

SADCC: Innovation, Progress and Complementarity with PTA

Reginald Herbold Green

I.

SADCC's Aims

1. SADCC's aims are set out in its 1980 founding Lusaka Declaration as:
 - a. reducing external dependence, especially but not only on the Republic of South Africa
 - b. building a structure of viable and equitable regional cooperation
 - c. mobilising resources to carry out these aims
 - d. presenting the Southern African development goals/approaches to potential cooperating partners and engaging in dialogue with them.
2. The first goal has been interpreted - in part because of the far worse international economic environment and levels of South African aggression than projected in 1979/80 - as involving a first stage of switching or diversifying dependence away from South Africa.
3. The second has focussed on identifying and acting on perceived common interests which can be pursued more effectively (or only) in common and which relate more or less directly to dependence reduction and in particular to reducing vulnerability to South African economic destabilisation. The initial priorities of transport and food security (broadly defined) appear in the Lusaka Declaration as, with lower prominence, do trade, energy, manufacturing and - with marked qualifications - a development finance institution. These are set out in more detail in the Programme of Action originally issued with the Declaration and now updated annually.

4. This approach flows from two perceptions:
 - a. neo-classic free trade areas/common markets - in which all SADCC member States were or had been included - tended to lead to such unequal gains (and indeed net losses to some members) as to be unsustainable;
 - b. perceived common interests were - at least initially - more likely to lie in coordinated production (of transport services, energy, knowledge as well as visible goods) than in trade which was and is seen as an important consequential means to validate the gains rather than as a primary goal in and of itself.
5. The concentration on transport is based on an analysis of dependence on and vulnerability to RSA as forming an arch of interaction elements the keystone of which is dependence on transport routes through RSA. That dependence in part dates back to the 19th Century Transvaal Republic-Delagoa Bay line and Cape Colony-Bechuanaland (Botswana)-British South Africa Co. (Zimbabwe) route. But its rise to dominance came after 1965 first as a result of UDI and was subsequently sustained by South African destruction (directly or by proxy forces) of lines transitting Angola and Mozambique. This analysis is more than incidentally shared by official South Africa albeit it takes a very different view as to its merits.
6. Because external dependence - especially on RSA - and regional fragmentation had been created by states and large enterprises SADCC viewed the necessary main instrument for its gradual dismantling as selective state intervention. This focus was and is largely at state to state level in transport, energy and food security/agriculture but includes action to build up state/external enterprise and domestic enterprise/external enterprise relations in manufacturing, trade, tourism, mining.

7. SADCC - whose commitment to self-respect and self-reliance as well as its analysis of international economic relations as basically interest (not altruism) based causes it to avoid the word "donor" - has always believed that putting its case to the international community of potential cooperating partners by presentation and dialogue and mobilising support from that community were crucial to its making rapid progress. They have become more crucial than envisaged because the external economic setting's negative changes after 1980 (in some cases exacerbated by slow national responses) made new programmes (like those coordinated through SADCC) very heavily contingent on external resources for import and sometimes local content finance while the escalation of RSA destabilisation and aggression from early 1981 raised the need for finance to offset damage done (especially to transport) and also for external friends able and willing to 'lean on' South Africa.

8. SADCC was sponsored by and is the economic affiliate of the Front Line States. The FLS comprise six of its nine member States, i.e. Angola, Botswana, Mozambique, Tanzania, Zambia and Zimbabwe together with the other three independent states, Lesotho, Malawi and Swaziland and with Namibia virtually certain to become the 10th member State on independence. This background together with its commitment to state intervention to offset or reverse past state/enterprise intervention has meant that SADCC has always dealt in political economy not simply technocratic economics. That became clearer from 1981 when RSA's direct economic and military attacks on SADCC's member states made inclusion of specific criticisms of and calls for support against RSA in the Annual Conference Communique and added specific evaluation of vulnerability reduction and ways of reducing the impact of RSA's sanctions against the Southern African region (and how external sanctions against apartheid would affect them) to SADCC's programming. Direct responses to and analyses of economic and other defence against RSA thus became far more central than expected over 1979-80.

9. SADCC has no aims for geographic expansion as such. The accession of Namibia on independence and exploration of a special relationship (not necessarily simple membership) with post-apartheid South Africa are seen as consolidating the Southern African regional membership. This has turned on three beliefs:

- a. too many states would reduce the closeness of links, increase problems of reaching consensus and create a lowest versus highest common denominator way of resolving non-identical positions;
 - b. including states either not really affected by RSA or not sharing SADCC's negative perception of close economic relations with the apartheid state/economy would lead to serious conflicts within the organisation and increase risks of outside manipulation by RSA or its friends;
 - c. SADCC has perceived itself as a sub-regional organisation which would (as envisaged in the Lagos Declaration) be a building block toward continental African economic integration together with other sub-regional organisations.
10. Nor does SADCC aim at exclusive membership of economic cooperation groups, i.e. it views the corridor transport groups of states in Eastern Africa, the Kagera Basin Authority (Uganda, Rwanda, Burundi, Tanzania) and the Preferential Trade area of Eastern and Central Africa as actual or potential useful complements in building up a dense network of economic coordination/integration from Lesotho through the Sudan (eligible to accede to PTA albeit not now a member). This perception is not unrelated to a focus other than common market trade promotion.
11. Three procedural aims are substantive in their results to deserve mention together with the more directly substantive ones:
- a. commitment to dialogue leading to a genuine, highest common denominator sectoral programme (or response to a problem) even at the cost of delay to ensure that decisions once taken can and will be acted upon; and therefore
 - b. priority to deep government involvement in all aspects from proposals through dialogue and decision to concrete implementation together with allocation of specific duties to each government to ensure SADCC

and its programme are understood and viewed by member States as theirs rather than belonging to the organisation or its secretariat; plus

- c. viewing relatively prompt, continuing, concrete gains to all member States as essential to sustaining member State priority commitment to coordinated action.
12. It is evident from this exposition of aims that SADCC is a highly unconventional economic integration organisation. Its focus on coordinated production (not trade as an end in itself) and its contextual choice of priority sectors have little in common either with older colonial/immediate post-colonial Common Markets or the newer Communities modelled on the EEC Treaty in form and amounting to preferential trade areas with at least nominal goals in other sectors added rather like decorations on a Christmas tree. Similarly the coordination approach involving hands on state intervention as a central means and state involvement at all stages is quite unlike common markets which tend to be more laissez faire in approach and to have strong central secretariats often overshadowing and appearing to dominate member State participants. The fast concrete results aim is a political/pragmatic one and one the newer economic communities tend to have given low attention with a danger of erosion of government priority and support before the tactics pursued could reasonably be expected to yield results.

II.

The Origins of SADCC

13. SADCC's origins lie in the history of cooperation among Eastern and Southern African Liberation Movements with each other and after some states (initially Tanzania) became independent with and among states as well. On the economic side the Zambia/Tanzania coordinated programme (notably in transport) after 1965 was a forerunner at bilateral level.
14. Institutionally the parent of SADCC was the Front Line States whose foreign ministers in early 1979 called for the meetings of economic

officials and ministers which led to the first draft of the Lusaka Declaration to be and to the 1979 pre-SADCC Conference with external cooperating partners. In April 1980 (after Zimbabwe was on the verge of independence and the 3 independent non-FLS states had been recruited) it was formed at Heads of State and/or Government level.

15. Before 1979 what was to be SADCC was a concept with changing goals and sponsors. Initially several African and non-African functionaries and academicians sought to float a one-off aid coordination conference based on African side documentation and agenda and co-sponsored by EEC and ECA. When ECA withdrew its provisional support, the individuals reassessed work done and decided:
 - a. a regional coordination instrumentality suited to the Southern African context on a permanent basis and with internal regional development goals was more relevant to South African needs than a one-off aid coordination;
 - b. the appropriate sponsors were ultimately the FLS possibly with interim sponsorship/hosting by one or two FLS Heads of State (President Seretse Khama formally invited the participants to the 1979 Arusha pre-SADCC and 1980 Lusaka Founding Conferences).

16. While the initial background materials were prepared by the old committee of individuals which was transformed into a SADCC London High Commissioner Committee with co-opted individuals (phased out in 1986/7), the decisions were taken and the draft of what was to be the Lusaka Declaration largely prepared by the FLS senior economic officials and then considered, amended and adopted by their Ministers. The two major changes as a result of the Arusha Conference with potential external partners were:
 - a. inclusion of food security (agricultural research and livestock were already there) as a priority programme area; and
 - b. concentration on coordinated mobilisation of funds to be channelled direct to member States not via a SADCC development bank because it

was clear potential external partners were very sceptical about the latter approach.

III.

SADCC's Organisational Structure

17. The apex of SADCC's organisational structure is the annual Summit of Heads of State and/or Governments (6 to 8 of the 9 usually attend in person with the others represented by senior ministers). This is the final decision taking body in SADCC acting on key decisions and the Annual Report on the recommendation (as made or as modified) of the Council of Ministers and resolving disagreements not bridged at lower levels.
18. The Chairman of the Summit is elected by it and has been throughout the President of Botswana. This means that the Chairmanship of the Council of Ministers (Vice President and Finance Minister) and of the Standing Committee of Officials (Senior Official) are also held by Botswana.
19. The Summit - like all SADCC decision making bodies - operates on consensus. However, it seeks to achieve a highest possible (not lowest) common denominator agreement and to postpone a decision until a consensus adequate for such a decision arises rather than agreeing on a substanceless platitude or a declaration trying to paper over real disagreements with words. The rationale is that it is necessary to move forward (thus highest common denominator) and that this can only be done by substantive decisions which all or most member States will act upon.
20. The Council of Ministers meets twice a year - once before the Summit and once before the Annual Conference. It is the main programme and policy determining body albeit on perhaps two-thirds of its work it accepts the recommendations of its Standing Committee of Officials more or less unaltered.

21. The Standing Committee of Officials - usually with delegations led by a Permanent Secretary plus 3 to 5 specialist officials from sectoral ministries receives reports on programme and internal operations, proposals from member States, the Secretariat and the sectoral committees/sub-committees as well as commissioned studies; deliberates upon them and makes recommendations to the Council of Ministers.
22. Each sector - except transport which has a treaty based Southern African Trade and Transport Commission with a Ministerial Council and Official Committee chaired by Mozambique, has a Ministerial Committee/Sub-Committee and a parallel official level one analogous at sectoral level to the Council and Standing Committee. In addition there is a multi-sector Agricultural Committee of Ministers and supporting Committee of Officials to coordinate the work of the food and agriculture sectors. Most of the official level committees meet twice a year and the ministerial once.
23. The central Secretariat based in Gaborone is small albeit it is now approaching 10 professionals. It is at present headed by a former Zimbabwean Minister. For several years there was no full time secretariat with two senior Botswana acting part time supported by several part time consultants mobilised largely by the London Committee of High Commissioners.
24. The Secretariat services all meetings including securing and/or preparing documentation. It has the power to undertake studies and to make proposals as well as to supervise consultancy (often regional experts) and topical (e.g. Regional Economic Survey) studies assigned to it by the Council of Ministers to whom it is responsible via the Standing Committee of Officials.
25. The Secretariat also carries out analyses of SADCC (and partner) strengths and weaknesses - by collecting information from partners as well as member States. It has important public relations and diplomatic roles as well as liaison with and coordination among (member) governments and especially sectoral coordinating units.

26. Programme development for each sector is the responsibility of one country. Each has a coordinating unit headed by a national professional and backed by 3 to over 20 citizen and expatriate professionals. The total of professionals in sectoral units (including certain Food Security projects and SACCAR - South African Council for the Coordination of Agricultural Research) is now about 100. The sectoral assignments are:

Angola	- Energy
Botswana	- Agricultural research/SACCAR; livestock production, and animal disease control
Lesotho	- Soil and water conservation and land utilisation; tourism
Malawi	- Fisheries, wildlife and forestry
Mozambique	- Transport and communications (SATCC)
Swaziland	- Manpower
Tanzania	- Industry (manufacturing); trade
Zambia	- Mining
Zimbabwe	- Food security; multi sector agricultural coordinating.

27. Coordinating units have sectoral responsibilities analogous to those of the Secretariat for SADCC as a whole plus a duty to secure proposals and conduct (or commission) studies to allow officials and ministers to formulate and agree a sectoral programme including policy coordination and substantive meetings as well as an agreed regional priority list of projects for submission to the Annual Conference and/or sectoral Conferences with cooperating partners (governments, international institutions, enterprises). They also prepare sectoral reviews and project submissions for the Annual Conference and in some cases assist member States with project formulation and external funding negotiations.

28. Almost all SADCC priority projects (about half of those submitted reach the agreed lists) are implemented by the directly affected state or states. Finance is channelled to them not via SADCC. This is not a hard and fast rule, e.g. some food security projects are run via that sector's coordinating unit and the regional hydrocarbon middle level personpower training institute is run via the energy sector coordinating unit.

29. The Annual Conference with invited guests (cooperating partners plus the Namibian and South African Liberation Movements) is a formal part of the institutional structure. The 1989 one in Luanda will be the 10th counting the 1979 conference and will mark each Member State's having hosted it once. The Conference is a forum for presentation of proposals to and dialogue with cooperating partners (almost all of the 50 odd present address it) as well as for sectoral and corridor bilateral meetings, a Conference communique and special pre-conference meetings now normally including one with domestic and external enterprise representatives. The conference is backed by detailed documentation both sectoral and overall.

30. The SADCC Annual Conference is the only 'Consultative Group' of resource providers convened by and relating to an agenda drawn up by the Southern side. As such it is important especially given the number of delegations and the high level of representation (e.g. EEC Commissioner; World Bank Vice President; several ministers and aid agency heads). It provides both a forum for support for and pledges to SADCC and a way of maintaining high level contact and a relatively high profile. However, it is no longer a major forum for negotiating on specific projects while SADCC policy is (and has always been) decided at the Summit and Council of Ministers meetings not the Annual Conference.

31. SADCC has two major inter-institutional agreements:
 - a. with the Nordic Council on intra-sectoral cooperation broader than the traditional aid relationship;
 - b. with the EEC to designate SADCC as the body to agree allocation of EEC Southern African Regional funding from EDF and to set out substantive and procedural guidelines.

32. In a formal sense SADCC lacks a constitution. It has:
 - a. the Lusaka Declaration adopted by Heads of State and/or Government which sets out aims overall and for main sectors and broadly outlines approaches to coordination;

- b. an agreed memorandum on institutional and organisational procedures.

In practice the precise legal status of the Declaration (at least one member State sees it as a Treaty, most do not) and memorandum are of little significance. The Declaration is lucid, intelligible, relevant and has both served as a strategic frame and been honoured and acted on by the member States rather to much more than the more formal constitutions of other regional organisations. The memorandum codifies the institutional structure adequately. If SADCC were to receive large sums of finance for projects and/or loan finance a new document would be needed but probably a financial body reporting to the Council of Ministers via the Standing Committee of Officials not a formal constitution for SADCC as such.

33. SADCC's institutional structure is quite deliberately crafted to relate directly to its aims. Therefore, it is not that of a conventional regional integration grouping. The central Secretariat is small and the sectoral ones are located in each member state under that State's coordination. There is very substantial participation in programme and project preparation, dialogue amendment and adoption (or rejection) by member States at sectoral and overall levels (official, ministerial and in key or disagreed cases Summit). The central Secretariat and Sectoral Coordinating units are influential but far less auto-directed or dominant than most regional secretariats. SADCC - quite deliberately at the present stage - makes no claims whatsoever to supranationality. Equally it has for several years resisted adding new sectors because most were seen as either not directly related to its aims, not requiring coordinated action or equally effectively coordinated through other (specialist) regional channels.
34. SADCC, to date, has no formal links with regional non-governmental bodies - e.g. enterprise (Chambers of Commerce), trade unions, commercial banks - set up for the SADCC region nor with external ngo's. However, it encourages such initiatives, sends representatives to major meetings and may agree on a more formal set of links over the next few years.

IV.

SADCC's Applied Strategic Model: Perceived Cumulative Mutual Interest

35. SADCC's political economic integration (or coordination) strategy is at one level very little discussed overtly but at another it is central to the debates about vision, structural/institutional nature and dependence/co-optation. SADCC has stated its strategic aims and its approach to reaching them rather more lucidly and contextually than most public sector actors and its record (both as to successes and - usually openly stated by SADCC - problems) suggests that these are real operational aims and approaches. What it has not done is to formulate a precise theoretical or intellectual model, partly because it doubts it has any comparative advantage there; partly because agreement in and commitment to medium term action and perspectives based on somewhat different histories and political visions could be broken by trying to agree on a common long term theoretical and ideological vision within SADCC; partly because not giving too many forewarnings to external enemies (notably RSA) nor too many non-programmatic points with which cooperating partners might disagree seems prudent.
36. SADCC's implicit and/or revealed preference strategic model has the following characteristics as seen by proponents (and a rather different counter set as seen by critics):
- a. multinational mutual interest (narrow nationalist alliances of convenience);
 - b. regional self-reliance/self-definition (dependence shifting and maximising);
 - c. priority to circuit of production/sub-circuit of transport (fudging on trade liberalisation);
 - d. pragmatic sequential or contextual critical path (mindless crisis coping).

37. These may be - indeed probably are - different perceptions of the same body of principles and praxis. It is desirable to make two preliminary caveats before examining the features in more detail:
- a. because SADCC is either contextual and pragmatic critical path oriented (or context bound and short term crisis patching oriented) statements and actions at any time and especially over time will not and cannot add up to a tidy, monolithic unity;
 - b. there are three main bodies of critics - idealist new left/conservative Marxist, technocratic, pragmatic capitalist/neo liberal - each subdivided internally so that modelling criticism as if it were unified is slightly artificial. Curiously, however, there is a remarkable overlap of specific observations even when the aims/ideologies of the critics diverge and their judgements on the desirability of an element in SADCC's approach diverge.
38. Multinational mutual interest promotion has been perceived by SADCC's member States and officials as the only practicable basis for aim definition, programme design, resource mobilisation and implementation. The historic record and the political decision takers' perceptions of their own contexts (and preferences) indicate that there is at present no base for supranational institutions and that supposed supranational (secretariat/technocrat) strategy and programme definition for nationalist (state) implementation leads either to inaction or to contradictions both among the states and between them and the regional organisation.
39. This approach explains the pattern of exploring suggested areas of mutual interest to see whether and how they could give rise to effective (real gains if done, real technical-financial-political base for doing) action and then mandating that a programme of action be built up and put into operation. The case is not one of abstract optimality nor of tidiness but of viability.
40. The criticism that such an approach cannot overcome nationalist differences and interests in specific cases (e.g. Zimbabwe coal powered national electricity versus cheaper regional hydro power imports) nor

transcend them more generally (e.g. Zimbabwe power imports repaid by Zimbabwe manufactured foods or grain exports on a "second best" comparative advantage basis) is a serious one. It is perfectly possible for such a pattern of failure to build up and to marginalise regional coordination so that it shrivels rather than growing into de facto indicative policy/planning integration.

41. But 'the answer' must ultimately be empirical. Are there results and is the trend toward broader integration of multinational concerns/joint gains into national planning - decision taking - acting? Or the reverse? In the energy sector the direction of movement is toward multinational coordination and a unified grid for 6 or 7 states (Angola - Botswana - Zimbabwe - Zambia - Mozambique - Swaziland - perhaps Namibia) with coordinated decisions on future sources of power and intertrade. When the sectoral unit began its work the idea that such a schema could win serious attention from several of the states concerned would have been (and quite correctly) derided. The problematic question is whether this consensus for mutual interest approaches can move fast enough to get its facts (dams, regional transmission lines) on the ground before the narrower national/enterprise interest proponents build their facts (coal fired plants and national/unlinked grids). The answer remains to be seen but SADCC does have a strategic approach which at least in this case is gaining ground whereas a 1981 proposal for a regional grid using Angolan, Zambian and Mozambican sources to feed Zimbabwe and Botswana would have had lukewarm political backing outside Zambia and vehement politico-economic-security opposition from the two proposed importers.
42. Regional self-reliance/self-definition is central to SADCC's strategy. The strategy is sequential in two senses:
- a. reducing dependence on RSA comes first and in that process transport/communication (for objective reasons) must be the main initial focus;
 - b. self-respect and self-definition of aims and approaches are an essential first step toward self-reliance and are attainable whereas

at the present time financial dependence is an inescapable fact which can be diversified and/or marginally reduced but not eliminated.

43. The RSA priority and within it the transport/communications priority have already been discussed. They do account for a very high proportion of decisions, time spent, policies formulated, projects agreed on and implementation achieved. In communications they have virtually ended dependence on RSA in respect to telecommunications and (with one exception) posts. In air service they have created the possibility of operating wholly independently of RSA and the reality of more direct intra-regional and overseas connections. In ground transport they (plus related FLS/national military action) are within reach of making use of RSA routes for third country trade not merely unnecessary but more expensive than regional ones. (There is a caveat here - RSA direct military action can interdict the Mozambican and Angolan lines even if its proxy forces' ability to do so is rapidly waning.)
44. The reverse side of the RSA/transport priorities is acceptance of diversifying dependence for finance and trade to countries willing to assist in financing regional infrastructure and eager to pick up previously RSA sources and markets. SADCC's member States (rightly or wrongly) prefer diversified European-North American-International Financial Institution actual (plus CMEA member and less poor South potential) dependence to concentrated dependence on the apartheid state, economy and transport system. Interdependence with these actors is a longer term goal but one thought to be facilitated by diversified, flexible (rather than concentrated, rigid) dependence.
45. SADCC is noticeably touchy in respect to outside attempts to write its basic documents and communiques, to specify monistic policy approaches, to tell it what the ideal political economy for Southern Africa is, to use finance to sanction particular SADCC member States or to substitute their own project proposals for SADCC's. It places a very high premium on self-definition and self-respect. Willingness to enter into dialogue on almost anything (and to word results to save face all round) is matched by a fairly stubborn and steely refusal to accept outside redefinition or teleguiding.

46. SADCC does not see these priorities as 'flag regionalism' but as a means to salvage some independence/inter-dependence now and to lay the technico-intellectual basis for extending it when physical-financial resource dependence can be reduced significantly (which at present it perceives to be impossible). On the whole it has kept control of aim evaluation, programme design, project prioritisation, conference procedure in SADCC hands. And - interestingly - externally financed implementation is in percentage terms distributed relatively similarly to SADCC proposals even if at substantially lower levels overall and in each sector.
47. SADCC's concentration on production coordination first, with trade expansion coordination a consequential subsequent stage, is partly based on analysis and partly on a perception of historic problems and present potentials. It is quite plainly visible in the Lusaka Declaration in which trade receives serious attention but in a third tier of sectors following both transport and communication and food security. There is a sense in which it is the result of the coming together of three elements:
- a. practising politicians' perception that employment, production of goods and services, infrastructure and rural incomes were concrete priorities while trade was one of a number of means to achieving them;
 - b. an analytical perception that the static or incremental comparative static allocational efficiency case for common markets simply did not fit the Southern African context and that the economic performance and sustainability record of free trade or preferential trade areas in Sub-Saharan Africa was dismal because of production and infrastructure gaps as well as because of distributional and intraregional jealousy problems;
 - c. an overlapping historic perception that most SADCC member States had been ill-served by the Central African Common Market, East African Common Market, Southern African Customs Union and 'Portugal in Africa' Common Market arrangements so that that route as the core of a "new start" regionalism would have to carry real political and

psychological burdens and would increase distrust of the stronger economies (notably Zimbabwe).

48. Transport and communication of course does generate as well as enabling trade. However, it - like energy for which coordinated regional development and grid links automatically lead to trade - is not actually perceived as involving trade because what is connoted by that term in economic regionalism is goods and especially manufactured goods.
49. It was therefore not surprising that the first post Lusaka trade dialogue arose in the manufacturing (industry) sector. This took the form of seeking to identify potential cross sourcing of inputs and final manufactured goods regionally to increase use of excess capacity (or new/projected enterprises) and to reduce regional import content and national hard currency requirements. The other theme was that duties were not the main barriers to regional intertrade which were perceived as inadequate information, transportation and preferential licensing plus - potentially at least - lack of export credit availability.
50. Subsequent movement toward creating and activating the trade sector have been largely within that optic. The reasons both for that approach and for its slowness are four-fold:
 - a. trade validates production rather than causing it in SADCC's view of its own context;
 - b. a complementary duty reduction and routine clearing house body which all SADCC states could join (to date 7 have - not Angola and Botswana) existed in the PTA and duplication made little if any economic and less than no political sense;
 - c. blank hard currency cheque writing (free trade and freedom from import licensing) was totally impracticable for eight of SADCC's nine member States whereas two way semi-balanced trade expansion was seen as desirable by all;
 - d. working out a programme based on "a" and "c" and demonstrably avoiding serious real or potential clashes with the PTA proved

technically and politically tedious for varied (some internal to particular SADCC States) reasons.

51. The criticism for not centring on free (from tariffs, import licenses and payment restriction) trade via preferential trade are logical from political or economic advocates of economic liberalism including businessmen. The oddity is that the majority have come from interventionists of the centre to far left whose advocacy of laissez faire in regional trade and an imported (EEC-Andean Pact based) institutional form/analytical model approach to economic regionalism consort oddly with their general anti-dependency, articulated planning, state controlled production and trade paradigm.
52. The argument that the historic record in the South shows effective trade development takes a long time has been heard in different ways by critics than by SADCC. The latter believed:
- a. other sectors had to be sequenced earlier to have concrete benefits to show while the more intractable problems of the trade sector were tackled over a longer period;
 - b. progress in the other sectors would create physical, informational and psychological contexts in which trade would be more handleable and potential gains more widely seen and sought.

This perception may be wrong, but it is a sequential strategic formulation, somewhat ironically (as no SADCC decision taker or analyst formulated it in those terms) directly paralleling the Marxian formulation of the circuits of production (to create surplus) and of exchange (to validate the production and surplus).

53. Sequential programming related to physical and moving contextual factors has been central to SADCC's operational strategy and operations from the 1979-80 founding meetings. For example, rebuilt regional transport was seen as a necessary condition for dependence reduction, for regional food security utilising national surpluses to meet national deficits (or for getting overseas food aid to where it was needed) and for making regional

intertrade physically as well as economically practicable. As a result, that sector not only has received the highest priority in project formulation and fund raising/utilising throughout but at the 1980 Maputo Annual Conference was the only sector for which a relatively complete, articulated programme (subsequently elaborated, refined and extended to posts and to meteorology rather than structurally redesigned) was presented.

54. The subsequent addition of new sectoral and issue (cooperation with enterprises, going beyond aid with the Nordic partners, creating a capacity to coordinate use of EEC's Southern African EDF regional fund, seeking regional trade facilitating financing, starting toward coordinated regional economic analysis as a step to coordinated indicative planning) has rested on perceptions of timely initiatives whose "time had come". This is partly by design - in each case thinking and preparation preceded public emphasis by one to four years, albeit chance (e.g. sectoral country capacity to coordinate a programme) played a role as well so that any claim of formal, explicit critical path projection would be rather overblown.
55. The 'random walk' or crisis response criticism perceives the actual pattern as totally reactive and in particular as responding to unforeseen crises and unexpected chances to grab short term gains. This appears even less plausible an interpretation than a perfect critical path one. The transport, food security/agriculture, manufacturing, mining, trade themes emerge in the Lusaka Declaration and relatively systematic subsequent work buildup not just in new Annual Conference themes. Work had usually been begun well prior to high publicity 'launching' of a new priority or phase. The Nordic and EEC initiatives required external contexts receptive to them before SADCC could move. Barring perfect foresight any rational organisation does blend underlying strategy with emphases on what is sequentially possible/necessary in particular temporal contexts.
56. The most disputed sequence: transportation and communication, food security, production, trade has already been noted and discussed. An overlapping but more general one has been acting on areas of agreed, primary common interests (plus relevant secondary common interests of

special concern to two or more member States) to build up both a record of results and a habit of "thinking SADCC" based on direct contact among widening bodies of officials, analysts, enterprises and politicians. These were and are seen as leading to broadening perceptions of mutual interest and safer dialogue/negotiation on how to pursue mutual interest elements in 'difficult' sectors or sub-sectors in which there are tensions or secondary contradictions among member States as well as common interests attainable only through coordinated action.

57. Several aspects of SADCC's approach to regional coordination/integration are strategic but do not fit into any particular strategic model of development. These include:
- a. an emphasis on rehabilitation and maintenance;
 - b. seeking genuinely selective priority project lists (not 'washing' or 'Buggins turn' accumulations of unconsidered national suggestions);
 - c. high priority to applied agricultural research with an explicit bias toward crops and techniques of special interest to poor/small peasants;
 - d. a view of manpower development increasingly integrated with sectoral programmes;
 - e. melding policy development and coordination (e.g. airline scheduling) with project list development;
 - f. movement toward indicative planning coordination as a framework for advancing coordination sectorally and more generally;
 - g. insistence on keeping the agenda and context of external resource mobilisation in its own hands and of repelling attempts to use assistance to divide SADCC member States or to co-opt the Programme of Action;
 - h. combined with a pragmatic willingness to consider cooperation proposals case by case on their probable concrete results even when

they were parts of general external country approaches SADCC's member States did not welcome (e.g. the positive reaction to USA support for Tazara and Mozambican transport link rehabilitation and of British for general rehabilitation/protection of the Mozambican transport and other sectors despite the very different USA position on Angola and the UK's overt posing of SADCC - and especially Mozambique - support as, in its mind, an alternative to sanctions against apartheid and/or South African regional aggression);

- i. an overt perception of partially overlapping regional economic cooperation/integration organisations as potentially complementary and (on comparative advantage, division of labour grounds) efficient not inherently divisive and wasteful.

58. SADCC's 1980 and subsequent SATCC programmes have - in respect to railways and ports - been primarily rehabilitation and deferred maintenance (including but not limited to reversing the effects of South Africa directed sabotage). The initial and recent focus of the industrial sector has been on capacity restoration and utilisation (and avoiding building new surplus capacity). Maintenance facilities and training of maintenance personnel figure prominently in several sectors. This is fashionable today but it was not before 1983 and in 1980 when SADCC, and especially SATCC, set these priorities it was very atypical indeed. So much so in fact that SADCC took care to present all rehabilitation proposals in the form of standard projects because, at that time, they would otherwise have been unsaleable.

59. By and large only half of initial proposals reach SADCC's coordinated, regional priority project lists. It is accepted that to be taken seriously SADCC lists must have coherence, priorities and defensible rationales. Thus it has been possible to select, to prioritise and to sequence - e.g. the successive conferences presenting and mobilising funds toward indicative ten and definite three year plans for each of the major landlocked states to SADCC ports corridors. True, states with very few potential projects do have more relaxed evaluation of the regional impact (not the viability) of their proposals but, unlike the old East African Community, for example, which operated on "buggins turn" principles in most sectors, SADCC's criteria of regional (2 or more

country) impact, viability and relevance to overall goals have been operational.

60. The Lusaka Declaration is unique among economic integration constitiutions in giving prominence to a specific agricultural research initiative oriented to semi-arid lands and poor farmers. It took five years to get this off the ground (or perhaps more aptly into the ground) but that was because initially international crop research institutions and most funders did not want to know. SADCC (and particularly Botswana and Zimbabwe) kept plugging away with major national-regional-international linked millet, sorghum, groundnut and grain legume research nets plus SACCAR and regular technical meetings now established facts of regional life. The crops and conditions chosen make the programme small peasant output and income oriented (not to the taste of some of the technocrats and funders who would prefer a more monistic gross output focus).
61. Manpower development is an early SADCC sector. It has developed regional use of several specialised facilities: e.g. farm management in Swaziland, veterinary in Zimbabwe, the Eastern and Southern African Management Institute in Arusha, the hydrocarbon personnel institute in Angola as well as publishing a directory of specialised institutions in member States to enhance decentralised regional placement where practicable. In addition sectoral - Manpower Unit cooperation on training projects or policies has become common with particular reference to transport and communication, forestry, mining and industry. There has been a contextual pragmatism as to form: multicountry use, cash sharing among users and outside funders and user input into programme design and evaluation have been the operating criteria for selection and design not creation of new, autonomous, multistate training institutions.
62. SADCC's initial programme was project focussed but projects to implement goals. Policy coordination - e.g. airline scheduling, forestry-fuel interactions, agricultural research, trans-border livestock disease control - came later but is now a substantial portion of the activities of several sectors. This is in itself evidence that SADCC has gone far beyond being a packaging plant for project requests to external financial sources.

63. Indicative planning coordination - sectorally (e.g. industry), on key topics (e.g. response to South African economic sanctions) and more tentatively intra-sectorally (building from the regional economic surveys) is a strategic goal in SADCC. Progress toward it has been incremental, cautious and - arguably - slow. The reasons are complex (e.g. weaknesses at technical level in the industry sector, refocussing of attention to withstand sharply increased 1981-86 RSA assaults on key transport corridors and - above all - the need to build up habits of cooperation and belief coordination paid before pressing further forward). In fact for major transport projects SATCC is a de facto regional indicative planning process because large projects unable to be agreed into its priority list are, objectively, unlikely to secure adequate external finance.
64. The unique nature of SADCC's Annual Conference - an external support consultative group set up, staffed and programmed by the South side - has already been cited. SADCC has sought to increase the scope to include potential Northeastern (CMEA) and less poor Southern sources of finance and also major Southern economies who could contribute to dialogue and policy cooperation even if not to finance. The attempt to broaden financial sources may now be succeeding but, despite very persistent recruitment efforts, the CMEA states have not chosen to use the SADCC channels for much of their (limited) economic project support funding. The recruitment of other Southern voices and non-financial partners has been more successful.
65. SADCC has declined 'aid' for projects not on its agenda. The same holds true of 'aid' whose designation as not to benefit some members was perceived as manipulative in intent and was certainly potentially divisive. In the event unity on renegotiating and/or refinancing (both largely successful) as well as on a sharply worded Summit statement were achieved. Positive selectivity has been accepted as a fact of life, e.g. Portuguese concentration on Angolan and Mozambican projects, USAID focussing (at least over 1986-88) on the Indian Ocean transport corridors and on Mozambique and Tanzania (ironically on its earlier attempted 'exclusion from benefit' list!) as countries within that focus. Analogously UK support for Mozambique has been welcomed despite the UK's (not SADCC's) presentation of such aid as an alternative to sanctions

against South Africa. In these cases SADCC's criteria have turned on whether the funds can be used to further SADCC goals, whether rejecting them would actually change the other policies of the funder and the impact of rejection/acceptance on intra SADCC solidarity.

66. In a negative sense SADCC's regional integration strategy is said to be characterised by the absence of a political economic project. This is of course not wholly correct; the basic aims are nothing if not political economic. But what is usually meant is that SADCC does not endorse "transition to socialism" nor "transition to laissez faire with a nightwatchman state" (and has brusquely and publicly rejected advice to adopt the latter when proffered at Annual Conferences).
67. The short answer is that there is no basis for such an endorsement. There is no way in which Angola and Lesotho or Mozambique and Botswana or Tanzania and Malawi could agree on a full-fledged political economy project beyond ambiguous rhetoric (and probably not even that). To attempt to do so would be a waste of time and a source of friction not - for the foreseeable future - a way to strengthen economic regionalism. What can be agreed is not minor in political economic terms:
- a. dependence reduction especially vis a vis RSA;
 - b. increased regional self-definition of goals and influence over external negotiations to mobilise support (including finance) for them;
 - c. priority for food security, poor peasant production and the welfare of poor majorities;
 - d. regional production coordination as a means to increasing regional self-reliance and to raising regional and national external economic bargaining power;
 - e. centrality of selective state intervention backed by substantial freedom of manoeuvre for enterprises (public and private; domestic joint venture or foreign).

V.

SADCC: A Review of Results

68. SADCC must be judged in its own terms - its goals and criteria. That is not an easy test as dependence, especially on South Africa, reduction; building viable regionalism and mobilising the domestic and external support and resources to do so are not soft targets. The added criterion of concrete results on the ground within a few years is in some respects even stiffer. SADCC does reflect on and measure itself against those yardsticks. Quantitatively the best tests are probably agreed projects, funding secured and implementation achieved. By the end of 1988 the SADCC priority project lists were about 600 with total funds required with total financing required of the order of \$7,500 million (up from totals of about 200 and - inflation adjusted - \$3,000 million in 1980). Of this total 61% related to transport and communications. By the same date at somewhat over \$2,700 had been definitively committed to specific projects and over \$800 million was in some stage of negotiation (or was in fact earmarked domestically if the complementary foreign resources were negotiated). That is a total of nearly 50% definitely available or under serious negotiation. A significant number of capital as well as study projects had been completed and over \$1,000 million invested in completed and ongoing projects. The last figure is about 15% of targets and 30% of funding secured. These figures do show lags but more against present targets than the initial (and viewed as optimistic) ceiling of \$2,000 million (say \$3,000 million at current prices) raisable over 10 years envisaged in 1979-80. Present flows seem to be of the order of \$1,000 million a year in 'general' commitments (with some double counting of multi-year and repeated amounts), \$750 million negotiated to specific project use and \$400 million in annual investment. Again the lag problem exists (partly because the growth of the programme which means investment relates to earlier smaller commitments and negotiated amounts) and is receiving attention. But that does not detract from the clear fact that SADCC has agreed on, funded a substantial proportion of and made a major start on building an impressive array of regional projects. The concrete facts are and are increasingly visible both in financial flows and on the ground.

69. The quality of the achieved programme in terms of its relevance to SADCC's aims is high. 70% of funds definitely committed at the middle of 1988 were for Transport and Communication which accounted for 40% of funding sought. Excluding the Lobito Bay Corridor which RSA has (directly and via its UNITA proxy) blocked throughout the past decade (but may no longer be able to block by the end of 1989) the funding for Transport and Communication is of the order of 50% - admittedly a lower success ratio in transport and higher in communications but including substantial progress on all the Indian Ocean Port Corridors and completion of the most crucial communication links. SADCC's annual corridor of concentration conference series now turns to Lobito Bay precisely at the moment when a real chance of providing security for the line has emerged. The Agricultural Sector - notably in respect to the agricultural research, animal disease control and the early warning system - has made substantial progress in key areas. Given the prior need to create a regional outlook among previously very nationalistically oriented ministries, the same can be said in power. Industry has not put many factories on the ground but it has created a framework for viewing regional industrialisation, a clear focus on rehabilitation and capacity utilisation and a very real gain in providing the data base on which a number of duplicatory or otherwise non-viable projects have been shelved. Among the central sectors trade has lagged. Here SADCC appears to have reached near agreement and tentative funding for linked export promotion/credit programmes which could have significant impact well before 1995.
70. Dependence on RSA has been decreased, especially relative to what would have happened had there been no SADCC. No member State has been pushed into a South African 'co-prosperity sphere'. All who now use RSA routes are seeking to reduce the proportion of trade transitting RSA and except for Lesotho have concrete plans for how to do so. As was not the case in 1980, all have direct satellite telecommunication links with the outside world and direct air links with each other (some with transit stops but none necessarily transitting a South African airport. It is easy to say only 10% of Zimbabwe's external trade went through Mozambique in 1987. But that figure excludes petroleum and includes direct trade overland to neighbours. Excluding the latter and including the former alters the Mozambican transit share to about one-third. Further, by late

1989 the useable capacity on the Beira and Maputo (Chicualacuala) corridors should be of the order of 80 to 100%. By the same time Zambia should be able to dispense with the costly East London route and Botswana will have begun using Mozambican routes seriously for the first time since 1975. Further, South Africa's now failed efforts to interdict the Indian Ocean routes have backfired - the routes from a low point in 1983-85 have clawed back, international support for them and their defence has soared, the danger and cost of not being able to use them has become brutally clear so that the commitment to them of Botswana, Malawi, Zambia and Zimbabwe is higher and firmer than it was in 1980-81.

71. Building a viable regionalism is clearly an area of progress. SADCC is now seen in the region (including its press and enterprise/union/church/non-governmental groups) as an important fact of life. Each state believes it can see concrete gains from its SADCC membership (a result of the fast achievement of "facts on the ground" stress within SADCC and of the distribution of sectoral coordinating units to each member State). Thinking SADCC and personally knowing counterparts in other SADCC States may still be painfully uneven but in 1979-80 it did not exist at all regionally (at most there were a handful of bilateral cases plus empathy and political regionalism with limited economic articulation). Tensions over divisions of gains have been negligible. First, each member state has received something so that the precise balance has been a very secondary issue. Second, the more commitment and energy the more gains model has operated so clearly that desire for a bigger share has been channelled into expanding not reducing regional effort. Third, the corridor projects each benefits (or will benefit) two or more states substantially and - except for South Africa locked Lesotho - directly involve all SADCC member States.
72. Mobilising resources is an area in which results exceed expectations, lag needs and have been more externally dependent than expected. In the context of far greater South African violent reaction than anticipated (an underestimation of how hardline South African state security policy was to be and how vital it believed regional economic and transport dominance to be) and the radical worsening of the global economic environment confronting Southern Africa after 1980 that is a substantial achievement. SADCC was a new untested body and process, yet over 1981-88

it has been able to mobilise increasing amounts of member State senior decision takers' and officials' time - a very scarce resource indeed. Domestic finance was less available than expected - in a period of crisis and contraction large new finance and foreign exchange commitments out of own resources are unattainable. But member States have proved willing to prioritise scarce foreign support funding (some but not all additional) to SADCC coordinated programmes which demonstrates more commitment than is generally recognised. Similarly external cooperating partners have been willing to raise the amount of serious attention they devoted to and funds they allocated through the SADCC mechanisms while no such process was general in bilateral relation terms.

73. SADCC's presentation of its case and that of its member States has probably been crucial. It was and is an African body with clear goals, optimism tempered by grim realism, detailed proposals based on analysis and a record including successes. That was so unusual in SSA over 1980-88 as to attract international attention and support. Further, the steady drumbeat of practical, viable economic proposals with the counterpoint of steady, brutal South African attempts to destroy them and the people they served did more than raise money. It contributed to the shift of attitudes toward South Africa by the international economic community. SADCC has played a supporting role but a significant one in turning RSA into a high perceived risk, high "hassle factor", economic pariah in the eyes of most governments and enterprises. More directly SADCC clearly established itself as the victim seeking to survive not the aggressor so that funding (and by 1988 even de facto security assistance) for key dependence reducing projects began to flow more freely and not totally ineffective diplomatic pressure was brought to bear on RSA to halt its total regional onslaught. The most crucial case was Mozambique. Certainly Mozambique's own struggle including its brilliant, sustained diplomatic offensive was central. Certainly outside documents like the US State Department's Gersony Report and UNICEF's Children On The Front Line played significant roles. But so did SADCC - especially during the period before Mozambique joined the ACP and the World Bank. The firm warning that the death of the transport sector and economy of independent Mozambique would toll the knell for other states, the low key and documented but also passionate reporting of what RSA and its proxies were doing and (for a somewhat different audience) the continued firm support

when the Nkomati Agreement was misread abroad were in the end much more than the shouting upwind in a gale they sometimes appeared over 1982-1986.

74. Other regional economic integration bodies have been born, shot up briefly and withered in the heat of the African sun and the blasts of the international economic environment. The East African Community (a rousing success over 1967-70 but moribund 5 and dead 7 years later) leaps to mind. Is this likely to be SADCC's trajectory? Probably not:

a. the 1980-88 period has hurled a barrage of shocks at SADCC and its member States. It has not merely survived but been able to establish itself and move ahead despite them;

b. SADCC has more concrete new results on the ground than EAC ever did. A process of joint gains building up a new positive political glue to reinforce the still deeply adhesive initial factor of common dependence on and individual economic powerlessness in respect to the apartheid state and economy has begun;

c. the pace of achievement has been speeding up not slackening;

d. SADCC is well aware it must continue a forward dynamic consolidating and building on areas of success and increasing their number to survive and has demonstrated a healthy awareness of how hard it may be to achieve that.

75. SADCC has notably avoided the dangers of triumphalism and of premature resting on its laurels. Its Annual Reports and Conference Speeches do catalogue achievements and strengths but equally weaknesses, gaps and - especially - work still to be done. There is almost always a survey or study in progress evaluating some aspect of SADCC's work with a view to identifying weaknesses and areas for change as well as to ensure that what works is noted and continued. Innovation (cautious in areas of success, radical in areas of little progress) has been a hallmark of SADCC. New sectors, approaches to enterprises increased emphasis on policy coordination, the Nordic and EEC Agreements, the campaign to make the economic costs of RSA aggression known - condemned internationally -

partly clawed back in additional support could not have been predicted in 1980. As to aims and basic structural approaches SADCC has been consistent. The Lusaka Declaration has proven to be a workable blueprint needing tidying up and adding to, not redrafting. On ways and means experience and context have been learned from and some changes are far more basic than they appear. Staffing is a clear example. Granted SADCC was always committed to careful documentation and to creating posts as and after necessary work for their occupants to do had been identified, 10 Central Secretariat and over 100 Coordinating Unit and associated project professionals by 1988 was most emphatically not envisaged by a majority of SADCC member States in 1980-81. Nor was the total of diplomatic, coordinating, study promoting and sectoral backup work delegated to the Secretariat - the reason both for its enhanced status (still clearly as a servant of its member States but a more senior one - almost a joint Ministry shared by the 9) and its growing staff.

76. The definitive history of an institution or a process (SADCC is both) can be written only after they are dead. Their future can be projected with certainty only when they clearly have no future. Thus the prospects for SADCC are necessarily problematic. The record of achievement and the forward dynamic sketched above are real but so are the problems, capsulized in the following section.

VI.

Problems and Problematics SADCC Confronts

77. SADCC's problems/problematics can be summed up under nine heads:
- a. continuing the momentum toward indicative coordinated planning;
 - b. broadening and deepening the habit of "thinking SADCC";
 - c. getting trade development moving;
 - d. reduction of external dependence in respect to technical personnel, institutional support and project finance;
 - e. improvement in the quality and quantity of work of certain sectoral units;
 - f. create more sense of urgency in resolving problems in respect to which timeous action is important and differences are bridgeable more by intensive dialogue than extensive passage of time;
 - g. resolution of the division of labour question with PTA;
 - h. the evolution of RSA's regional strategy;
 - i. the evolution of the international economic and weather context.
78. To pose this set of problems and problematics is to take the positions that:
- a. SADCC is to date a success;
 - b. the causes and conditions of that success remain relevant and provide a basis for future progress;
 - c. and that consolidation and incremental quality improvement rather than massive structural adjustment is appropriate (or evolution not revolution); but

- d. SADCC, like its member States, remains highly vulnerable to exogenous shocks and climates.
79. The buildup of successive de facto indicative plans by sector is to date promising. But only in transport and communication is the progress to date really to indicative planning (and even there key routes now defined as non-regional may need to be brought in for the planning to be fully effective). In energy the coordinated pieces are to date marginal and in industry at conceptual and identification of what not to do (valuable but limited as a building block) levels. The regional economic survey is neither frequent nor in depth enough to serve as a guide to national planners as to regional perspectives. Probably what is needed (and feasible) is not a grand design but a continued series of incremental gains.
80. SADCC has an image and a press presence in most of its countries and regional aspects are semi-routinely considered by most member States in several sectors. But with exceptions (e.g. the Zimbabwe TV programme "The Beira Consider") the image is either very general or very specialist and technical. At governmental and enterprise level automatically assessing the scope for cooperation/coordination is far from general outside a few flagged areas. The first problem relates in some part to overall press and radio quality and might be alleviated by more SADCC provision of, or assistance to, feature articles, radio programmes and TV-video tapes. The second is more serious - especially at enterprise level looking to the regional parallel to looking to the national and before looking outside remains a minority perspective. Time may help overcome this - especially if trade takes off - but some programmed help to speed it up would appear to be needed.
81. Getting trade moving is a key problem. Actual quasi - balanced frame trade target agreements operated by enterprises with trade expanding provisions for clearing imbalances need to be experimented with well beyond the increasingly common trade related cross credit lines at central banks. Simplification and harmonisation of documentation (an UNCTAD led achievement but one backed and facilitated by SADCC) needs to be

complemented with some form of preferential import licensing. Trade information exchange and cross promotion need to go beyond the rather inchoate governmental and Chamber of Commerce channels now used and the trade fairs blessed by SADCC and PTA. The offers of finance for regionally linked national funds to cover pre-export imports into production and to allow 90-270 day trade credit should be refined, agreed and brought into operation promptly. SADCC states should under no circumstances discriminate against other members in favour of outside states. Growth in trade - especially trade among pairs of states not including Zimbabwe - should be a priority as that habit and successful experience can begin to create a cumulative process (as it has for Zimbabwe for whom the SADCC region is now an export market larger than any single non-SADCC state). The value of regional sourcing (that the purpose of exports is to secure needed imports at reasonable prices not to earn hard currency as an end in itself) needs to be stressed. It is increasingly intellectually accepted but does not inform most trade ministry practice.

82. Dependence reduction falls into three parts: technical personnel, finance for SADCC institutions and funding for projects. The barriers to cross hiring of non-national regional personnel for coordination units have been overcome but the scarcity of citizen technical professionals and states limited willingness to spare their scarce, best people make this area one requiring regular attention and a long hard slog (as in national technical institutions). The institutional finance issue is the other side of the same coin - local professionals can be included in budgets levels that (given results to date) have become acceptable, expatriate salaries and allowances cannot.
83. Project finance - and more especially forex - will remain a requirement for the foreseeable future, for SADCC as for most of its member States. Indeed as by their nature SADCC projects are larger and more import intensive than most, the need will be particularly acute. It can be eroded as external balance and state revenue positions improve and as less poor states

contribute to projects of interest to them in poorer states (as Botswana has begun to do) but not eliminated. Possibly the local resources should not be spread to reduce the average share of external finance but concentrated to implement projects SADCC thinks highest priority but for which no external financiers can be secured. That would help break the only real constraining influence the cooperating partners have on the Programme of Action - implementation veto (even if not so intended) by failure to finance.

84. Several coordinating units' quality and quantity of personnel and of programme/project preparation are inadequate and one or two others are rather routinised and limited. Arguably progress in two key sectors (trade, manufacturing) has been impeded and in one (food security) made less creative by these weaknesses. The problem is recognised by SADCC officials and member States. Peer pressure may have some results as may mobilisation of initial external personnel and finance (to hire national or regional consultants and consultancy institutions).
85. In some cases resolving differences while preserving a substantial agreed programme requires spending time - e.g. for the success of coordination in other areas to increase the perceived value of moving forward and for quiet, unpressured reassessment of positions. That was the case in respect to trade over 1980-86. But in others, less relaxed time tabling and more frequent dialogues would be useful - especially when external cooperation is on offer and may lose interest and/or the sector has come to be the next on critical path dynamic progress projections. It is hard not to list trade over 1987-88 as having come to lie in that category. Food security (and commercial) trade in grain arguably is similar but the costs of inaction and the likelihood of external finance are so much lower that the political capital worth employing to gain a positive decision is significantly less.
86. SADCC and the PTA have reached a state of mildly amicable communication and a cautious parallelism avoiding overt clashes in activities. This is an improvement on the strident statements by PTA officials attacks (open or private) on SADCC

and deep suspicion of SADCC officials for PTA which characterised the 1982-85 period but it is inherently unstable and fails to win a permanent, mutually useful division of labour. The elements of such a division can be sketched:

- a. all SADCC member States join PTA to avoid being torn between Lusaka Declaration and PTA Treaty obligations;
 - b. PTA explore (and if essential amend treaty to allow) closer relations among sub-groups of its members analogous to Benelux in EEC;
 - c. SADCC continue to eschew tariff preferences or standard clearing houses of its own - a clear gain if all its members were PTA members;
 - d. PTA centre its early warning system development and its transport coordination work on its northern and Indian Ocean members (Tanzania through Ethiopia) and on maritime transport with regular consultations with the SADCC regional early warning system and with SATCC;
 - e. SADCC concentrate on frame balanced or semi balanced trade expansion targets implemented by enterprises and liaise with PTA on information exchange (especially among enterprises and Chambers of Commerce) and trade promotion (not limited to trade fairs);
 - f. PTA and SADCC explore jointly whether SADCC's proto export finance funds and PTA's unfinanced trade and development bank could usefully be merged as a joint (or an independent) institution or whether both should be developed in parallel (and, if so, with what division of labour).
87. Technically such a division of labour is not hard to delineate nor to demonstrate to be useful to both organisations. The problem is one of reinforcing mutual trust and will to negotiate. This is an area in which SADCC's Summit might usefully take the initiative as six are also members of the PTA

Summit and SADCC as the stronger organisation can best afford to take an initiative toward achieving coordinated division of labour.

88. RSA's proxy terrorism, sabotage and transport leverage strategy against SADCC was - at least in its 1981-86 form-nearing collapse as 1988 ended. The problem is that RSA is unlikely quietly to retreat into laager behind its own borders even if it does cease to block Namibian independence (which even with a treaty signed is less than certain). Some options based on use of RSA's airpower (potentially dominant except in Angolan skies) plus its long range strike kommando units could be highly damaging to SADCC's work. Others - e.g. a halt to trade with RSA - would (once three Indian Ocean port routes are operating fairly normally) be minor nuisances to SADCC and economically very damaging to RSA. Pretoria gazing is not a science - or to date even a fine art - so that SADCC's problem is to avoid being lulled by a relatively tranquil period and unprepared for a new upsurge of aggression (as happened over 1979-81).
89. Other external factors: terms of trade, weather, external finance flows can also affect SADCC seriously. The first requirement is alertness leading to prompt response. About terms of trade SADCC can do little but it can help to mobilise early international support and use regional surplus country reserves to reduce drought impact and continue to use Secretariat trips and the Annual Conference to reinforce and build on the generally positive attitudes of external cooperating partners providing finance.

VII.

Prospects: Grounds for Cautious Optimism

90. SADCC's prospects give grounds for cautious optimism. It has made substantive progress despite a concerted and sustained South African attempt to destroy it; has maintained and built up member State commitment over a period when they were under

great economic and strategic strain; has enhanced its capabilities and reputation when most institutions and enterprises in its region were moving in the opposite direction and has attracted growing external fund commitments and disbursements when overall net flows to its region were stagnant. With the experience of almost a decade of final preparation, launching and operation and success during a very difficult initial period, SADCC should be able to continue to forge ahead.

91. One type of positive prospect is for more of the same - i.e. continued project refinement, financing and completion in main present sectors i.e. Transport and Communications, Agriculture, Energy and more policy coordination and training. That is a useful project, several thousand million \$ of work on priority projects remains to be accomplished.
92. A second positive prospect is for growing visible payoffs from extant and newly completed projects. Until the end of 1986 it was easy to doubt that port corridor investment was paying off - as of the end of 1988 it is much more evident that it is.
93. Probably the industrial sector will become a more effective mobilising device for funds and partners in enterprise rehabilitation and selected new production units. A breakthrough to more systematic indicative regional planning for large factories in key sectors is possible over a 4 to 6 year time perspective. Similarly trade - led by export finance, information buildup and industrial sector successes should grow from 4% to perhaps 8 to 10% of total external trade before 1995.
94. External dependence in technical/professional personnel and consultants will fall at least as a per cent of total SADCC professionals albeit absolutely expanded functions may make new expatriates parallel citizenisation/regionalisation of posts for some years. That trend will also raise the SADCC States' share of institutional finance. Dependence on external project finance cannot decline much until some years after peace and

higher export growth are achieved. 75% import/foreign finance dependence for projects by 1995 would be a possible but slightly optimistic projection.

95. Gradual - but not dramatic and uniform - progress in coordinating unit/sectoral programme quality and quantity is likely. In certain cases of secondary sectors if it is not achieved within 3 to 4 years those sectors are likely to atrophy.
96. Relations with the PTA are likely to remain at least formally correct and moderately amicable. Whether a breakthrough to substantive cooperation based on an agreed division of labour can be achieved in the early 1990's is less clear.
97. South African's post 1986 retreat, while subject to short run counterattack and temporary resurgences, is unlikely to be reversed. Both the sabotage and terrorism and the transport coercion are likely to be significantly lower by 1995 than today. The exception to this would cause were the Angola-Namibia agreements to collapse or the USA radically to step up its support for the UNITA terrorists.
98. Whether drought and terms of trade deterioration will hit the SADCC region harder over 1989-95 than over 1981-88 is rather unpredictable. The prospect for a slightly less fraught period seems fairly good if only because 1981-88 was so dreadful. External support for the region and for SADCC in particular has been growing since 1985 and that trend seems likely to continue.
99. On balance therefore SADCC's prospects over 1989-95 can be viewed:
 - a. as moderately to quite promising;
 - b. building on past areas of success and probably broadening them;

- c. backed by continued external support but with marginal increases in financial (and significant in personnel) self reliance;
- d. but still at risk from RSA, weather and world economy shocks.
- e. and unlikely to make a dramatic breakthrough to full coordination of indicative planning or a rise in the intertrade share of total external trade much above 10%.

VIII.

SADCC and PTA: Diversity and Potential Complementarity

100. SADCC and PTA are very different institutions in history, structure, style, focuses, developmental strategy and performance. On balance it is difficult to avoid the conclusions that to date SADCC has been the more successful and that tensions (initially from the PTA side) between the two bodies have held back the work of both. However, both bodies are facts which are most unlikely to go away and, while a total merge would be impracticable and probably undesirable, very substantial room for coordination and division of labour exists.
101. Basically PTA is a common market centred, other sectors tacked on, economic community modelled after EEC and the Ardean Pact. It was promoted by ECA which dominated the somewhat discontinuous negotiations over 1966-82 which led to its creation and provided most of the initial secretariat. PTA therefore in legal form, development strategy, institutional structure and personnel was an import to Southern Africa whereas SADCC was and is a domestic/regional product. Whatever the virtues of imports - and often they are substantial - they frequently need adaptation and modification to a new context, the failure to include which in PTA is arguably a significant factor in PTA's less and slower than anticipated results. True worsening economic conditions and reduce foreign exchange

supplies have more directly constricted PTA's trade focus than SADCC's infrastructure and production ones, but had PTA had (or adopted) a more two way-semi balanced trade expansion approach as opposed to a traditional preferential to common market free trade one it might have fared better.

102. PTA's institutional structure is formally similar to SADCC's on the decision taking but not the secretariat side. It has a Summit with Ministerial and Official Councils plus sectoral Ministerial/Official meetings. However, the Secretariat is unified (without sectoral units coordinated by states) and in practice is the dominant setter of agendas, proposer of projects and drafter of resolutions. This does promote speedy decisions on and adoption of resolutions but it also reduces state involvement in the programming process and commitment to decisions taken.
103. PTA is not in practice project centred because in the absence of coordinated financial mobilisation there has been little incentive to hammer out serious priority project lists or to support their implementation. This weakness has been exacerbated because SADCC does have such mechanisms so that the 7 SADCC members who are PTA members clearly do not take the latter very seriously as a project coordination forum. PTA has altered its earlier rigid stance against being involved in external finance raising but to date has mobilised very limited amounts of finance for its own institutions (e.g. trade banks) or state projects encompassed in its programmes.
104. The PTA's present eligible membership forms a quadrilateral from Angola to Lesotho to Mauritius to Ethiopia. As states bordering the PTA can be added to it Zaire and the Sudan are potentially eligible. Membership has grown but Botswana, Angola, Madagascar and the Seychelles have not joined to date. Geographically the PTA region falls into three groupings - SADCC, the Northern PTA (with Tanzania overlapping the two) and the Indian Ocean zone. However, geo politically and economically only the first zone is homogeneous (apart from residual or tentative links among Kenya, Uganda, Rwanda, Burundi and Tanzania within the Northern Zone). While in the

early 1980's accession/ non-accession arguably turned partly on socialist transition/capitalist issues this is no longer the case.

105. PTA's focus is on trade and trade facilitation by:
- a. preferential tariffs moving by phases to a (merchandise) common market;
 - b. operation of a standard, hard currency settlement, short term clearing house for transactions among member states;
 - c. preferential relaxation/removal of import licensing among members;
 - d. operation of a trade finance bank.

In the form set out in the PTA treaty these are very much the standard "second best", neo classical, industrial economy common market's standard institutionalisation in pursuit of static/short run efficiency gains from competition, broadened complementarity (new products) and marginal adjustments in national production structures.

106. The PTA's economic integration strategy centres in these focal areas. In addition its treaty provides - rather vaguely compared to the great specificity and detailed transitional timetable on trade issues - for sectoral work to facilitate trade through improved transport and communications, joint planning of industrial development, mutual agricultural base strengthening etc.
107. On dependency reduction the PTA has two instruments:
- a. preferential tariffs and exchange control/licensing regulations;
 - b. limiting goods qualifying as regional to firms owned, directed and managed primarily by PTA nationals.

South Africa had little place in PTA strategy until 1987. Since then PTA has sought to identify regional sources/markets which could replace South African in the event of RSA or globally initiated trade sanctions. It has in this case de facto proposed a division of labour with SADCC/SATCC by assuming some other body has first resolved the transportation and communication system barriers to intra-regional trade.

108. PTA was exclusivist. It held that overlapping organisational memberships were antithetical to effective common markets. In the Eastern and Southern African context that is not self evident. Neither SADCC and the Kagera Basin Authority has nor proposes to have preferential tariffs nor a standard clearing house. Thus so long as all of their members are PTA members (not now - or not yet - true of SADCC) there is no necessity of overlapping membership proving incompatible in its obligations. (So long as some SADCC member States are not PTA members there is a conflict between SADCC/PTA members prior obligations under the Lusaka Declaration of 1980 to treat each other favourably in trade and the potential obligations under the 1981 PTA treaty to discriminate against not PTA member States of SADCC.)
109. The PTA has begun and continued operations nominally from 1981 (the treaty) and effectively from 1984 (the Clearing House). A not insignificant body of functioning programmes, some key conflicts resolved and proposals for further action have been accomplished. In these regards PTA has apparently gone further, faster than its West and Central African analogues. However, it is a fact that progress has been less rapid than hoped and that both state and business interest in and hope for PTA have tended to decline even in its core proponents (Zimbabwe and Kenya, the dominant exporters, and Zambia, the host state) and that it has a much hazier public image than SADCC and a more limited habit of "thinking PTA" than of "thinking SADCC". Arguably this is inevitable for a trade focussed body in the Eastern and Southern African context. Gains from trade are slow to become large, unevenly divided and not readily perceived by the politician in his office, the man in the street or the woman in the field. However that, if

true, does raise doubts as to the political wisdom of concentrating so heavily (at least initially) on the trade sector.

110. In brief PTA's achievements are:

- a. a preferential list (being expanded) providing for sizeable tariff reductions on the bulk of regional trade (which, however, is only about 3% of total external trade and still dominated by the traditional Nairobi and Harare centres);
- b. a regional clearing house providing for 90 day settlement of balances in hard currency which - with limited exceptions - does clear (but in practice handles about 10% of intra-member transactions).
- c. founding a trade development bank to mobilise member and extra regional capital to promote regional trade (which unfortunately has remained non-operational because very little capital in convertible currencies has to date been forthcoming though discussions - e.g. with the ADB - now look more promising);
- d. simplifying and harmonising transit traffic regulations (led, however, by UNCTAD and equally promoted by SADCC);
- e. pushing ahead with the Northern (Kenya - Uganda - Rwanda - Burundi - Zaire) and Central Tanzania - Landlocked States transport corridors (albeit this has really been implemented and finance mobilised by the pre-existing "corridor groups" of directly interested states);
- f. amending the time periods and rules relating to regional ownership - direction - management to avert a conflict over "deregionalising" over half of existing trade in manufactures at the end of the transition period;
- g. proposing various regional projects in other sectors including an (agricultural/meteorological) early warning system (unfortunately largely overlapping SADCC's and, largely for that reason, stillborn).

The reasons for at best mixed feelings about results to date even by ardent PTA and regional integration advocates are perhaps evident from this tentative progress report.

111. On the other hand considerable scope for complementarity with SADCC emerges (and has been referred to in respect to specific steps under the SADCC Problematics and Prospects sections) from the very differences between the two institutions. A base for a genuine division of labour does appear to exist.
112. Tariff reduction and clearing house type measures probably are best served by as large a geographic and economic regional size as possible. A Khartoum to Maseru, Kinshasa to Port Louis, PTA would have a distinct comparative advantage over SADCC in this field. If all SADCC member States were to join PTA no conflict need arise.
113. Closer coordination leading to sectoral regional indicative planning requires a smaller, more homogeneous group of states. SADCC has a clear comparative advantage here in principle and in results to date.
114. Geographically PTA has two sub-regions (Northern and Indian Ocean) SADCC does not include. Land transport and an early warning system in the Northern and maritime transport and an early warning system in Indian Ocean sub-region would appear to be useful areas for PTA action promotion and coordination. Once that was accomplished coordination with SATCC and SADCC's already largely operational regional early warning system (for which Tanzania which overlaps the SADCC - Northern PTA sub-regions forms a natural hinge) would be valuable.
115. In certain fields e.g. trade finance it is unclear whether complementary joint or autonomous institutions would be optimal. Arguably SADCC's regionally linked trade promotion fund proposals (which seem sure to be financed once defined) and PTA's trade bank (detailed and set up but not yet financed) should be merged albeit a series of mutual confidence building steps in other areas would need to precede such action. Analogously some aspects of industrial (e.g. basic steel

capacity?) and transport (e.g. regional airline based on coordination or merger of Ethiopian, Kenyan and Zimbabwean airlines?) coordination may work better if they are carried out on a PTA wide rather than a SADCC, Northern, Indian Ocean sub-regional basis).

116. The need is to establish a process of exploration and dialogue among the two organisations at Secretariat, national official and Council of Ministers levels within a clear mandate to achieve complementarity and division of labour. Given their overlaps the effective source of such a mandate would appear to be the PTA and SADCC Summits.

117. If such an approach works it may provide inputs into a process of increasing the effectiveness of the efforts toward continental economic integration SADCC's experience suggests small, closely linked production/perceived mutual preference foundations are important building blocks toward economic cooperation and integration while PTA's indicates preferential tariffs can be brought into operation but without supporting measures may have limited practical results. These experiences may imply that the Lagos Plan's commitment to continental economic integration should be reaffirmed but ways, means, sequences and target dates reconsidered with more attention to smaller groupings building toward coordinated regional planning and to measures to complement preferential trading and clearing arrangements.