MASTER'S THESIS:

PROMOTING SOCIO-ECONOMIC DEVELOPMENT THROUGH REGIONAL INTEGRATION – THE POLITICS OF REGIONAL ECONOMIC COMMUNITIES IN AFRICA

Author: Gaudence Nyirabikali
Supervisor: Associate Professor Per Jansson

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Africa’s multiple regional economic groups

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CEEAC Communauté Économique des États de l’Afrique Centrale
CEMAC Communauté Économique et Monétaire de l’Afrique Centrale
CEPLG Communauté Économique des Pays des Grands Lacs
COMESA Common Market for Eastern and Southern Africa
EAC East African Cooperation
ECOWAS Economic Community of West African States
IGAD Intergovernmental Authority for Development
IOC Indian Ocean Commission
MRU Mano River Union
SACU Southern African Customs Union
SADC Southern African Development Community
UEMOA Union Économique et Monétaire Ouest-Africaine
UMA Union du Maghreb Arabe
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<th>Abbreviation</th>
<th>Definition</th>
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<tr>
<td>ACP</td>
<td>African, Caribbean and Pacific Group of Countries</td>
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<td>AGOA</td>
<td>African Growth and Opportunity Act</td>
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<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
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<td>AU</td>
<td>African Union</td>
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<tr>
<td>CEMAC</td>
<td>Communauté Économique et Monétaire de l’Afrique Centrale</td>
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<tr>
<td>CFA</td>
<td>Common Franc Area</td>
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<tr>
<td>COMESA</td>
<td>Common Market for Eastern and Southern Africa</td>
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<tr>
<td>DRC</td>
<td>Democratic Republic of Congo</td>
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<tr>
<td>EAC</td>
<td>East African Community</td>
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<tr>
<td>EC</td>
<td>European Community</td>
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<tr>
<td>ECCAS</td>
<td>Economic Community of Central African States</td>
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<tr>
<td>ECOWAS</td>
<td>Economic Community of West African States</td>
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<tr>
<td>EPA</td>
<td>Economic Partnership Agreement</td>
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<td>ESA</td>
<td>Eastern and Southern Africa</td>
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<td>EU</td>
<td>European Union</td>
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<td>FDI</td>
<td>Foreign Direct Investment</td>
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<td>FTA</td>
<td>Free Trade Agreement</td>
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<td>GATS</td>
<td>General Agreement on Trade in Services</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>GSP</td>
<td>Generalised System of Preferences</td>
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<tr>
<td>HIV/AIDS</td>
<td>Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome</td>
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<tr>
<td>HSGIC</td>
<td>Heads of State and Government Implementation Committee</td>
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<td>IGAD</td>
<td>Intergovernmental Authority on Development</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<tr>
<td>MERCOSUR</td>
<td>Mercado Común del Sur</td>
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<tr>
<td>MISA</td>
<td>Media Institute of Southern Africa</td>
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<tr>
<td>NA</td>
<td>Not Applicable</td>
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<tr>
<td>NAFTA</td>
<td>North American Free Trade Agreement</td>
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<td>NEPAD</td>
<td>New Partnership for Africa’s Development</td>
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<td>OAU</td>
<td>Organisation for African Unity</td>
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<td>RECS</td>
<td>Regional Economic Communities</td>
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<td>RETOSA</td>
<td>Regional Tourism Organisation of Southern Africa</td>
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<td>SA/RSA</td>
<td>South Africa/Republic of South Africa</td>
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<td>SADC</td>
<td>Southern African Development Community</td>
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<td>SADCC</td>
<td>Southern African Development Coordination Conference</td>
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<td>SA-TDCA</td>
<td>South African Trade and Development Cooperation Agreement</td>
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<td>SACU</td>
<td>Southern African Customs Union</td>
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<td>SSA</td>
<td>Sub Saharan Africa</td>
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<td>SIPO</td>
<td>Strategic Indicative Plan for the Organ on Politics, Defence and Security Cooperation</td>
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<td>SPS</td>
<td>Sanitary and Phyto-sanitary Standards</td>
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<tr>
<td>TBT</td>
<td>Technical Barriers to Trade</td>
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<tr>
<td>TRIPS</td>
<td>Trade Related Aspects of Intellectual Property Rights</td>
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<td>TRIMS</td>
<td>Trade Related Investments Measures</td>
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<td>UMA</td>
<td>Union du Maghreb Arab</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UNECA</td>
<td>United Nations Economic Commission for Africa</td>
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<tr>
<td>UNDP</td>
<td>United Nations Development Program</td>
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<tr>
<td>UNU/WIDER</td>
<td>United Nations University/World Institute for Development Economic Research</td>
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<tr>
<td>US/USA</td>
<td>United States/United States of America</td>
</tr>
<tr>
<td>WTO</td>
<td>World Trade Organisation</td>
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ABSTRACT

Regional integration has gained momentum since the 1980s and throughout the world. The new regionalism process prevailing since differs from the old one by its multidimensionality covering economic, political, social, and cultural issues within a regional setting. While the old regionalism focused on market protection using a range of tariff and non tariff barriers, the New Regionalism is reinforced by the globalisation effects and strives for efficiency in production, and market access. Using the New Regionalisms Approach, the aim of this thesis is to appreciate the actual levels of regional integration in Africa and explore plausible ways of deepening the integration process with the view that regional integration can promote socio-economic development, provided a pro-development approach is privileged in the conception and implementation of the regional integration process. Focusing on SADC as a representative regional economic community, a qualitative content analysis is used for data collection while policy analysis is carried out using the Institutional Analysis and Development framework. The results of this study reveal discrepancies between policy formulation and policy implementation when it comes to enhancing the pro-developmental aspects in the unfolding regional integration process. In spite that shortcomings in past experiences triggered dramatic structural reforms ranging from the reorganisation of the Organisation of African Unity into the African Union, the creation of NEPAD, to structural reforms within regional economic communities with the example of the 2001 restructuring of SADC, empirical evidence shows that little change has occurred at the operational level. Moreover, even policy formulation at the collective-action level still lacks concrete strategies and plans for harmonisation and implementation of regional initiatives. Some of the strategies for deepening the regional integration process would include prioritising regional commitments to external ones and improving policy formulation as well as establishing linkages between different regional policies and strategies.

Keywords: Regional integration; socio-economic development; development regionalism; peace and security; regional economic community; SADC.
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Gaudence Nyirabikali
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CHAPTER I: INTRODUCTION

1.1. THE CONCEPT OF REGIONAL INTEGRATION IN INTERNATIONAL POLITICAL ECONOMY

Regional integration as a concept and process developed in the 1950s following the creation of the European Economic Communities. As a process, regional integration refers to a voluntary collective action among states within a geographical proximity to economically and politically harmonise policies, production, and trade issues with a view of optimising efforts in addressing national and regional challenges, the end result being an economic and political community. The existence of peaceful relationships among regional members is a prerequisite to the development of a regional integration process which in turn, reinforces the security community. The intense international cooperation which takes place in a regional integration process requires a supranational decision making and a certain level of institutionalisation. As the concept and its practice evolved with time, different definitions were provided by different scholars. For example, Reginald Harrison, in the same line of thinking as Ernst Haas (1971:4), defined the integration process as “the attainment within an area of the bonds of political community, of central institutions with binding decision-making powers and methods of control determining the allocation of values at the regional level and also of adequate consensus-formation mechanisms”\(^1\) whereas William Wallace adopted a more generalised definition as “the creation and maintenance of intense and diversified patterns of interaction among previously autonomous units”.\(^2\)

The early regionalisation of the 1950s and 1960s focused mainly on technical and economic factors, with a view that economic growth would ensure peace and the welfare of societies. But from the 1970s, empirical evidence increasingly pointed out that economic factors alone were not sufficient to ensuring growth as “economic stagnation fed political strife while political conflict exacerbated economic uncertainty”.\(^3\) Hence the 1970s and 1980s saw the resurgence of political economy and the birth of the New Regionalism which differs from the old one by its multidimensionality and comprehensiveness in the combination of both economic and political factors. With its focus on economics and politics at regional level, regional integration stands as a subfield within international political economy, which itself, is a social science concerned with “the interplay of economics and politics in the world arena”.\(^4\) Within this context, “regional integration as an instance of regionalism in the global political economy, aims at offering reflections upon and possibly generalisations about the tendency of groups of territorially adjacent states to cluster together into blocs”.\(^5\) The European Union (EU), the North American Free Trade Agreement (NAFTA), the Association of South East Asian Nations (ASEAN), MERCOSUR in South America, etc, are examples of such blocs. Whereas conceptualisation and practice evolved with time, the general objective of regional integration has remained the same: ensuring peace and the welfare of societies. Regional integration’s concern for the welfare of societies also makes it extendable into development studies and usable as a development strategy, as it is the case in this study.

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\(^4\) Ibid., p. 1.
Here again, development and specifically socio-economic development is considered in its broader sense as defined by Amartya Sen, as “an integrated process of expansion of substantive freedoms interconnecting with one another”; those freedoms being identified as “political freedoms, economic facilities, social opportunities, transparency guarantees and protective security.”

1.2. REGIONAL INTEGRATION AND THE SOCIO-ECONOMIC SITUATION IN AFRICA

On the African Continent, efforts of regionalisation started with the independence era, specifically with the creation of the Organisation of African Unity (OAU) in 1964. Together with the United Nations Economic Commission for Africa (UNECA), these two organisations sustained regional efforts throughout the continent, with the collaboration of other bilateral aid especially from former colonial powers in the different regions. The most significant effort in this regard was the creation under the OAU, of regional economic communities (RECS) through the Abuja Treaty (Nigeria) in 1991. The seven regional economic communities were conceived as building blocs of the African Economic Community. With the reorganisation of the OAU into the African Union and the creation of the New Partnership for Africa’s Development (NEPAD) in 2001, the RECS were maintained and designated to serve as implementing agencies for NEPAD’s programs.

Concerning the socio-economic development, neither the regionalisation efforts nor other structural adjustment programs undertaken from the 1980s did improve the African economies, which “at the dawn of the twenty-first century, most of sub-Saharan Africa remained mired in economic crisis despite two decades of donor-sponsored reform efforts... Most economies in the region still have not overcome the fiscal and balance of payments deficits that have undermined economic stability since the first oil crisis in the mid-1970s”. Beside the globalisation’s negative impacts on the African economies, other often incriminated obstacles to socio-economic development are the state’s limited capacity to implementing development policies, endemic corruption, inadequate public infrastructure, the quality of physical and human capital, and the deterioration of security. During the twenty years of structural adjustments supported by the IMF and the World Bank, the most criticised causes were high government expenditures, high levels of inflation and protectionist trade policies. Although opposing critics were against the harsh conditions imposed by those international financial institutions to the poor local populations, the different views about African situation were however unanimous on the need of basic macroeconomic stability to ensure economic growth. While other developing countries experienced impressing development levels after their independences (East Asian and some Latin American countries) through advantages of foreign direct investment and the spread of liberalisation, Africa’s poor performance has instead reinforced its progressive marginalisation from the global economy, where its share, according to the World Bank’s report 1998, amounted only at 1.1 percent of the world’s GDP. From this scenario, the general view is that appropriate policies, especially policies capturing African characteristics, are still needed for the socio-economic development of the continent. Besides the economic factors, Van de Walle points out that “variables such as the level of corruption, the extent of ethnic fragmentation, the level of political violence, or the quality of government services help explain the growth differential between Africa and other regions”. Since African governments’ incapacity in implementing policy changes is identified as part of the problems, a plausible way around such a situation is of implementing the required policy changes through regional organisations. The need for a regional intervention is reinforced by the globalisation’s effects that further undermine the already inconsistent national governments’ ability to manage their economies. Since the 1980s, developments in the world affairs such as the complexity in international economic negotiations,

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8 Ibid., p. 6.
9 Ibid., p. 11.
intensification of international economic competition and rapid technological developments, as well as political problems in terms of peace and security are identified as factors behind the spread of regional arrangements. While consensus and cooperation among developed market economies is strengthened by common interests and economic interdependence, the cooperation imperative for the developing countries is further enhanced by the need for increased bargaining power in international economic decisions, as “increasing fragmentation of the South constitutes an obstacle to its ability to place demands for equity on the international agenda”. Furthermore, “without extensive internal political, social, and economic reform in the Less Developed Countries, international efforts at redistribution and development will be useless, according to many in both the North and the South”. In his studies of Regionalisation, Morten Boås affirms in this regard that “if Africa is not regionalised, it will be further marginalised: African states will not survive on their own in a highly competitive global economy”. It is out of such a state of affairs that African leaders reorganised the OAU into the African Union and created the New Partnership for Africa’s Development (NEPAD).

Under the umbrella of the African Union, the main objective of NEPAD is of providing “an impetus to the continent’s development by bridging existing gaps between Africa and the developed world, not only through securing financing for a broad range of projects and a boost in the access to international markets for African exports, but also eradicate widespread poverty, facilitate private investment in Africa, secure further measures on debt relief and higher levels of aid in priority sectors for development”. Whereas NEPAD’s programs can be incorporated in national development plans of member countries, the implementation of those programs is carried out through already existing regional development organisations and coordinated through Regional Economic Communities (RECS) that existed previously under the African Economic Community, a framework of the OAU (at present, the African Union). NEPAD being the new socio-economic development framework of the African Union, the regional economic communities serve as building blocks within the NEPAD’s framework and operate under the NEPAD Heads of State and Government Implementation Committee (HSGIC). The sub-continental organisation under the HSGIC is as follows: West Africa, North Africa, Central Africa, East Africa, Southern Africa and Madagascar.

Besides the legitimate goal of developing the African continent, NEPAD seems also falling in place as a response to the imperatives of the new world order – globalisation and regionalisation. As strong economies of developed countries dominate the world market African countries with their non competetive products lose not only the little share they disposed at the international market, but also the local market which becomes overflowed with imports from more competitive producers. African exports losing both value and market, the income decreases while the levels of expenditure increase including the debt burden. To the above scenario is added among other things, environmental and security issues. When considering difficulties inherent to globalisation, regionalisation becomes almost a panacea in tackling those negative effects, as for small and poor countries it appears the best way of increasing their bargaining power, reorganising production and investment, environmental and resource management, etc. In this regard and through his regionalism discourse, Björn Hettne demonstrates that development regionalism as a strategy in the regionalisation process could promote peace and socio-economic development. His arguments are summarised in seven crucial points as follows: regional cooperation allows the micro-states to

11 Ibid., p. 394.
14 Copyright NEPAD 2002.
solve many common problems rather difficult to overcome on an individual basis; it also constitutes a reliable development strategy if the regional cooperation encompasses coordination of production, improvement of infrastructure and a search for complementarities; the stability and consistency of economic policies underpinned by regional arrangements become an important factor in attracting foreign investment; a collective bargaining on a regional level improves the economic position of marginalised countries in the negotiation and establishment of raw material prices and market access for their emerging exports; regionalism sustains the viability of societies by including in the regional organisation social security issues, such as the establishment of development funds to reduce on development disparities within a region; regional cooperation facilitates the management of shared environmental complexities. And last but not the least, regional cooperation improves the settlement and prevention of regional conflicts thus eliminating distorted investment patterns as resources previously allocated to military expenditures can be used for investment and economic production.\textsuperscript{15}

A regional integration process encompassing economic, political and social integration also stands high among the objectives of the African Union as stressed out by his Chairperson, President Thabo Mbeki, at the launch of the Union: “The first task is to achieve unity, solidarity, cohesion, cooperation among peoples of Africa and African states. We must build all the institutions necessary to deepen political, economic and social integration of the African continent. We must deepen the culture of collective action in Africa and in our relations with the rest of the world”.\textsuperscript{16} President Mbeki also added that sustainable development in Africa was to be conditioned by peace, security and stability, variables requiring a collective action from the African continent. In addition to the unification and development of the continent, the other concern of the Union is of overcoming the marginalisation of the African continent within the globalisation process. An integrated Africa as a foundation and a way of redressing the African underdevelopment and marginalisation is not only a vision of leaders but also a consensus among the African community at large as expressed by most contributors in a publication of the Nordic Africa Institute on African visions.\textsuperscript{17} This awareness among the common people of Africa lifts up the importance of regional integration in Africa as a domain of research whilst it also offers a solid base to build on for the promotion of regional integration.

\textbf{1.3. PURPOSE OF THE STUDY AND RESEARCH QUESTIONS}

NEPAD is a very young organisation set up with the assumption of being the ultimate organisation that should nurture the development of the African Continent, especially after the failure of so many other initiatives that had the same ambition. In order for NEPAD to avoid the same fate as its predecessors, the primary prerequisite condition is a mutual understanding and cooperation of member states to NEPAD’s programs. The literature review as presented above also suggests that the current African political economy calls for a regional integration process if the continent is to recover from its economic crises and redress the marginalisation process it is faced with in the global economy. In this regard, regional integration is adopted by both the African Union and the NEPAD as a recommendable way to the development of the African continent, while Hettne’s approach of Development regionalism shows how regional integration as a development strategy, can help address the current problems in the African context.

As extensive theoretical works have explained how a regional integration process could promote socio-economic development, the present study is thus concerned with investigating on how these theoretical works are reflected in the regional integration process unfolding on the African continent. By assessing the achieved levels of regional integration in the NEPAD’s regional

\textsuperscript{15} Hettne, B. et al. (2001), Comparing regionalisms – Implications for Global Development. Houndmills: Palgrave, pp. 16-19.
\textsuperscript{16} Address by President Thabo Mbeki, Chairperson of the African Union. Durban, South Africa, 9\textsuperscript{th} July 2002.
economic communities, theoretical reflections on the interaction of respective actors, policy formulation, and policy implementation can then offer critical insights for a more rationalised implementation of the integration process, as well as plausible strategies for deepening that process. This study would make a contribution to the understanding of how theory and practice are managed in the ongoing integration process in Africa. Therefore the current research will be guided by the following questions:

1. What levels of regionness have been achieved in the African regional integration process?

2. What are the plausible strategies that can move this process further on the integration spectrum?

The term regionness is borrowed from the authors of the UNU/WIDER - New Regionalism series and means the degree of coherence and homogeneity in a particular region, with regard to certain aspects of the political, social and economic dimensions.

Regional integration is considered in its meaning as both structure and process. As a process, this is with reference to its dynamic property as regionalisation is not achieved in one step of interaction but rather proceeds by several different steps (levels), one level leading to another and involving different interactions of regional factors. Regional integration as a structure is thus the result of the process (interaction) while a level of regionness represents a structural change which occurs following a significant change in any of the regional factors, i.e. the political, social and economic aspects within the region. Existing levels of regionness constitute the actual structure of regional integration.

The second research question brings up an integration spectrum as the level of regionness in some aspects can increase or decrease depending on either internal (local) factors or external ones from the global world.

1.4. PLAN OF THE STUDY

Through Chapter one, the purpose of this thesis is outlined as going to an assessment of the actual levels of regionness in the African regional integration process and thereby devise plausible strategies for deepening that process. Chapter two will discuss the theoretical concerns relating to regional integration and help choose relevant theoretical frameworks for the collection and analysis of data. The leading theoretical orientations will be those permitting an understanding of regional integration as a development strategy. Parameters to guide the collection of information as well as methods for data collection and analysis will be specified. Chapter three will provide an overview of the regional economic communities in order to select one representative regional economic community for analysis as the scope and time frame of this research do not sustain the coverage of all the seven regional communities. This selection will be motivated by the level of performance in regional integration and representation in terms of challenges common to other African regional communities. Chapter four presents empirical information over the regional integration process in the SADC as a representative regional economic community. Chapter five concentrates on asserting the actual levels of regional integration in accordance with policy formulation and implementation performances as well as challenges faced in the different sectors of cooperation. Chapter six discusses then some of the plausible strategies for a deeper regional integration in the SADC and chapter seven winds up with summary conclusions.
CHAPTER II: THEORETICAL ORIENTATION AND METHODOLOGY

NEPAD has already adopted a regional pattern rather than a country base approach for the implementation and coordination of its programs. Regional integration has also been recommended as the way of achieving peace, security, unity, and development of the African continent. From this point of stand, it is relevant to grasp into the situation for an empirically supported understanding before exploring the ways forward on the journey. Indicators to appreciate different levels of integration (levels of regionness) in the NEPAD’s regional economic communities will be identified through a review of previous publications on regional integration. The achieved levels of regionness will then serve as a basis from which to devise strategies for deepening the regional integration process and by the same, enhancing the potentiality to meeting the national and regional challenges in terms of peace and socio-economic development. NEPAD operating through seven regional communities, the study will however be conducted on one of them due to limitations imposed by time and resources allocated to this work.

2.1. CLASSICAL THEORIES IN REGIONAL INTEGRATION

From a common recognition of the constant interaction and complementarity between politics and economics, a variety of theories have been developed to explain the process and outcomes of regional integration. The basis of their differentiation seems to be located in the respective importance attributed to economic and political factors in the process, as well as the level of institutionalisation involved. The absence of a general theory of regional integration and the fact that different approaches have been evolving along with the development of the European Union also contribute to the multiplicity of schools in this domain. Among the classical integration theories, the following can be outlined: functionalism, neo-functionalism, neo-institutionalism, transactionalism, federalism, intergovernmentalism, and realism.

2.1.1. FUNCTIONALISM

Taking his grounds on the tremendous economic and technological developments of the twentieth century especially advances in communications and transportation, David Mitrany developed functionalism theory on the principles that “the problem of war could be solved and the war-prone system of nation-states escaped through international agreements in such specific functional or technical areas as health, postal services, and communications… Political integration of the world would thus result from economic and other forms of international cooperation”.

2.1.2. NEO-FUNCTIONALISM

Inspired by functionalist ideas and the communication theory of Karl W. Deutsch, neo-functionalism was grounded on the assumptions that “the deliberate merger of economic activity in particular economic sectors across borders generates wider economic integration that would spill over into political integration, the two processes being accelerated by the creation of supranational institutions”. The prominent neo-functionalist Ernst Haas assumed that “once an integration effort had been launched, there would be pressures for further integration as social and economic groups would demand additional economic integration, and that that would create new political actors interested in and ready to promote further integration. Political integration would be carried out by the actions of both domestic interest groups and international civil servants or entrepreneurs”. Whereas in the functionalist theorising, political integration would result from conscious political decisions, such move was assumed to come about as an unexpected consequence (spillover) in the neofunctionalist theorising.

19 Rosamond, op. cit., p. 2.
20 Gilpin, op. cit., p. 351.
2.1.3. NEW INSTITUTIONALISM
The new institutionalism approach underlines the centrality of institutions (international regimes, regional institutions, etc.) in assisting states “overcome market failures, solve coordination problems, and eliminate other obstacles to economic and political integration”. This approach was however, not further developed into a complete theory of regional integration.

2.1.4. TRANSACTIONALISM
Developed from the writings of Karl Deutsch (1966) and mainly concerned with integration as “the achievement of security among a group of states” (security community), transactionalism theory also concentrates on the international organisations, assuming that those institutions “can provide the conditions for the stabilization of the nation-state system, through economic, social, and cultural interactions, defined in here as network of mutual transactions”.

2.1.5. FEDERALISM
With a focus on the balance between autonomy at the local level and overarching harmony at the federal level (combining unity with diversity), the federalism approach to regional integration stresses out two coordinated levels of government in pursuit of common objectives: the federal level and the local level. The process is anchored in “enlightened constitutional design… leading to a clearly defined supranational state that will generate efficiencies of scale through a degree of centralisation and upward devolution of policy competence”.

2.1.6. INTERGOVERNMENTALISM
With an emphasis on domestic economic interests, intergovernmentalism considers regional institutions as facilitating organs in the integration process, important but not central. In an intergovernmentalism arrangement, states cooperate in specific fields while retaining their sovereignty, no (or limited) delegation of authority to supranational bodies, and decisions are often taken by unanimity. The supranational bodies are set in place to ensure the execution and management of the regional organisation. The central elements of the analysis as determined by Stanley Hoffmann (1966) are the convergence of national interest and the will of states to cooperate.

2.1.7. REALISM (NEO-REALISM)
In its conception of regional integration as “a political phenomenon pursued by states for national political and economic motives, realism assumes that a successful process of economic and political integration must be championed by one or more core political entities (regional leader) that are willing to use their power and influence to promote the integration process”. The realism approach also emphasizes the need for peaceful relations among regional members (allies and not adversaries) for the development of a regional arrangement.

In spite of differences in theorising regional integration, the fact that regional arrangements are built upon cooperative efforts of individual states is a common ground to the different approaches. “Political and economic regionalisms in general have been a response by nation-states to shared political and economic problems. As the world economy has become more closely integrated, regional groupings of states have increased their cooperation in order to strengthen their autonomy, increase their bargaining position in disputes about distributive issues, and promote other political or economic objectives”. Although states remain important decision makers and

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21 Ibid., p. 345.
22 Rosamond, op. cit., pp. 42-43
25 Gilpin, op. cit., p. 356.
26 Gilpin, op. cit., p. 357.
major players in both security and international economic relations, other actors such as trans-
national corporations, international and national civil society are nowadays as well important in
both economic and political cooperation, and by extension in achieving security and socio-
economic development both at national and regional level.

Whilst all scholars recognize the interplay of international, domestic, political and economic
factors in the political economies of all countries, disagreements persist in the methodologies that
should guide the combination of political and economic factors with a view to attaining peace and
improving the welfare of societies. Beside differing views in balancing the different factors,
changes over time in those concerned factors also add to the imperative of new methodologies and
approaches, such as the new regionalisms approach presented below and used as theoretical
framework for this study.

2.2. THE NEW REGIONALISMS APPROACH

Whilst drawing insights from previous approaches to regional integration, the New Regionalisms
Approach, which appeared in the 1980s, is more comprehensive in seeking a balance between the
different factors affecting security and development. While the old regionalism aimed at, among
other things, protecting regional economies against free market negative effects, the new
regionalism is a more comprehensive and multidimensional phenomenon. Further distinctions are
provided by Robert Z. Lawrence as follows:27

<table>
<thead>
<tr>
<th>Table 1:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Old Regionalism</strong></td>
<td><strong>New Regionalism</strong></td>
</tr>
<tr>
<td>Import substitution - withdrawal from</td>
<td>Export orientation - integration into world</td>
</tr>
<tr>
<td>world economy</td>
<td>economy</td>
</tr>
<tr>
<td>Planned and political allocation of</td>
<td>Market allocation of</td>
</tr>
<tr>
<td>resources; driven by governments</td>
<td>resources; driven by</td>
</tr>
<tr>
<td></td>
<td>private firms</td>
</tr>
<tr>
<td>Mainly industrial products</td>
<td>All goods and services, as</td>
</tr>
<tr>
<td></td>
<td>well as investment</td>
</tr>
<tr>
<td>Deal with border barriers</td>
<td>Aimed at deeper integration</td>
</tr>
<tr>
<td>Preferential treatment for less-</td>
<td>Equal rules (different</td>
</tr>
<tr>
<td>developed nations</td>
<td>adjustment periods)</td>
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</tbody>
</table>

Although the resource allocation is mainly determined by market forces, the political will of
regional members remains a significant drive in the New Regionalism. Björn Hettne, one of the
prominent figures of the New Regionalisms Approach, defines it as “a multidimensional form of
integration which includes economic, political, social and cultural aspects and thus goes far
beyond the goal of creating region-based free trade regimes. Instead, the political ambition of
establishing regional coherence and identity seems to be of primary importance”28. The political
ambition in the African case was very manifest already from the inception of the OAU, AU,
NEPAD, and the different regional economic communities thereby an assurance over the existence
of a regionalist project to be carried out by committed actors. The multidimensionality of New

27 Lawrence Z., Robert (2003), “Regionalism, Multilateralism, and Deeper Integration: Changing Paradigms for
Developing countries” in Goddard, C. Roe et al. (eds), International Political Economy: State-Market
28 Hettne, B. et al (2001), Comparing Regionalisms - Implications for Global Development. Houndmills:
Palgrave, p. xiii.
Regionalism also makes it most apposite for the coverage of NEPAD’s wide range of priority sectors extending from political, economic and social domains.

Departing from their respective degrees of integration, Hettne distinguishes three different types of regions and their characteristics as follows:

- Regions in the core zone are coherent, politically strong, well organized at the supra-state level and, furthermore, not only economically growing in a sustained manner, but also leading in technological innovation.

- Regions in the intermediate zone are normally linked to one or the other of the core regions, which they tend to imitate with respect to political system and economic policy. They will gradually be incorporated in the core as soon as they conform to the criteria of ‘core-ness’, i.e., sustained economic development and political stability.

- Regions in the peripheral zone, in contrast, are politically turbulent and economically stagnant. War, domestic unrest and underdevelopment constitute a vicious circle, which makes them sink to the bottom of the system, unless counter-measures are jointly taken”.[29]

While the regions in the ‘core zone’ are provided with a well-organised regional structure, the regional organisation in the peripheral zones is fragile and ineffective, sometimes even inexistent. It is this degree of coheren ce and homogeneity “regionness” (ibid.) which determines the different levels in the process of regional integration. As by the above classification, the main distinctive features of the three types of regions are political stability and sustained economic development. When related to the same factors, the majority of African regions find their place in the peripheral zone. The fact “that peripheral regions are described as stagnant, turbulent and war prone is not an explanation of their status, but merely a structural analysis of their relative positions in the world system in terms of underdevelopment and conflict-proneness”.[30] Furthermore, Björn Hettne concludes that “the above mentioned dimensions being closely linked, underdevelopment generates conflicts, and conflicts prevent the necessary steps to get the economy in order. To the extent that structural criteria change by deliberate political action, the region moves from one structural position to another” (ibid.).

Hettne’s analysis shows that the more integrated regions also have the best levels of socio-economic development. Furthermore, it appears that the central parameters of peace, security, socio-economic development and the structural position, i.e. degree of regionness are all interlinked, thus making it difficult to define which is a cause to the other. In the presence of such a vicious circle, it is assumed that regional integration will break the vicious circle of underdevelopment and conflict, a situation that in turn, will reduce the marginalization of African countries from the global economy.

Depending on regional challenges in terms of political stability and economic development, Björn Hettne also distinguishes open regionalism, security regionalism and development regionalism. Open regionalism striving for openness, i.e. access to international markets and international capital, its interests are more focused on the global economy than the regional area. Although this can bring in trade benefits for the corporate sector, the social dimensions in terms of human development and security within the region will not necessarily improve, but rather they might deteriorate due to the neo-liberal process which tends to increase disparities among different actors. The African situation therefore fits best within security regionalism and development regionalism, as the two strategies appears to accommodate most of issues inherent to peripheral areas. “Security Regionalism refers to attempts by the states and other actors in a particular geographical area – a region in the making – to transform a security complex with conflict-generating interstate and intrastate relations towards a security community with cooperative external relations and domestic peace. By development regionalism, Hettne refers to concerted efforts from a group of countries within a geographical region to increase the complementarity and

[29] Hettne, B. et al., op. cit., pp. 3-5.
capacity of the total regional economy as well as finding the right balance between function and territory”.

The above definition implies that ‘Development Regionalism’ is economic - and security oriented as it is concerned with the development of the region as a whole. By preventing biased developmental patterns, development regionalism can break the vicious circle of conflict and underdevelopment, thus extending into conflict management and prevention. Dunn and Hentz emphasize that, “while open regionalism relies on market forces to develop a region, development regionalism also termed developmental integration believes in a strong state role and sectoral cooperation to be sure the benefits are shared equally throughout the region”. In the same vein, Timothy M. Shaw et al. affirm that “regionalism and regionalisation have a direct bearing on issues of human security and development”. The present study orientation being of using regional integration as a strategy to promote socio-economic development, Development Regionalism appears the most appropriate to serve as a theoretical framework.

2.3. COLLECTIVE IDENTITY FORMATION

Regional integration being realised through collective actions at regional level its success depends heavily on the willingness and cooperation of the different stakeholders. As such, an assessment of the levels of regionness also reflects on the organisation of that cooperation and the subsequent formation of a collective identity. For this point, theoretical ground is taken from the constructivism theory. In the words of Alexander Wendt, it is stipulated that “any social system will contain three elements: material conditions, interests, and ideas... The three elements are always articulated and equally necessary to explain social outcomes”. Regarding identity formation and structural change Wendt claims that, identities and interests are acquired through “cultural selection” which can proceed either by “imitation, social learning or some other similar process”.

Through imitation, “identities and interests are acquired when actors adopt the self-understandings of those whom they perceive as ‘successful’, and as such imitation tends to make populations more homogeneous... Whereas natural selection can change a population’s characteristics only over many generations, imitation can do so as quickly as an idea’s success can be demonstrated, certainly within the span of a single generation”.

For social learning, Wendt proposes a model called “complex learning” which is grounded on the idea “that identities and their corresponding interests are learned and then reinforced in response to how actors are treated by significant Others”. It is also essential to remember that these actors, i.e. states, “when interacting with others, bring into these interactions their needs which are security, autonomy, economic well-being and collective self-esteem and, although none of these needs is inherently egoistic, actors will resist learning identities that conflict with them”. Our concern being of collective identity formation (regional integration), complex learning would help to internalise the social culture in a way that “actors would identify the generalised Other as part of their understanding of Self... Collective interests would thus mean that actors make the welfare of the group an end in itself, which will in turn help them overcome the collective action problems

35 Wendt, A. op. cit., p. 324.
37 Wendt, A., op. cit., p. 327.
38 Wendt, A., op. cit., p.328.
that beset egoists”. In addition to the process, Wendt also defines the “master variables” that can cause collective identity formation as being “interdependence, common fate, homogeneity, and self-restraint”.

As a situation of complete collective identity cannot be reached, Wendt concludes that “the best that can be expected is concentric circles of identification, where actors identify to varying degrees with others depending on who they are and what is at stake, while trying to meet their individual needs as well”. The idea of concentric circles of identification is similar to the degree of regionness defined by Björn Hettne in the differentiation of core, intermediate and peripheral zones. Wendt’s theorising completes in many ways the regional integration dynamics developed in the regionalism discourse, the most significant being the complex learning model which can be applied as a way of creating a common understanding over the regional challenges, whereby the need of deepening regional integration.

2.4. SPECIFICATION OF RESEARCH PARAMETERS

Despite difficulties of generalisation over findings in regional integration from one regional bloc to another as every region disposes of its own historical characteristics that impact on its integration economic, political, and security motivations are common issues albeit differences in levels of significance. The New Regionalisms Approach adopted to serve as theoretical framework to this study encompasses economic, political, social and cultural aspects within a geographical region. Within this approach, political stability and sustained economic development are identified as the determinant structural elements. The central dimensions of peace, security and democracy are considered prerequisites in the process of regionalisation. Hence, the following parameters are identified as relevant for an appreciation of the different degrees of regionness:

2.4.1. POLITICAL STRUCTURES

The political situation within a regional framework is one of the two dimensions that influence structural change in the sense that political turbulence increases the peripheral status while relative political stability increases the regionness level. An appreciation of the prevalent political situation can be obtained through indicators such as democratic or repressive regimes, cultural and ethnic patterns that generate national rivalries or cross-border alliances, domestic political tensions, existence of a regional power that sustains the regionalisation process or hinders it, etc.

2.4.2. SECURITY ARRANGEMENTS

Peace and security stand as prerequisites in the regionalisation process. But war and other political unrests are the most predominant characteristics in African countries. In spite of a limited number of inter-states conflicts, the impact of domestic unrests becomes a regional challenge through refugee movements, economic migration, disturbance of regional initiatives under way, etc. Serious efforts are needed to prevent conflicts and establish security without which the socio-economic situation and overall development will continue to deteriorate. Development Regionalism assuming a conflict management component, the existence of security arrangements at the regional level is necessary to respond to the security needs exposed above and for a smooth implementation of the regionalist project, especially with consideration that “the regional level can open up previously untapped possibilities for solving conflicts built into the state formation”. Hence, the existence or not of a regional security organisation and its respective capacity to resolve regional conflicts is a good regionness indicator in terms of regional security.

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39 Wendt, A., op. cit., p. 337.
40 Wendt, A., op. cit., p. 343.
41 Wendt, A., op. cit., p. 364.
42 Dunn & Hentz, op. cit., p. 182.
2.4.3. ECONOMIC DYNAMICS
The second structural dimension within the new regionalisms approach is sustained economic development. An appreciation of the regionalisation process with regard to economic cooperation can be obtained through existing economic initiatives at the regional level, such as coordination of production and market for similar resources, exploitation of complementarities, improvement of regional infrastructure, regional trade and other regional economic policies, etc.

2.4.4. REGIONAL GOVERNANCE
The complexity of challenges inherent to globalisation has made the state’s capacity to meet national interests ineffective. Although political engagement is central in the regionalisation process, states alone cannot succeed with this gargantuan task of regionalisation. Other important actors in the process are transnational corporations and other business companies, international organisations, interest groups such as non-governmental organisations, ethno-nationalist leaders, micro-regional and any other existing regional initiatives within a geographical area. Consultative networks between government departments, academia, businesses, and representatives of civil society constitute invaluable links for information distribution and input generation while ensuring an acceptable degree of legitimacy. The need for an adequate regional governance to bring together all stakeholders is more than obvious especially with Mittelman’s view that “at the end of the day, the possibilities and limitations of transformative regionalism rest on the strength of its links to civil society”. Information about regional governance will help to appreciate if all relevant stakeholders are represented and participating in the regionalist project and how their collaboration can be improved.

It is assumed that through the above four parameters sufficient information will be obtained to allow a reliable appreciation of integration (regionness) levels prevailing within the regional community to be studied. From that departure point, strategies for deepening the regionalisation process will be sought as an answer to our second research question.

2.5. DELIMITATIONS OF THE STUDY
This research is subjected to two sets of delimitations. The first delimitation is of geographical coverage, concentrating the research on one representative regional economic community instead of analysing all the seven regional economic communities. Such a limitation is imposed by the scope and time frame accorded to this study. The second limitation relates to the depth of analysis. The four parameters of political structures, security arrangements, economic dynamics, and regional governance outlined above constitute, each on its own, a domain of research larger than the relative content to be included in this study. The scope of this study not permitting their detailed analysis, the information about the above parameters will only be limited to a brief indication over their status allowing an appreciation of their impact on the regional integration process.

2.6. RESEARCH DESIGN AND METHODOLOGY
2.6.1. RESEARCH DESIGN
The present study is considered as an evaluation research since it is concerned with appreciating the levels of regionness in the African regional integration process and thereby ways of deepening that process. The defining of research questions and research parameters denotes a deductive approach. However, with the view that regional integration is about integrating the willing and not just resulting of a natural process, an interpretative epistemology and a constructionist ontological orientation will be adopted within this research in order to account for the interactions of regional actors and the resulting variations. As such, the cooperation culture materialising through regional initiatives will be considered as “an emergent reality in a continuous state of construction and

reconstruction” which will sustain the promotion of a collective identity needed to deepen regional integration. A comparative research design is found more suitable in order to tease out significant contrasts permitting a reasonable understanding and a fair appreciation of the integration process in place.

2.6.2. DATA COLLECTION

Through a qualitative content analysis, the relevant information will be collected from documented material relating to the research parameters outlined under sub-chapter 2.4 with an effort of ensuring a perspective representation over the characteristic indicators. As specified by Bryman, qualitative content analysis proceeds with “a searching out of underlying themes in the material being analysed..., using a brief quotation to illustrate the relevant points”. This material will be comprised of official documents from states, regional organisations and private sources such as annual and other official reports, mission statements, protocols, press releases, newsletters, research papers and other relevant publications in regard to the issues dealt with. Most of this documentation will be accessed from the internet. Since the necessary information will be collected through a review of documentation produced by others, its reliability will be assured through a proper indication of the sources while its validity would depend on the credibility of the original documents. The use of empirical evidence published by others will also minimise the subjectivity of the author. Whereas the study is concerned with the actual levels of regional integration it is borne in mind that structural change does not occur over night, and thus some situations being able to remain unchanged over a certain period of time. Although documents published in 2004 will be of primary importance, information from earlier publications back to 2000 will be considered relevant in the absence of recent publications on the same issues.

2.6.3. DATA ANALYSIS

The relevant data will be analysed using the theoretical reflections outlined from the new regionalism discourse as a springboard. A theory conscious analysis is expected to provide a comprehensive understanding of the unfolding regional integration process based on the information relating to the four parameters of political structures, security arrangements, economic dynamics and regional governance. Moreover, the implementation of a regional integration process underlies a reflection from time to time of outcomes to policies in use, thus inducing policy change or adaptation. This requires the consideration of policy formulation and policy implementation in the analysis of a regional integration process. Among policy process frameworks, the Institutional Analysis and Development framework (IAD) defined as “a general language about how rules, physical and material conditions, as well as attributes of the community affect the structure of action – arenas, the incentives that individuals face, and the resulting outcomes” is found more consistent with the analytical needs of this research because classes of variables developed within this framework accommodate best the treatment of the information at hand in the regional integration process while its scope covering all policy stages permit to account for interactions and linkages among them. The table below outlines the IAD framework as developed by Ostrom, Gardner, and Walker:

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45 Bryman, op. cit., p. 381.
47 Ostrom, op.cit., p.42. The original framework was developed in Ostrom, Gardner, and Walker (1994).
The IAD’s variable classes are summarised in three categories consisting of “rules used by actors to order their relationships, physical and material conditions of the unit of analysis, as well as attributes of the community”. These variables present a close resemblance with the central elements in this research where rules in use correspond to protocols, policies and strategies of regional communities while physical and material conditions refer to elements within the different sectors of cooperation. Attributes of the community correspond to the cultural characteristics and collective identity.

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48 Ostrom, op. cit., pp. 49-57.
CHAPTER III: OVERVIEW OF REGIONAL ECONOMIC COMMUNITIES

The seven regional economic communities within the African Union framework also serving for the implementation and monitoring of NEPAD’s programs are as follows: the Community of Sahel-Saharan States (CEN-SAD), the Common Market for Eastern and Southern Africa (COMESA), the Economic Community of Central African States (ECCAS), the Economic Community of West African States (ECOWAS), the Intergovernmental Authority for Development (IGAD), the Southern African Development Community (SADC), the Arab Maghreb Union (UMA).\(^{49}\) As the Community of Sahel-Saharan States and the Common Market for Eastern and Southern Africa extend their activities to more than one region, the stratification adopted by the NEPAD Heads of State and Government Implementation Committee into north, south, west, central, and east will be followed to avoid overlapping situations. The character of the current research and resources allocated to it not permitting to analyse all the regional economic communities, a short overview would however allow to select one representative regional community in respect to the concerns of this research.

3.1. NORTH AFRICA REGIONAL ECONOMIC COMMUNITY

This community comprises Algeria, Mauritania, Morocco, Tunisia, and Libya. At regional level, the area counts two regional organisations, the Arab League and the Arab Maghreb Union (Union du Maghreb Arab – UMA), which is the NEPAD’s link in the North. Created in 1989, the objectives of the Arab Maghreb Union as expressed in Article two of its treaty are focused on the consolidation of brotherhood relations among the peoples and the states within the region; progress and welfare of the community and safeguarding its rights; preservation of peace through justice and equity; integration process with the ambition of achieving an economic union encompassing free movement of goods and services, capital and people, as well as common socio-economic development policies.\(^{50}\) The integration process in the region builds on solid historical, linguistic, and religious links. In addition to the above mentioned aims, the regional organisation is conceived as a way for the region to become competitive at the international level, an arena through which to promote cooperation with other regional organisations, international dialogue with the international community towards the establishment of an international order characterised of justice, peace, dignity, liberty and respect for human rights. The countries within the UMA are further encompassed in a larger economic community named Community of Sahel-Saharan States. Except Mauritania and Libya, the other three countries are also members of the Euro-Mediterranean Partnership. The objectives of this partnership include “a political and security partnership aiming to establish a common area of peace and stability; an economic and financial partnership aimed at creating an area of shared prosperity mainly through the establishment of a free trade area; and a social and cultural partnership dedicated to human resources development, better understanding between cultures and exchange between civil societies”\(^{51}\).

Through the Arab Maghreb Union and with regard to regional integration, the following achievements have been realised:

- Establishment of the institutional framework as prescribed within the union’s treaty was completed within a period of three years (1989 – 1991).
- A Maghreb common development strategy was adopted in 1990. This strategy also defined the basis for common economic policies with regard to the free trade area, the common market and common external tariffs.

\(^{49}\) [www.africa-union.org/links/RECs](http://www.africa-union.org/links/RECs)

\(^{50}\) Information on the Arab Maghreb Union (UMA) is translated from the French text accessed on the UMA website: [www.maghrebarabe.org/fr/TextesNormatifs/TraiteConstitutif.htm](http://www.maghrebarabe.org/fr/TextesNormatifs/TraiteConstitutif.htm), 2004-11-16.

• The Maghreb trade and tariffs convention with regard to free trade of products originating from the region was adopted in March 1991.
• The convention on the establishment of the Maghreb Investment and External Trade Bank was adopted in March 1991.
• The convention on trade of agricultural products entered into effect in 1993 and aimed at ensuring food security in the region.
• Other conventions regulating transport, transit and insurances were adopted within the same period. These conventions initiated at the same time the development of related infrastructures.
• The Maghreb convention relative to the non-discrimination and guarantees over investments adopted in 1990 constituted an important ground for encouraging international investments in the region.
• Efforts have been made in the ways of compensating losses encountered through trade liberalisation within the region.

Through the organisation’s own reflection on UMA’s activities, the rapid institutionalisation of the Maghreb integration process is estimated having been hastened especially with reference to economic disparities and divergences among the community members. As a result, some of the activities provided for in the different conventions have been postponed. But the establishment of a Maghreb economic union is in progress although problems have been experienced in establishing compensation mechanisms. Political problems have also hampered the general realisation of the integration process. In terms of regional integration and economic development, the North African region actually qualifies as an intermediate region and well ahead compared to the rest of other regions in Africa. Besides the efforts and achievements through UMA and the Arab League, the region benefits of extra advantages brought in through its partnership with the European Union. The Euro-Mediterranean partnership is more comprehensive compared to the economic partnership agreements (EPAs) to be entered into with other regional economic communities in Africa. It is thus relevant and fair to admit that attributes and levels of integration existing in that region cannot be confined within the NEPAD’s framework or assumed representative of other integrative efforts on the continent. However, NEPAD’s programs in the region can still be beneficial in the area of security and conflict management especially regarding the relations between Morocco and West Sahara, and also in terms of democratic practices and human rights issues within the whole region.

3.2. SOUTHERN AFRICA REGIONAL ECONOMIC COMMUNITY

The southern region encompasses all member states integrated within the Southern African Development Community (SADC) and the Madagascar Island. The fourteen SADC member states are Angola, Botswana, Lesotho, Malawi, Mozambique, Mauritius, Namibia, Swaziland, South Africa, Seychelles, Tanzania, Zambia, Zimbabwe, and the Democratic Republic of Congo. This region presents a consistent regional integration record especially on the mainland, where the SADC objectives and efforts are directed to “promoting sustainable and equitable socio-economic development, common political values, consolidation and maintenance of democracy, peace and security, collective self reliance and complementarity between national and regional strategies and resources, strengthening and consolidating the long standing historical, social and cultural affinities and links among the people of the region”. 52 Nine of the SADC member states are also encompassed in a larger economic community, the Common Market for Eastern and Southern Africa (COMESA) which mainly is focused on regional economic integration with an extension of its activities into “promoting peace, security and stability among the Member States in order to enhance economic development in the region”. 53

In its integrative efforts, the SADC Trade Protocol with entry into force 25\textsuperscript{th} January 2000 provides for a phased elimination of tariff and non tariff barriers to be completed within a period of eight years. The same protocol includes arrangements for a cooperative administration of customs issues and cross-border investments.\textsuperscript{54} With a production structure dominated by agriculture and mining, the levels of intra regional trade are still low (estimated to 24% in SADC’s statistics) due to the similarity of products and the low levels of manufacturing industries. The phased elimination of trade barriers and bilateral trade agreements between some SADC members also contribute to the low level of intra regional trade. A wide range of other protocols have been elaborated to regulate cooperation in areas such as mining; forestry and fisheries; wildlife conservation and law enforcement; tourism; transport and communications; shared watercourse systems; health; education and training; politics, defence and security cooperation; tribunal and rules of procedure; mutual assistance in legal matters; etc. With the institutional restructuring adopted in 2001, the different sectors of cooperation have been grouped into clusters under four directorates to improve effectiveness and efficiency through linkages between different sectors.\textsuperscript{55} Cooperation in economic policies has concentrated on reducing the inflation rates especially high in war prone countries.

The importance of the peace and security dividend in socio-economic development is illustrated here by the levels of Foreign Direct Investment (FDI) accumulated by the Southern Africa Regional Community during the last decade. As the region has been, with the exception of Angola and DRC, characterised by peace, political stability, improvements in democracy, political and economic governance, “SADC as a community attracted on average only US$ 691 million in early 1990s, but FDI quadrupled in the second half of the 1990s standing on an average of USD$ 3061 million during 1995-98... South Africa, Angola, Zambia, Lesotho, Tanzania and Namibia were among the top ten recipients of FDI in Sub-Saharan Africa during the second half of the 1990s”.\textsuperscript{56}

The region being richly endowed with natural resources especially in minerals, regionalisation and development seem to evolve around the establishment of communications infrastructure, corporate networks and the labour involved. The significant investments through spatial development initiatives such as the Maputo Development Corridor, Malange Development Corridor, etc and the free trade protocols of the Community are, however, intended “to reconstruct the region along lines favoured by private capital with a view towards global markets”\textsuperscript{57} thus focusing on open regionalism and not really paying any particular concern to the social disparities very alarming in the region. As sustained by figures from its own Regional Indicative Strategic Development Plan, while in 2002, “the per capita income in high-income countries of the region was as high as US$ 6,530 in Seychelles, US$ 3,830 in Mauritius, US$ 3,100 in Botswana and US$ 2,820 in South Africa, it was for the same period, as low as US$ 80 in DRC, US$ 160 in Malawi, US$ 210 in Mozambique, US$ 270 in Tanzania, US$ 320 in Zambia and US$ 480 in Zimbabwe. Furthermore and in spite of a SADC’s aggregate GDP of 226.1 billion US$ in 2002, which is more than double that of ECOWAS and equivalent to more than half the aggregate GDP of Sub Saharan Africa..., the poverty situation in the region is that about 70% of the population live below the international poverty line of US$ 2 per day while 40% of the region’s population live below the international poverty line of US$ 1 per day. Although a declining trend was observed during the late 1990s, human poverty is on the increase in some member states”.\textsuperscript{58}

Other weaknesses experienced in the SADC’s regional integration process have been among other things, the failure to adjust the institutional setting to new objectives adopted through the

\textsuperscript{54} SADC – Protocol on Trade signed in Maseru (Botswana), 1996. www.sadc.int/protocols.

\textsuperscript{55} SADC - Regional Indicative Strategic Development Plan (2001), chapter 1, p. 4. www.sadc.int/keydocuments.

\textsuperscript{56} SADC – Regional Indicative Strategic Development Plan (2001), chapter 2. Socio-economic situation. www.sadc.int/keydocuments.

\textsuperscript{57} Dunn & Hentz, op. cit., p. 189.

\textsuperscript{58} SADC – Regional Indicative Strategic Development Plan (2001), chapter 2.
institutional review of 1992, when the regional organisation moved from a coordinating conference to a community and failure to translate treaty objectives into concrete programs of community building and integration. Some of the development distortions in the region are however tackled in the SADC - Regional Indicative Strategic Development Plan adopted in August 2003 and which inter alia, incorporates NEPAD’s programs and provides a framework for deepening regional integration. On the integration agenda, the focus is on improving democratic and political governance, conflict management and combating corruption; good economic and corporate governance, eradicating poverty and improving civil society participation the final goal being a common market.

3.3. WEST AFRICA REGIONAL ECONOMIC COMMUNITY

In terms of regional organisations, the main player in the West African region is the Economic Community of West African States (ECOWAS) with its fifteen member states: Benin, Burkina Faso, Côte d’Ivoire, Cape Verde, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo. Established in 1975, the overall mission of the ECOWAS as summarized from its treaty goes on to promote economic growth and development through cooperation and integration, the ultimate aim being of creating an economic and monetary union in West Africa. Efforts have thus been directed towards harmonisation and coordination of national economic policies; promotion and establishment of joint production enterprises; establishment of a common market and adoption of a common trade policy vis-à-vis third countries; removal, within the community, of obstacles to free movement of persons, goods, services and capital, and to the right of residence and establishment; the establishment of a fund for cooperation, compensation and development; promotion of an overall enabling environment towards an economic and monetary union.

Although plans are under way for a monetary union by July 2005, the regional integration process has not evolved as smoothly as it was planned. As it emanates from its own report on achievements and prospects (2000), some of the problems encountered have been the political instability and bad governance in many of the community members, weakness of national economies and non proper functioning of the development fund to counter economic disparities among community members, weakness of communications and transport infrastructures, the insufficient political will exhibited by some member states, the multiplicity of regional initiatives with same objectives, irregularity in payment of contributions to the community budget, the failure to involve civil society and private sector in the integration process while market and society cross-border interactions are salient characteristics of the West African region, etc. In spite of some progress in the areas of free movement of persons, construction of regional inter-state roads and the development of telecommunication links, the intra-regional trade accounted only for 11% of the total regional trade, no common ECOWAS external tariffs yet in place, nor harmonisation of economic and financial policies which only exist in the printed framework.

Following the 2000 evaluation which corresponded with the 25th ECOWAS anniversary, reorganisation efforts started with regulations and decisions reinforcing the supranationality of the community organs, especially those in charge of monitoring and enforcing the community laws and settlement of disputes arising from its application (parliament and court of justice) and strengthening mechanisms for an autonomous budget funding. Other improvements that enhanced the integration process were the advent of democracy in Nigeria, the privatisation process and the liberalisation of national markets, and improvement in operational procedures. Developments in Nigeria are of critical regional importance as the country stands as a regional power economically.

59 Ibid., chapter 1.
60 Ibid., chapter 1.
in geographical size and population: 90 million inhabitants and around 30 billion US dollars in GDP equivalent to more than a half of the GDP of the whole region.\(^{63}\)

Remarkable efforts were also invested towards securing peace and stability which are prerequisites for the socio-economic development. In this regard, a non-aggression protocol was adopted by the ECOWAS member states in 1978, a defence assistance protocol in 1981, creation of the ECOWAS Cease-fire and Monitoring Group (ECOMOG) in 1990, and a declaration promoting the application of democratic principles in 1991. This declaration was in line with discouraging and condemning seizure of power by ways of arms, an alarming phenomenon in the region as “compared to all other African regions, the West African zone has seen 55% of all coups d’états, 33% of all attempted coups and 50% of reported plots, for the period between 1970 and 1990”.\(^{64}\) Furthermore, the 1993 revised treaty provides for political cooperation in order to ensure democracy, good governance, and a regional conflict resolution mechanism. While acknowledging the importance and significant role played by the West African regional efforts in conflict management, peace and security haven’t improved as at least four countries within the ECOWAS community have been dealing with open internal conflicts in the last decade: Liberia since 1990, Sierra Leone since 1998, Guinea Bissau in 1998, and Côte d’Ivoire since 2002.

In the light of the above described situation, improvement in democratic practices are more than needed as “authoritarian political regimes are more concerned with trying to maintain control at the national level than sharing sovereignty and decision making power with other states through regional cooperation”.\(^{65}\) The political commitment of member states, improvement of democracy, peace and security environment and improved coherence in the community programs remain crucial factors to significantly move forward the integration process in the West African region.

### 3.4. CENTRAL AFRICA REGIONAL ECONOMIC COMMUNITY

Composed of Angola, Burundi, Cameroon, Chad, Congo-Brazzaville, Gabon, Equatorial Guinea, Central African Republic, Democratic Republic of Congo, Sao Tomé & Principe, and Rwanda, the regional organisation within this area is materialised through the Economic Community of Central African States (ECCAS-CEEAC).\(^{66}\) Created in 1983, the organisation became officially operational in 1985 but remained inactive under the 1990s. It was reinvigorated in 1998 before signing the protocol for regional economic communities with the African Economic Community in 1999. The ECCAS objectives are oriented onto achieving collective autonomy especially with regard to food security, increase of the living standards of the local populations, reinforcing the role and participation of women in the development of the region, economic stability through harmonious cooperation, the ultimate goal being the establishment of a common market of central African States.

Within the same region, the group comprised of Cameroon, Chad, Central African Republic, Congo Brazzaville, Gabon, and Equatorial Guinea is organised in a separate framework named Central African Economic and Monetary Community (Communauté Economique et Monétaire de l’Afrique Centrale – CEMAC) which aims at furthering the economic cooperation into a monetary union as it appears in its appellation. Countries in the above group are former French colonies and use actually the same monetary unit, the CFA. Whereas the levels of interactions among members of the Central African Economic Community are very low especially with regard to the countries

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\(^{64}\) Söderbaum, op. cit., p. 125.

\(^{65}\) Ibid., p.125

east on the Congo river, a consistent integration degree is present among the former French colonies as a result of the centralised administration and assimilation policy which were practised in French colonies. However, a financial agreement to support regional activities which was concluded in January 2003 with the European Union was conditioned to the merging of CEMAC and ECCAS as the latter disposes of a peace and security framework in its status.

In terms of peace and security efforts at regional level, the ECCAS actually set up three important instances during its 2002 summit: the protocol on parliamentary network (Reseau des Parlementaires de l’Afrique Centrale – REPAC), a regulation of the Central African Council for Peace and Security (Conseil de Paix et de Sécurité de l’Afrique Centrale – CDS) and the Central African Multinational Force (La Force Multinationale de l’Afrique Centrale – FOMAC). In spite of the pact of non-aggression signed in 1994 and while accused of attacking its neighbouring DRC, Rwanda refused to attend the extraordinary regional summit of the 16th and 17th August 2001 in the DRC which was organised under the aegis of the United Nations to discuss security issues within the region. Although the conflicts in the DRC are qualified as domestically rooted and ignited, the crucial involvement of neighbouring self interested leaders from Rwanda and Uganda shouldn’t be underestimated. Their responsibility in the disintegration of the DRC is better captured by Dunn and Hentz in these terms: “Uganda and Rwanda have lined up on different sides in support of competing insurgencies in the DRC…, mimicking balance of power politics because they have limited control over their own peripheries and have porous borders… And most importantly, the balancing game they play, unlike Europe after 1648, retards the evolution of strong regional states because these new leaders ally with sub-national and transnational forces, such as warlord armies and private business interests working together to extract valuable mineral resources in the no-man-lands of these soft-shelled states. Therefore, unlike the ‘Concert of Europe’, which after the Napoleonic Wars fine-tuned the balance of power system and concomitantly strengthened the state, we have the ‘Cacophony of Africa’, which fuels regional rivalries, perpetuates a state of war and weakens the state”.67 The two designated culprits taking part to NEPAD’s programs within the East Africa regional community, the Heads of State and Government Implementation Committee should play its role in addition to the international efforts to resolve the conflicts in the Great Lakes Region. The Central African situation should be handled with more seriousness as the negative impacts spread easily to other regional areas, like into Southern Africa. With no doubt over the necessity of encouraging and strengthening democratic regimes in Africa, the consideration that “the changing political economy is often in response to externally-authored changes in the regulatory landscape”68 shouldn’t either be overlooked.

In spite of its low levels of peace and security, Central Africa regional community has already embarked on the implementation of NEPAD’s programs with the assistance of the United Nations Economic Commission for Africa and the European Union. A coordinating structure of NEPAD’s programs comprised of representatives for each member state, the civil society, the two main regional organisations within the area - CEMAC and ECCAS -, and a representative of the UNECA has been established and based at the ECCAS secretariat. A total of 87 development projects has been finalised by a group of development experts also established from the region. In terms of conflict management, efforts have been directed towards the review of constitutional texts and electoral procedures, encouraging dialogue between different national political opponents as a way of improving democratic practices and reducing national rivalries. The integration process in the Central African regional economic community stumbles over critical complexities especially as the area lacks cultural affinities whereas the existing levels of integration are promoted from outside the region and not sustained from within. Cohesion and cooperation are only sustained among those members organised in the CEMAC. Economically, culturally and politically, Burundi and Rwanda’s interests are more attached onto the Eastern region where these two countries participate in the Common Market for Eastern and Southern

67 Dunn & Hentz, op.cit., p. 181.
68 Ibid., p. 187.
Africa (COMESA). The same stands for Angola and the Democratic Republic of Congo through their membership in the Southern African Development Community.

3.5. EAST AFRICA REGIONAL ECONOMIC COMMUNITY

The East Africa regional economic community encompasses Ethiopia, Eritrea, Djibouti, Mauritius, Sudan, Somalia, Kenya, Uganda, Tanzania, Burundi and Rwanda. Besides the Common Market for Eastern and Southern Africa (COMESA), the other major regional organisation in this region is the Intergovernmental Authority on Development (IGAD) which brings together Djibouti, Eritrea, Ethiopia, Kenya, Somalia, Sudan and Uganda. Created in 1986, the IGAD’s mission is oriented to “achieving regional cooperation and integration through the promotion of food security, sustainable environment management, peace and security, intra-regional trade and development of improved communications infrastructure”.69 As 80% of the region is arid and semi-arid with less than 400 mm of rainfall per year, the IGAD initiative was initially conceived to coordinate the efforts of member states in combating desertification and mitigating drought effects. Its mandate and areas of activity were expanded in the 1996 agreement to include cooperation on political and other economic issues inter alia, coordinating macro-economic policies, promoting sustainable agriculture development and food security, environment and natural resources management, conflict prevention, management and resolution, promotion of human rights and humanitarian assistance, harmonisation of trade, transport and communication policies, as well as the development of infrastructure.70 In addition to economic, environmental and constraints issued from globalisation, the southern-east area is held together by cultural affinities through the Swahili language and a same colonial past while northern-east has in common a pro-Islam feature.

The expected progress in the integration process and socio-economic development has however been impeded by political and armed conflicts, famine and strains emanating from structural adjustments programs. Other problems encountered are the mobilisation of resources to finance identified developmental projects and lack of capacity building to formulate and harmonise regional policies. The harmonisation of policies is further complicated by inter and intra regional conflicts, the emerging of new challenges such as the international terrorism, the spread of HIV/AIDS pandemic, not to mention the adoption of new development programs as NEPAD.71

In spite of the above difficulties, IGAD has made improvement in intra-regional communication facilities (roads and telecommunications). The regional organisation’s input was also crucial in the conclusion and signing of the power sharing agreements and protocols between the Sudanese government and the Sudan People’s Liberation Movement arrived at in May 2004. Furthermore, commitment to the regional organisation has been strengthened as this transpires through the regular contribution to the organisation’s administration budget, regular attendance of meetings and summits, progressive establishment of technical expert platforms for discussing and working on regional issues, as well as the establishment of the Conflict Early Warning and Response Network. The aim of this Conflict Early Warning Centre, which is based in Addis Ababa, is of monitoring the political environment in order to prevent both intra and inter states conflicts within the region. The regional factor remains important to ensure the implementation of the Sudanese peace agreements and the establishment of a government of national unity in Somalia. The importance of the regional organisation is also reflected through its representation of the member states in various regional and international meetings and negotiations, such as negotiations within the ACP-EU framework, and the World Trade Organisation.

The 2003 IGAD Strategy was thus prepared in consideration of both challenges and potentials existing in the region and is focused on “the promotion of regional cooperation in order to achieve sustainable development, peace and security in the region, keeping in line with IGAD’s priorities

71 Ibid., p. 11.
of ensuring the people in the region with access to sufficient and nutritious food at all times while protecting the natural resource base and the environment, promoting peace and stability, addressing humanitarian needs of the people as well as promoting regional economic cooperation and integration in the region”.\textsuperscript{72} In order to ensure civil society participation in the regional development initiative, the 2003 IGAD Strategy provides for the establishment of “the IGAD/Civil Society Organisations and NGOs Forum”\textsuperscript{73} which will channel the civil society’s perspectives in policy formulation, strategic planning, and implementation of IGAD’s programs and projects. With regard to the implementation of NEPAD’s programs, the East Africa regional economic community has established a regional secretariat in Nairobi – Kenya.

3.6. SELECTION OF A REGIONAL ECONOMIC COMMUNITY FOR THE STUDY

All the five regional economic communities described above have adopted a development regionalism strategy, albeit differences in its practice thus with different results. Except the North African regional economic community, the other four regional communities are still peripheral, though with different economic and political situations. The Southern Africa regional community is economically stronger and politically stable despite economic disparities among and within its member states. In spite of its tremendous natural wealth, the West Africa regional community is politically turbulent, managing issues through confrontation and competition instead of consultation and consensus. Political conflicts have also hindered political stability and socio-economic development in East and Central Africa. In the Central Africa Regional Community, it further transpires a lack of common interests across the two groups of countries along the Congo River which seems to constitute a regional divide instead of being a common interest either economically or environmentally.

Among difficulties experienced by the fore mentioned regional economic communities, the most common impediment to their integration process is the establishment of compensation mechanisms, i.e. the distribution of integration benefits among regional members, and cushioning for the less developed members the financial strains resulting from the trade liberalisation. The other common problem has been adaptation of the institutional framework to the objectives established in the treaties. The scarce of infrastructure is also a shared need although experienced at different levels, more acute in the eastern and central regions than elsewhere, therefore the emphasis on developing collective infrastructures especially in the domains of transport, communications and energy. Low capacity building in the sense of translating objectives into concrete programs and integrating multilateral programs into the regional framework is neither a negligible hindrance.

The Southern Africa Development Community adopted the development integration strategy or development regionalism since 1992, adjusting from a functional cooperation strategy which had been in use since the 1980s. Although with shortcomings in practising this strategy, the Community recognises however that “development integration has the advantage of complementing trade liberalisation with sustainable corrective measures, designed to cushion the least developed member countries against shocks arising from the removal of trade barriers, … and to identify appropriate strategies and mechanisms to overcome impediments to integration and to address regional imbalances between member states”.\textsuperscript{74} This awareness provides a good ground towards redressing the weaknesses and shortcomings experienced in the regional integration process. Additional strength in the SADC’s integration process comes from the developed collective identity, described in the Regional Indicative Strategic Development Plan as a sense of regional belonging.

\textsuperscript{72} Ibid., p. 13. \\
\textsuperscript{73} Ibid., p. 14. \\
\textsuperscript{74} SADC – Regional Indicative Strategic Development Plan (2001), chapter 1, p.3.
With the view that successful cases should serve as models for others, it is in the line of such a view that the Southern Africa Regional Economic Community will be studied in order to illustrate the practice of development regionalism in the African regional integration process. The North Africa regional community cannot be representative of the integrative efforts on the continent due to its extra advantages resulting from its Euro-Mediterranean Partnership with the European Union. The southern region presents as well a security complex that should be interesting to analyse, with an emphasis on strengthening the fragile domestic security situation and preventing recurrence of violence in Angola. An additional reason for developing a conflict management framework within the Southern Africa regional community emanates from the turbulent situation in the Democratic Republic of Congo which preferred to join SADC in 1997 in spite of its geographical position and membership in the central Africa regional community. The presence of South Africa as both a founder member of NEPAD and a regional power constitutes an additional point of interest for analysing the integration process in the Southern regional community.
CHAPTER IV: DEVELOPMENT REGIONALISM IN THE SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC)

4.1. EVOLUTION OF THE COMMUNITY

The main regional organisation in the southern region and which is implementing NEPAD’s programs in the area is the Southern African Development Community (SADC). Started in 1975, the regional cooperation aimed at the time to coordinating resources, efforts and strategy for the political liberation of the region. Once the political independence was achieved, the bond of solidarity and collective action which had strengthened through the political struggle enabled the countries within the region to move onto economic and social cooperation. As such the informal association that existed since 1975 was, in April 1980, formalised into a regional organisation under the name of the Southern African Development Coordination Conference (SADCC). The main objective of this new arrangement was of “pursuing policies aimed at economic liberation on the basis of a sustainable integrated development of members’ economies” and its programme of action covered areas of transport and communications, food and agriculture, industry, labour development and energy.

From nine members in 1980, the membership increased to fourteen members with the accession of Namibia in 1990, South Africa in 1994, Mauritius in 1995, Seychelles and the Democratic Republic of Congo in 1997. Although economic integration and economic liberation were, at the time given more emphasis, the need to build collective self-reliance, mutual trust and confidence have always been in the centre while concerted efforts for managing internal conflicts also continued to apply. “Since its inception, SADC has inculcated a sense of regional belonging as well as a tradition of consultation among the peoples and governments of Southern Africa, which, among other things, has improved regional security”.

As the regionalism movement gained impetus in the 1990s, with the consequence of transforming geographical regions into closer economic and political entities, the SADCC was, in 1992, reorganised “from a coordination conference into a community, and the basis of cooperation among member states redefined from a loose association into a legally binding arrangement. The reorganised community aimed at deepening economic cooperation and integration to help address many of the factors that make it difficult to sustain economic growth and socio-economic development”.

Although SADC adopted a development integration approach especially with regard to address differences in production, infrastructure and efficiency levels within the region, trade liberalisation remained dominant and regional imbalances between member states increased. Thus, an institutional restructuring of the community imposed itself in order to cope with those shortcomings. The 2001 restructuring aimed at “increasing efficiency and effectiveness of SADC policies and programs, to implement a more coherent and better coordinated strategy to eliminate poverty in the region. The vision of regional community is charted on ensuring economic well-being, improvement of the standards of living, freedom and social justice, peace and security for the peoples of Southern Africa”. On the institutional setting, the main changes brought in with the new restructuring was the grouping of the different sectors of cooperation into four directorates and the creation of SADC National Committees liaising with the SADC Secretariat in the coordination of the community’s activities at national level. In its regional policies and strategies, efforts are made to integrate priorities and initiatives determined at international and continental levels, such as United Nations’ Millennium Development Goals and NEPAD’s programmes.

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75 SADC – Regional Indicative Strategic Development Plan (2001), chapter 1, p.1.
76 Ibid., p.4
77 Ibid., p.3.
78 Ibid., pp.4-5
4.2. POLITICAL STRUCTURES WITHIN THE SADC REGION

With the exception of the Kingdom of Swaziland, all other SADC member states are democratic states. Due to the particular long colonial period in the region that was imposed by the apartheid regime, most of those democracies are young and still in the process of strengthening their democratic practices. The multiparty system has been applied smoothly allowing peaceful change of governments in most of the SADC countries except in Angola and the Democratic Republic of Congo. Political unrests emanating from land reforms have also been clouding the Zimbabwean political scene since 2001. Despite some laws limiting the media freedom particularly in Zimbabwe, a decrease of 9.7% in violations of freedom of expression was reported by the Media Institute of Southern Africa (MISA) for the period between 2002 and 2003. But generally, “SADC countries hold regular democratic elections and conduct consultations aimed at enhancing and deepening a democratic culture”\(^{79}\), which sustains the adoption of political pluralism. A recent example was the November 2004 presidential elections and change of government in Namibia. Despite the adoption of democratic practices, most of the SADC member countries apply however a majoritarian system in which a single party is usually in control of government and politics.

Complementary to the principle of sovereignty that is acquired in the modern system of state, “a government’s claim to exercise authority over its territory is confirmed by its acceptance into the club of nations”\(^{80}\), and such a situation underlines the links between the national and the international dimensions. Following the increased interdependence in the world system, intergovernmental organisations have become a necessity to all states especially small and weak ones for enhancing their collective power towards the achievement of shared goals and common interests. As an intergovernmental organisation, the SADC’s political influence to its member states has been recognised and formalised through the protocol on politics, defence and security cooperation signed in August 2001. Policies and strategies for the implementation of this protocol have been detailed in the Strategic Indicative Plan for the Organ on Politics, Defence and Security Cooperation (SIPO), approved in August 2003. The elaboration of a specific regional strategic plan in the domain of political, defence and security cooperation underlines the importance attributed to cooperation in this area, which is stipulated as “the creation of a peaceful and stable political and security environment through which the region will endeavour to realise its socio-economic objectives”\(^{81}\). It is important to emphasize the complementarity between the Strategic Indicative Plan for the Organ on Politics, Defence and Security Cooperation and the SADC’s Regional Indicative Strategic Development Plan as the two instruments translate the persistent interplay between politics and economics as well as the need of ensuring peace and security as prerequisites to socio-economic development in the regional integration process. Another operationalising instance of this protocol is the Mutual Defence Pact concluded by member states in accordance with article 2 of the same protocol and also in compliance with the Constitutive Act of the African Union and the United Nations’ Charter.

As the SADC region enjoys a relatively peaceful political climate without inter-state conflicts and few settling intra states ones, cooperation efforts in the political area focus instead on the consolidation of democratic values, the rule of law, good governance and respect for human rights. Article two of the protocol on politics, defence and security cooperation specifies that the cooperation objectives in this area focus, inter alia, on “protecting the people and safeguard the development of the region against instability arising from the breakdown of law and order, intra-state conflict, inter-state conflict and aggression; promote political cooperation among States Parties and the evolution of common political values and institutions; develop common foreign policy approaches on issues of mutual concern and advance such policy in international fora; promote regional coordination and cooperation on matters related to security and defence and

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79 SADC’s Strategic Indicative Plan for the Organ on Politics, Defence and Security Cooperation (SIPO), p. 15.
81 SADC’s Strategic Indicative Plan for the Organ on Politics, Defence and Security Cooperation (SIPO), p.6.
establish appropriate mechanisms to this end; consider enforcement action in accordance with international law and as a matter of last resort where peaceful means have failed; promote the development of democratic institutions and practices within the territories of States Parties and encourage the observance of universal human rights as provided for in the Charters and Conventions of the AU and UN respectively.”

In spite of commendable achievements in the political organisation and cooperation, the SADC region still has a long way to go in strengthening the democratic practices, respect for human rights and good governance. It is proposed through the SIPO to create a regional commission for the promotion of and respect for human rights.

**4.3. SECURITY ARRANGEMENTS**

Security and defence of the regional interests have always been primordial aims for the SADC from its inception as a Front Line States Association. As the Association evolved, cooperation efforts in security area were strengthened for example through the creation in 1977, of “the Inter-State Defence and Security Committee which played a crucial role in the liberation struggles against colonial and racist regimes and in the maintenance of the national sovereignty and territorial integrity of the member states”. With the creation of the SADC’s Organ on Politics, Defence and Security Cooperation in 1996 and its subsequent organisation in 2001, the Inter-State Defence and Security Committee was maintained as one of the committee’s Organ albeit with a revised focus in supporting peace and security through the development of a Regional Peacekeeping Training Centre based in Zimbabwe. The other committee of the Organ is the Inter-State Politics and Diplomacy Committee, which focuses on deepening cooperation and mutual trust among member states.

Despite the peace advantage in comparison to other African regions, the SADC region has actually developed mechanisms for conflict prevention and management, which for the occasion, are now used to restore and maintain peace in both Angola and the Democratic Republic of Congo. The regional level has opted for a participatory approach in its efforts to re-establishing peace in the two above mentioned member states. Assistance in this regard has also been provided by international institutions, especially the EU and UNDP, to support the implementation of different post conflict recovery programmes. The peace advantage is further used to support peace processes in other African regions, as it was the case both in the Burundian peace process and in the recent mediation intervention of the South African President in the Ivory Coast.

Also part of the regional security arrangements is the Mutual Defence Pact concluded by member states within the framework of the protocol on politics, defence, and security cooperation. The Strategic Indicative Plan in this area (SIPO) provides objectives, strategies and specific activities to be carried out in securing peace, security, and in conflict management within the region. The protocol against corruption and the protocol on the control of firearms, ammunition and other related materials complement the protocol on politics in terms of security arrangements. Further legal instruments reinforcing the security arrangements are the protocol on extradition, protocol on legal affairs and the protocol on mutual legal assistance in criminal matters. Pending the achievement of a common market, the SADC immigration services have started working on a framework to ease on the movement of persons within the region. By strengthening its security arrangements, the SADC has not only improved his own security environment, but also created capacity that can serve other African regions in areas such as “training for peace enforcement operations, policy planning and early warning, identification of coherent and integrated approaches that can address the root causes of conflicts, as well as contribution of personnel to UN peace

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83 SIPO, p. 23.
84 SIPO, p. 16 & p. 24.
keeping missions as it was the case in Somalia, Sierra Leone, East Timor, Bosnia, …”.

The SADC’s strategies and structures for conflict management and consolidation of peace and security have now been qualified as fulfilling the levels required by the Peace and Security Council of the African Union.

In spite of the above tremendous achievements in security arrangements, the SADC region still faces some security challenges ranging from armed conflicts especially in the Democratic Republic of Congo; deterring of landmines, demobilisation and disarmament of former armed groups in Angola and DRC; reintegration of former military members in the society; the proliferation of illegal arms and cross border criminal activities, etc. Another maybe more threatening challenge consist of imbalances in the distribution of regional natural resources and wealth. Further threats identified within the SIPO are “manoeuvres or activities designed to undermine the economic interests of member states and/or the region; reduction of national sovereignty through subverting constitutional order and the HIV/AIDS pandemic”.

4.4. THE SADC’S ECONOMIC DYNAMICS

As specified earlier, information and analysis provided under this section are limited to the economic dynamics as they relate to the integration process and thus, without pretension of providing a thorough analysis of the SADC’s economic dynamics per se. The implementation of SADC’s regional policies is realised, as elsewhere, through different protocols and memoranda of understanding concluded for each area of cooperation. The 2001 Regional Indicative Strategic Development Plan adopted by the Community’s Summit in August 2003 also plays a significant role in the policy formulation and implementation. It should be mentioned that attention was made to incorporate NEPAD’s programmes in the elaboration of this strategic development plan.

In the economic sector, the main instrument of cooperation is the 1996 SADC’s trade protocol which entered into force in September 2000. With the objective of achieving a free trade area by 2008, this protocol governs regional trade in goods and services, cross-border investment, cooperation in finance and investment, customs cooperation and other trade issues. The aims of ensuring efficient production that takes into account the needs for diversification and industrialisation, the comparative advantages of regional members, and improvement of the investment climate as well as the general economic development of the region are also covered in this trade protocol. In support to the trade protocol, other protocols have been established to guide integration efforts in specific sectors of production, such as mining, energy, tourism, fisheries, etc.

4.4.1. DEVELOPMENT OF THE REGIONAL MARKET

Improvement in trade cooperation and regional trade development are viewed as means to achieve economic integration and a viable development community, improve the socio-economic conditions and the standards of living in the Community. Strategies adopted in this regard include “gradual elimination of tariff and non-tariff barriers, adoption of common rules of origin, harmonisation of customs rules and procedures, harmonisation of sanitary and phyto-sanitary measures as well as other internationally acceptable standards, and liberalisation of trade in goods and services”. The trade protocol’s provisions stipulate a phased elimination of import duties from the time of entry into force of the trade protocol, i.e. September, 2000 along with an obligation of not raising import duties beyond those in existence at that particular time. Export duties were cancelled on goods export between member states. The services sector was to be

87 SIPO, p.30.
89 SADC’s Regional Indicative Strategic Development Plan, chapter 3, p.2.
liberalised within the Community in accordance with the WTO’s general agreement on trade in services (GATS).

With regard to cross-border investment, article 22 of the trade protocol states that “member states shall adopt policies and implement measures within the Community to promote an open cross-border investment regime, thereby enhancing economic development, diversification and industrialisation”. At regional level, some of the policies adopted to increase industrial development in less developed member countries consisted of “targeted cross border investment in productive activities and development corridors that were established in consideration of the value addition factor to agricultural and mining products”. Around 90% of SADC’s exports are made up of mineral and agricultural goods. Besides Foreign Direct Investment attracted into the region by its natural wealth in metals and minerals - 53% of vanadium, 49% of platinum, 40% of chromite, 36% of gold, 51% of diamonds and 20% of cobalt in terms of world production -, SADC has also embarked on major financial sector reforms aimed at increasing its gross domestic savings.

4.4.1.1. Intra-Regional Market

In general, the development of the intra regional trade is considered a key element to deepening regional integration in SADC where the informal cross border trade has been growing steadily. As most actors in the informal sector are women, the sector is viewed as having a potential impact in promoting socio-economic development if facilitating mechanisms were put in place to ease cross-border transactions. Beside the achievement of a free trade area by 2008, a SADC customs union is planned to be completely negotiated by 2010. Negotiations for a common market are planned to be completed by 2015 while the establishment of a monetary union is planned for 2016. While SADC’s plans are of moving into a customs union by 2010, this is likely to happen earlier than that in the event of an Economic Partnership Agreement with the European Community since its implementation by January 2008 would require the application of a common external tariff, hence the existence of a customs union. The table below presents the achieved levels in liberalising intra SADC trade and the proposed proportions for trade liberalisation until 2008.

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90 Ibid., chapter 4, p.13.
91 SADC’s Annual report 2002-2003, p. 24
92 SADC’s Regional Indicative Strategic Development Plan, chapter 4, p.15.
## TABLE 3: TRADE LIBERALISATION IN SADC FOR THE PERIOD 2000 - 2008

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<tbody>
<tr>
<td>SACU members</td>
<td>NA</td>
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<td>46.8 %</td>
<td>99.5 %</td>
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<td>70.4 %</td>
<td>12.0 %</td>
<td>60.0 %</td>
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<td>62.7 %</td>
<td>8.7 %</td>
<td>76.3 %</td>
</tr>
<tr>
<td>Tanzania</td>
<td>8.3 %</td>
<td>87.3 %</td>
<td>31.4 %</td>
<td>87.9 %</td>
</tr>
<tr>
<td>Zambia</td>
<td>18.5 %</td>
<td>62.7 %</td>
<td>38.7 %</td>
<td>76.9 %</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>18.6 %</td>
<td>68.3 %</td>
<td>37.4 %</td>
<td>57.7 %</td>
</tr>
</tbody>
</table>


* Information about the DRC and Angola tariff reduction schedules were not provided.

As the SACU members other than South Africa will liberalise their imports faster than other SADC members, they have been provided with enhanced market access for some of their products. In the meantime, the issue of overlapping regional agreements in the Southern African region continues to overload the agenda of member countries with a lot of commitments, as all those agreements are both resource and time demanding, especially on the human resource capacity while causing trade distortions. Among those overlapping regional agreements, the Southern African Customs Union (SACU) encompasses Botswana, Lesotho, Namibia, South Africa and Swaziland, all of them members of the SADC. As a customs union, other SADC members out of it have to negotiate preferential agreements especially for entry of their products in the SACU area. Additionally, trade agreements entered into by SACU with trade partners outside the region have an impact on the rest of SADC members as items from the SACU area may enter their market under the same treatment as all other SADC items within the region. All those various preferential trade arrangements increase competition instead of cooperation among regional members as well as complexities in policy formulation and management of rules of origin. Besides SACU, the Common Market for Eastern and Southern Africa (COMESA) comprises nine of the SADC members, i.e., Angola, Democratic Republic of Congo, Malawi, Mauritius, Namibia, Seychelles, Zambia, Zimbabwe and Swaziland. As a free trade area, COMESA’s plans of moving into a customs union by 2004 were stalled because some member states had not yet accessed to the free trade area and also due to some persistent non tariff barriers within it. Here again and with regard to overlapping communities, while the European Community is negotiating a SADC – EC Economic Partnership Agreement, six SADC member states, i.e. Democratic Republic of Congo, Malawi, Mauritius, Seychelles, Zambia, and Zimbabwe are however negotiating a similar agreement but as COMESA members, under the Eastern and Southern African grouping.

Below is a map of the overlapping communities, borrowed from the EC – SADC Regional Strategy Paper 2002 – 2007:

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CHART OF EAST AND SOUTHERN AFRICA
REGIONAL ECONOMIC INTEGRATION ARRANGEMENTS

COMESA: Common Market for Eastern and Southern Africa
EAC: East African Cooperation
IGAD: Intergovernmental Authority on Development
IOC: Indian Ocean Commission
SACU: Southern African Customs Union
* RIFF: Regional Integration Facilitation Forum
** RIFF: Observer status
4.4.1.2. Extra-Regional Market

Apart from the intra-regional market, the SADC region is negotiating an Economic Partnership Agreement (EPA) with the European Community under the framework of the Cotonou Agreement. Within the Cotonou Agreement signed in June 2000, the EPAs are provided for through paragraph two of article 1, article 9, Title II of part 3 and Annex IV. Justified by the need for compatibility with the WTO’s rules on free trade arrangements, the trade relations between the ACP and the EC which were characterised by non-reciprocal tariff preferences in favour of the ACP group will have to be compatible with the WTO’s rules of reciprocal trade liberalisation starting from January 2008. Non-reciprocal preferences will continue to apply during the negotiations period extending from 2002 to 2007, whereupon a transition period will be launched for a phased liberalisation of the ACP markets. This market opening is envisaged to cover trade in goods and services as well as the so-called Singapore issues, which refer to transparency in government procurements, investment provisions and competition policy. The new economic agreements focus on developing trade and integrating the ACP countries in the multilateral trading system as ways of enhancing economic growth and regional integration in the latter. Subsequently, most of the EC assistance to the ACP countries during the EPAs’ negotiation period is directed towards strengthening regional markets in terms of establishing free trade areas, customs unions, and enhancing their capacity in trade facilitation and other trade related issues. For the SADC region, a grant of 101 million Euros is allocated to sustain improvement in two focal areas identified as:

- Regional integration and Trade: 35% - 45%
- Transport and Communications: 35%- 45%
- Non focal areas: up to 20%

South Africa having already signed a Free Trade Agreement with the European Community, it is however participating in the EC – SADC EPA negotiations as an observer. The EC - South Africa Trade and Development Cooperation Agreement (TDCA) was signed in October 1999 and entered into force in January 2000. Conceived as a general trade liberalisation agreement, the TDCA’s transition period for completion of the tariff reduction schedules is of twelve years for South Africa and ten years for the European Community. Asymmetrical and differentiated tariff reduction schedules are applied, especially for the liberalisation of agricultural sector which on the EU side, is still highly protected through the Common Agricultural Policy. Although not part of this agreement, SACU’s agricultural products benefit of the TDCA preferences while for products originating from other ACP countries, they receive TDCA preferences only when the value added to them in South Africa exceeds their imported value. “Article XIX of the 1969 SACU Agreement also requires the other members of the Union to concur with terms of the TDCA while in the absence of concurrence, they continue to charge the Common External Tariff on goods imported from the EU”.

Furthermore on external markets, most of SADC members have access to the US – Sub-Saharan African Growth and Opportunity Act (AGOA) which started in May, 2000. With the aim of “stimulating economic growth and trade, enhancing democracy and good governance, and combat HIV/AIDS”, the AGOA Forum provides to eligible Sub-Saharan countries preferential access to the US market (AGOA GSP) for around 6 400 different items, until 30th September 2015. The eligibility to the AGOA GSP is determined through criteria indicating the practice of good governance and democratic principles. The AGOA programme includes a “Trade and Development Agency regional office as well as a Trade and Development Agency for African

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95 SADC – EC, Regional Strategy Paper and Regional Indicative Programme for the period 2002-2007, p. IV.
96 Rudloff, B. & Simons, J. (2004), Comparing EU free trade agreements: Agriculture. ECDPM InBrief 6 A.
Development and Enterprise Programme that are based in Johannesburg, both with the objectives of providing guidance and assistance to governments and companies which seek to liberalise their trade laws, improve the investment environment, and take advantage of AGOA.\(^99\) Beside the AGOA Forum, the United States of America and SACU have launched in June 2003, negotiations of a Free Trade Agreement which is planned to be concluded by 2005.

### 4.4.2. ORGANISATION OF PRODUCTION

The pattern of production in the SADC region is dominated by the mining and agricultural sectors. The tourism sector has also recently gained momentum in the region while water is increasingly becoming a sensitive product with regard to its importance for livelihood consumption as well as for the agriculture sector and energy production.

#### 4.4.2.1. Mining

With nine out of the fourteen members as mining countries, the mining sector contributes to the SADC region’s GDP by 10\% and 5\% of employment.\(^100\) The mining protocol that came into force in 2000 has led to harmonisation of mining legislation in all SADC countries with the exception of the DRC. Further achievement in this sector has been the networking of public and private mining businesses as well as training institutions in the domain. Other regulations within the same protocol are set to improve the investment climate, information flows and development of a commercially viable small-scale mining industry with greater participation of women and combating mineral smuggling. While the mining sector presents a particular advantage of being less competitive and attracting long-term investment, the mining industry is however still constrained by insufficient factors of production, such as technology and know how, that could permit a value addition to the mineral production so as to increase export earnings from it.\(^101\)

#### 4.4.2.2. Agriculture and Related natural resources

Concerned areas under this heading are agriculture, forestry, and fisheries. In the area of food and agriculture, a food security framework established in 1997 focuses on improving food availability, access to food and enhancing nutrition. The importance of the agricultural sector is stressed out by the large number of people depending on it (70\%) and by its 35\% contribution to the regional economy.\(^102\) Particular attention is also drawn to this sector by the frequent food shortage recurrence in the region which calls for a regional solution. Regional achievements in this area have been so far, the establishment of a regional early warning unit to provide warning information on the food security situation and enhanced capacity for agriculture related training institutions. It is planned to promote linkages between research and farmers to facilitate dissemination and adoption of improved technologies. The establishment of a regional food reserve facility is under way and estimated to be completed by 2006, at a cost of 200 million US$.\(^103\)

In spite of the socio-economic importance of this sector, no specific regional policy has been developed to improve production and market of agricultural products. Whereas the SADC region disposes of potentiality for increasing crop production through improved technology (fertiliser, irrigation, mechanisation ...) and expansion of area under cultivation, the realisation of established strategies is hampered by the dependence on rain fed agriculture system which often results in food shortages. Such a situation is reinforced by the underdeveloped state of the intra regional trade. It is also underlined in the Regional Strategic Plan that “the Food and Agriculture sector has not been adequately linked to other related sectors, such as rural infrastructure, transport and

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99 Ibid.
101 SADC’s Regional Indicative Strategic Development Plan, chapter 3, p. 4.
102 Ibid., p. 13.
tourism". The other major issue is the non access of women to land and other necessary resources while they are the most involved in the agriculture sector.

**Forestry** is also an important natural resource in the SADC region where the export of indigenous timber is estimated between five and ten million US$. Beside the commercial contribution, a large number of rural populations depend on wood as their source of energy. In spite of a protocol on forestry signed in October 2002, “there has been limited regional collaboration and cooperation in areas of common concern such as overexploitation, law enforcement and promotion of community-based programmes, … while appropriate forest management systems for the various indigenous forests are lacking in most member states”.

Concerning **Fisheries**, cooperation in this area is based on the protocol on Fisheries signed in October 2001. The regional strategies include an assessment of the regional stock, promotion of its sustainable management and contribution to regional trade. Programmes such as the Benguela Environmental and Fisheries Interaction and Training Programme (BENEFIT), the Regional Fisheries Information System, and the Benguela Current Large Marine Ecosystem …, are part of the regional efforts in promoting sustainability of the aquatic ecosystem and its contribution to food security and to the regional economy. The need for strengthened regional management efforts is identified in the whole area of wildlife.

### 4.4.2.3. Industry

SADC’s economies are dominated by agriculture and mining, with limited manufacturing industry as this sector is constrained by imported technologies and non sufficient capital. At the exception of South Africa and Zimbabwe, the level of industrialisation is very low in the rest of SADC.

#### TABLE 4:
MANUFACTURING VALUE ADDED AS PERCENTAGE OF REGIONAL VALUE

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>1990</th>
<th>1995</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angola</td>
<td>0.87</td>
<td>0.59</td>
<td>0.75</td>
</tr>
<tr>
<td>Botswana</td>
<td>0.60</td>
<td>0.68</td>
<td>0.84</td>
</tr>
<tr>
<td>DR Congo</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lesotho</td>
<td>0.25</td>
<td>0.38</td>
<td>0.42</td>
</tr>
<tr>
<td>Malawi</td>
<td>0.72</td>
<td>0.62</td>
<td>0.59</td>
</tr>
<tr>
<td>Mauritius</td>
<td>1.92</td>
<td>2.43</td>
<td>3.03</td>
</tr>
<tr>
<td>Mozambique</td>
<td>-</td>
<td>0.72</td>
<td>1.46</td>
</tr>
<tr>
<td>Namibia</td>
<td>1.08</td>
<td>1.32</td>
<td>1.42</td>
</tr>
<tr>
<td>Seychelles</td>
<td>0.15</td>
<td>0.19</td>
<td>0.28</td>
</tr>
<tr>
<td>South Africa</td>
<td>87.20</td>
<td>85.97</td>
<td>84.21</td>
</tr>
<tr>
<td>Swaziland</td>
<td>0.93</td>
<td>1.04</td>
<td>1.04</td>
</tr>
<tr>
<td>Tanzania</td>
<td>1.05</td>
<td>1.02</td>
<td>1.23</td>
</tr>
<tr>
<td>Zambia</td>
<td>1.08</td>
<td>1.01</td>
<td>1.23</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>4.16</td>
<td>4.03</td>
<td>3.51</td>
</tr>
</tbody>
</table>

**Total**       | **100.00**| **100.00**| **100.00**|

While Zimbabwe’s manufacturing sector has been heavily affected by its ongoing political crisis, leading to a decrease of 16% in its share of regional manufacturing value added\textsuperscript{107}, better improvements were registered in Swaziland, Mauritius, Namibia and Lesotho. South Africa has continued to accumulate the largest proportion of SADC’s manufacturing activity and the heavy investments of South African firms in other SADC countries did not reduce the “large trade imbalance standing at 9:1 in 2001 and unlikely to change in the nearest future”\textsuperscript{108}.

Besides the fact of being the largest economy of the region, it is further pointed out that South Africa’s trade and investment policies have been too protective of its internal market to the detriment of the developmental interests of its neighbours. For example, “attempts to develop new industries in the other SACU members that competed with established South African interests were constrained by a host of non tariff barriers and these countries were unable to address issues of predatory pricing and unfair competition by conglomerates located in South Africa”.\textsuperscript{109}

Some of the regional strategies to improve the industrial sector range however from “promoting industrial linkages, efficient import substitution and facilitation of imports of essential goods, enhancing industrial support services, equitable distribution of industrial activity and adoption of flexible market oriented exchange rates”.\textsuperscript{110} Experience relating to the clothing and textile industry that recently developed in the region due to the AGOA programme sustains the potentiality for the development of regional supply chain linkages.

With an industrial base centred on mining and processing of natural resources (wood and agricultural products), the biggest challenge for the SADC as a Community resides in the diversification of its industrial base and ways of invigorating industrial activity in the peripheral SADC countries.\textsuperscript{111} Whereas expenditure on research and technology development is estimated below 1% of GDP in all SADC members, the regional organisation also lacks an institutional framework for regional cooperation in science and technology. The 15-year Regional Indicative Strategic Development Plan envisages however:\textsuperscript{112}

- Attaining an increase in manufacturing of 25 % of GDP by 2015;
- Diversify the industrial structure and sustain exports growth rate of at least 5 % annually;
- Increase domestic investment levels to at least 30% of GDP by 2008;
- Increase the share of credit accessed by women and SMEs to at least 5% of total private sector credit by 2008.

4.4.3. REGIONAL INFRASTRUCTURE AND SERVICES DEVELOPMENT

Information gathered under this heading relate to transport and communications, energy, water and tourism. Regarding infrastructure and services, “while the overall picture is one of inadequate coverage, poor maintenance, weak financing and inefficient management systems..., many countries in the region have been able to upgrade and expand their infrastructure assets and improve services through a combination of policy changes, institutional reforms and conducive investment climate”.\textsuperscript{113}

\textsuperscript{108} Ibid., p. 17.
\textsuperscript{109} Kirk Robert &Stern Matthew, op. cit., p.6.
\textsuperscript{110} SADC’s Regional Indicative Strategic Development Plan, chapter 3, pp. 3 – 4.
\textsuperscript{112} SADC’s Regional Indicative Strategic Development Plan, chapter 4, p. 15.
\textsuperscript{113} SADC’s Regional Indicative Strategic Development Plan, chapter 3, p.7.
4.4.3.1. Regional cooperation in Transport and Communications
Policies and strategies for the development of regional transport and communications facilities have been elaborated within the protocol on transport, communications and meteorology also signed in 1996 with implementation in 1998. Among those policies and strategies, promoting regional development corridors, integration of transport and communications systems, as well as ensuring adequate funding for infrastructure maintenance are viewed having a direct bearing on development and poverty eradication within the region.

Significant progress is reported having been made in the institutional and funding arrangements for the region’s transport systems (roads, seaports, railways and aviation), due to the involvement of the private sector especially for operations. Concerning communications, efforts have been invested in promoting the information technology sector with the aim of turning the SADC’s economy into an information based one. Regional cooperation in telecommunications is also supported through the Southern African Postal Operators Association based in South Africa and the Southern African Telecommunications Association located in Mozambique.114

Challenges in the transport and communications area consist in “building administrative and technical capacity of member states to implement reforms, ensuring sustainable funding for maintenance, encouraging private sector participation, promoting regional development corridors as microcosms of regional integration and replicating lessons from successful projects, enhancing rural accessibility and mobility, improving safety and minimising negative environmental impacts that arise from the provision and operation of regional transport systems”.115

4.4.3.2. Regional cooperation in the Energy Sector
With regard to energy, the 1996 SADC protocol on Energy with entry into force April 1997 aims, among other things, at harmonising national and regional energy policies and provides the legal and policy framework for cooperation in the energy sector. This protocol is implemented through a SADC Energy Cooperation Policy and Strategy coupled with a SADC Energy Sector Plan approved by the SADC Council of Ministers. Regional action has been undertaken in consolidating power-pulling, exploration and development of energy resources, and in the procurement of petroleum products. Despite its comprehensiveness towards contributing to SADC’s strategic priorities, it is reported in the Regional Indicative Strategic Plan that the Energy Sector policy framework fails to address rural electrification contingencies, energy efficiency and conservation, new and renewable sources of energy, as well as gender issues.

4.4.3.3. Regional Water Management
The crucial aspect of water in the SADC region is highlighted by the establishment of a SADC protocol on watercourse systems in 1995. Revised in 1999, the implementation of this protocol has been delayed by the insufficient ratification of member states as by February 2003, this protocol had only received eight out of fourteen ratifications. It is however planned to complete the harmonisation of water sector policies and legislation by 2006. Other targets within this sector are of halving the proportion of people without access to safe drinking water and sanitation services as well as the doubling of irrigated surface by 2015.116

Strategies in this area of cooperation focus on improving the management of shared watercourse systems and promoting the development of water infrastructure with emphasis on an equitable sharing, necessary for safeguarding peace and security. Regional cooperation on water issues is also enhanced through the African Ministerial Council on Water, which is a forum organised under the aegis of the African Union and NEPAD. Challenges in this area include translation of the integrated water resource management approach into concrete actions, establishing a regional

115 Ibid., p.10.
116 SADC’s Regional Indicative Strategic Development Plan, chapter 4, p.19.
programme for water storage, development of irrigation systems, drought mitigation and floods control.

4.4.3.4. Regional cooperation in Tourism

In order to enhance the tourism industry and benefit from its potential, a protocol on development of tourism was signed in 1998 and entered into force in November 2002. Objectives and strategies within this protocol are focused on ensuring equitable, balanced and complementary development of the tourism industry in the region through the involvement of small and micro enterprises, local communities, and facilitating intra regional travel through the creation of a UNIVISA for the SADC region. The Regional Tourism Organisation of Southern Africa (RETOSA) was created in 1998 to implement most of those strategies. The complete free movement of goods, services and persons is planned to be achieved by 2015. Together with other sub regional institutions and NEPAD’s assistance, the SADC’s Secretariat is developing a regional tourism marketing strategy.

Some of the challenges hampering the tourism industry are, the harmonisation of tourism policies and laws within the region, developing a SADC Univisa system expected to come into implementation by 2008, capacity building for the development of integrated tourism projects, the establishment and maintenance of security and safety measures throughout the region.

4.4.4. COOPERATION IN FINANCE AND INVESTMENT

Regarding finance and investment, a memorandum of understanding on macroeconomic convergence and cooperation in taxation and related matters has been signed with an objective of achieving and maintaining macroeconomic stability through inter alia, reducing inflation and interest rates, reducing fiscal deficits, harmonising tax regimes. A memorandum on investment promotion, exchange control policies, clearing and settlement systems is yet to be finalised. Also in preparation is a memorandum on harmonisation of legal operational frameworks for central banks and development financial institutions within the SADC community. Other forms of financial cooperation cover the stock exchanges, commercial banks and non-banking financial institutions. The above macroeconomic harmonisation strategies are set to stimulate both domestic and foreign investment flows, technology transfer and innovation in the region. Complementary efforts in this regard consist of encouraging member states to accede to international conventions on the protection and guarantee of investments; as well as the revision of national investment acts, codes and guidelines so as to facilitate investment in the region and promote free movement of capital.

Despite the general improvement in macroeconomic and political environment, underdevelopment in infrastructures such as telecommunications, transport facilities, electricity ..., results in high costs for those services, thus impacting negatively on the potentiality for investment.

4.4.5. COOPERATION IN SOCIAL AND HUMAN DEVELOPMENT

Cooperation in this area strives for the availability of skilled human resources, promotion of a regionally integrated and harmonised educational system with emphasis on equity and quality, combating HIV/AIDS, and a general enhancement of the quality of life in the SADC region. It is also under this area of cooperation that SADC carries on its activities for consolidating the historical, social and cultural affinities of the peoples within the region. The main legal instruments in this regard and at the Community level are, the protocol on Education and Training; the protocol on Culture, Information and Sport; the protocol on Health and the protocol on Illicit Drug Trafficking.

117 SADC’s Regional Indicative Strategic Development Plan, chapter 3, p.8.
118 Ibid., p.5.
In order to improve quality and harmonise education and training throughout the region, a SADC protocol on Education and Training was signed in 1997 and entered into force in July 2000. The realisation of the objectives determined in this protocol is set for a period of twenty years. Concerning promotion of the regional culture, work is underway for the establishment of a “SADC Culture Trust Fund to provide a framework and resource mobilisation for the participation of artists in the implementation of cultural programmes and projects”. With regard to drug control, the regional programme is set to establish a drug control strategy and combat drug abuse and drug trafficking especially among the youth. The protocol on combating illicit drug trafficking also requires member states to accede to UN Conventions in this field while providing ground for mutual legal assistance in a joint effort to combat illegal drug trafficking and related crimes.

In recognition of the threats posed by the HIV/AIDS pandemic to the region’s socio-economic sustainability and integration agenda, (51% of the infected population in Africa), “SADC revised and strengthened its Multi-sectoral HIV and AIDS Strategic Framework and Programme of Action for 2003-2007”.

The reviews brought to this framework permit a more comprehensive and multi-dimensional response for both prevention and impact mitigation while enabling partnership with all other like minded actors in the fight against the HIV/AIDS pandemic. Further efforts to contain its spread and negative impacts in the region are undertaken through projects funded by the EU and DFID, which concentrate on cross border and high transit sites.

Besides that, some improvements towards gender equality were registered in the political participation and in the production of resource materials for gender training as well as an enhanced networking among women parliamentarians. There has also been increase in awareness over the interconnectedness between gender balance, poverty reduction and responsible behaviour, factors that in turn contribute to mitigating the spread of HIV and AIDS. Strategies to address developmental disparities within SADC member states were attempted through spatial development corridors, growth triangles, growth centres and trans-frontier conservation areas.

In view of the levels of poverty and social inequalities existing in the SADC region, the necessity for cooperation in the social and human development sector is more than obvious especially with regard to the Millennium Development project. Whereas other developing regions like China and India have recently made significant advance in reducing their poverty levels, “Sub Saharan Africa remains behind on every Millennium Development Goal with one third of its population below the minimum level of dietary energy consumption (51% of the entire population estimated undernourished), lowest primary enrolment rates, lack of access to safe drinking water, gender disparities and the HIV/AIDS crisis destroying lives and livelihoods”. In this regard, it is reported in the SADC’s annual report 2002/2003 that “the Millennium Development Goals will not be achieved in the region unless resources and capacity constraints are addressed”. Other critical aspects in the social and human development sector arise from the high levels of unemployment and lack of social security nets for the unemployed. Such situations are cumulated with a lack of harmonised labour standards and regulations while those in place are not translated into practice.

On a general scale, challenges remain in the streamlining of cross-sectoral issues through different sectors for most of the developed plans to make an impact on the prevailing situation in social and human development.

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119 SADC’s Annual Report 2002-2003, p. 37
120 Ibid., p.35.
121 Ibid., p.35
4.5. REGIONAL GOVERNANCE

The implementation of a regional integration process depends on the acceptance and willingness of member states to back commitments they undertake in the regional treaties, protocols and other institutional regulations. Long-term and cooperative partnerships allowing a consensus building among different partners and stakeholders are a key element to the successful implementation of integrative initiatives. The above requirements can only be guaranteed when a peaceful environment and security are prevalent.

Beside member states summits that provide the general political direction to the Community, the regional institutional setting in SADC is that policy direction and oversight of overall implementation are ensured by the Council of ministers. With establishment within the Secretariat, four directorates defined in line with the core areas of integration are: the directorate for Trade, Industry, Finance and Investment; the directorate for Food, Agriculture and Natural Resources; the directorate for Infrastructure and Services; and the directorate for Social and Human Development and Special Programmes. The political cooperation area has its own specific organisation, reporting directly to the Summit of member states but also sharing the Secretariat with the four above core areas. For the Organ on Politics, Defence and Security Cooperation, a department for Politics, Defence, and Security is established within the SADC Secretariat and comprises two directorates, one for Politics and Diplomacy, the other for Defence and Security. Coordination of activities relating to politics, defence and security cooperation is further organised down at the SADC National Committees’ level through a related sub committee.

While the SADC’s Secretariat constitutes the executive level in charge of management, facilitation and coordination, the actual implementation of SADC programmes is carried out through a web of different stakeholders including technical committees, member states, national committees, bilateral and multilateral partners, implementing agents and other stakeholders. SADC’s national committees are responsible for information dissemination, implementation and monitoring of the regional indicative strategic plan at national level, and preparation of inputs into regional policies and strategies. Under national committees’ coordination, sub committees are established in accordance with the core areas of integration while an extra sub committee is often put in place to handle political, security and defence issues.

With regard to the institutionalisation of private sector participation in the regionalism project, some effort in this area has materialised through the establishment of a private sector unit within the SADC Secretariat and the adoption of a white paper elaborated by the Association of SADC Chambers of Commerce and Industry as the regional agenda for dialogue between member states and the private sector. Strategies for the implementation of that white paper still however, have to be worked out as in spite of plans to complete the institutionalisation of the public-private sector dialogue by 2004, “no regional policies have been put in place to ensure the development of a responsible private sector through nationally and internationally acceptable codes of good corporate governance” nor strategies and approaches leading to the mutual benefit of both state and private sector. In the same line, there is still a challenge for the SADC’s national committees to acquire the necessary resources and capacity allowing them to ensure adequate implementation and monitoring of SADC programmes.

4.6. COLLECTIVE IDENTITY FORMATION

The rationale of a collective identity in regional integration extends beyond cultural affinities as it also includes all measures necessary to increase awareness about the prevalent regional challenges requiring regional cooperation for the interest of the regional community as a whole. Within SADC, measures to promote collective identity are covered by the SADC Protocol on Culture,

\[125\] SADC’s Regional Indicative Strategic Plan, chapter 3, p. 32.
Information and Sports, which was signed in 2001. Some of the strategies used to this regard are interaction among stakeholders, policy harmonisation, training, capacity building and research, exchange and use of information products. With regard to promoting cultural affinities, a SADC multi disciplinary Arts and Culture Festival was organised in May 2003 and since, instigated to be held every two years. The July 2003 regional workshop was specifically designed “to review and refine guidelines for the establishment and operation of SADC National Committees and to identify best practices for them to be effective vehicles for regional integration”. Other achievements in this area range from the establishment of cultural networks and institutions promoting culture, information and sports; the establishment of a SADC Culture Trust Fund, the achievement of a regional common stand in international fora, and the launching of the Southern African Broadcasting Association.

Beside positive developments in collective identity formation, setbacks arise in form of regional tensions resulting from South African biased trade relations with other SADC members and the development of xenophobia by South African citizens against economic refugees and foreign workers. Such behaviours impact negatively on the integration process by denting the regional cohesion.

126 SADC’s Annual Report 2002-2003, p. 40
127 SADC’s Regional Indicative Strategic Plan, chapter 3, pp. 24-25.
CHAPTER V: THE ACTUAL LEVELS OF REGIONAL INTEGRATION IN THE SOUTHERN AFRICAN DEVELOPMENT COMMUNITY

5.1. REGIONAL POLITICAL AND SECURITY ARRANGEMENTS

SADC as a regional community has been provided with a clear and appropriate political structure to permit meaningful political cooperation among member states. Besides the necessary legal instruments that have been developed and adopted by the majority of member states, a specific department has been organised within the Secretariat with its own directorates and strategic analysis unit. Coordination between the national and regional level is ensured through the SADC National Committees where most of member states have established a sub committee to handle political, defence and security issues. In the SADC’s case, it can be affirmed that the political support to regional cooperation is a prevalent characteristic of the region. Extensive legal frameworks in terms of protocols, regulations, memoranda of understanding …, have been put in place for each area of cooperation to allow a smooth implementation of the integration process. By complementing the different protocols with strategic plans, SADC has provided detailed and reasoned guidelines not only for implementation by stakeholders but also to enable external support and partnerships towards the realisation of its activities in the political, humanitarian, conflict management, and socio-economic development.

Through the SADC’s political strategic plan (SIPO), the Community is striving to ensure the peace and security prerequisites to socio-economic development. The peace and security’s central role towards socio-economic development was acknowledged in the SADC’s annual reporting 2002/2003 as one of the contributor’s to the SADC’s GDP growth rate along with improvement in the management of macroeconomic policies and increased output in Angola’s oil production. Empirical evidence from the SADC region also sustains that “higher value added manufacturing activities have developed in countries with the most stable economic environment combined with effective and reliable infrastructure”.128 In addition to creating favourable environment to socio-economic development and attracting foreign investment, “the prevailing peace and deepening of democratic practices have contributed to the emergence and growth of civil society organisations”.129 The relatively peaceful situation has permitted the use of military forces for developmental purposes, i.e. in humanitarian assistance and support to civil society for example during floods induced disasters in the SADC region and in contributing personnel to UN peace missions in Somalia, Sierra Leone,… and as far as East Timor, Cambodia, Bosnia and Croatia.130

The peace and security levels achieved in the SADC region must be safeguarded and reinforced. Post conflict management in Angola and resolution of the ongoing conflicts in the DRC are paramount tasks requiring a well developed conflict management system. The Southern African historical cooperation in the liberation of neighbouring countries and the experience achieved since in safeguarding peace and security should be put at use to resolve the conflictual environment in DRC and in the implementation of post conflict programs in Angola.

The only cloud threatening the peaceful environment in the region is of economical nature. The unilateral and self centred trade and industrial policies applied by South Africa put strains on other SADC economies resulting in tensions capable of breaking up the Community. In spite of the political stability prevailing in the Kingdom of Swaziland, the absence of democratic institutions refrains foreign investments and prompts those in place to relocate in more democratic neighbouring countries.

129 SIPO, p. 16
130 SIPO, p. 24
5.2. REGIONAL GOVERNANCE AND COLLECTIVE IDENTITY FORMATION

There is awareness in the Community that broad participation and consultation engaging most stakeholders reinforce ownership and internalisation of the regional programs as those stakeholders are the ultimate implementers on the ground. The participatory approach is promoted through decentralisation of management which can also facilitate integration of complementary initiatives from other national and international institutions. Whereas efforts have been made to institutionalise cooperation and participation of the private sector into the regionalism project, there is still need to translate the different policies and strategies into concrete plans of action for a realistic and tangible implementation.

With regard to the role of a regional power, South Africa is the member state emerging as the regional economic and political power. The rapid trade liberalisation undertaken by South Africa after its independence combined with the liberalisation schemes carried out in other SADC countries under structural adjustment programs have resulted in market dominance by South African companies, to the detriment of domestic enterprises losing their businesses. Such a development has increased the South African economic domination which impedes on the implementation of regional agreements and cooperation. Another impediment to regional integration arises from the EC-SA TDCA implementation which heightens the differences in competitiveness therefore making it more difficult for other SADC members to access the South African market. The actual influence of the regional power is negatively perceived by other members, then impacting negatively on the cohesion of regional members and militating against deeper regional integration.

5.3. REGIONAL SOCIO-ECONOMIC COOPERATION

The SADC’s regional integration agenda covers significant aspects of the socio-economic development ranging from cooperation in production and management of regional resources, improvement of regional infrastructure, finance and investment, development of intra and extra regional markets, as well as cross cutting issues of social and human development such as education and training, health, gender, and legal issues. On the overall, cooperation in the socio-economic sector is still embryonic. Member states are hindered in the fulfilment of their regional commitments by supply side constraints and non-competitiveness of local industries, factors that are cumulating with a dependency on similar natural resources. Except few member states that show positive growth in their GDP, the challenge remains for the attainment of sustained rates of equitable economic growth that can lead to poverty reduction, creation of employment and general improvement in the standards of living.

5.3.1. GENERAL PERFORMANCE TOWARDS ACHIEVING REGIONAL ECONOMIC STRATEGIES

Tremendous efforts have been invested particularly in the reinforcement of the Community’s institutional setting and strategic planning. Although at various levels, all member states implement the regional protocols and agreements into force, at the exception of the Democratic Republic of Congo due to its ongoing conflicts. All SADC members are embarked on trade policy reforms leading to significant removal of non-tariff barriers and lowering of tariffs with the aim of liberalising 75% of the intra regional market by 2008. In this regard, the lack of revenue alternatives to cushion the impact of tariff reduction on development delays the phase down schedules agreed upon. Even in the case of reaching the 75% tariff reduction planned for 2008, SADC’s proposals for tariff reduction and achievement of free trade area do not meet the 85% trade liberalisation requirement of the WTO. A failure of the SADC trade protocol to liberalise substantial regional trade (85%) endangers the existence of SADC as a free trade area while the persistent weaknesses in harmonising trade policies impact negatively on the establishment of a common external tariff, a requirement for the implementation of an EPA with the EC.
While the regional community displays extensive cooperation in most aspects of the socio-economic sector, its biggest challenges remain in high levels of poverty, imbalances in resource distribution, insufficient regional infrastructure, limited industrial base not sustaining diversification, the spread of HIV/AIDS pandemic, and ineffective translation of strategies into specific activities for their implementation. Failure by member states to incorporate the provisions of regional instruments into domestic laws and policies undermines regional efforts at policy harmonisation. All the above is combined with a lack of timeframes for different targets and indicators of progress.

In spite of some cooperation in trade, finance and investment, the Community still lacks a common understanding in trade and investment policies as it is evidenced by the diverging strategies in application, such as “the Zimbabwean reversal of trade liberalisation policy, the Zambian big bang liberalisation, while South Africa’s industrial restructuring strategy undermines industrial development in SACU and other SADC members”\(^{131}\) beside its quota restrictions on imports from non-SACU members. Furthermore, the implementation of the SADC trade protocol is slowed down inter alia, by fears over revenue loss and distribution, differences in economic capacities with dominance by South Africa over the rest of members, tariff asymmetries and complexities resulting from the multiplicity of both bilateral and multilateral trade arrangements within the region. While improvement in technical and administrative structures would ensure an equitable distribution of tariff revenues in the case of a common external tariff, an increased harmonisation of external trade policy is perceived as a diminishing factor of member countries’ sovereignty.

With regard to financial strategies and their aim of facilitating investment, “access to credit and capital remains an area of concern for small and medium enterprises and the vulnerable groups such as the disabled and women” whereas the general view over harmonisation of financial issues is that except in the SACU area, “there is still need to coordinate and to some extent harmonize monetary policies in order to achieve a balanced development of the region”\(^{132}\) therefore the persistent challenge for increasing cooperation and harmonisation in this sector, as well as for increasing domestic savings and investment in the region. Whereas trade development is set to increase the regional economic growth, SADC as a community is faced with the challenge of “developing new policies and strategies that would target vulnerable groups such as the rural and urban poor, small businesses, informal operators and women to ensure that they also take advantage of the trade policies”.\(^{133}\) The regional planning continues to display a modest improvement in pro-poor policy formulation and implementation.

Some of the strategies promoted by the World Bank in eradicating poverty include building up the capital assets of the poor, creating employment for them, constructing and maintaining infrastructure, reducing economic inequalities, promoting knowledge and health in poor areas, laying the political and legal basis for an inclusive development.\(^{134}\) Despite the existence of policy frameworks for the promotion of gender equality, such as the 1997 Declaration on Gender and Development, the 1999 Plan of action for Gender in SADC, and the SADC Regional Policy Framework on Gender elaborated in 2003 in collaboration with UNECA “women still constitute the majority of the poor in the region as a result of their limited access to and control over productive resources such as land, livestock, credit and modern technology”.\(^{135}\) Although land tenure reforms have revealed to be a hectic issue due to inequities in land ownership in a large number of SADC member states, no regional attempt has been made towards establishing a common approach to the issue.

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\(^{131}\) Tekere, Moses & NDlela, Dan (2002), The Compatibility of Trade Policies in the context of Current Regional Economic Integration Processes: The Case of SADC. Trade and Development Studies Centre; p. 15.

\(^{132}\) SADC’s Regional Indicative Strategic Plan, chapter 3, p.6.

\(^{133}\) Ibid., p.3.


\(^{135}\) SADC’s Regional Indicative Strategic Plan, chapter 3, p. 27.
5.3.2. LIBERALISATION AND REGIONAL ECONOMIC COMPLEXITIES

Whereas most of the partners promote economic liberalisation as a forefront strategy for development, empirical evidence from the SADC region points to its inadequacy towards the African socio-economic complexities. This is sustained for example, by the Zambian case through a study carried out by the Regional Centre for Southern Africa, which states that “the Zambian manufacturing sector has suffered from increased foreign competition in light of the country’s liberalisation program, as well as the high cost of production, a narrow export base, low levels of industrial skills of employees and inadequate infrastructure.” 136 Such a statement underlines the seriousness of the supply side constraint issues that do not permit a direct liberalisation of African economies unless preceded by correcting strategies to address the challenges described. On the regional level, the lack of skilled labour was in some cases counteracted through outsourcing and subcontracting while unemployment levels were on increase throughout the region. This highlights the importance of enhancing training and educational programmes so that they can respond to the actual regional needs for skilled labour instead of resorting to outsourcing measures.

The water privatisation ventures in South Africa have proven that liberalisation of services is impracticable as long as the purchasing power of the local market is not improved to meet the supply cost of those services. The general result in this case was not only financial losses, but also an increase in poverty levels. Instead of realising total cost recovery as it was planned in the water privatisation project, the South African Government ended up with a human catastrophe caused by non-affordability of privatised water and extra cost in eradicating cholera which spread out as the population resorted to the use of unclean water fetched from running streams and rivers. 137

Although the AGOA Forum has led to substantial increases in exports and foreign investment for Sub-Saharan Africa, the majority of all those new investments have been concentrated in the clothing and textiles sector due to WTO quotas that were still favouring developing countries. The quota restriction in textiles and clothing having ended by January 1st, 2005, there is a great risk of seeing all those recent investments disappearing from the sub-Saharan African economies as a result of non-competitiveness. Although the AGOA relations are based on non reciprocal trade agreements aiming at sustaining regional integration and promoting socio-economic development in sub-Saharan Africa, the policy request of liberalising sub-Saharan African markets “with particular emphasis on reducing barriers to trade in emerging sectors of the economy that have the greatest potential for development”138 does not sustain the development of local industries and businesses as the sub-Saharan economies are in no means of competing with US companies. Furthermore, the AGOA agreements include requirements relating to TRIPS, TRIMS and agriculture, issues over which African countries are requesting change in the WTO negotiations. Labour standards and investment protection requirements in AGOA are also contentious issues that the USA is having difficulty passing at the WTO level while they might be as well incompatible with EPAs.

The above examples are in line with the suggestion that development regionalism fits best the African context and underline the necessity of strengthening local/regional markets and somewhat tackle supply side constraints before embarking on open regionalism.

5.3.3. IMPACT OF EXTERNAL AGREEMENTS ON THE REGIONAL INTEGRATION PROCESS

Although the 2001 institutional restructuring and the subsequent strategic planning that followed had deepened the regional integration process in the Southern African Development Community, challenges emerging from its external partnerships and the multilateral trading system risk jeopardise the existing integration levels and destroy the Community. Among those partnerships, the SACU – US negotiations of a free trade agreement, the EC – South Africa TDCA, and the EC – SADC negotiations of an Economic Partnership Agreement are brought up in this research.

Concerning the ongoing US – SACU negotiations of a free trade agreement (started in June 2003), warnings that have been directed to SACU countries range inter alia, from tariff revenue losses, loss of flexibility in socio-economic policies aimed at addressing imbalances in access to resources and improving social conditions, such as the equity ownership programme promoted through the South African Black Economic Empowerment Initiative; and the treatment of water as a public good for the satisfaction of a basic human right to fresh water with the subsequent possibility of excluding it from privatisation under GATS. In the event of a FTA with the USA, SACU countries also risk “to be subjected to more restrictive provisions for obtaining generics than already exist at the WTO-level; lose community rights to biological resources and farmers’ historic prerogatives to access, save, use, exchange and develop seeds, plants, and crops; and the loss of the right to refuse imports of genetically modified organisms to protect their own crops that are vital to local farmers’ livelihoods, rural development and food security”. 139

The SADC group negotiating an EPA with the EU comprises Angola, Botswana, Lesotho, Mozambique, Namibia, Swaziland and Tanzania. Although EPA negotiations with the SADC region haven’t reached any determining stage, the prospect of signing an EPA with similar tariff reduction schedules as those agreed upon by South Africa under the EC-South Africa TDCA is very high. This prospect is reinforced by the South African economic dominance in both SACU and SADC, as well as the resulting revenue dependence of SACU members. Because of South Africa’s dominance in the SADC region, further regional trade agreements in the region will be affected by the implementation of the EU- SA TDCA and an eventual EC – SADC EPA risks to be an extension of the EU – SA TDCA to other SADC members. While such a move would strengthen SACU as a unified trading block and particularly as a potential “core to a larger regional customs union that could gradually include other SADC members”, 140 the same might impede on integration efforts within the SADC region as a whole due to the South African political and economic dominance transpiring from those external agreements. External agreements also risk impose another pattern and pace into the regional integration process with the consequences of perpetuating imbalances in the region, hence not sustaining the fragile regional cohesion and harmonisation. But, the success of the New SACU agreement entered into in 2002 and its emergence as a core can initiate reactions of imitation among the rest of SADC, thus impacting positively on collective identity within the region and reducing on the fear of being exploited by the giant South Africa. Furthermore, whereas the rationale of EPA negotiations as expressed through the Cotonou Agreement underlines “the development objectives of the ACP countries namely poverty reduction, incomes growth, increased participation in the global economy as well as the support of regional integration efforts while providing flexibility to ACP countries in adjusting to more competitive trade regimes under these agreements”, 141 doubts over the EPAs’ developmental aspects and their contribution to regional integration efforts in Africa have fuelled a large debate rather unravelling their inconsistency with the above mentioned objectives.

140 Kirk & Stern op. cit., p. 16.
141 Tekere, Moses & Ndlela, Dan (2002), The Compatibility of Trade policies in the Context of Current Regional Economic Integration Processes: The Case of SADC. Trade and Development Studies Centre; p. 7.
CHAPTER VI: PLAUSIBLE WAYS OF DEEPENING THE REGIONAL INTEGRATION PROCESS IN THE SADC

6.1. PLAUSIBLE INTRA REGIONAL STRATEGIES

On a general note, an increase in sectoral linkages and consistency among different policies would improve the levels of regionness in SADC. To this should be added a specific planning in terms of targets, time frames, and indicators of progress. The Community’s objectives and policies should be prioritised by SADC members when committing to agreements with third partners. External agreements would be more profitable if they sustain already existing “acquis communautaires” achieved within the Community. A less self focused strategic development by member states and efforts in reducing regional imbalances would enhance the existing collective identity, which in turn, would reinforce the implementation of the regional initiatives. As stressed out through the complex learning model that “identities and their corresponding interests are learned and then reinforced in response to how actors are treated by significant others”\(^{142}\), the conquering approaches practised by the more powerful regional economies should be tempered, to promote instead a more balanced regional economy which would sustain regional cohesion.

In the SADC’s actual situation, the bigger and stronger countries that happen to capture most of the integration benefits should practise some self-restraint in their expansion and dominance of the regional market to allow some room for manoeuvre to smaller and weaker members which are faced with heavier capacity constraints. While Wendt qualifies the three variables of interdependence, common fate, and homogeneity as “active or efficient causes of collective identity, the self-restraint variable is considered as an enabling or permissive cause”\(^{143}\), and for collective identity to occur or increase, the existence of at least one efficient variable can strengthen collective identity as long as it is combined with the enabling variable of self-restraint. Common fate being a consideration of a third party on the group, it is difficult to talk about a common fate situation from any of SADC’s external relations since some of the member countries are classified as less developed, thus benefiting of preferential treatment, such as the Everything But Arms scheme from the European Community, over developing members within the same group. Set aside the cultural homogeneity emerging through common values, it is also difficult to focus on homogeneity as a driving element in collective identity formation because although states remain the main actors in the regional integration process, these are however far from being alike especially due to their internal differences to which is added the persistent need for preserving their sovereignty. Thus, the remaining and viable alternative is found in the interdependence variable. Collective identity could be strengthened by enhancing the interdependence relationship rather than turning it into a dependent one. Through complex learning, both weak and strong member states of the SADC can adjust their interests since they are still committed to further ahead their actual interactions and cooperation. Both strong and weak members in the community should avoid strategies that might push others to defect from the regional organisation.

On the political plan, even in the presence of democratic institutions, it is important to develop and consolidate a culture of leadership characterised by accountability and transparency in the exercise of leadership functions as opposed to safeguarding interests of small groups in the society. Furthermore, while majoritarian systems in application within the region tend to give rise to domestic frictions among political adversaries, the adoption of a consensual democracy with coalition governments would increase the peace and stability factor within the region.

With regard to reducing poverty and social disparities, an emphasis on regional strategies benefiting the poor or the less advantaged groups within the region promotes socio-economic development. Such strategies include social programmes and public infrastructure. A study on regional integration and poverty published by the ODI in March 2005 sustains that “regional

\(^{142}\) Wendt, op. cit., p. 327.

\(^{143}\) Wendt, op. cit., p. 343.
integration can affect poverty by including regional socio-economic projects and other types of integration such as providing infrastructure or regional public goods more generally”. In the SADC case for example, it was pointed out that despite progress in the transport and communications sector, the SADC regional policies in this area fail to address rural mobility and accessibility which would improve the socio-economic conditions of the rural population and reduce on poverty levels often more alarming in the rural areas. The same would apply and permit a more equitable profitability from foreign investment in the way that improved education programmes and harmonised labour regulations would lead to sustained incomes from employment and establishment of security nets for the unemployed using taxes. Development of intra-regional trade also reduces poverty as this deals with products both produced and consumed regionally, hence benefiting the poor and reducing on poverty.

Whereas trade and subsequent economic integration constitute an important part of regional integration, the trade benefits could be enhanced if trade liberalisation efforts were coupled with correction measures towards the existing supply side constraints and a strengthening of regional markets before embarking on free trade agreements with external partners. Enhancing cooperation in production to improve production capacities and regional complementarities constitute for example one of the strategies to address the supply side constraints. While trade liberalisation can positively influence economic growth, such an outcome requires an appropriate sequencing of all other linked policies, as well as suitable national and regional trade policies that can cushion the negative effects of the liberalisation process. For example, it would be more beneficial to strengthen the capacity building of the human resources so as to match the needs for skilled labour in new enterprises coming along with trade liberalisation.

In order to benefit from external trade agreements, SADC as a community needs to increase harmonisation of its trade policies towards the establishment of a common external tariff (customs union), without which external trade agreements result in conflicting interests among the Community’s members. The SADC Community is currently entangled in three customs unions, through the SACU, COMESA and the EAC. As such some members risk being involved in two different common external tariffs while Angola, DRC, and Mozambique are not yet involved with any customs union. As the EC needs to negotiate EPAs with customs unions, the overlapping of EAC and COMESA is likely to result in one common external tariff which will lead to the negotiation of a joint EPA with the EU since Kenya and Uganda are already negotiating EPA as ESA. Tanzania being part of the EAC and negotiating an EPA as SADC together with the SACU members, the resulting complexity can be resolved either through a return of Tanzania into COMESA or through a single common external tariff for both ESA and SADC. A single common external tariff would also resolve the problem of two different common external tariffs for Namibia and Swaziland which are members in both COMESA and SACU. Although complicated by the already existing EU-SA TDC and the progress achieved in the COMESA area towards a customs union, a single common external tariff and a joint EPA for both COMESA and SADC would sustain regional integration in both the Eastern and Southern Africa, while permitting the two main organisations to pursue their other regional objectives in addition to trade and trade related issues. And as such, EPAs would sustain regional integration by strengthening these two communities and enhancing their regional market as well as the regional capacity in dealing with the rest of the world.

6.2. EPAs AND SOCIO-ECONOMIC DEVELOPMENT

To be recalled, is the overall goal of the Cotonou Agreement as centred on poverty reduction in accordance with the UN targets of halving world poverty by 2015, and with regard to sustainable development and the gradual integration of the ACP countries into the world economy. Justified by the need for compatibility with WTO rules (article XXIV), the EPAs’ compatibility with the Millennium developmental goals and reduction of poverty continues however to be questioned by

144 Dirk Willem te Velde, Regional Integration and Poverty. ODI Briefing Paper; March 2005, p. 4.
researchers and the civil society at large. Besides major revenue losses that would result from reciprocity in free trade with EU and de-industrialisation as a consequence of non-competitiveness of ACP nascent industries, warning from World Bank experts shows that if EPAs are not made more pro-development, they “may end up doing more harm than good for Sub Saharan Africa (SSA), at least in the medium term until the SSA countries are able to implement the necessary complementary reforms on their own”.¹⁴⁵ The revenue losses already resulting from the EC – SA TDCA are estimated between 5.3% and 22%.¹⁴⁶ As tariff revenues play an overriding role in most SADC economies, EPA negotiations should include valid indications on how those fiscal challenges should be addressed.

Whereas the current focus of EPAs is centred on trade liberalisation and integration of the ACPs in the world economy, the ACP countries need to reform and strengthen their production systems as well as develop their intra-regional markets before entering into free trade agreements with the powerful EU economies. In view of the many informed risks and rewards balancing analyses that have been recently published, the need for reorientation in EPAs’ conception is more than obvious.

The actual orientation of EPAs targets trade liberalisation and integration in the world economy as a way of achieving development in the ACPs. Within the EPAs preparatory and negotiation period extending between 2002 and 2007, technical work and assistance will be provided in all areas related to trade issues (free trade area, customs union, trade facilitation, SPS and TBT measures ...) and trade in services. However, the position of the EC that “improvements of production capacities are not included in the areas of negotiation”¹⁴⁷ and the suggestion that infrastructure needs would be tackled by increased flows of private investment under EPAs’ implementation seem ironic in the face of the ACPs’ development needs. It should be recalled that in spite of preferential access to the EU market, ACPs’ share in the world trade volume has been decreasing mainly due to non-competitiveness of its products: “ACP exports to the EU-25 have stagnated at around $27 billion (about 40% of their total exports) for almost thirty years, so their share in total EU-25 imports has been declining in contrast to imports from Asia that have been growing.”¹⁴⁸ Improving the macroeconomic factors alone without tackling production impediments will not contribute to the development of ACP economies. Regional economies need to strengthen their production capacity before contemplating market expansion through trade liberalisation. Liberalisation should be handled progressively, in accordance with the implementation of the supportive strategies needed to address the supply side constraints. For EPAs to serve as economic development instruments, their conception should reflect on the local conditions and include strategies for reducing the negative effects of liberalisation such as adjustment facilities and regional development funds, as well as ways of addressing structural inequalities. There is need for a proper timing and sequencing of policy interventions to ensure consistency with other macroeconomic and sectoral policies.

While the transition period is still based on speculative deductions from the WTO rules limiting this transition to ten or twelve years, “recent studies in policy process suggest that periods of twenty to forty years may be required to obtain a reasonable evidence of the impact of a variety of socio-economic conditions”.¹⁴⁹ The Commission for Africa proposes a 20 year transition period while emphasising on developmental aspects to be included in trade agreements such as, the expansion of production capacities, the removal of bottlenecks to trade and industry, better governance and capacity building, stability and transparency, as well as infrastructures. The issue

¹⁴⁵ Lawrence E. Hinkle & Richard S. Newfarmer (2005), Risks and Rewards of Regional Trading Arrangements in Africa: Economic Partnership Agreements (EPAs) between the EU and SSA (Discussion Paper); p. 36.
¹⁴⁸ Gillson, Ian & Grimm, Sven (2004), EU trade partnerships with developing countries. ODI EDC 2010 Briefing: April 2004. wwwodi.org.uk
of sequencing in the negotiations and implementation of EPAs remains of paramount importance in consideration of identified prerequisites to a plausible implementation of trade liberalisation with the ACP regions. Some of those prerequisites as recognised by both the ACP group and the EC range within building effective regional integration infrastructures, integrating trade and regional integration into national development strategies and cooperation activities, offset the cost of adjustment, strengthening the ACP’s negotiating capacity, and strengthening dialogue with stakeholders.\(^\text{150}\) The required sequencing and time frames should be determined in relation to progress in human development, debt relief and other tangible development indicators. EPAs should also offer trade advantages that are not less than the differential and more favourable treatment that the LDCs are currently benefiting of within the WTO.

### 6.3. EPAs AND REGIONAL INTEGRATION

Whereas the actual regional integration efforts on the African continent have been reorganised to apply a developmental regionalism strategy that permits a multidimensional and comprehensive approach to socio-economic development and conflict management, the EPAs model of regional integration focuses, to the contrary, on open regionalism which emphasises export led economic growth through trade liberalisation. Besides the contradictory approach, EPA negotiations have also dismantled the already established regional blocs and come up with new groupings. While the existing regional organisations are based on economic, political and cultural alliances, the actual EPA stratification is only based on economic motives influenced by the European Community thus, destroying the already nascent efforts of real regionalisation on the continent. A flagrant case is the situation of ESA and SADC where part of SADC is negotiating as ESA, and the remaining SADC negotiating an EPA while South Africa, a SADC member has already concluded a free trade agreement with the EU to be fully implemented by 2012. While recognizing the differences in capacities and endowments that justify a separate cooperation agreement for South Africa, the separation of the rest of SADC into two other different EPAs, with Seychelles, Malawi, Mauritius, DRC, Zambia and Zimbabwe negotiating as ESA, is not justified. The resulting actual situation with SADC members negotiating separate trade agreements with the EU does not contribute to deeper regional integration and cooperation.

With regard to the principle of ownership by developing countries of their development process, the EPAs should be conceived and oriented in a way supporting the integration objectives of the different regions as expressed in their regional treaties. Although the EC – SADC joint roadmap for EPA negotiations lists out strengthening of and building upon the existing regional integration process as a priority, it is not clear how this can happen when the regional community is already split into two different EPAs. Development should be considered in its multidimensional meaning encompassing economic, social and structural conditions, and not only in terms of GDP and volume of world trade. Economic growth without a proper redistribution system and participation of civil society does not ensure the welfare of the societies concerned. A successful regional integration seeks to optimise the regional resources and capacities while ensuring an adequate redistribution of integration benefits. In the current African scenario, there is greater potential in increasing intra and inter-regional trade before contemplating access to global markets. Strengthening the regional market (intra and inter-regional market) would support the African regional integration process and reduce poverty better than focusing on increasing the African market share in the developed world. Focusing on trade liberalisation increases social disparities already very alarming in most of the ACP regional organisations, and imbalances between member states. Such an outcome does not sustain a deeper regional integration, but rather risks create conflicts. The current split in the SADC region is attributed to the South African trade and industrial policies displaying dominance over the rest of SADC members. With its experience in redistribution of resources and promoting cohesion, the European Community’s assistance would rather be more significant to poverty reduction if it was also including ways of reducing imbalances among regional members and a better redistribution of regional integration’s benefits.

CHAPTER VII: CONCLUSIONS

The present study was grounded on the main assumption that regional integration does promote socio-economic development. This assumption is sustained through Hettne’s New Regionalism Discourse as developed in the UNU/WIDER Regionalism Series. The New Regionalisms Approach grounds on two structural elements of political stability and sustained economic growth, structural change resulting from changes in either of them. For regional integration to promote socio-economic development, some of the strategic policies to put in action include coordination of production and search for complementarities, improvement of infrastructure, and harmonisation of economic policies (macroeconomic, trade, investment). These economic policies must be complemented with political policies sustaining a peaceful and security environment, necessary for both the implementation of the economic policies and attraction of foreign investment. A third contributing element resides in the participation of all relevant stakeholders, for a smooth implementation of regional initiatives and strengthening of the collective identity. From this theoretical ground, the study aimed at assessing actual levels of regionness in the African context, and finding plausible strategies for deepening the unfolding regional integration process. Out of seven regional economic communities, SADC was analysed as a representative regional community. With no doubt about the existence of multidimensional regional integrative efforts embracing economic, political, social and cultural aspects, it was further found that the implementation of the community’s policies were advanced and satisfying with regard to the political structural dimension while the implementation of economic and social policies remained weak, lacking significant coherence that could sustain a regional shift from a peripheral to an intermediate status.

7.1. LEVELS OF REGIONNESS IN THE SADC COMMUNITY

With regard to the political structural dimension, the SADC region is relatively politically stable as it actually counts only one member state (DRC) with open domestic conflict, and implementation of post conflict management process in Angola. In addition to the prevailing political stability, political cooperation in the Community is well organised and advanced as this is supported by the legal instruments in place, the institutional organisation adopted specifically for this area of cooperation, and the results achieved in the area. Moreover, the political cooperation among regional members and strengthening of the security community has induced some economic advantages materialising through an increase in foreign direct investment in the region and the use of military personnel in socio-economic ventures such as provision of personnel to the UN peace keeping missions and community interventions for example in the case of flood disasters. As a result of its 2001 restructuring, the SADC also improved its organisational structure to allow a more efficient implementation and coordination of regional policies especially through the SADC National Committees and sub committees.

To the contrary of the positive regional coherence in the political dimension, the level of coherence in economic and social cooperation is not satisfactory and risks deteriorating. Weaknesses reside both in policy formulation and implementation. While cooperative efforts have been remarkable in improving the regional infrastructure in terms of transport and communications, regional economic cooperation in the SADC remains weak when it comes to cooperation in production and search for complementarities, as well as in harmonisation of economic policies and this, with regard to both policy formulation and implementation.

Cooperation in production extends into mining, agriculture and natural resources, and industry sectors. Except some cooperation relating to training and networking of public and private businesses operating in these sectors, no specific regional agricultural policy has been developed to improve production and market of agricultural products, nor a specific regional mining policy despite the importance of the two sectors in the regional economy. With regard to industry, in addition to the absence of complementarities in terms of industrial linkages, the region presents rather a huge imbalance in the industrial sector dominated by one member state, South Africa. The
challenges in the industrial sector are of both limited industrial base and distribution of industrial activity within the region. In regard to cooperation in production and search for complementarities, the conclusion is that policies in use are rather national than regional, hence denoting a low level of regional coherence in this area.

Despite improvement in policy formulation that followed the 2001 Community restructuring, the general view is that further improvements are still needed to ensure linkages between different sectors, as well as provision of time frames, and indicators of performance for the different strategies. The absence for example of a common trade policy and regional investment policy give rise to conflicting interests and contradicting practices within the region while harmonisation of trade and investment policies would constitute a great advantage for the region as a whole. The lack of coherence is hence persistent both in policy formulation and implementation. As a conclusion, the research finds that besides differences in production capacities, levels of regionness on the economic structural dimension remain low due to weaknesses in policy formulation and implementation that limit regional coherence.

The results of this research acknowledge the existence of acceptable positive levels of regionness in the political structural dimension. Whereas the New Regionalisms Approach suggests that structural change is induced by changes in either of the two structural elements of political stability and sustained economic growth, it is the view of the author that the levels of regional incoherence with regard to economic and social dimensions in SADC are still too high to sustain a structural change from peripheral to intermediate status. The progress registered in the political dimension cannot alone ensure a structural change from peripheral to intermediate status as the poverty levels and regional economic imbalances remain high and worsening in some member states (economic regression in Zimbabwe and Zambia). From the above elements, the general conclusion about the levels of regionness is that the SADC region remains peripheral due to lack of regional coherence on the economic structural dimension.

### 7.2. PLAUSIBLE WAYS OF DEEPENING THE REGIONAL INTEGRATION PROCESS

In regard to the weaknesses identified, the most obvious way of improving performance in the SADC’s integration process would be of improving the policy formulation while ensuring sectoral linkages and consistency among the different regional policies and strategies. The completion of different strategies with concrete action plans including targets, time frames, and indicators of progress would ease the implementation of regional initiatives and provide relevant feedback to improve the planning and policy formulation.

With regard to the socio-economic imbalances prevailing within the SADC community, regional integration could be deepened through the adoption of a more pro-development approach. A pro-development strategy can be enhanced through improvement in the provision of social programmes, and public infrastructures addressing rural development issues such as accessibility, water supply, and electrification. Increasing cooperation in production to enhance production capacities and regional complementarities would also reduce on regional imbalances and address some of the supply side constraints existing in the region. Furthermore, all policy improvements and external cooperation should be consistent with the Regional Indicative Strategic Development Plan which is comprehensive and supportive of the socio-economic development of the region.

Concerning regional governance, the initiated cooperation and participation of the private sector into regional initiatives should be further institutionalised and materialised through concrete instances of collaboration and participation of the private sector and civil society. In spite of the historical collective identity that characterises the SADC community, recent developments in the region such as the emerging of two different SADC groups for the negotiation of EPAs point to the weakening of the regional cohesion. Deepening the regional integration process requires keeping the Community together, in its entirety if not expanded. In the current state of affairs, efforts should be made by both the regional power identified as South Africa and the European...
Community initiating the EPAs to find ways of strengthening already existing regional integration efforts on which new initiatives would be based. Beside creation of region-based free trade regimes to promote economic growth and market access, regional integration also ensures the establishment of regional cohesion and collective identity, peace and security, as well as conflict management and prevention. The importance of those social and political benefits should be accounted for and the multidimensionality aspect stressed out in cooperation agreements to be negotiated with external partners. External agreements should be supportive of the regional initiatives in their entirety instead of altering existing patterns of integration.

Whereas regional integration can promote socio-economic development, the type of integration process adopted constitutes a significant determinant in the results to be achieved. Although the SADC’s visionary orientation as presented in its official publications (protocols, Regional Indicative Strategic Development Plan) claims the adoption of a development regionalism strategy, the actual practice across the region displays an emphasis on market led economic growth which focuses more on open regionalism than development regionalism. Much of empirical evidences sustain that regional integration can promote socio-economic development under the condition of a regional integration process with a pro-development focus. Except its particular endowment in natural resources and a more pronounced historical collective identity, SADC’s characteristics in terms of regional integration are quite similar to prevalent situations in other Sub Saharan African regions. As such, the present research results can be generalised to other regional economic communities in Sub Saharan Africa with a general concluding note that without a pro-development approach to support the social and public programmes, poverty levels and socio-economic imbalances will prevail in the SADC region and elsewhere on the African continent.

7.3. FUTURE RESEARCH

Besides possibilities of building on the results of this research to either deepen on one of the many aspects of the regional integration process in SADC or in any other African regional economic community, other multiple issues for research are brought up through the unfolding events in the African political economy, the most currently debated being the Economic Partnership Agreements in negotiation with the European Community, with regard to their developmental aspects and contribution to the Millennium Development Goals.
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