small UN Economic and Social Office in Beirut were opened in 1963. Finally, in 1974 it was converted into a full-fledged Economic Commission for Western Asia. In 1985 its title was changed to the Economic and Social Commission to the Economic and Social Commission for Western Asia (ESCWA).

## **1.7 REGIONAL COOPERATION IN AFRICA**

The concept of sub-regional and regional economic cooperation is not new to African countries. Even during the colonial times there were a number of regional organizations by way of customs union or more formally organized regional groupings. The first customs union in Southern Africa- between the Cape of Good Hope and the Orange Free State- was established in 1889, and by the mid- 1890s all the countries of the present SACU except Namibia were in a customs union together.<sup>32</sup> The East African Common Market of Kenya, Tanganyika and Uganda formed in 1917 were upgraded as East African High Commission in 1947 when administrations of common services were added to the operation of the de facto

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<sup>31</sup>James S. Magee, "ECA and the Paradox of African Cooperation", *International Conciliation*, No. 580, (November 1970), p.45.

<sup>32</sup>G. Massdrop, "A Century of Customs Unions in Southern Africa", *The Southern African Journal of Economic History*, 5(1), 1990, p.39.

common market. With the independence of Tanganyika in 1961, the High Commission was replaced by the East African Common Services Organization (EASCO).<sup>33</sup>

At the first and second conference of independent African States, held in Accra (Ghana), in April 1958 and in Addis Ababa (Ethiopia), in June 1960, respectively, economic problems to be faced by independent Africa was discussed. There was a consensus that the smallness and fragmented nature of post-colonial African national markets would constitute a major obstacle to the diversification of economic activity and the need for cooperation was realized. Two options were advocated for the implementation of the integration strategy in Africa:

- (a) a Pan-African, all embracing approach, which envisaged the immediate creation of a regional continental economic arrangement; and
- (b) a geographically narrower approach that would have its roots at the sub-regional levels and build on sub-regional cooperation arrangements to subsequently achieve geographically wider forms of cooperation.

At their third conference held at Addis Ababa in May 1963, which gave birth to the Organization of African Unity (OAU), economic cooperation as a development strategy was endorsed and the concept was included in the principles and objectives of the OAU. Implementation guidelines for the promotion of inter-African economic

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<sup>33</sup> Bela Belassa, "Types of Economic Integration" in *World Bank Reprint Series* (Washington D.C: The World Bank, 1976), p.17.



cooperation was debated and formulated at subsequent OAU Summits (1970, 1973, 1977, 1979, 1991, 1995, and 2000). It was decided that the ultimate goal should be to establish an African Economic Community in five stages-Preferential Trade Areas, Free Trade Area, Customs Union, Common Market and community- beginning at the sub-regional levels (west, east, south, north and central Africa).

In April 1990, in Lagos, Nigeria The Lagos Plan of Action was adopted in the first extraordinary OAU Economic Summit with a regional economic cooperation strategy. The OAU in its 27<sup>th</sup> Annual Summit in Abuja, Nigeria held in June 1991 adopted the Abuja Treaty to establish the African Economic Community (AEC) by the year 2025 which came into force in May 1994. The OAU summit in Lome in July 2000 declared the African Union by an unanimous decision and formally came into existence on 26 May 2001.

### ***1.7.1 ECONOMIC REGIONALISM IN AFRICA***

Economic Regionalism in Sub-Saharan Africa has a long-standing tradition. Since independence African Governments have emphasized the benefits that could be drawn from economic regionalism and have consistently taken part in regional economic organizations at both the continental and regional level. Being part of at least one regional economic grouping has always been an important component of the national, regional, and continental political legitimacy of any African government.

During the last decade a major shift occurred in the policy strategies of African sub-regional organizations. Self-reliance and pan-African solidarity have been replaced by

trade liberalization as the primary aim of inter-state economic cooperation in Sub-Saharan Africa. Under the pressure of the new international order brought about by the end of the Cold War and the deepening process of globalization, African regional economic organizations have taken on new military security functions, while the liberalization of intra- regional trade has become the main aim of their economic programmes.

In Southern Africa the political appeal of regional integration has historically been strengthened by the presence of the apartheid regime in South Africa. Although during the 1980s security cooperation among the independent countries of Southern Africa took place within the group of the Frontline States, the economic cooperation started in the form of Southern African Development Coordination Conference (SADCC).

The end of apartheid resulted in SADCC being renamed as Southern African Development Community (SADC) and South Africa joining and playing a key role in the regional cooperation process. The important purpose of the study is to analyze the functioning of SADC in the period after South Africa became member in it and its role in regional cooperation and integration of the region. All these issues will be discussed in the subsequent chapters.

The second chapter will discuss the process of Decolonization and the origin of regional cooperation in southern Africa when SADCC was formed. The structure, organs and functions of SADCC along with the reasons for the limited success will be discussed.

The focus of the third chapter will be to analyze the structure, functions, organs and funding of the SADC.

The fourth chapter will throw light on the role of South Africa in SADC. The various areas where South Africa plays a key role will be discussed.

The fifth chapter is about the various challenges faced by SADC as an organization.

The concluding chapter will include the main findings of the study.

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## **CHAPTER II**

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### **REGIONAL COOPERATION IN SOUTHERN AFRICA: SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC) EXPERIENCE**

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### **REGIONAL COOPERATION IN SOUTHERN AFRICA: SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC) EXPERIENCE**

#### **2.1 INTRODUCTION**

In order to understand the origin of regional cooperation in Southern Africa it is important to know about the changes, which happened in the region as a result of decolonization. The colonial policies adopted by the two major colonial powers of the region namely the British and the Portuguese can be identified as the main reason for the problems which continued even after the end of colonial rule apart from the presence of sizeable settlers in many of the countries in the region.

#### **2.2 DECOLONIZATION IN SOUTHERN AFRICA**

Tanganyika during this period was exceptionally united and the nationalist movement led by Julius Nyerere lead to its independence from the British in 1961. When Zanzibar obtained independence in 1963 it united with Tanganyika to form Tanzania. Table 2.1 shows the independence dates of the African countries.

If the transformation of power was comparatively smooth in Tangnyika and Zanzibar the British Policy of depending in the alliance it had with the Kingdom of Buganda with late of ethnic divisions resulted in political instability for the next 25 years for Uganda when it got independence in 1902.

**Table 2.1 DATES OF INDEPENDENCE OF AFRICAN COUNTRIES  
IN CHRONOLOGICAL ORDER OF INDEPENDENCE—POST-WAR**

Libya	24 Dec. 1951	Rwanda	1 July 1962
Sudan	1 Jan. 1956	Burundi	1 July 1962
Morocco	2 Jan. 1956	Algeria	3 July 1962
Tunisia	20 March 1956	Uganda	9 Oct. 1962
Ghana	6 March 1957	Zanzibar (now part of Tanzania)	10 Dec. 1963
Guinea	2 Oct. 1958	Kenya	12 Dec. 1963
Cameroon	1 Jan. 1960	Malawi	6 July 1964
Togo	27 April 1960	Zambia	24 Oct. 1964
Mali	20 June 1960	The Gambia	18 Feb. 1965
Senegal	20 June 1960	Botswana	30 Sept. 1966
Madagascar	26 June 1960	Lesotho	4 Oct. 1966
The Democratic Republic of the Congo (as the Congo)	30 June 1960	Mauritius	12 March 1968
Somalia	1 July 1960	Swaziland	6 Sept. 1968
Benin (as Dahomey)	1 Aug. 1960	Equatorial Guinea	12 Oct. 1968
Niger	3 Aug. 1960	Guinea-Bissau	10 Sept. 1974
Burkina Faso (as Upper Volta)	5 Aug. 1960	Mozambique	25 June 1975
Cote d'Ivoire	7 Aug. 1960	Cape Verde	5 July 1975
Chad	11 Aug. 1960	The Comoros	*6 July 1975
The Central African Republic	13 Aug. 1960	Sao Tome and Principe	12 July 1975
The Republic of the Congo (Congo-Brazzaville)	15 Aug. 1960	Angola	11 Nov. 1975
Gabon	17 Aug. 1960	Seychelles	29 June 1976
Nigeria	1 Oct. 1960	Djibouti	27 June 1977
Mauritania	28 Nov. 1960	Zimbabwe	18 April 1980
Sierra Leone	27 April 1961	Namibia	21 March 1990
Tanzania (as Tanganyika)	9 Dec. 1961	Eritrea	24 May 1993

*\* Date of unilateral declaration of independence, recognized by France (in respect of three of the four islands) in December 1975.*

In Kenya the struggle to have control when land among the Kikuyu and the attempts by the settlers to suppress the nationalist aspirations of the Africans who were dominating the politics resulted in 'Mau Mau' devolution in 1952. Finally the independence was attained under the leadership of Jomo Kenyatta who firstly as Prime Minister and subsequently as President gave the assurance to protect the economic interest of the settler population. In Belgium the advanced provision for social welfare and the rapid post-war economic growth evolved them to continue with the authoritarian style of government but when the nationalist feeling spread rapidly from 1955 resulting in the urban riots in 1959 the Brussels Round Table Conference in January 1960 decided for a change in the policy resulting in independence.

In Southern Africa, the Whites of Southern Rhodesia obtained self-government as early in 1923, but in 1953 the colony was allowed by Britain to become the dominant partner in a federation with Northern Rhodesia and Nyasaland. The conflict between the African Nationalist and the British resulted in the collapse of the federation in 1963. In 1964 Nyasaland became independent as Malawi and Northern Rhodesia as Zambia. When the British refused independence to the Government of the White minority rule in Southern Rhodesia it resulted in Unilateral Declaration of Independence (UDI) in 1965. The guerilla war with the support of the newly independent African states by the Africa Nationalist under the leadership of Robert Mugabe resulted in the independence of Zimbabwe in 1980.

The armed resistance movements in Angola (1961) and Mozambique (1964) got the support from the other guerilla groups which were fighting against the minority rule and the newly independent African states. The military overthrow of the Portuguese

regime in 1974 resulted in the independence of Angola and Mozambique. South Africa continued with the policy of destabilizing its religious in order to protect the interest of the White minority rule which was in power during that time because of the support the guerillas of the African National Congress (ANC) got from this region. Thus in spite of independence in 1974 Angola and Mozambique was affected by Civil war as late as the 1990's which complicated the economic problems.

During this period South Africa was itself conducting a colonial war in Namibia that continued to occupy in defiance of the UN after it had terminated the mandate in 1986. The war against the South West African People's Organization of Namibia (SWAPO) continued until a negotiated settlement finally led to independence in 1990, effectively concluding the colonial era in Africa.<sup>1</sup>

### **2.3 ORIGIN OF REGIONAL COOPERATION IN SOUTHERN AFRICA**

The origin of regional cooperation in Southern Africa is closely linked to the struggles for independence in the region. In historical perspective 1974 is a significant year for the region because the Portuguese coup d'etat in that year and the chain of events it generated have had a profound impact in the political landscape of southern Africa.<sup>2</sup> The coup in Lisbon resulted in Angola and Mozambique attaining independence in 1975. Zimbabwe under the leadership of Mugabe also got independence in 1980 from the White-minority rule, which also created new opportunities for regional cooperation in the region. The reality of political liberation

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<sup>1</sup> *Africa South of the Sahara 2005* (London: Europa Publications,2005), p.35.

<sup>2</sup> Daleep Singh, "South Africa and Front-Line States: A Study in Dependency and Destabilization", *Africa Quarterly*, vol.25 (1&2), p.28.



encouraged new thoughts about “Economic Liberation” and to involve black-ruled states around white-ruled apartheid South Africa in order to reduce the dependence.

This period also saw the region experiencing various political and economic problems. The economic decline, however, should not primarily be measured in slow GDP growth (Zero or negative for many countries from 1980 to 1984), but also in human terms. The proportion of Africans being in poverty increased to 30 percentage and in Southern Africa it is between 60 percent for Mozambique and Malawi to under 20 percent for Botswana resulting in the region having the highest under five mortality rate in the world.<sup>3</sup>

The case of Mozambique and Tanzania are examples with Mozambique’s total external debt as a percentage of exports of goods and services in 1745 percent, Tanzania’s is near 1000 percent are some of the examples of African debt burden during the period which was worst in the world.<sup>4</sup>

One of the major factors behind the accumulation of debt was the liberation and civil wars in Southern Africa. Wars in Southern Africa cost the region \$65 billion in 1980s, or over twice the attained GDP, and over 1.6 million people died.<sup>5</sup>

Since 1966 post-independence leaders were also meeting at the conference of heads of state and governments of east and central Africa, in order to develop cooperation to develop cooperation for Southern African issues. In 1971 this grouping adopted the Mogadishu Declaration, which rejected dialogue in favor of armed struggle against

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<sup>3</sup> *Report of African Development Bank*, March 1992.

<sup>4</sup> World Bank, *World Development Report, 1991* (New York: Oxford University Press, 1991), p.250.

<sup>5</sup> SADCC, “SADCC: Towards Economic Integration”, *Overview for Annual meeting* (Maputo, Mozambique: 30 January, February 1992), p.13.

white minority rule in South Africa. The frontline state grouping was formalized in 1975, after that, the newly independent frontlines states – Angola, Mozambique, Botswana, Zambia, and Tanzania (joined by Zimbabwe after independence in 1980) – worked to harmonize their assistance to national liberation movements in the region.<sup>6</sup>

## **2.4 REASONS FOR REGIONAL COOPERATION**

There were various potential, economic and military reasons, which strengthened cooperation among frontline states in Southern Africa. The immediate and the most important reason being the proposal of CONSAS (Consultation of Southern African States) by the South African Minister of Foreign Affairs & Information in 3 April, 1979. Within a few weeks of proposing CONSAS, the foreign ministers of the Frontline states met in Botswana where the concrete idea for cooperation was born. This was described as a “Pre-emptive step” by the president of Botswana, Quett Masire.<sup>7</sup> The South African occupation of South-West Africa despite the recognition of its independence by the United Nations and the adoption of racial policy namely Apartheid against the Black Africans resulted in the dislike of South Africa as a unifying force keeping the Organization of African Unity (OAU) together. There was the unanimous demand by the OAU members to Western countries to impose economic sanctions against South Africa for abolition of apartheid and achieving political and economic liberation.

Apart from this South Africa followed a policy for destabilizing its neighbors both politically and economically which they did successfully by supporting UNITA in

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<sup>6</sup> *The IGD guide to the “Southern African Development Community”* (Johannesburg: Institute of Global Dialogue, 2001), p.22

<sup>7</sup> *Botswana Daily News*, 17 July 1981.

Angola to destabilize Berguala railway and overthrew MPLA Government, assistance to MNR in Mozambique against FREILMO and to LLA in Lesotho. They also attacked several times the neighboring countries under the disguise that they were providing help and shelter to ANC, PAC and SWAPO guerillas against South Africa.<sup>8</sup>

## **2.5 SOUTHERN AFRICAN DEVELOPMENT COORDINATION CONFERENCE (SADCC) 1980-1992**

### **2.6 ORIGIN**

After purposing the establishment of a regional cooperation in the name, SADCC in May 1979 in Gaborone (Botswana), the Foreign Ministries of Frontline states decided to convene the first SADCC meeting in Arusha (Tanzania) in July 1979. A decision to invite the economic ministries from the five Frontline states along with the representatives from Zimbabwe, Lesotho, Swaziland and Malawi and representatives from a number of bilateral and multilateral aid agencies and aid giving countries was taken. They decided to invite the aid giving countries in order to get their opinion regarding the grouping and also to inculcate among them a feeling of partnership in the future organization for encouraging aid donations.<sup>9</sup> The first conference commonly known as SADCC-I was organized at Arusha in July 1979 where the frontline states adopted a draft declaration expressing the main development objectives of SADCC followed by the first SADCC – Summit on 10 April 1980, in which the Head of states/governments of the nine southern Africa states gathered in Lusaka (Zambia) and adopted to ‘Lusaka Declaration’. The goals of SADCC was expressed through the publication of a book entitled ‘Southern Africa: Towards

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<sup>8</sup> *The Citizen*, “Black Africa troubles are concern of SA”, Defence Chief, 21 August, 1982.

<sup>9</sup> *Africa Report*, March-April 1983.

Economic Liberation' edited by Tanzanian High Commissioner to England, Amon Nsebela.

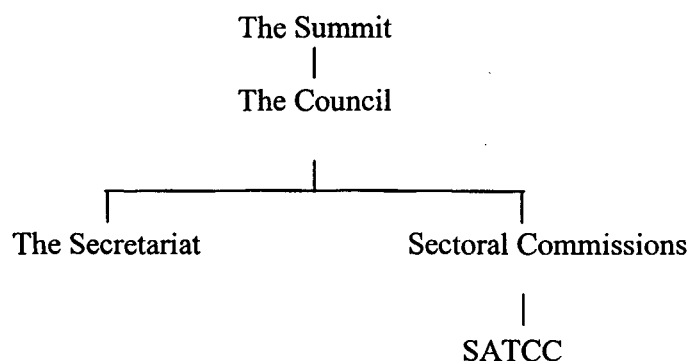
## 2.7 OBJECTIVES

- (1) The reduction of economic dependence, particularly, but not only, on the Republic of South Africa;
- (2) The forging of links to create a genuine and equitable regional integration;
- (3) The mobilization of resources to promote the implementation of national, inter-state and regional policies; and
- (4) Concerted action to secure international cooperation within the framework of SADCC's strategy for economic liberation.<sup>10</sup>

Apart from objectives mentioned the leaders also assured their commitment to 'complete' the struggle for "genuine potential independence" in Namibia and ultimately in South Africa.

## 2.8 ORGANIZATIONAL STRUCTURE

**Figure 2.1 Organizational Structure of the SADCC**



<sup>10</sup> A.J. Nsebela (ed.), *Southern Africa: Towards Economic Liberation* (London: Rex Collings, 1981), p.3.

The SADCC avoided the establishment of impractical institutions. Emphasis had been placed on the creation of a decentralized decision making process, coordination of development plans and functional model. This reflected that the members had learnt from the failure of regional integration schemes in Africa (and especially from the failure of EAC). As the countries had recently got independence and nationalism dominated in their policies, it was impossible to expect the surrendering of any part of sovereignty to a super national institution.<sup>11</sup>

However certain minimum structures were necessary for the SADCC to function effectively. These were developed, approved and formalized according to the memorandum of understanding adopted at the Heads of state summit at Harare (Zimbabwe) in July 1981. They are:

#### ***2.8.1 THE SUMMIT***

It consists of heads of states of member-nations. It is supreme decision-making body of SADCC, and is responsible for the general direction of its policies and controls its activities. The members of the summit elect a chair who presides over the annual meetings. The meetings the decisions are made by consensus.

#### ***2.8.2 THE COUNCIL***

It consists of one minister from each member country and is accountable to the summit. It is responsible for the overall policies of SADCC programmes. The council adopts a "work programme" for SADCC and designates a member state to take charge of coordination of activities in specific fields. The method of assignment of

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<sup>11</sup> Mohd. Muslim Khan, *Regional Cooperation in Southern Africa: Pattern, Politics and Prospects* (Delhi: Delhi Research Publications, 1994), p.41.

the areas adopted has been such to reduce conflicts between member states on such issues. The council meets at least once a year and decisions are made by consensus.

### **2.8.3 SECTORAL COMMISSIONS**

The Sectoral Commissions are below the council. These councils are governed by a convention adopted by the council and ratified and acceded to by the member nations.

*Table 2.2 SADCC sectors and coordinating countries*

<b>Sector or sub-sector</b>	<b>Coordination country</b>
Culture and information	Mozambique
Energy	Angola
Food, agriculture and natural resources	Zimbabwe
Agricultural research and training	Botswana
Food security	Zimbabwe
Inland fisheries, forestry and wildlife	Malawi
Livestock production and animal disease control	Botswana
Marine fisheries and resources	Namibia
Environment and land management	Lesotho
Human resources development	Swaziland
Industry and trade	Tanzania
Mining	Zambia
Tourism	Lesotho
Transportation and communications	Mozambique

*Source: SADCC secretariat*

#### **2.8.4 THE SECRETARIAT**

It was established in Gaborone, Botswana, in July 1982. It is headed by an executive secretary and serves as a coordination agency. Its functions, are (a) coordination of the execution of the tasks of SADCC (2) custodianship of SADCC property, (3) general security of and liaison time to time he approved by the council.<sup>12</sup>

#### **2.8.5 ANNUAL CONFERENCE**

These exist outside the institutional framework of the SADCC. However they are very important and serve as very important links between the SADCC member states and donor agencies.

In spite of the criticism about the objectives of SADCC all the nine members have managed to maintain a high degree of agreement across a wide range of issues and even the routine/daily work has been centralized.<sup>13</sup> SADCC' s activities mainly focused on creation of regional economic integration, obtaining international cooperation for the strategy of development and economic liberation, and mobilization of resources for these are the main areas of its activities. But as the development of transport and communication, agriculture and industry, were viewed as a precondition to obtain self-reliance and greater cooperation of the members, SADCC concentrated mainly on these.<sup>14</sup>

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<sup>12</sup> A Tostensen, "Dependence and collective self-reliance in Southern Africa: The case of the Southern African Development Coordination Conference (SADCC)", *Research Report No. 62*, (Uppsala: Scandinavian Institute of African Studies, 1982), p.42.

<sup>13</sup> R.F. Weisfelder, "The Southern African Development Coordination Conference (SADCC)", *South Africa International*, 13 (2), October 1982, p.80.

<sup>14</sup> Muslim, n.10, p.45.

**Table2.3****SADCC Projects in Food and Agriculture (In Millions of US Dollars)**

	Estimated Cost		
	Total	Foreign	Local
Food security	298.9	265.5	33.4
Agricultural research	56.5	55.4	1.1
Livestock production and animal disease control	136.7	119.8	16.9
Soil and water conservation and land utilization	13.6	11.6	–
Fisheries	8.3	8.3	–
Forestry	53.7	50.6	3.1
Wildlife	2.5	2.5	–
Total	570.2	513.7	56.5

*Source: Food, Agriculture, and Natural Resources (Gaborone, Botswana: SADCC Secretariat, 1987).*

**Table 2.4****SADCC Projects in Transport and Communications  
(In Millions of US Dollars)**

	Estimated Cost		
	Total	Foreign	Local
Operational coordination and training projects	45.18	45.07	0.11
Maputo port transport system	680.9	567.2	113.7
Beira port transport system	613.9	538.4	75.5
Nacala port transport system	265.0	223.2	41.8
Dar es Salaam port transport system	554.0	460.1	94.5
Lobito port transport system	186.6	180.5	6.1
Intraregional surface transport system	239.2	190.4	48.8
Civil aviation	145.12	130.82	14.3
Telecommunications	292.3	266.3	26.0
Meteorology	12.6	12.6	–
Postal services	35.93	33.53	2.4
Total	3,071.33	2,648.12	423.21

*Source: Transport and Communications (Gaborone, Botswana: SADCC Secretariat, 1987).*



## 2.9 STRENGTH AND PROGRESS OF SADCC

The strength of SADCC is the decentralized approach where “executive secretary” decides a gross salary of \$30,000 with limited “administrative duties” and a head quarter’s staff of five.<sup>15</sup> Aid is an important factor for the success of any regional cooperation initiative in Third World countries and SADCC is not an exception. SADCC’s attractiveness to external aid donors helped in implementing projects without any delay due to financial problems. The commitment of European Economic Community (EEC) to the development of SADCC, countries strengthened further after Lome II convention and when the World Bank and the International Development annual summit of SADCC, in Luanda, that it would make new loans to the tune of \$1.8 billion spread over the next three years it represented a doubling of the financial institution’s inflow during the previous three years.<sup>16</sup>

The businesses like approach, emphasis on the autonomy of member states, and the small secretariat also explain the allocation of responsibility for implementing SADCC activities to individual national governments. The areas where there had been significant progress in SADCC includes funding for various projects in the sub-region as shown in Table 2.5; advance in the critical sectors of transport and communication and food security; and the universal of the negative growth recorded since the mid 1970s for the sub-region as a whole and for individual SADCC member states.<sup>17</sup>

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<sup>15</sup> Douglas Angler, “Economic Liberation and Regional Cooperation in Southern Africa”, *International Organization* 374, (Autumn 1983), pp. 685-86.

<sup>16</sup> Report in *West Africa*, (March 20-26, 1989), p.429.

<sup>17</sup> Ibrahim A. Gambari, *Political and Comparative Dimensions of Regional Integration: The case of ECOWAS*, (London: Humanities Press International Inc., 1991), p.90.

**Table 2.5: SADCC Project Financing Status by Sector (U.S.\$ in millions).**

Sector	No. of Projects	Total	Of WHICH				FOR WHICH					
			FOREIGN	%	LOCAL	%	SECURED <sup>1</sup>	%	NEGOTIA-TION <sup>2</sup>	%	GAP	%
Energy	60	300.14	291.55	94.6	1.59	5.4	153.69	49.9	15.67	5.10	138.79	45.0
Food, agriculture, natural resources	135	759.99	685.45	90.2	74.54	9.8	269.38	35.4	68.48	9.0	414.13	54.5
Manpower development	32	37.46	37.46	37.30	99.6	0.16	8.73	23.3	2.00	5.3	26.73	71.4
Industry and trade	92	127.91	1009.64	79.4	262.27	20.6	313.23	24.6	540.11	42.5	410.57	32.90
Mining	53	73.38	66.27	90.3	7.11	9.7	33.29	45.4	1.90	2.6	38.19	52.0
Tourism	10	12.33	11.72	95.0	0.62	5.0	7.02	56.9	2.22	18.0	3.10	25.1
Transport and communications	181	4717.90	4207.60	89.2	510.30	10.9	1887.70	40.0	202.60	4.0	2627.60	56.0
Total <sup>3</sup>	571	7181.11	6309.52	87.9	871.58	12.1	2681.02	37.30	832.98	11.6	3667.11	51.10

1. The column "Secured" includes both local and foreign resources.
2. The column "Negotiation" refers to resources for which there is a clearly identified funding source and a high probability of concluding a funding agreement within a specified period
3. The total do not include completed or withdrawn projects.

Source: D.C. Mulaisho "SADCC: An Example of New Approaches to Integration," paper presented at Workshop on Regional Integration and Cooperation in sub-Saharan Africa (Washington, D.C., World Bank, Sept. 2-16, 1998), p.36.

## **2.10 REASONS FOR LIMITED SUCCESS**

During the SADCC's 12 years of existence, many political, economic and social factors, both internal and external to the region, limited what this body could hope to achieve and some of the important reasons are as follows:

1. SADCC economies faced a plethora of structural problems, such as persistent thoughts, declining terms of trade, external debt, declining per capita growth, deindustrialisation and negative output growth. Between 1980 and 1988 for example, real Gross Domestic Product (GDP) growth rates in Mozambique and Namibia declined by 0.2% and 2.1% respectively.
2. The socio-economic effects of the wars in Angola and Mozambique eventuated across the region. It led to refugee flooding into Zambia, Zimbabwe, and other neighboring countries, further straining already precious social systems and limited government resources.
3. The South African policy of destabilization cost the region approximately US\$90 billion between 1980 and 1988. This was about four times the amount the SADCC received in Overseas Development Assistance (ODA).
4. Most SADCC countries had to embark a Structural Adjustment Programmes (SAPs) designed by the World Bank and International Monetary Fund (IMF), largely due to qualify for new loans to pay back old debts. The investment-to-GDP ratio fell from an average of 21.5 percent in 1973-81 to the General

economic crisis of the 1980's, which has since been termed a 'lost decade' for African countries and people.<sup>18</sup>

5. Colonial production structures continued to characterize SADCC economies long after independence and settle today this not only resulted in a highly skewed trade pattern, but also in a skewed trade balance. In 1982, for example, some 84 percent of SADCC imports came from western industrialized countries, but only 04 percent of total exports even to these countries in turn. Since so many countries produced similar goods for exports, and because of the lack of foreign exchange, intra-regional trade accounted only for 5 percent at most of total trade as shown in Table 2.6.

**Table 2.6**

**Share of Intra-SADCC Imports in the Total Imports of  
The Member Countries of the SADCC, 1979-1985  
(In Terms of Percentage)**

	1979	1980	1981	1982	1983	1984	1985
Angola	2.2	2.1	1.2	0.8	0.3	3.0	—
Botswana	7.6	6.7	6.3	6.3	7.1	—	—
Lesotho	Nil	Negligible	0.4	0.1	0.2	—	—
Malawi	4.2	6.3	8.1	9.6	10.4	10.9	11.4
Mozambique	2.5	3.0	2.2	3.0	5.0	4.1	5.1
Swaziland	0.9	0.4	0.6	0.7	0.7	—	—
Tanzania	0.8	0.6	0.7	4.2	2.7	1.3	1.2
Zambia	1.5	1.8	5.9	6.3	8.0	7.2	—
Zimbabwe	3.2	3.9	1.0	7.6	8.2	6.7	—

*Source: Calculated on the basis of data from SADCC: Intra-Regional Trade Study (Gaborone, Botswana: SADCC Secretariat, 1986); and Direction of Trade Statistics, 1986 (Washington, D.C.: International Monetary Fund).*

<sup>18</sup> Carol B. Thomson, "African Initiatives for Development: The Practice of Regional Economic Cooperation in Southern Africa", *Journal of International Affairs*, Summer 1992, no.1, p.127.

**Table 2.7**  
**Share of South Africa and the Rest of the World in the Total Exports of**  
**The Member Countries of the SADCC, 1979–1985**  
**(In Terms of Percentage)**

	1979	1980	1981	1982	1983	1984	1985
Angola:							
South Africa	–	–	–	–	–	–	–
Rest of the world	99.9	99.9	99.9	99.9	99.9	99.9	–
Botswana:							
South Africa	6.9	6.6	10.6	11.3	8.3	–	–
Rest of the world	82.6	85.0	74.4	76.8	83.2	–	–
Lesotho:							
South Africa	33.3	40.3	46.6	41.3	–	–	–
Rest of the world	66.0	59.6	52.9	8.4	–	–	–
Malawi:							
South Africa	4.6	3.7	4.7	5.7	9.7	7.3	7.2
Rest of the world	90.9	87.7	84.5	83.5	83.1	85.5	84.4
Mozambique:							
South Africa	4.7	4.7	2.7	1.7	3.5	3.7	–
Rest of the world	90.0	87.7	84.6	35.2	92.5	89.0	90.6
Swaziland:							
South Africa	23.2	29.7	34.1	36.8	–	–	–
Rest of the world	73.6	68.5	63.0	59.3	–	–	–
Tanzania:							
South Africa	–	–	–	–	–	–	–
Rest of the world	89.4	91.1	94.4	96.3	–	–	–
Zambia:							
South Africa	0.4	0.5	0.6	0.3	0.6	0.7	–
Rest of the world	97.6	96.7	94.2	95.9	95.3	93.7	–
Zimbabwe:							
South Africa	–	–	2136	12.1	18.9	16.1	–
Rest of the world	–	–	66.9	70.8	69.8	73.2	–

*Source: Calculated on the basis of data from SADCC: Intra-Regional Trade Study (Gaborone, Botswana: SADCC Secretariat, 1986); and Direction of Trade Statistics, 1986 (Washington, D.C.: International Monetary Fund).*

*Note: Ninety-five per cent, if not more, of the imports of the member countries of the SADCC were from the rest of the world were in fact meant for the developed economics.*

6. Even while government were trying to become less dependent a South Africa, they could not escape the fact that there was already some measure of functional integration among Southern African economies, due to the mineral industrial exploits of past South African colonizers such as John Rhodes.

Table 2.7 shows the share of South Africa in the Exports of SADCC. The 'regional' economy conglomerates operating in the minerals and extractive sectors – a trend that continued today, albeit in slightly different form.

7. Many southern African countries were also dependent on South African imports: for example as shown in Table 2.8, a sizeable 30 percent of South African exports went to the SADCC, but only 7 percent of imports came from the SADCC in later.<sup>19</sup>
8. Individual SADCC economies continued to rely excessively on ODA, which partly explains why more than 90 percent of regional SADCC projects depended on foreign funding as shown in the Table 2.9. A lack of technological and institutional capacity further increased the critical role of donors in guaranteeing the continued functioning of the institution. This dependence continued despite the fact that a central aim of the Lusaka declaration was to mobilize members own resource for regional programmes.<sup>20</sup>

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<sup>19</sup> The IGD Guide, ns, p.26.

<sup>20</sup> Santosh Mehrotra, "Southern African Development Coordination Conference (DADCC): Evaluating Recent Trends in Regional Cooperation", *International Studies*, 28,4, 1991, pp. 395.

**Table 2.8**

**Share of South Africa and the Rest of the World in the Total Imports of  
The Member Countries of the SADCC, 1979–1985  
(In Terms of Percentage)**

	1979	1980	1981	1982	1983	1984	1985
<b>Angola:</b>							
South Africa	–	–	–	–	–	–	–
Rest of the world	97.8	97.9	98.7	99.2	99.7	97.0	–
<b>Botswana:</b>							
South Africa	87.8	87.0	87.6	85.1	80.8	–	–
Rest of the world	4.7	6.3	6.1	8.5	12.2	–	–
<b>Lesotho:</b>							
South Africa	97.4	97.0	97.1	99.1	–	–	–
Rest of the world		2.9	2.5	2.8	–	–	–
<b>Malawi:</b>							
South Africa	41.7	36.9	32.0	34.0	38.7	40.4	40.6
Rest of the world	53.9	56.6	59.2	55.9	50.9	48.5	48.0
<b>Mozambique:</b>							
South Africa	14.3	11.0	12.5	8.1	9.6	11.5	–
Rest of the world	82.8	85.8	82.0	85.0	83.7	–	–
<b>Swaziland:</b>							
South Africa	91.3	93.2	83.3	82.9	–	–	–
Rest of the world	7.3	6.4	16.0	16.3	–	–	–
<b>Tanzania:</b>							
South Africa	–	–	–	–	–	–	–
Rest of the world	98.0	98.6	98.2	94.0	96.0	96.3	96.9
<b>Zambia:</b>							
South Africa	10.8	15.6	15.1	14.5	–	21.2	–
Rest of the world	85.9	81.5	78.6	78.9	–	71.10	–
<b>Zimbabwe:</b>							
South Africa	–	–	27.5	22.1	24.5	19.5	–
Rest of the world	–	–	64.7	70.2	67.3	67.5	–

*Source: Calculated on the basis of data from SADCC: Intra-Regional Trade Study (Gaborone, Botswana: SADCC Secretariat, 1986); and Direction of Trade Statistics, 1986 (Washington, D.C.: International Monetary Fund).*

*Note: Ninety-five per cent, if not more, of the imports of the member countries of the SADCC were from the rest of the world.*

**Table 2.9**  
**SADCC Projects in Transport and Communications**  
**(In Millions of US Dollars)**

	Estimated Cost		
	Total	Foreign	Local
Operational coordination and training projects	45.18	45.07	0.11
Maputo port transport system	680.9	567.2	113.7
Beira port transport system	613.9	538.4	75.5
Nacala port transport system	265.0	223.2	41.8
Dar es Salaam port transport system	554.0	460.1	94.5
Lobito port transport system	186.6	180.5	6.1
Intraregional surface transport system	239.2	190.4	48.8
Civil aviation	145.12	130.82	14.3
Telecommunications	292.3	266.3	26.0
Meteorology	12.6	12.6	–
Postal services	35.93	33.53	2.4
Total	3,071.33	2,648.12	423.21

*Source: Transport and Communications (Gaborone, Botswana: SADCC Secretariat, 1987).*

9. Conflicts between national interests and regional priorities reflected the difficulties associated with integrating regional cooperation imperatives and national decision-making. Such 'national chauvinism' led to an unnecessary duplication of industrial ventures, and waste of valuable resources.<sup>21</sup>
10. A major weakness of giving each member a regional responsibility has been the difficulty of distinguishing between bilateral and SADCC projects.
11. The overlapping of membership of SADCC, PTA and SACU as each had its own objectives remained as a challenge for cooperation.

<sup>21</sup> Aggrey Awari, "Seeking Regional Economic Cooperation in Africa", *Journal of International Affairs*, Summer 1992, 46, 1992, pp.123.



## **2.11 CONCLUSION**

Regional cooperation in Southern Africa started in the form of military cooperation among the newly independent and the frontline states. The African and the Black consciousness served as a unifying force, which resulted in these states offering support to the struggle against the white minority rule. The independence of Zimbabwe resulted in the military cooperation being extended to regional cooperation and the role of Zimbabwe is crucial because of its strong economy.

SADCC was successful in bringing all the Frontline states together for a regional cooperation but it could not achieve its objective of reducing the dependency on South Africa. The attempts made by South Africa to destabilize these states for their support to ANC and SWAPO created serious economic problems that made cooperation very difficult. This was also the period of Cold War in which the super powers namely USA and USSR were actively involved in the conflicts in Southern Africa. The support of USSR to SWAPO and ANC and the Marxist groups in Angola and Mozambique indirectly benefited South Africa in the form of USA's support for strategic and economic reasons.

## **CHAPTER III**

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**SADC: OBJECTIVES, STRUCTURE,  
FUNCTIONS, ORGANS AND FUNDING**

## **CHAPTER III**

### **SADC: OBJECTIVES, STRUCTURE, FUNCTIONS, ORGANS AND FUNDING**

#### **3.1 INTRODUCTION**

The end of Cold War resulted in international community making serious attempts to end conflicts in various parts of the world with the United Nations playing an important mediation role. This was not possible during the Cold war due to the ideological division between the capitalist and the communist bloc lead by USA and USSR respectively. The increasing support for the liberation movements lead by SWAPO and ANC from the international community after the release of Mandela forced South Africa to engage in negotiations at various levels both formal and informal with the leaders of ANC.

The independence of Namibia, the signing of the peace agreements between the Government and the rebel groups in Angola and Mozambique and the end of apartheid in South Africa brought changes in the relation among nations in Southern Africa. The members of SADCC expecting these countries to play an important role in future regional cooperation decided to change the name from SADCC to SADC.

#### **3.2 TRANSFORMATION FROM SADCC TO SADC**

In January 1992 a meeting of the SADCC Council of Ministries approved proposal to transform the organization (by then expanded to include Lesotho, Malawi, Namibia

and Swaziland) into a fully integrated economic community and in August the treaty establishing Southern African Development Community (SADC) was signed. An SADC Programme of Action – SPA was to combine the strategies and objectives of the organization’s sectoral programmes. South Africa became a member of SADC in August 1994, strengthening the objectives of regional cooperation and economic integration. Mauritius became a member in August 1995. In September 1997 SADC Heads of state agreed to admit the Democratic Republic of the Congo (DRC) and Seychelles as members of the community of which Seychelles withdraw in July 2004.<sup>1</sup>

### **3.3 PRINCIPLES AND OBJECTIVES**

The SADC’s principles and objectives are set but in its founding documents, the declaration and treaty establishing the SADC, signed by the regional heads of state in Windhoek, Namibia, on 17 July 1992. The treaty is a legally binding document that sets out the structure of the SADC and provides member countries with a framework for harnessing their policies and strategies for sustainable development.

Article 4 of the treaty commits member states to upholding the following principles.

- The sovereign equality of member states
- Solidarity, peace and security
- Human rights, democracy, and the rule of law; and
- Equity, balance and mutual benefits

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<sup>1</sup> Africa South Of the Sahara 2005 (London: Europa Publications, 2005), p.1372

The objectives of SADC, as set out in article 5 of the treaty, are to:

- Achieve development and economic growth, alleviate poverty, enhance the standard and equality of life of the people of southern Africa, and support the socially disadvantaged via regional integration.
- Evolve common political values, system and institutions;
- Promote self-sustaining development in the basis of collective self-reliance and the independence of member states.
- Achieve complementarity between national and regional strategies and programmes;
- Promote and maximize the productive employment and utilization of the region's resources.
- Promote the sustainable utilization of natural resources and the protection of the environment
- Strengthening and consolidating the long-standing historical, social and cultural affinities and links among the people of the region.

In order to give practical effect to these objectives, Article 22(1) provides for member states to conclude a series of protocols 'to spell out the objectives and scope of and institutional mechanisms for, cooperation and integration'. These protocols are negotiated by the member states and after approved by the summit, became integral parts of the treaty. Table 3.1 shows the various Protocols of SADC till 23 June 2004.

**TABLE 3.1 STATUSES OF SADC LEGAL INSTRUMENTS AS  
OF 23 JUNE 2004**

<b>Name of Instrument</b>	<b>Date of Signature</b>	<b>Date of Entry into force</b>
SADC Treaty	17 August 1992	30 September 1993
Protocol on Immunities and Privileges	17 August 1992	30 September 1993
Protocol on Shared Watercourse Systems	28 August 1995	28 September 1998
Protocol on Energy	24 August 1996	17 April 1998
Protocol on Transport, Communication and Meteorology	24 August 1996	6 July 1998
Protocol on Combating illicit Drugs	24 August 1996	20 March 1999
Protocol on Trade	24 August 1996	25 January 2000
Charter of the Regional Tourism Organization of Southern Africa (RETOSA)	8 September 1997	8 September 1997
Protocol on Education and Training	8 September 1997	31 July 2000
Protocol on Mining	8 September 1997	10 February 2000
Protocol on the Development of Tourism	14 September 1998	26 November 2002
Protocol on Health	18 August 1999	
Protocol on Wildlife Conservation and Law Enforcement	18 August 1999	30 November 2003
MOU on Cooperation in Standardization, Quality Assurance, Accreditation and Metrology in SADC	9 November 1999	16 July 2000
Protocol on Legal Affairs	7 August 2000	
Protocol on Tribunal and the Rules of Procedure	7 August 2000	14 August 2001
Revised Protocol on Shared Watercourses	7 August 2000	22 September 2003
Amendment Protocol on Trade	7 August 2000	7 August 2000
Agreement Amending the Treaty of SADC	14 August 2001	14 August 2001
Protocol on Politics, Defense and Security Cooperation	14 August 2001	2 March 2004
Protocol on the Control of Firearms, Ammunition and Other Related Materials in SADC	14 August 2001	--
Protocol on Fisheries	14 August 2001	8 August 2003
Protocol on Culture, Information and Sports	14 August 2001	--

Protocol Against Corruption	14 August 2001	--
Protocol on Extradition	3 October 2002	--
Protocol on Mutual Legal Assistance in Criminal Matters	3 October 2002	--
Agreement Amending the Protocol on Tribunal and the Rules of Procedure	3 October 2002	--
MOU on Cooperation in Taxation and Related Matters	3 October 2002	3 October 2002
MOU on Macroeconomic convergence	8 August 2002	8 August 2002
Mutual Defense Pact	8 August 2002	8 August 2002
Charter of Fundamental Social Rights	26 August 2003	--
Declaration on Gender and Development	26 August 2003	26 August 2003
The Prevention and Eradication of Violence Against Women and Children, an Addendum to the Declaration on Gender and Development	14 September 1998	Do not require ratification
Declaration on Productivity	18 August 1999	
Declaration on Information and Communications Technology (ICT)	August 2001	
Declaration on HIV and AIDS	4 July 2003	
Declaration on Agriculture and Food Security	15 May 2004	

Source: SADC Secretariat

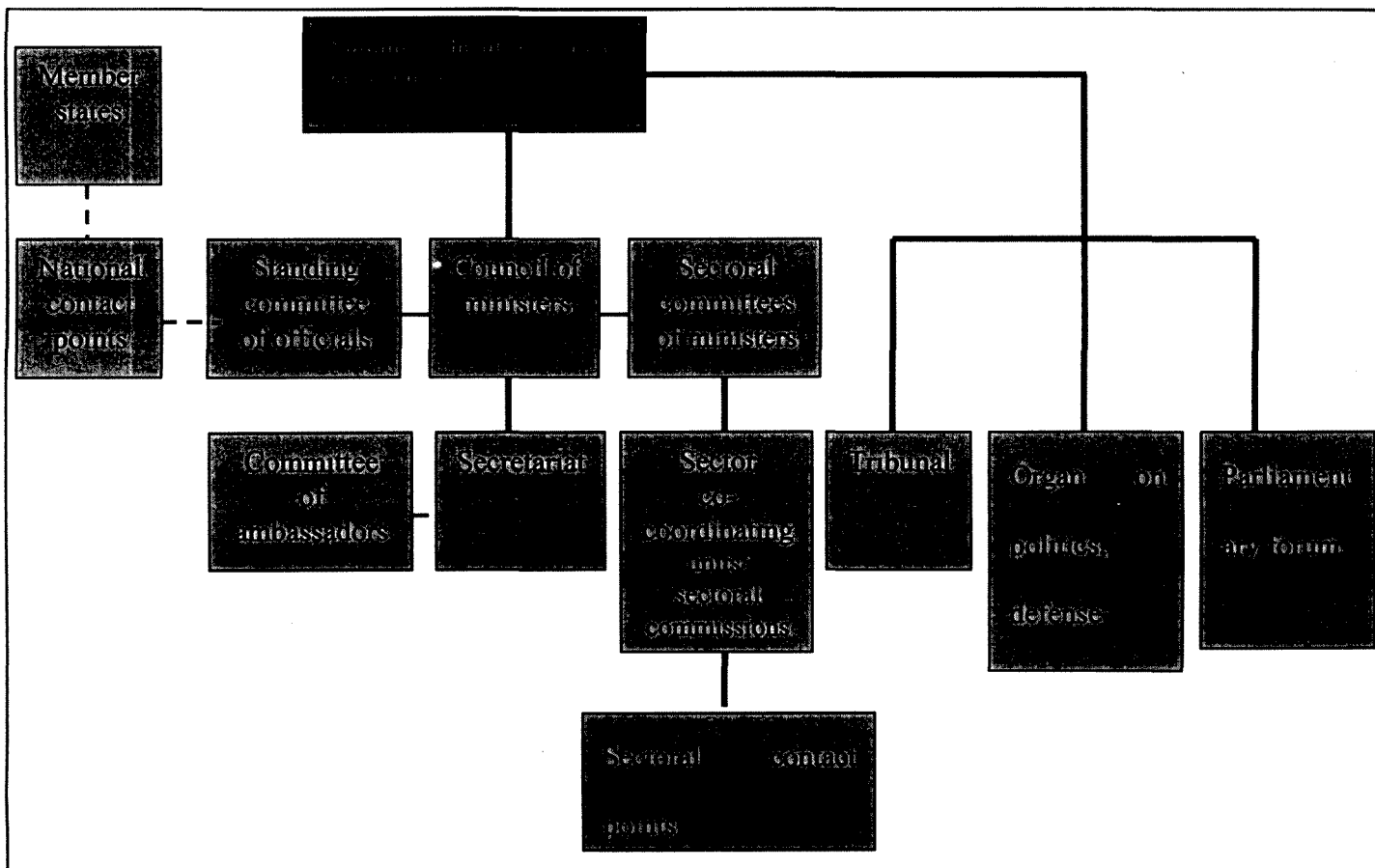
Article 21(3) identifies the following areas in which cooperation is to be pursued:

- Food security, land and agriculture
- Infrastructure and services
- Industry, trade, investment and finance
- Human Resources and Environment
- Social welfare, information and culture
- Politics; diplomacy and international relations; and peace and security

The SADC's Supreme Ruling Body, the Summit of Heads of states, must unanimously ratify application or membership and applicants must accede to the treaty.

### 3.4 INSTITUTIONAL FRAMEWORK

Figure3.1: The Organizational Structure of the SADC



#### 3.4.1 SUMMIT OF HEADS OF STATE OR GOVERNMENT

This is the SADC's Supreme Institution. It is responsible for making SADC policy, determining the organization's general direction, broadly controlling its functions, and ensuring that it achieves its objectives. A chairperson and vice-person- both



heads of state-who are elected for an agreed period head it. It meets once in a year. The summit also appoints an executive secretary and deputy executive secretary, who head the SADC secretariat.

#### ***3.4.2 COUNCIL OF MINISTERS***

This is the structure immediately below the summit. It consists of ministries of each member state, usually those responsible for their country's economic planning or finance. One of the council's most important tasks has been to define sectors for cooperation, and to allocate sectors to member states. Like the summit it meets at least once a year.

#### ***3.4.3 SECTOR COORDINATING UNITS (SCUs) AND SECTORAL COMMISSIONS (SCs)***

Cooperation in specific sectors has been coordinated by individual member states, which have created SCUs in the appropriate ministries to do so. However, the SADC has also created SCs to coordinate activities in particular areas. All sectoral activities – whether undertaken by SC's or SCUs have been supervised by sectoral committees of ministries; as their name implies, the committees consists of ministers of member states active in these sectors.

#### ***3.4.4 STANDING COMMITTEE OF OFFICIALS***

This Committee provides the council of ministries with technical advice. It consists of a permanent secretary or official of equivalent rank of each member state. As in the

case of council of ministers the official concerned is usually from a ministry responsible for economic planning or finance.

## SECTORAL ACTIVITIES

**Table 3.2: Co-ordinating Countries and their Sectors, 2001**

CO-ORDINATING COUNTRY	SECTOR
Angola	Energy
Botswana	Livestock production and animal disease control Agricultural research and training
Democratic Republic of Congo	*
Lesotho	Environment and land management Water
Mauritius	Tourism
Malawi	Forestry Inland fisheries Wildlife
Mozambique	Culture, information and sport Transport and communications
Namibia	Legal sector Marine fisheries and resources
Seychelles	*
South Africa	Finance and investment Health
Swaziland	Human resources development
Tanzania	Industry and trade
Zambia	Employment and labour Mining
Zimbabwe	Crop sector Food, agriculture, and natural resources <i>* Thus far, no sectors have been allocated to these countries.</i>

Source: SADC secretariat

#### ***3.4.5 NATIONAL CONTACT POINT***

National contact points are units in the ministry of each member state responsible for SADC affair. Their function is to link after Government agencies with SADC organs. Their responsibility includes regularly consulting with and briefing relevant Government institutions, the business community, and the media on matters relating to the SADC.

#### ***3.4.6 SECTORAL CONTACT POINTS***

Sectoral contact points are officials in Government Ministries with the responsibilities for SADC sectors. They have worked closely with SCUs on preparing sectoral policies and strategies, and formulating project proposals.

#### ***3.4.7 SECRETARIAT***

This is the SADC's principal executive institution, it plans and manages SADC programmes, and implements summit and council decisions. As note earlier, it is headed by an executive secretary appointed by the summit. The secretariat is also responsible for organizing SADC meetings, financial and general administration, and representing and promoting the SADC.

#### ***3.4.8 TRIBUNAL***

The treaty is legally binding on members, and provides for sanctions against member states that fail to fulfill their obligations under the treaty, or implement policies that undermine its principles and objectives. Tribunals may be appointed to interpret

revisions of the treaty and other SADC instruments and to adjudicate in disputes. Decisions of the tribunals are final and binding. No tribunal has yet been appointed.<sup>2</sup>

### **3.4.9 BUDGET**

SADC's administrative budget for 2004-05, approved by the council in March 2004, amounted to US\$17 million to be financed mainly by contribution by member states.<sup>3</sup>

### **3.5 RESTRUCTURING OF SADC**

The leaders of SADC nations felt the need for the restructuring due to the institutional shortcomings and attempts on this started as early as 1996. The leaders also reaffirmed the need to unstructure the organization at the summit held in Maputo, Mozambique, in August 1999. Following this, a new review of the SADC's structure and operations was launched in which member states were directly involved. They reached consensus on a number of changes to the SADC's institutional framework, which were eventually ratified at a summit of heads of state and government held in Windhoek, Namibia, in March 2001. According to this, all existing sectors will be clustered under four new directorates, which operate, from the SADC's headquarters in Gaborone, Botswana.<sup>4</sup>

- Trade, industry, finance and investment;
- Infrastructure and services;
- Food, agricultural and natural resources (FANS); and

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<sup>2</sup> The IGD Guide to the "Southern Africa Development Community"(Johannesburg: Institute of Global Dialogue, 2001), p.130.

<sup>3</sup> Africa, n.1, p.1376.

<sup>4</sup> *The IGD Guide*, n.5, p.131.

- Social and human development and special programmes.

The SADC secretariat will effectively become a fifth directorate.<sup>5</sup>

### 3.6 FUNCTIONING OF SADC 1992-2004

Apart from SADC there are also many other regional groupings in the region that the countries of southern Africa are also members. This makes cooperation among these groupings inevitable for a successful integration. The rejection of the merger between SADC and PTA by the SADC's executive secretary in January 1993 was a major decision immediately after the foundation of SADC. The August 1996 (SADC-COMESA) Ministerial meeting adulated the continued separation functioning of the two organizations. A programme of cooperation between the secretariats of SADC and COMESA, aimed at reducing all duplication of rules between the two organizations, in underway and coordination task force was also established in 2001. The extra ordinary summit meeting of March 2001 also authorized the establishment of an integrated committee of ministers mandated to formulate a five year Regional Indicative Strategic Development Plan (RISADP) intended as the key policy framework for managing the SADC common Agenda.<sup>6</sup>

The Summit meeting convened in Dares Salaam, Tanzania in August, approved a draft of the RISDP, adopted by the SADC council of ministries in March 2003.<sup>7</sup> SADC apart from the fund generated from the members also depends a lot on assistance from other groupings of the developed nations and international agencies.

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<sup>5</sup> SADC, *Extraordinary Summit Communiqué*, March 2001.

<sup>6</sup> SADC, *Extra-ordinary Summit Communiqué*, March 2001

<sup>7</sup> Africa, n1, p.1372.

European Union (EU) is a major partner in many of the development projects and its role in the conflict resolution and regional development in Southern Africa is substantial. In September 1994 the first meeting of ministers of Foreign Affairs of SADC and the European Union (EU) was held in Berlin, Germany. The two sides agreed to establish working groups to promote closer, trade, political, regional and economic cooperation. A consultative meeting between representatives of SADC and the EU was held in February, 1995 in Lilongwe, Malawi at which both groupings resolved to strengthen security in the Southern African region.

A second SADC-EU Ministerial meeting, held in Namibia in October 1996, enclosed a regional indicative programme to enhance cooperation between the two organizations when the next five years. The third ministerial meeting took place in Vienna, Austria in November 1998. The fourth SADC-EU Ministerial meeting, convened in Gaborone, Botswana in November 2000, adopted a joint declaration on the control of small arms and light weapons in the region. The fifth SADC-EU ministerial meeting was held in Maputo, Mozambique in November 2002. Other than EU, US is a major partner with SADC and a cooperation agreement was signed in September 1999 to promote US investments in the region, to support HIV/AIDS assessment and prevention programmes and to assist member states to develop environmental protection capabilities.<sup>8</sup>

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<sup>8</sup> *ibid*, p. 1372.

### **3.7 FUNDING FOR SADC**

The SADC's administrative budget for 2002-03, approved by the council in February 2002, amounted to us\$ 12.8 million, to be financed mainly by contributions from member states. At June 2001 members reportedly owed some us \$10.2 million in unpaid arrears.<sup>9</sup> The same for the year 2004-05 approved by the council in March 2004, amounted to US\$ 17 million<sup>10</sup>.

The major shift that had taken place after the forming of the SADC from SADCC is the source of funding for the various projects. During the period between 1981- 86 Nordic countries provided almost one third of the western aid disbursement to Southern Africa. Now with the various meetings on political and economic issues between EU and SADC Nordic aid is being replaced by EU as the major donor for SADC projects. After South Africa became member of SADC there is active participation in terms of investments in various developmental projects of the region. Many of the countries being among the poorest economies in the world are not in apposition to full fill their commitments. The other major source is the Official Developmental Assistance (ODA). The ODA is declining at 0.24 percent of industrial country GDP and attempts are being made to increase it to 0.7 percent of their GDP through NEPAD.

### **3.8 ORGAN FOR POLITICS, DEFENCE, AND SECURITY (OPDS)**

The institutionalization of the SADC in 1992 resulted in a serious debate among the member states for a new framework on cooperation in security. In July 1994,

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<sup>9</sup> Africa South of the Sahara 2003 (London: Europa Publications, 2003), p.1277

<sup>10</sup> Africa, n.1, p.1376.

ministers attending a landmark workshop in Windhoek on democracy, peace and security formulated a series of proposals on issues related to security, including human rights, arms control and disarmament; among other things, they recommended that the OPDS be formed.

The OPDS was eventually launched in 1996. It was given a two- tier structure, with defense and security components operating under the auspices of the ISDC, and a political and diplomatic wing commonly referred as 'politics and diplomacy'. The OPDS' s principles and objectives are based on article 4 of the SADC treaty. The organs mandate consists of a long list of principles and tasks, including:

- Preventive diplomacy;
- Conflict mediation;
- Developing a common foreign policy in areas of mutual concern and interest;
- Developing a 'protocol on peace, security and conflict resolution' to provide inter alia for 'punitive measures' against states once diplomatic means to resolve conflicts have been exhausted;
- Promoting the development of democratic institutions and practices within member states, and encouraging the observance of human rights;
- Promoting peace and peace keeping; and promoting the political, economic, social , and environmental dimensions of security.<sup>11</sup>

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<sup>11</sup> M van Aradt, "The SADC organ for politics", *The South African Journal Of International Affairs*, 4(2), 1997, p.113



### **3.9 THE SADC PARLIAMENTARY FORUM**

The SADC parliamentary forum is aimed at promoting democratization in southern Africa. Formally approved at the SADC summit held in Blantyre, Malawi, in 1997, and launched in July 1998, the forum is open to representatives of all democratically elected parliaments in the region. The forum is made up of national delegations of four members of parliament, including the speaker and at least one member of the opposition.

The forum's main objectives are to:

- Strengthen the SADC's capacity by involving parliamentarians in SADC activities;
- Facilitate the effective implementation of SADC policies and projects;
- Promote the principles of human rights and democracy in the region;
- Promote peace, democracy, security, and stability on the basis of collective responsibility by supporting the development of permanent conflict resolution mechanism;
- Encourage good governance, transparency, and accountability in the operation of SADC institutions;
- Promote the participation of NGOs, business, and intellectual communities in SADC activities;
- Hasten the pace of economic cooperation and development integration based on the principles of equity and mutual benefit; and

- Study and make recommendations on any issue in order to facilitate the more effective and efficient operation of SADC institutions, including the harmonisation of laws.<sup>12</sup>

### 3.10 ASSOCIATED ORGANISATIONS

A number of organizations that do not formally form part of the SADC but are meant to complement its activities have been established in the region. Their formation has been aimed at ensuring that all stakeholders are involved in activities surrounding the SADC, and that regional integration is promoted over a broader front. The Southern African Trade Union Co-ordinating Council (SATUCC) established in 1983 functions with the aim of coordinating and strengthening trade unions in the region, in order to harmonize labor standards and promote workers' rights.

The SADC Council of Non- Governmental Organizations (SADC- CNGO) was established at a conference held in Johannesburg in 1995. It comprises of a secretariat, and a policy- making body, the Committee of National Representatives (CONCARE) consisting of two representatives selected by each member state via a national umbrella body

The Association of SADC Chambers of Commerce and Industry (ASCCI) formed in Mauritius in October 1999 and it serves as a business network for the private sector in the region. SADC Women in business is a network for disseminating information to businesswomen in the region and is administered from the SADC Network Linkage

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<sup>12</sup> K. Good, "Accountable to themselves: Predominance in Southern Africa", *Journal of Modern African Studies*, 35(4), 1997, p.361.

Centre based in Harare. The SADC Banking Association formed in July 1998 aims to identify issues that impact upon the banking sector in the region, and facilitate a coordinated approach to them. The Electoral Commissions Forum of SADC Countries (ECF) based in Johannesburg aims at fostering cooperation among electoral commissions in the region, with a view to promoting a culture of democracy and free and fair elections.

The SADC Lawyers' Association aims at promoting rule of law and human rights in member states. Its two major tasks are to harmonize commercial law in the region, thus easing cross- border commercial transactions; and also laws and regulations pertaining to the movement of people, including the laws governing refugees and immigrants.<sup>13</sup> The Southern African Regional Police Chiefs Cooperation Organization (SARPCCO) promotes cooperation in combating cross- border crime in the region. Created in 1995 on the basis of a multilateral cooperating agreement, it is technically the sub- regional bureau of the International Criminal Police Organization (ICPO- ITERPOL). It is administered by a secretariat based in Harare.

### **3.11 CONCLUSION**

Regional cooperation started in the form of military cooperation for the liberation of the states under white minority rule in Southern Africa. It progressed from military cooperation to regional economic cooperation with the forming of SADCC and is heading towards integration with the forming of SADC. The changes made in the

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<sup>13</sup> The IGD Guide, n.2, p.240.

organizational structure after the forming of SADC had resulted in the effective functioning with all the activities carried from the Secretariat.

Even though SADCC rejected the market oriented approach the shift to neo-liberal economic policies by SADC is due to the changing conditions in the global market as a result of the end of the cold war. The inducting of South Africa in SADC is viewed as a new beginning due to the enormous market and developmental potential it had generated. The diversified areas of operation and the active participation of the international community in various projects of SADC are the major reasons for the success.

## **CHAPTER IV**

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### **ROLE OF SOUTH AFRICA IN SADC**

## CHAPTER – IV

### ROLE OF SOUTH AFRICA IN SADC

#### 4.1 INTRODUCTION

The origin of regional cooperation in southern Africa can be traced to the period in which the frontline states formed SADCC in order to reduce the dependency on South Africa. The white minority government in South Africa was also following the policy of destabilizing its neighbors in order to weaken the struggle for the rule by the majority lead by African National Congress (ANC). The end of apartheid in South Africa resulted in South Africa becoming a member in SADC and started playing an important role in the organization. South Africa as a nation had been in the centre of any debate on regional cooperation both during apartheid and after it because of the role it plays as a regional power.

In less than a year after the founding democratic elections of 1994, South Africa had established full diplomatic relations with most states, including 46 African countries, and had been readmitted to full membership in the UN, to the Common Wealth, OAU and SADC. For different periods, it was chair of UNCTAD, of SADC, of the 54<sup>th</sup> session of the UN Commission of Human Rights and of the Non-Aligned Movement<sup>1</sup>. All these explain the role of South Africa not only in the region but also at the international level.

The summit held in Maputo, Mozambique in August 1999 reaffirmed the need to the restructuring of the SADC and the summit of the heads of state and government held

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<sup>1</sup> *Africa South of the Sahara 2005* (London: Europa Publications, 2005), p. 1048.

in Windhoek, Namibia, in March 2001 ratified it. The existing sectors were clustered into four new directorates in order to make SADC function effectively. The diversification of the areas from economic cooperation to defense and security, human rights, conflict resolution, social and human development etc., resulted in SADC facing new challenges in many areas. The dominant role played by South Africa also had mixed reactions among scholars as some saw it natural and others criticizing as a new form of hegemony. Both these factors namely the role of South Africa and Challenges of SADC are interrelated and the purpose here is to analyze it.

#### **4.2 HISTORY OF APARTHEID SOUTH AFRICA**

South Africa plays an important role in the continent of Africa due to various reasons. If the availability of rich mineral wealth and ideal location at the southern tip of the peninsula are the geographic reasons that helped in the growth of the economy from the colonial days there are many political reasons also which helped South Africa emerge as a regional power and a continental giant. The Dutch East India Company established a settlement at the Cape in 1652 and about 150 years later the British took over a sizeable white-ruled colony from the Dutch.

When a large diamond mine was discovered at what became known as Kimberley in 1871 the British quickly intervened and brought the contested diamond rich territory under British rule. The rapid development of gold-mining in the Transvaal after 1886, together with the emergence of the South African Republic as the most powerful region, was perceived by British interests as a threat to their paromountcy.<sup>2</sup> The consequent exertion of pressure on the Transvaal and the Orange Free State provoked

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<sup>2</sup> Ibid, p. 1048.

the Anglo- Boer wars of 1899- 1902. During the war the Boer republics passed under British control and on 31 May 1910 the Union of South Africa, comprising the two conquered Boer republics and the two British colonies of the Cape and Natal, was formally declared a dominion under the British crown.

The advent of National Party (NP) to power in 1948 resulted in many legislative measures like Population Registration Act, the Group Areas Act and the Prevention of Mixed Marriages Act and other racial policies were adopted. After the period of 1956 the policy of apartheid (meaning separateness) was followed more rigorously by the white classes. There was a conspicuous connection between racism and development of capitalism in South Africa<sup>3</sup>. Conscious promotion of Afrikaner business through the state support had gradually eroded the erstwhile supremacy of the English capitalist classes in the political economy of South Africa. The concentration and centralization of capital in South Africa resulted in an era of monopoly capital in South Africa.

South Africa's evolution defied any conventional pattern of either a developed or a developing economy. On the one hand, South Africa continued to export primary products to the industrialized countries and important finished products from them. On the other hand, it was exporting finished products to its economically backward neighboring countries and, in turn, imported primary products from them. Thus, South Africa in the post war period began to appear like developing among developed countries and developed among developed countries.

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<sup>3</sup> Michael Mann, "The Giant Stirs: South African Business in the Age of Reform" in Frankel Philip, Pines Noam and Swilling Mark (eds.), *State, Resistance and Change in South Africa*, (New York: Croom Helm, 1988), pp. 51- 83.



South Africa during the decade of the seventies had emerged as a powerful industrial state in southern Africa. The growth of industrialization in South Africa was largely quelled by the evolution of monopoly capitalism. The phenomenon of monopoly capitalism in South Africa was conspicuous with the advent of large conglomerates and there remained a direct connection between the growths of this handful of conglomerates and the domination role of South Africa in southern Africa. When apartheid reduced the purchasing power of the people of South Africa South African firms dominated the markets in the neighboring countries.

The apartheid state successfully mediated between private and public capital and the labor forces. If the mining sector attracted labor force from the countries of the region the firms in South Africa maximized their profits by low wage payment. The western firms that operated not only made huge profits with the cooperation of South Africa but also paid millions of taxes to the South African government.<sup>4</sup> When the labor migration increased the dependency of the neighboring states, the revenue in the form of profits and taxes helped the racist government to control and continue with apartheid.

The formation of SADCC to some extent reduced the dependency on South Africa on areas like transportation and infra structure but the functioning of SACU from as early as 1910 made very less impact on the dependency in trade and economic front.

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<sup>4</sup> Rajan Harshe, "South Africa and Trajectories of Regional Cooperation in Southern Africa", *Africa Quarterly*, Vol. 39, No. 4, 1999, p. 88.

**TABLE -4.1**  
**SOUTH AFRICA AND FRONT-LINE STATES:**  
**TRADE DEPENDENCE, 1984**

<i>Front-Line States</i>	<i>Imports Originating in South Africa (% of total imports)</i>	<i>Export marketed in South Africa (% of total exports)</i>
Angola	-	-
Botswana	78	7
Lesotho	97	42
Malawi	40	7
Mozambique	12	-
Swaziland	90	37
Tanzania	-	-
Zambia	14	6
Zimbabwe	18	10

*Source: Economist intelligence Unit, Various Individual country Profile/Report (London); Africa South of Sahara 1987 (Europa Publications, London, 1987)*

The asymmetrical relationship with the rest of the states in the region helped South Africa to have trade surplus in the trade transactions as shown in Table 4.1. The amount earned in the form of surplus roughly accounted for 10 percent of South Africa's total export earning. South Africa enjoyed a balance of payment surplus with the southern African region of at least \$1,500 million a year in the eighties is an example.<sup>5</sup> Statistics shows that South Africa supplies over 90 percent of the imports of Lesotho and Swaziland, over 80 percent of Botswana, 75 percent for Namibia, 40 percent for Malawi and 15-20 percent of Zimbabwe, Zambia and Mozambique. In turn, South Africa takes almost all of Lesotho's exports, 40 percent of Swaziland's, and 20 percent of Zambia's, Zimbabwe's and Namibia's.<sup>6</sup>

<sup>5</sup> *ibid*, p.89.

<sup>6</sup> Gavin Maasdorp, "Regional Economic Groupings: Co-operation or Integration" in *Regional Security and Co-operation in Southern Africa Post- Apartheid* (London: RISCT, 1991), p.8.

### **4.3 POST APARTHEID SOUTH AFRICA AND REGIONAL COOPERATION**

South Africa underwent a speedy transition from apartheid to post- apartheid after the release of Nelson Mandela and the lifting of ban on the African National congress (ANC) in 1990. By 1994 the people of South Africa were able to install a democratically elected non- racial regime through peaceful and constitutional methods.<sup>7</sup>

According to the Strategic Plan published by the Department of Foreign Affairs in 2004, the principles that underpin South Africa's foreign policy include commitments to the promotion of human rights and democracy; to justice and international law in the conduct of relations between nations; to international peace and internationally agreed- upon mechanisms for resolving conflict; to promote the interest of Africa in world affairs; and to economic development through regional and international cooperation in an interdependent and globalized world.<sup>8</sup> Regional cooperation being mentioned in the Strategic Plan is a proof for the importance being given to it in South Africa's foreign policy. Table 4.2 and 4.3 containing the economic and social indicators of South Africa is a proof of its economic might in the region.

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<sup>7</sup> Harshe, n. 4, p. 90.

<sup>8</sup> Department of Foreign Affairs, *Strategic Plan, 2003-2005*, March 2004, p.14.

**Table 4.2: ECONOMIC INDICATORS OF SOUTH AFRICA**

Currency		Rand (R)
Av Exchange rate/US\$1 (1999)		6,165
Total GNP (1999)		US\$133,5bn
GNP per capita (1999)		US\$3170
Total GDP (1999)		US\$131,1bn
Annual growth rate (1999)		1,2%
Sectoral origin of GDP (1998)	Agriculture	4,3%
	Mining	7,9%
	Manufacturing	23,7%
	Energy	3,9%
	Trade/commerce	15,9%
	Transport and communication	7,8%
	Other	36,5%
Unemployment as % of total labour force (1999)		30%
Gross domestic investment as % of GDP (1999)		15,7%
Av inflation rate (1998)		7,9%
Exports (1999)		US\$28,01bn
Main exports (1998)	Gold	(16,72%)
	Other minerals and metals	
Main markets (1997)	SADC	(11%)
	UK	(10%)
	Japan, US	
Import (1999)		US\$26,95bn
Principal imports (1996)	Machinery, motor vehicles, textiles	
Main suppliers (1997)	Germany	(15%)
	US	(13%)
	UK, Japan	
ODA (1998)		US\$512,3m
ODA as % of GNP (1998)		0,5%
Total external debt (1999)		US\$24,901m
External debt as % of GDP (1999)		19,0%
Debt-service ratio as % of exports (1998)		9,9%

*Source: The IGD Guide to the Southern African Development Community, p.85.*

**Table 4.3: SOCIAL INDICATORS OF SOUTH AFRICA**

Total population	Census (1996)	37,9m
	estimate (1999)	42,1m
	projection (2015)	43,4m
Av population growth p a (1998-2015)		0,6%
Age group 15-64 years (1996)		60,8%
Persons/km <sup>2</sup> (1997)		33
Urbanised population (1999)		52%
Human development index, ranking among 174 states (2000)		103
Human poverty profile index (1998)		20,2%
Gini coefficient		0,58
% population below national poverty line		(...)
Gender empowerment measure value		0,531
Adult literacy (1999)		85%
% of eligible children at school (1998)		95%
Primary pupils/teacher (1990)		37
Life expectancy at birth (1999)		55 years
Doctors/100 000 people (1992-5)		59
Mortality/1000 live births	Infants	80 (1997)
		51 (1999)
	Under fives	83 (1998)
% population with access to safe water (1999)		70%
People living with HIV/AIDS (end of 1999)		4200000
Adult infection rate (1999)		19,94%

*Source: The IGD Guide to the Southern African Development Community, p.85.*

#### **4.4 KEY AREAS OF COOPERATION**

##### **4.4.1 REGIONAL TRADE**

The principal origin of imports of at least seven SADC countries, namely Botswana, Lesotho, Malawi, Namibia, Swaziland, Zimbabwe, continues to be South Africa, while South Africa is the main destination of exports of Lesotho, Swaziland and

Zimbabwe. The data reported in Table 4.3 show that in the period 1989- 1998 the trade imbalance (at 1990 constant prices) between SACU and the SADC has trebled. Even when SACU imports from the SADC countries have increased by 255.2 percent, SACU exports to the other countries have grown by 297.1 percent.<sup>9</sup> South Africa being the member in SACU is the important reason for this imbalance in trade.

#### **4.4.2 FOREIGN DIRECT INVESTMENT (FDI)**

Table 4.3 shows that in the period 1997-2001 total South African investments in the SADC region have recorded a fourfold increase, growing from SA Rand 5,983 million in 1997 to SA Rand 24,149 million 2001, while South African investments in the rest of Africa have actually decreased from SA Rand 3,374 million in 1997 to just SA Rand 2,652 million in 2001. If in 1997 SADC country's share of total South African investment in South Africa was 63.9 percent, in 2001 it has grown up to 90.1 percent in 2001.<sup>10</sup>

These data suggest that during the second half of the 1990s total South African investments in Africa have tended to concentrate in the SADC, region deepening the economic integration between South Africa and the other countries of Southern Africa. South African portfolio investments in other SADC countries have also recorded a dramatic growth in absolute terms in the period between 1997- 20001, but have remained of lesser importance compared to other forms of South African investments in the region.

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<sup>9</sup> "Trade and Industry Policy Secretariat", *Southern African Update*, Vol. 3, (September 1999), pp.1-2.

<sup>10</sup> SADC *Annual Report*, 2000.

**TABLE 4.4 : FOREIGN INVESTMENTS FROM SOUTH AFRICA TO THE SADC COUNTRIES,  
1997 – 2001**

	<i>SA Rand Millions</i>																			
	Direct Investment					Portfolio Investment					Other Investment					Total Investment				
	1997	1998	1999	2000	2001	1997	1998	1999	2000	2001	1997	1998	1999	2000	2001	1997	1998	1999	2000	2001
Botswana	287	424	337	260	408	82	1211	225	297	200	226	294	454	583	890	595	1929	1016	1140	1498
Lesotho	178	165	150	167	177	52	52	52	63	1	146	295	992	1479	1641	376	512	1194	1709	1819
Swaziland	515	1411	1244	1246	156	47	47	47	65	1	221	267	520	631	559	783	1725	1811	1942	716
Angola	8	8	3	22	1	10	10	10	10	0	32	14	43	21	231	50	32	56	53	232
Malawi	227	175	116	176	18	3	29	31	3	0	76	82	112	117	178	306	286	259	296	196
Mauritius	664	1087	1929	2556	6628	4	151	180	475	168	88	92	3683	3953	641	756	1330	5792	6984	7437
Zimbabwe	11	23	2608	3613	4117	0	0	0	0	0	96	95	410	527	811	107	118	3018	4140	4928
Tanzania	205	250	353	309	587	6	12	11	20	300	976	884	1004	772	553	1187	1146	1368	1101	1440
DRC	1	17	4	4	0	0	0	0	0	0	63	76	109	84	40	142	216	129	162	570
Zambia	55	102	10	13	89	0	0	0	0	0	21	226	92	95	1806	22	209	96	99	1806
Namibia	785	277	543	1120	806	9	9	9	67	59	611	1603	1242	1002	1222	1405	1889	1794	2189	2087
Total SADC	3015	4045	7317	9564	13517	213	1521	565	1000	729	2755	4256	8977	9647	9903	5983	9822	16859	20211	24149
Other Africa	3131	5072	2654	2701	514	30	33	41	49	18	213	391	899	1209	2120	3374	5496	3594	3959	26522
Total	61466	9117	9971	12265	14031	243	1554	606	1049	747	2968	4647	9876	10856	12023	9357	15318	20453	24170	26801

Source: Data provided by SADC. 2002: Note "Direct investment refers to assets and liabilities in the form of equity capital or other short or long term capital; portfolio investment refers to assets/liabilities inequity and debt securities or money market instruments and are usual listed on security exchanges; 'other investment refers to assets/liabilities in short and long term loan capital as well as currency and deposits and includes bank lending/borrowing and deposits.

#### **4.4.3 DIPLOMATIC RELATIONS**

When Mandela became the president of South Africa the new government's key priority was to restore and normalize the relationship of South Africa with the countries in the region and the continent. Now South Africa is the only nation with its diplomatic missions in every member nation of the SADC. The Table 4.5 is a proof of the various diplomatic missions of South Africa.

**TABLE 4.5**

#### **DIPLOMATIC LINKAGES AMONG SOUTHERN AFRICAN COUNTRIES**

Country	Number of diplomatic linkages*
South Africa	25
Zambia	18
Angola	15
Zimbabwe	15
Mozambique	14
Namibia	10
Tanzania	10
Botswana	10
DRC	9
SADCC	9
Swaziland	4
Lesotho	2
Mauritius	2
Seychelles	1

*Source: Africa South of the Sahara 1998, London: Europe Publications. 1998.*

#### **4.4.4 REGIONAL DEVELOPMENT**

Uneven development due to war, famine, drought and flood remained the biggest challenge for overall development of Southern African region. In the second half of the 1990s Mozambique and Mauritius has become one of the major destination of



South African Investments in the SADC region. This is mainly because of South African involvement in the conflict resolution process along with OAU and UN. The civil war that started immediately after the Portuguese rule caused severe damage to the agricultural, industry and infrastructure and there by the economic development of the nation. In the case of Mauritius it is mainly due to the economic stability in the region and strategic location in the Indian Ocean. Table 4.6 shows the various sector wise investments made by south Africa in Mozambique.

**TABLE 4.6: APPROVED SOUTH AFRICAN INVESTMENTS IN MOZAMBIQUE**  
*By Sector, 1990 –2000*

Sector	Number of projects	Value of investments (in USS)	Jobs
Agriculture & agro - industry	60	344.536.028	11.581
Fishing	13	21.078. 911	826
Construction	29	241.543. 821	5.511
Manufacturing	63	1.482.667.178	7.697
Transport & communications	24	66.515. 584	1.007
Oil & gas	-	-	-
Bankers & Insurance Banks & insurance	3	6.691.488	26
Mineral resources	4	135.460 .052	17
Hotels & tourism	42	206.704. 385	2.425
Others	41	63.081.534	1.847
<b>Total</b>	<b>279</b>	<b>2.568.279.985</b>	<b>30.937</b>

Source: Data provided by the Centro de Promocao de investimentos, Maputo, August 2001

**TABLE 4.7 : APPROVED SOUTH AFRICAN INVESTMENTS IN  
MOZAMBIQUE BY PROVINCE, 1990 –2000**

Province	Number of projects	Value of investments (in USS)	Jobs
Cabo Delgado	8	22.057.421	839
Nassa	2	9.834.718	159
Nampula	5	96.126.371	6,490
Zambezia	8	26.446.972	634
Tete	6	65.143.605	607
Manica	9	3.047. 188	490
Sofala	11	99.669.250	751
Inhambane	27	2.239.659	443
Gata	20	62.850.373	2,487
Maputo	183	2.180.864.425	18.037
Total	279	2.568.279.985	30.937

*Source: Data provided by the Centro de Promocao de investimentos, Maputo, August 2001.*

As the data reported in the table 4.7 show, in the period 1990- 2000 South African investment in Mozambique have been highly concentrated in the Maputo Province, which has attracted 85 percent of the total South African investment in Mozambique.<sup>11</sup> The sector wise allotment shows that agricultural and manufacturing are the sectors that attracted major investment since any economic development has to start from primary sectors. This is an example for the role of South Africa in the regional development in Southern Africa.

#### **4.4.5 CONFLICT RESOLUTION**

Mandela's stature as an international statesman and South Africa's economic might made them to play an important role in the conflict resolution process both in the region and in the continent. The mediation by South Africa was acceptable on most of the occasions by both the warring factions, which made its role as a peace broker easy

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<sup>11</sup> *Centro de Promocao de Investimentos, Maputo, August 2001.*

when compared with other countries in the region. After becoming Chairman of SADC in September 1996, Mandela pursued a more active foreign policy, frequently intervening personally in an effort to resolve regional problems.<sup>12</sup> In early 1997 he was involved in intensive diplomatic activity aiming at ending the civil war in Zaire (now the Democratic Republic of the Congo- DRC) meeting both the Zairian rebel leader, Laurent Kabila and the Zairian President Mobuto Seso Seko. Apart from Zaire South Africa was actively involved in the conflict resolution process of Angola, Mozambique and Lesotho also.

#### ***4.4.6 CONTINENTAL UNITY***

South Africa started sharing the role of continental leaders along with Nigeria, Egypt and Libya immediately after Mandela took charge as president. South African government in 1996 announced that its policies would be informed by 'Growth, Employment, and Redistribution (GEAR)', a neo- liberal strategy designed to South Africa a destination for foreign investments and a competitive global trading state.<sup>13</sup> This was a major shift by ANC from the earlier position and it was mainly aimed at winning friends among developed western countries and to change Africa's image by which South Africa would benefit as a major global trading state.<sup>14</sup>

The objective of forming an organization like African Union (AU) was part of ANC's foreign policy and it was achieved by which South Africa also enjoy enormous economic benefits. Mbeki who succeeded Mandela, to promote the case of economic

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<sup>12</sup> Africa, n.1, p.1051.

<sup>13</sup> Peter J. Schraeder, "South Africa's foreign policy: from international pariah to leader of the African renaissance", *The Round Table*, no. 359, 2001, pp. 229- 43.

<sup>14</sup> Graham Evans, "South Africa's foreign policy after Mandela: Mbeki and his concept of an African renaissance", *The Rround Table*, no. 352, 1999, pp. 621-628.

justice on behalf of the poorer countries to the developed world, and at many international forums emphasized the importance of debt relief and the elimination of global poverty. In June 2002 he presented New Partnership for Africa's Development (NEPAD) to the meeting of G-8 group of industrialized countries in Canada, in an attempt to attract increased foreign aid to the continent.<sup>15</sup>

These are some of the areas where South Africa plays an important role in Southern Africa for regional cooperation.

#### ***4.4.7 PORTS OF SOUTHERN AFRICA***

The ports of southern Africa play a most important role in the economies of each country and those of neighboring landlocked members of the SADC. Approximately 95 percent of all trade to the region passes through these ports, providing a vital link in the logistic chain that binds southern Africa inextricably together.<sup>16</sup> If one port experiences any sort of delay or congestion the effect is often felt across the entire region.

The ports of southern Africa are also in a state of flux, with privatization measures being introduced as a means of introducing more efficient cargo handling procedures and to provide much needed infrastructure and superstructure. At the same time each of the ports remain under the ownership of state- owned corporations, providing a sense of stability and assurance. The future role of the ports, both independently and inter- dependently of one another, will prove to be crucial for regional development in SADC in which South Africa is expected to play an important role.

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<sup>15</sup> Africa, n.1, p.1051.

<sup>16</sup> *Shipping News* in [www.ports.co.za/ports-of-southern-africa](http://www.ports.co.za/ports-of-southern-africa), 14 December 2000.

#### ***4.4.8 WATER MANAGEMENT***

The Water Research Commission (WRC) was established in terms of the Water Research Act (Act No 34 of 1971) following a period of serious water shortage. In addition the implementation of National Water Act of 1998 and the related national water research strategy places greater importance for water management in the region. The role of South Africa in SADC and NEPAD, especially with regard to water resource and water supply and sanitation issues, poses new challenges and requires new initiatives, which are within the mandate of the WRC.<sup>17</sup>

The mandate of the WRC includes,

- Promoting coordination, cooperation and communication in the area of water research and development
- Establishing water research needs and priorities
- Stimulating and funding water research according to priorities
- Promoting effective transfer of information and technology
- Enhancing knowledge and capacity- building within the water sector.

The region of southern Africa is known for its water resources but due to poor water management it suffers because of water scarcity. South Africa with various water management strategies apart from serving its own needs helps also the region.

#### ***4.4.9 ECONOMIC MIGHT OF SOUTH AFRICA***

Although Africa does not contribute significantly to the world economy (1.5 percent to world GNP, while 12.5 percent of the world's population lives here) measured by African standards South Africa is the most developed country in the world. The

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<sup>17</sup> Water Research Commission, [www.wrc.org.za](http://www.wrc.org.za) 15 March 1999.

SADC countries produce about 40 percent of the total African production. South Africa contributes about 32 percent of African production. In a SADC context South Africa contributes 80 percent of the total SADC- GNP, while only about 22 percent of the SADC countries total population of 180 million live in South Africa. South Africa extends only over 13 percent of the total area of SADC countries.

South Africa generates more than 80 percent of electric energy, contains 90 percent of the railways, 47 percent of the ports, 60 percent of all tarred roads, and 90 percent of all telephones in the SADC countries. Even though only about 10.8 percent of South Africa's total exports go to the SADC countries, South Africa only imports about 1.8 percent of its total imports from these countries<sup>18</sup>. South Africa can justifiably be called the engine of economic activity in Southern Africa. Although regional integration could contain various disadvantages as a result of above-mentioned inequalities, South Africa can no longer exist as an island of prosperity within an ocean of poverty.

#### ***4.4.10 ROLE OF SOUTH AFRICAN RESERVE BANK***

As part of the process of promoting regional economic integration, each SADC member country was allocated an economic sector to coordinate, based on the country's actual or potential capacity. South Africa has been allocated responsibility for the coordination of the finance and investment sector of the SADC. The Minister of finance of South Africa leads the coordination of the sector. This sector was given to South Africa in recognition of its developed financial markets and institutions. The

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<sup>18</sup> *South Africa's role in regional context-How important is the Southern African Community for South Africa and vice versa* in [www.ahi.co.za/current](http://www.ahi.co.za/current) 19 May 2001

Committee of the SADC Central Bank Governors, which meet twice a year, forms part of the sector and is chaired by the Governor of The South African Reserve Bank.

In support of the SADC objectives of establishing free trade within the region, the committee of Central Bank Governors decided at its inception to develop the payment, clearing and settlement systems of SADC countries. The benefits of this include: promotion of economic activity, improved control of monetary aggregates resulting from reducing float levels and minimizing delays; a more productive use of resources as a result of lowered transactions costs; improved management of both credit and systemic risk as financial transfers are completed efficiently and quickly; facilitating of financial sector development; improved trust in the security and reliability of payment instruments and international acceptance.<sup>19</sup> The problem, which the Reserve Bank failed to address, is the exchange control system introduced by many of the member countries of SADC as it is a deterrent to investors apart from being a stumbling block for greater regional integration.

#### ***4.4.11 BORDER CONTROL***

The control over shared borders has become increasingly important as a result of the international trend towards the establishment of free trade areas. While opening up for trade, most of the free trade groupings have concomitantly relinquished border control restrictions for the cross border movement of their own citizens across internal borders, and have tightened control of external borders. Border control must not be seen as preventing the cross border movement of people and goods, but

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<sup>19</sup> Speech by Mr. Tito Mboweni, governor of the South African Reserve Bank, as a contribution to the Africa Dialogue Lecture Series presented by the University of Pretoria's department of Political Sciences on 21 September 1999.

rather as assistance in regulating orderly legal movement.<sup>20</sup> The free movements of goods and people are essential, for example, if SADC wishes to move towards a free trade area, and to grow and prosper.

While the SADC Free Trade Agreement liberalizes and reduces tariffs and customs requirements, it does not obviate the need for better and strict inspection of goods and other contraband such as drugs and firearms. South Africa as a regional economic power had always been the nation receiving maximum migrants and it forced them to come out with strict border control and management measures. Even though SADC has the compulsion to provide framework for cooperation the successful implementation of the same is always difficult as the region is land locked with many pores borders. When South Africa is relied a lot for border control by SADC the poorer countries of the region also blames South Africa for the strict immigration laws it is implementing in the recent period in order to check the inflow of population from neighboring countries.

#### ***4.4.12 EMPLOYMENT DESTINY***

The role of South Africa as an employment destiny apart from benefiting its own economy helps the poorer neighbors because of the remittances paid by the labors working in the various sectors. From the colonial period countries like Lesotho, Botswana and Swaziland had been the major countries that supplies labor force to work in the mining sectors in South Africa. If the migration to South Africa is due to lack of industrial development and greater unemployment because of too much

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<sup>20</sup> Anthony Minnaar, "Border Control and Regionalism- The Case of South Africa", African Security Review, Vol.10, No. 2, 2001, p.115



dependency on agricultural sector in case of poorer countries the benefit for South Africa is the availability of surplus labor force and the profit due to under payment of wages.

#### ***4.4.13 TECHNICAL ASSISTANCE***

South Africa with rich natural resources and good infra structural facilities always remained as an industrially developed economy. The rest of the nations in the region predominantly depended on agricultural sector for economic development. The end of apartheid and South Africa becoming member in SADC resulted in the region depending heavily on South Africa for technical assistance for the regional development in sectors like trade, industry, finance, infra structure and communication. When the poorer nations of SADC found it difficult to invest in human resource development South Africa due to its high investment in this sector had technically skilled labor force, which benefited both South Africa and the region in terms of technical assistance.

#### **4.5 CONCLUSION**

The origin of regional cooperation in Southern Africa may be to reduce the economic dependency on South Africa but the end of apartheid and the renaming of SADCC to SADC after South Africa became a member changed the whole dynamics of regional cooperation. When many criticize the role of South Africa as a negative trend due to the dependency prevailing in the region the non-availability of any other option allows South Africa to continue with its dominant role.

The benefit South Africa enjoys as an industrially developed nation contributes to the regional development. The various bilateral and multilateral arrangements South Africa is part of reduces the poverty of poorer members of SADC in terms of economic assistance for industrial and infra structural development. The recent amendments in the immigration laws and the xenophobic attitude of South Africans against migrant labors and refugees brought South Africa into severe criticism. South Africa devoting most of its energy for international and continental issues forces them to be less committed to regional issues is not a good sign due to the responsibility it has as a regional power.

## **CHAPTER V**

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### **CHALLENGES OF SADC**

# CHAPTER V

## CHALLENGES OF SADC

### 5.1. INTRODUCTION

In order to understand the challenges faced by SADC as an organization it is important to understand the economic problems of Africa in general and southern Africa in particular. In 1998, thirty-six of Africa's 54 countries had a population of less than 12 million, with an average per capita income of under US\$500 a year. Incomes remain unequally distributed. Twenty of these countries had less than 4 million poor and eleven had fewer than 1.5 million.<sup>1</sup> Twenty-five countries had a Gross Domestic Product (GDP) less than US\$ 2.5 billion. Of these thirteen had a GDP of less than US\$ 1 billion.

In 1998 the total population of Southern Africa was estimated to be over 190 million people, and the combined GDP amounted to \$ 176 billion. With the population growing at an annual rate of 3.5 percent, it is projected that by the year 2015 the total population will be approximately 300 million people.<sup>2</sup> In the last half of the 1990s real GDP growth averaged three percent annually. The highest GDP growth was attained in 1996 at 4.1 percent, but was then followed by a declining trend in 1997 and 1998 with 2.2 and 1.7 percent respectively. According to the African Development Bank, per capita income in SADC (gross national product-GNP- per capita) fell by 0.4 percent and 1.3 percent in 1998 and 1997 respectively. Average GNP per capita for the SADC region amounted to \$ 988 in 1997, but to only \$334 if

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<sup>1</sup> *African Development Report*, 1998 (Abidjan: African Development Bank, 1999), p.23.

<sup>2</sup> SADC : *Trade, Industry and Investment Review*, 2000.

South Africa excluded. The real income per capita today is lower than it was in 1970 for most of the countries.

SADC exports are only 0.9 percent of world exports compared to 10.3 in east and South-east Asia, and 5.3 percent in Latin America. Intra regional exports in SADC are around 25 percent of total trade, compared with more than 40 percent in either the Association of South East Asian Nations (ASEAN) or Mercado Commun del Sur (MERCOSUR). Major factors that accounted for the sluggish performance of the SADC economy are reduction in Foreign Direct Investment (FDI), Official Development Assistance (ODI), and low level of domestic savings.<sup>3</sup>

## **5.2 CHALLENGES OF SADC**

### ***5.2.1 POVERTY ERADICATION***

Southern Africa remains one of the poorest regions in the world. During the 1980s southern African governments were required to implement Structural Adjustment policies (SAP) as a condition for accessing development finance for servicing old loans from international financial institutions and these programmes showed very little regard for the participation of the poor in the development. Prior to 1990, relationships between aid donors and recipients were almost exclusively determined by cold war politics. It was only during the latter half of the 1990s that the international community began to prioritize the reduction of poverty in their aid programme interventions and policy prescriptions to aid recipient countries.

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<sup>3</sup> Prega Ramasamy, "SADC: The Way Forward", in Christopher Clapham, Greg Mills, Anna Morner and Elizabeth Sidiropoulos (eds), *Regional Integration in Southern Africa: Comparative International Perspectives*, (Johannesburg: SIIA, 2001), p.35.

**TABLE 5.1: POVERTY IN THE SADC**

	% population below income poverty line		% population without access to:			% share of income or consumption	
	\$1/day (1993 \$ppp <sup>1</sup> )	National poverty line	Safe water 1990-8	Health services 1981-93	Sanitation 1990-8	Richest 20%, 1987-98	Poorest 20%, 1987-97
Angola		n/a	69	76	60		
Botswana		33.0	10	14	45	58.9	3.6
DRC		n/a	32	n/a	n/a	60.1	2.8
Lesotho	49.0	49.2	38	20	62	60.1	2.8
Malawi		54.0	53	20	97		
Mauritius		10.0	2	1	0		
Mozambique	37.9	69.4	54	70	66	46.5	6.5
Namibia	34.9		17		38		
Seychelles				1			
South Africa		11.5	13		13	64.8	2.9
Swaziland			50	45	41	64.4	2.7
Tanzania	19.9	51.1	34	7	14	45.5	6.8
Zambia	72.6	86.0	62	25	29	54.75	4.2
Zimbabwe	36.0	25.0	21	29	48	62.3	4.0

<sup>1</sup> Purchasing power parity

Sources: UNDP, *Human development report 2000*; World Bank, *African development indicators 2000*, Washington DC.

As shown in the Table 4.6 in 2000 about half of the region's total population lived on a dollar a day or less. In many countries the percentage of households living below national poverty income levels far exceeds this average figure: an estimated 73 percent in Zambia, 65 percent Mozambique, 60 percent in Malawi, 65 percent in Lesotho and 63 percent in Zimbabwe. In South Africa about 58 percent of Africans live below the national income poverty line, compared to only 2 percent of the whites.<sup>4</sup>

More recently World Bank economist have estimated that the average GDP of southern African countries needs to increase to 6-7 percent a year if poverty and underdevelopment in the region is to be halved by 2015. Poverty eradication has to be

<sup>4</sup> *A Profile of poverty, inequality and human development in South Africa* (Pretoria : Human Sciences Research Council, 1995), p.56.

given the primary importance by the Southern African Governments because of the direct relations between human and economic development with poverty.

### ***5.2.2 AGRICULTURAL DEVELOPMENT***

Agriculture is a major player in the SADC regional economy, contributing 35 percent to its GDP. About 70 percent of its people depend on it for food, income and employment as shown in table 4.7. In addition, agriculture is a dominant source of exports in many countries, on average contributing about 13 percent to total export earnings and about 66 percent to the value of intra-regional trade. Due to these reasons the performance of agriculture has a strong influence on the rate of economic growth, the level of employment; demand of other goods, economic stability and on food security and overall poverty eradication.

The real challenge for SADC and the member nations are to promote agricultural productivity and food security at house holds; promote efficient development through utilization and conservation of natural resources to stimulate growth in rural areas, intervene to increase the output of small rural producers, and improve their access to roads, irrigation system, extension services, credits and markets for agricultural development.<sup>5</sup>

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<sup>5</sup> Alan Thomas, "Meanings and Views of Development", in Tim Allen and Alan Thomas(eds), *Poverty and Development in 21 st Century* (Oxford: Oxford University Press, 2000), p.87.

**TABLE 5.2: SHARE OF AGRICULTURE IN THE ECONOMIES OF SADC STATES**

Country	Agriculture's share of labour, 1993 <sup>1</sup> (%)	Agriculture's share of GDP, 1998 (%)	Regional ranking	
			Share of labour	Share of GDP
Angola	..	12		6
Botswana	48	4	8	10
DRC	..	58		1
Lesotho	40	11	9	7
Malawi	87	36	1	3
Mauritius	14	9	10	9
Mozambique	83	34	3	4
Seychelles				
South Africa	13	4	11	10
Swaziland	71		5	
Tanzania	84	46	2	2
Zambia	75	14	4	6
Zimbabwe	68	16	6	5

*1 This data has largely been drawn from from J van Rooyen, Regional food security and agricultural policy in Southern Africa: a challenge of policy conversion in diverse settings, Development Southern Africa, 17(1), March 2000. There are large discrepancies between his data and the world development indicators.*

*Source: World Bank, World development indicators 2000.*

### **5.2.3 TRADE, INDUSTRY AND INVESTMENT**

The major challenge for the industries in SADC countries is to withstand the challenges of globalization<sup>6</sup>. This can only be achieved with an overall improvement in productivity and competitiveness combined with a diversified and industrial growth. SADC should pay particular attention to investment promotion; entrepreneurship development and ensuring that the manufactured products meet internationally recognized standards.

<sup>6</sup> SADC Trade and Industry Policy Secretariat, April 2001.



**TABLE 5.3: TRADE FLOWS WITHIN THE SADC**

Country	Imports from SADC as % of total imports	Exports to SADC as % of total exports	Imports to South Africa as % of total SADC imports	Exports to South Africa as % of total exports
Angola	8.1	0.1	7.8	0.1
DRC	25.0	6.6	22.6	6.6
Malawi	63.9	18.0	46.3	14.8
Mauritius	9.7	2.0	9.3	0.6
Mozambique	55.3	22.0	47.2	12.4
South Africa	2.5	12.6	0.0	0.0
Seychelles	18.2	1.5	1.9	1.3
Tanzania	8.1	7.0	6.5	1.4
Zambia	61.7	5.6	48.6	3.0
Zimbabwe	46.2	31.0	42.4	16.6

*Note: 'South Africa' includes all other SACU countries (Botswana, Lesotho, Namibia, and Swaziland).*

*Source: Data provided by the Trade and Industry Policy Secretariat (TIPS), April 2001. All data refers to 1997.*

The SADC protocol on Trade after amendment, envisages the establishment of a free trade area in the region by 2008 and its objectives are to further liberalize intra-regional trade in goods and services; ensure efficient production; contribute towards the improvement of the climate for domestic, cross-border and foreign investment; and enhance economic development, diversification and industrialization of the region. The success of this depends on the effective implementation of the trade protocol by all member states especially with regard to elimination of tariff barriers that takes into consideration the specificities of different member states.

The role of South Africa is very important because with a huge market it could become a valuable recipient of exports from other SADC economies. As shown in the Table 5.3 before South Africa joined the SADC, intra-regional trade only constituted

about 4 percent of all southern African trade. Today, intra- regional trade accounts for about 20 percent of all southern African trade.

Foreign Direct Investment always plays an important role for the economic development of any region and southern Africa is not an exception. Most countries in the SADC region have undertaken a number of reform programmes, which have reduced tariff and non- tariff barriers to trade, and stimulated legislation that is favorable to FDI.<sup>7</sup> During 1996-99 actual investments were about \$4.3 billion and total investment intentions were \$8.9 billion. The table shows selected larger FDI deals between 1996-99.

Balance of trade in the SADC region had always been negative as shown in the Table 5.4 and South Africa's advantages as a economic power is also blamed for the negative balance. South Africa after its membership in SADC used the regional organization to promote its trade with the rest of the world and the investments it made in many of the regional neighbors were purely to benefit the economic interest of South Africa and not for regional development as many presume.

**TABLE 5.4: NET GAINS ACCRUING TO SADC MEMBER AND SADC BALANCE OF TRADE**

Country	Net gain (US\$000)	Balance of trade (US\$000)
Angola	- 3783	-28083
Malawi	- 9350	- 72696
Mauritius	- 69827	-243892
Mozambique	-26460	-118306
SACU	177755	963398
Tanzania	-244	-5509
Zambia	-5211	152140
Zimbabwe	-158956	-342772

SOURCE: SADC Secretariat

<sup>7</sup> Ramasamy, n. 18, p. 37.

#### 5.2.4 HEALTH AND HUMAN DEVELOPMENT

According to the most recent UN estimates as in table 4.11 about 11 million of the 142 million people in SADC countries are infected with the Human Immunodeficiency Virus (HIV) and this is 8 percent of the total population.<sup>8</sup> The Acquired immunodeficiency syndrome (AIDS) has surpassed war and malaria as the biggest cause of death in the region. Apart from being a health problem it is changing social structures, demographic patterns and economic prospects throughout southern Africa. In all these countries the life expectancy has dropped by 10- 12 years since the early 1990s as shown in the Table 5.5. More than 3 million children in SADC countries have lost their mothers or both parents to AIDS before the age of 15 since the epidemic first began in the late 1980s.

**TABLE 5.5: HUMAN DEVELOPMENT INDICATORS (HDI) IN THE SADC, 1998**

	Life expectancy	Adult literacy rate (%)	Gross school and tertiary enrolment ratio (%)	HDI value	Ranking
Angola	47.0	42.0	25	0.405	12
Botswana	46.2	75.6	71	0.593	6
DRC	51.2	58.9	33	0.430	9
Lesotho	55.2	82.4	57	0.569	7
Malawi	39.5	58.2	75	0.385	13
Mauritius	71.6	83.8	63	0.761	2
Mozambique	43.8	42.3	25	0.341	14
Namibia	50.1	80.8	84	0.632	5
Seychelles	71.0	84.0	76	0.786	1
South Africa	53.2	84.6	95	0.697	4
Swaziland	60.7	78.3	72	0.655	3
Tanzania	47.9	73.6	33	0.415	11
Zambia	40.5	76.3	49	0.420	10
Zimbabwe	43.5	87.2	68	0.555	8

*Source: UNDP, Human development report 2000, New York: Oxford University Press.*

<sup>8</sup> *Report of the global HIV/AIDS epidemic* (Geneva: UNAIDS,2000), pp. 21- 36.

In recognition of the serious threat that HIV and AIDS continues to pose to sustainable development of the region and its integration agenda, SADC has revised and strengthened its multi- sectoral HIV and AIDS Strategic Framework and programme of Action 2003-2007.<sup>9</sup> The focus of the response is both on the prevention of HIV and AIDS and on the mitigation of its impact in order to ensure sustainable human development of member states. SADC at present is working with a goal of providing information and education for 95 percent of the age group between 15-24 and reducing the infant mortality by 50 percent by 2010. Table 5.6 shows the high prevalence rate in countries like Botswana, Swaziland, Lesotho and Zimbabwe.

**TABLE 5.6: HIV/AIDS IN THE SADC**

Country	Population	% of 15-49 age group with HIV at end 1999	Total adults and children living with HIV/AIDS	Orphans (total since start of the epidemic)
Angola	12 497 000	2.78	160 000	98 000
Botswana	1 592 000	35.80	290 000	66 000
DRC	50 407 000	5.07	1 100 000	680 000
Lesotho	2 108 000	23.57	240 000	35 000
Malawi	10 674 000	15.96	800 000	390 000
Mauritius				
Mozambique	19 222 000	13.22	1 200 000	310 000
Namibia	1 689 000	19.54	160 000	67 000
Seychelles				
South Africa	39 796 000	19.54	4 200 000	420 000
Swaziland	981 000	25.25	130 000	12 000
Tanzania	32 799 000	8.09	1 300 000	1 100 000
Zambia	8 974 000	19.95	870 000	650 000
Zimbabwe	11 509 000	25.06	1 500 000	900 000

Source: UNAIDS/WHO, *Epidemic update, December 2000*, [www.unaids.org](http://www.unaids.org).

### 5.2.5 DEMOCRATIZATION AND GOOD GOVERNANCE

Since 1990 the region has witnessed a rapid change from authoritarian one- party states and military dictatorships to what can legitimately be regarded as liberal

<sup>9</sup> *ibid*, p. 39.

democracies. The prime example of this form of state is Botswana. In all former authoritarian states in the region, a second round of elections has been held successfully. The two exceptions to this trend are Angola and Lesotho. With the international community emphasizing greater importance for democracy and good governance as a basic criterion for aid the challenge for SADC is to ensure that the transition from capitalist to liberal democracies ensures good governance.

#### ***5.2.6 REGIONAL SECURITY***

Managing regional security is one of the biggest challenges for SADC. The division within the organization in the form of Defense Treaty Bloc led by Zimbabwe and the Peacemaking Bloc led by South Africa affected the decision making process of SADC in the context of the civil war in DRC is an example. Recent attempts within the SADC to forge a common approach to conflict resolution have focused on structural reorganization. The creation in 1996 of the OPDS was one such initiative, as are the proposals that emerged from the extraordinary ministerial meeting held in Swaziland in October 1999. The end of Apartheid and Cold War, along with the changes in environmental, demographic, economic, political and developmental factors are identified as the reasons for the present condition.

#### ***5.2.7 COMMON MONETARY UNION***

SADC already has a program to set up a common SADC bank by 2016. In addition to this some of the member countries like Namibia proposed for common monetary union in which the member countries would give up national currencies and adopt a common currency of a larger country, much like the European Union had adopted Euro. The reasons given by them is that the establishment of a monetary union would

integrate with the combination of free trade agreements and the need to counteract the economic and political weakness that can be traced back to the rule by colonial powers.<sup>10</sup> In spite of the support it received among poorer economies of SADC it could not be implemented due to the opposition from countries with stronger economies. Table 5.7 shows the difference among the SADC countries in the exchange rate.

**Table 5.7: Currency checklist**

Country	Currency	(US\$1)
Angola	Kwanza (100 lwei)	83.62
Botswana	Pula (100 thebe)	4.69
DRC	Congo Franc	379.41
Lesotho	Maloti (100 lisente)	6.26
Malawi	Kwacha (100 tambala)	107.00
Mauritius	Rupee (100 cents)	27.85
Mozambique	Metical (100 centavos)	22,755.00
Namibia	Dollar (100 cents)	6.316
Seychelles	Rupee (100 cents)	5.18
South Africa	Rand (100 cents)	6.30
Swaziland	Lilangeni (100 cents)	6.26
Tanzania	Shilling (100 cents)	1113.50
Zambia	Kwacha (100 ngwee)	4780.00
Zimbabwe	Dollar (100 cents)	5350.00
25 June 2004		

Source: SADC TODAY, August 2005

### **5.2.8 CHALLENGES OF INFORMATION TECHNOLOGY**

The SADC Consultative Conference was held in Lusaka on 11 and 12 February 1999 with the theme “SADC in the New Millennium: Opportunities and challenges of Information Technology”. The theme was chosen in recognition of the fact that as the region enters the next millennium, information technology would be a necessary tool

<sup>10</sup> *SADC Monetary Union gaining momentum* in [www.trlac.org](http://www.trlac.org), 24 November 2004

for regional integration process.<sup>11</sup> Emphasis was placed on the need for technologies to advance the economic performance of most SADC member states.

The conference also noted that in the last decade, technological advances had resulted in dramatically lowering costs of electronics, a borderless world as a result of globalization, increased competition, privatization and multiplicity operators as a result of liberalization and the convergence of broadcasting, telecommunications and information technology. The challenge for the SADC is to bridge the digital divide in order to have a stronger integration.

#### ***5.2.9 CHALLENGES FOR SUSTAINABLE DEVELOPMENT***

Sustainable development can be defined as an approach in which social, economic and environmental issues are taken collectively. The region of Southern Africa faces serious problems of sustainable development because of various reasons and the Challenges for Sustainable Development in SADC include<sup>12</sup>:

- Limited economic growth
- Widespread poverty and income inequality
- Lack of access to natural resources
- Poor infrastructure
- Effects of Globalization
- The AIDS pandemic

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<sup>11</sup> Opportunities and Challenges of Information Technology in [www.sardc.net/editorial/sadctoday](http://www.sardc.net/editorial/sadctoday), 26 April 1999.

<sup>12</sup> Tsiliso Tamasane, "Challenges for Sustainable development in The SADC Sub- Region: Key Issues in Relation to Livelihoods/Poverty" in [www.worldsummit2002.org](http://www.worldsummit2002.org)

The responsibility of tackling these challenges lies with SADC and the way forward according to “Can Africa Claim the 21<sup>st</sup> Century” report (2000) are:

- Improving governance and resolving the conflict
- Investing in people
- Increasing competitiveness and diversifying economies
- Reducing aid dependence and strengthening partnership
- Strengthening regional trade and cooperation
- Developing realistic and relevant macro economic frameworks and policies
- New Africa initiative
- Millennium Africa Recovery Program
- Treaty of the African Union

#### ***5.2.10 ROLE OF THE SOUTH AFRICA NATIONAL DEFENSE FORCE (SAND)***

The White Paper on Defense provides that national security shall be sought primarily through efforts to meet the political, economic, social and cultural rights and needs of South Africa’s people, and through efforts to promote and maintain regional security. An external security strategy to cope with the challenges facing South Africa must be built on cooperation with other SADC states and with international organizations with the aim to foster a regional environment of peace and stability in which growth and development, democracy and respect for human rights can prosper.<sup>13</sup>

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<sup>13</sup> G. S. Kok, “Bridges to the Future- The SANDF’s role in support of the government’s economic initiatives with specific reference to the SADC countries” in [www.mil.za](http://www.mil.za)



Chapter 4 of the White Paper on Defense mentions the following important aspects with regard to regional security:

- Regional security is a priority for the government and South Africa will seek to strengthen the security and defense forums of the SADC.
- South Africa has a common destiny with Southern Africa. Domestic peace and stability will not be achieved in a context of regional instability and poverty. It is therefore in South Africa's long-term interests to promote reconstruction and development through the region.

The military might of South Africa and the inability of other members of the SADC to support the regional security forces due to financial constraints results in SANDF dominating the SADC. The unilateral functioning of this force sometimes results in differences among the members.

#### ***5.2.11 CHALLENGES FACING LOCAL GOVERNMENTS***

Local Governments are the level of government that are closest to the people and therefore responsible for serving the political and material needs of people and communities at a special local area. The principles guiding the relationship between central/national and local governments are:

- All levels have a role to play. These roles must be complementary. This must be backed up by political commitment to support effective local government systems. Many countries have built in the constitution a place for local government. This is important and

SADC should encourage each country in the region to honor and respect the constitution.

- Because local governments are closer to the population, local government should be responsible for matters at the local level.
- Local governments should have both the authority and resources to enable them to effectively address the issues.
- Local governments should develop the capacity to competently deliver the required infrastructure. The capacity needed is not only technical, but decision-making.
- Central/national governments should provide guidance and support and not control local governments.<sup>14</sup>

The challenge for SADC is to ensure that local government finds a place in the constitution of the respective countries and to ensure peace and stability along with governance free from corruption.

#### ***5.2.12 OVERLAPPING OF MEMBERSHIP***

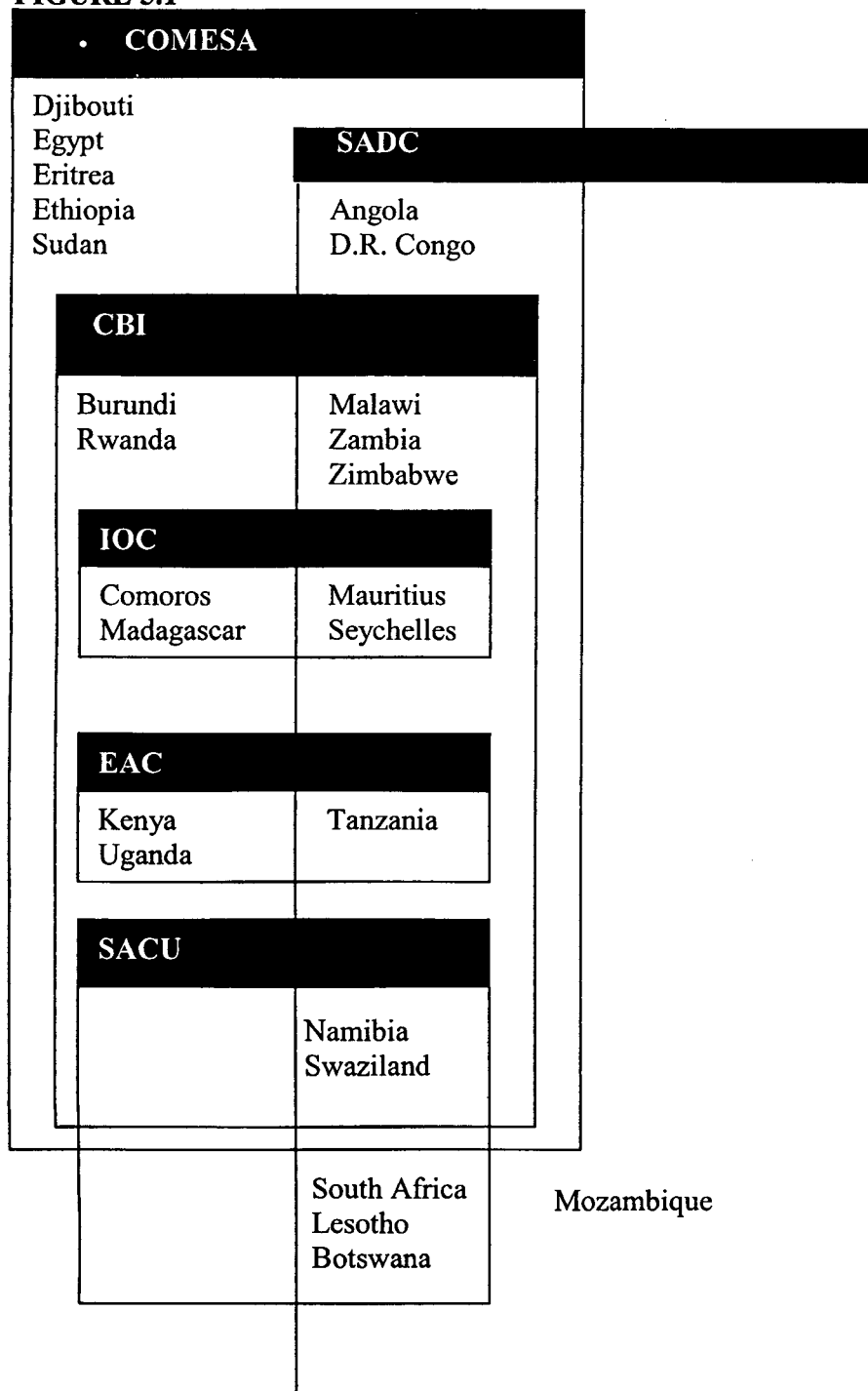
Regional cooperation in Southern Africa is unique due to the functioning of many organizations, each having its own principles and objectives. Most of the countries in the region are members in more than one organization because of historic, political and economic reasons. There had always been clash of interest between these regional groupings and the biggest challenge for SADC is to ensure that the overlapping does not affect the inter- regional relationship.

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<sup>14</sup> David Kithakye, "Challenges facing local governments in the SADC region with regard to their role in sustainable government" in [www.local.gov.za](http://www.local.gov.za)

Cross Border Initiative (CBI), Common Market for Eastern and Southern Africa (COMESA), Indian Ocean Rim- Association for Regional Cooperation (IOC-ARC), Southern African Customs Union (SACU) are the various regional groupings in Southern Africa. Figure shows the overlapping of membership.

**FIGURE 5.1**



- CBI** Cross border initiative
- COMESA** Common Market for East and Southern Africa
- EAC** Commission for East African Cooperation
- IOC** Indian Ocean Commission
- SADC** Southern African Development Community
- SACU** Southern African Customs Union

### ***5.2.13 DEPENDENCY ON SOUTH AFRICA***

SADCC was formed in order to reduce the dependency on apartheid South Africa and even for SADC reducing the dependency on not only South Africa but also on external funding agencies are among the objectives. The economic and military might along with the active role it plays in the African continent and in international politics as a middle power makes South Africa a dominant member in SADC. Many of the political and military initiatives South Africa took in the region are proof of their hegemonic attitude. The backwardness and poverty among some of the members results in depending on South Africa for development. The challenge for SADC is to utilize the resources of South Africa for regional development without letting to dominate the functioning of the organization.

### ***5.2.14 ROLE OF SADC IN AFRICAN UNION (AU)***

The role of sub- regional groups is always crucial for AU to reach the goal of continental unity. The performance of SADC when compared with other regional groupings of Africa is far more satisfactory. Conflict resolution and regional integration are the areas where there is greater cooperation between SADC and the AU. SADC is planning to have a SADC free-trade area by 2008, customs union by 2010 and a common market by 2015 very similar to that of economic integration in Europe. The OPDS of SADC reduces the burden of AU in conflict resolution and peacekeeping because any issue identified as a threat to regional peace involving southern African countries is resolved within SADC. Thus the success of SADC always contributes to the strengthening of AU.

### **5.2.15 CONFLICT WITHIN MEMBERS**

There had been many instances in which the conflicts within SADC members threatened the functioning of SADC. The military intervention on Lesotho by South Africa and Botswana in 1998, The civil war that erupted in the DRC in 1996 in which the coalition of Angola, Namibia, and Zimbabwe supported the government in Kinshasa and South Africa's opposition to the intervention brought a vertical division within SADC.<sup>15</sup> Even though the end of the 27- year civil war led to the resumption of negotiations in Angola the role of SADC in the transition of this region is limited due to Angola's unwillingness to prioritize SADC in its foreign policy.<sup>16</sup>

The March 2002 elections in Zimbabwe generated widespread controversy due to differing perceptions about the legitimacy and fairness of the voting process. The US, EU and the Commonwealth imposed sanctions against the Mugabe regime for human rights violations in the name of land reforms but SADC and AU followed "quiet diplomacy" which was severely criticized by international community.<sup>17</sup> These are examples of some of the conflicts within SADC and the future challenge of SADC includes timely intervention and prevention.

### **5.2.16 CHALLENGES DUE TO DOMINANT MEMBERS**

The various economic diversities prevailing in the region results in the stronger economies of SADC dominating the decision-making processes of SADC due to which the smaller countries feel that they are ignored. The military intervention of

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<sup>15</sup> Mwesiga Baregu (ed.), *Crisis in the Democratic Republic of Congo* (Harare: SAPES Books, 1999), pp. 87

<sup>16</sup> Assis Malaquias, "Angola: The Foreign Policy of a Decaying State" in Stephen Wright (ed.), *African Foreign Policies* (Boulder: Westview, 1999), pp. 23-42.

<sup>17</sup> *Democracy and Land Reform in Zimbabwe* (New York: International Peace Academy, 25 February, 2002), p.3.

South Africa in Lesotho, the rejection for the proposal for a common monetary union by Botswana, the intervention of Zimbabwe in DRC, the control on the monetary system by South Africa through Central- Bank axis are some of the examples of domination within SADC.

### **5.3 CONCLUSION**

It is natural for SADC to face many challenges because of the diversified areas it is trying to cooperate with its members. Apart from the challenges mentioned above there are also many inter related areas like environment, gender equality, science and technology, information and communication technology, tourism, and wild life conservation where better cooperation is required among members.

For all this to be implemented, generating fund within its sources will always remain as a big challenge. The effective functioning of the various sectors are already affected by the non payment of the dues by many of the poorer members and depending on aid from outside sources will result in compromising of pro-poor policies as the experience with SAP tells us.

## **CHAPTER VI**

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**CONCLUSION**



## CHAPTER VI

### CONCLUSION

The problems in the third world countries are different from that of the European nations and regional cooperation initiatives followed by taking inspiration from the EU model could have only minimum success. Despite early fears that regionalism would stimulate the formation of mutually exclusive integration blocs, new regional arrangements have remained associated and had been successful in forming inter-regional free trade areas and SADC is among the successful models. The shift from cooperation model to market-oriented model by SADC is a compulsion due to the neo-liberalism, which is sweeping the global market trends.

The restructuring had resulted in diversified areas of operation but at the same time the inability to generate fund from the internal sources had resulted in dependency from donor agency where market oriented development is given priority. Certain key areas which require immediate intervention is being ignored which increases the burden of the poorer countries of the region. Globalization in various forms is eroding the policy-making capacity of the state in the south. The force of globalization also generates an environment that enables elite groups in weak states to engage in self-interested economic dealings both domestically and internationally at the cost of the ordinary citizens. Swaziland in southern Africa is an example for this where in spite of numerous economic and social problems the King continues with his luxurious spending.

The overlapping of membership always remains as a problem for the effective functioning of SADC. The diversification of the operation and the good support which SADC receives from various donor agencies will surely result in increase in membership resulting in SADC emerging as an organization with vision and concrete policies to achieve the targets in various areas. The more the success SADC achieves the less will be the future for rest of the groupings to survive due to the legal and economic compulsions.

Even though the rest of the countries in the region are always skeptic about the agenda of South Africa one cannot deny the fact that South Africa cannot remain an island of prosperity in the ocean of poverty and backwardness. The bilateral trade which South Africa promotes through SADC for its own economic gains also benefits the region in terms of diversification of investment for regional development. The various market forces operating at the international level will not let South Africa play the role of hegemonic power in the region even though the various economic figures will give a different picture about the role of this nation.

The changes enacted in the immigration laws in South Africa and the xenophobia for other Africans affects badly the economy of the poorer neighbors due to the denial of entry for the labors dependent on the mining sector. The pressure from the diplomatic side along with the compulsion to share the economic burden of the poor neighbors had forced South Africa to change its position. The case of Lesotho is an example where much of the nation's economy depends on the remittances made by the labors working in the South African mines.

The challenges facing SADC is enormous and the biggest among them will be the issues related to regional security and human development. The region of southern Africa is one of the worst affected by HIV/AIDS and the socio economic problems related to it are taking a very heavy toll on the countries with high prevalence. The various methods adopted had brought only minimum results and the role of international community is more crucial in order to save these nations from further disasters.

Regional Security is another issue which has to be addressed by SADC because of the growing linkage between human developments and human security. According to the UN human development index many of the southern African countries are among the nations in the bottom half of the table where majority of the population do not receive even the basic human needs, coupled with this frequent civil war and conflicts affect the progress of the nations due to the involvement of the most productive population (14-49 age group) in it.

The region is one of the worst affected by cross border crimes like arms and human trafficking which sometime also affect the bilateral relations of the member nations because of many of the groups involve in crime in one nation operate from the other. Many of the countries in the region are land locked and the borders are pores but a joint operation for strict border vigilance is the only solution. The formation of the organ for politics, defense and security is a move in the right direction.

The problem related to gender and children are among the areas neglected in the region. The very high prevalence of HIV/AIDS among new born babies and the orphanage due to the same disease is emerging as a national tragedy for countries like

Botswana and Swaziland. SADC at present is working with a mission of reducing the infection at birth by 50 percent by 2015 and the success depends upon the participation by the international donor agencies. The help of the NGO sector is highly depended here with every country selecting a NGO at national level which in turn will coordinate with rest of the region.

The political participation of woman at both local and national level except for South Africa is very less in the region. In order to facilitate woman to find solutions for their own problems a parliamentary forum for woman was inaugurated and it's functioning successfully.

The major criticism on the functioning of the SADC is its failure to check human rights violations among its members. The case of Zimbabwe is an example where the land reforms implemented by the Mugabe regime by forced occupation of the land owned by whites had received severe criticism from the west. SADC including powerful countries in the region like South Africa never raised it as an issue due to the fear that it would affect the relationship among the members.

SADC like any other regional organization in the developing countries has its own strength and weaknesses but it has shown the way for many of the African countries about the importance of cooperation and integration at regional level in order to protect the interest of the region in the era of globalization.

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