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REGIONAL ECONOMIC COORDINATION AND IMPLICATIONS FOR PLANNING:
THE CASE OF ZIMBABWE IN SADCC

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With the international economic crisis, the drought and food production crises in Africa, all of the economic indicators show a negative growth and a decrease in the quality of life of most African peoples. After two and one-half "development decades" of the United Nations, the international community and the individual states have clearly failed in their goal. Even large and diversified economies like Brazil and Mexico, with definite indicators of economic growth, are the largest debtors. "National" development no longer seems possible. Further, individual states find the colonial legacy of underdevelopment too difficult to transform in the period of economic crisis. Even countries like Angola and Mozambique, who won national revolutions and began social revolutions to transform production relations, have found the inherited economic linkages an imiscal barrier to development.

Born in the struggle for political independence of Zimbabwe, the Southern African Development Coordination Conference (SADCC) brings together nine economies in the region (Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia, Zimbabwe) to address problems of their colonial legacy of underdevelopment, their vulnerability to present economic crises, and their dependence on the South African apartheid economy. This paper analyzes the ability of SADCC, as an innovative model for regional cooperation, to coordinate their policies and set priorities for regional development.

The first section briefly reviews the international economic crisis of capitalism and shows that the monetarist approach to a "solution" is, in fact, an explicit policy to increase exploitation of the producers in developing countries. The second section analyzes the economic contradictions of the SADCC nine, resulting from their positions in the international division of labour. These contradictions are important obstacles to regional coordination. Finally, the study investigates SADCC planning in agriculture, coordinated by Zimbabwe. As a priority of SADCC, agriculture is the first productive sector that SADCC is trying to coordinate.

There are some real successes for SADCC, ones which point to the idea that regional coordination may alleviate somewhat the continued exploitation by the advanced capitalist states. On the other hand, real economic and military sabotage of SADCC could make it falter tomorrow. SADCC, however, already offers lessons for economic policies and planning under conditions of crisis.

N.B. All dollar amounts are in U.S. dollars.
I. The International Economic Context for Planning

Crisis of International Capitalism

The present crisis of international capitalism arises from the objective conditions of capital: at the end of the 1960's the decline in the rate of profit was precipitous and has not recovered to previous levels. Furthermore, the "solution" to this present decline is standard; the poor, by class and by country, are squeezed more in order to increase profitability for the capitalist class. What is new for the present crisis are the tactics employed to force greater surplus value out of the producers.

In the 1970's the strategy of the advanced capitalist states was to increase production of both armaments and food in order to offset the decline in profitability of capital and producer goods. The increase of exports in both from the United States, for example, alleviated the balance of payments deficit. However, production of both required heavy government subsidies which contributed to the well-discussed "fiscal crisis of the state."2 For example, in the EEC, two-thirds of the entire budget was used to subsidize export crops.3 Monetary policies were also tried, as the U.S. simply announced that the dollar would no longer be supported by gold, and two de facto devaluations of the dollar occurred (1971, 1973). The first distinct "remedy" to the continuing crisis was initiated in 1974 with the oil price increase: it turned the terms of trade against primary commodity producers as the higher price of oil was fully incorporated into the price of manufactures, but not into the price of primary commodities. National currencies in developing countries became "overvalued;" in short, exchange rates were used to cheapen the cost of labour and therefore, goods, to obtain raw materials for less from the developing countries. The Bank of England reported in 1982 that the reduction of inflation under the Thatcher government was mainly a consequence of the decline on the prices of primary commodities from the Third World.4

Not able to pay for the importation of manufactures because the terms of trade had deteriorated to one-half or less in a few years, the developing countries increased their debt. For example, the purchasing power of one ton of copper, coffee, or cotton for barrels of oil fell to 50 percent from 1975-1980; countries like Zambia, Tanzania, Botswana and Mozambique would have to double production of their commodity in order to buy the same number of barrels of oil.5 (Of course, other conditions like drought, poor management, inefficiency etc. were factors in the rising debt; this point simply emphasizes the international economic context of the other domestic problems.) The commercial banks were ready to supply money to the deficit countries because the oil producers had deposited petrol dollars in Western banks; they had plenty of liquidity to loan out.

Stagflation became full scale recession in 1980. With monopoly control of production in many sectors, prices do not decline as demand decreases. Instead, production is cut, resulting in retrenchment of labour. With the recession, the developed countries purchased less from the developing. Trade declined drastically. With decreased trade and deterioration in the terms of trade, the debt of the developing countries multiplied.

The second distinct tactic to deal with the crisis was initiated by President Carter in 1979, but fully implemented by Reagan; he rejected Keynesian fiscal policies to deal with the recession and turned to monetarist policy. The floating interest rate climbed to unprecedented levels and by 1984, more capital flowed to the U.S. than to all the Third World combined.6
one percent increase in the interest rate, the debt service of the Third World increases \$3.5 billion; the total debt service of the Third World in 1985 had reached \$13 billion. For most of the members of SADCC, the debt is 25 percent of export earnings and for Mozambique, it is over 50 percent.

In the monetarist "solution" to the recession and to the fiscal crisis of the capitalist state, however, practice has not followed theory. In addition to floating interest rates, government expenditures are to be cut. Yet the choice of cuts are clearly direct attacks on the poor as social welfare expenditures are decreased, but huge subsidies for corporations building weapons are maintained. In the guise of reducing government expenditures in 1985, Reagan vetoed a farm credit allocation by Congress of \$3 billion which would have saved many farmers from losing their land to bankers and agribusiness (about 80,000 farms were bought out in 1984). At the same time, Reagan lobbied very hard for the next stage of the MX missile development at the cost of \$1.5 billion while the total defense expenditures for fiscal year 1986 are \$322 billion, a 6 percent increase above inflation over 1985. These allocations were at the time when Pentagon investigations were exposing million dollar surcharges by the weapons industries to the government.

Theory was also abrogated by the protectionist moves of the Reagan Administration. Monetarist theory advocates a "free market," but Reagan has set the highest tariff barriers since the 1920's in the U.S. Under the Multi-Fibre Arrangement, even the developing countries must "voluntarily" reduce textile exports to the U.S. The American delegations to Japan to bully the government into lowering their exports are well known.

The high interest rates and the huge U.S. deficit from weapons expenditure meant that the U.S. became a net borrower of capital. From 1917-1982, the U.S. was a net lender of capital. C. Fred Bergsten, Director of the Institute for International Economics, stated that in two years (1980-1982), the U.S. "frittered away its creditor position of 65 years." In the 19th century capital flowed to the U.S. to finance industrialization; the present surge seems to be financing re-industrialization, as the U.S. tries to regain its overall economic dominance by leading in certain sectors: armaments, nuclear technology, petro-chemicals, electronics, etc.

The economic policies have established very difficult—if not impossible—economic conditions for developing countries to pursue growth. More significant for the pursuit of any economic change are the political goals of the policies.

The monetarist policies of reduced government subsidies for social welfare, high interest rates, tax incentives for investment—and the unprecedented U.S. deficit spending—are resulting in a net flow of capital away from the developing countries and serve important political goals of the advanced capitalist states. First, the international lending organizations have regained their power. With the petro dollars, the commercial banks were loaning more to the developing countries than the IMF or the World Bank. The Third World debt crisis has increased the role of the IMF as international policeman to make sure that the poor countries fulfill economic conditions which will guarantee their debt repayments. If the country does not comply with IMF conditions, they receive no further IMF or World Bank loans, but also no commercial bank loans and even government aid programs can be stopped (e.g. Tanzania, Jamaica, Nicaragua, Grenada, etc.).

The IMF conditions are well known: reduction of government subsidies and social services, even though in most debtor countries the public sector accounts for no higher percentage of GDP than in the advanced industrialised
countries. What has not been adequately discussed about these conditions is that they are a direct attack on the role of the state in Third World economies.

From the perspective of the IMF, the state, whether it is supporting capitalist or socialist production, is not to intervene. The state role in production and marketing is to be privatized; the market is to direct production and exchange. The fact that the "freemarket" has never existed in many Third World economies because of colonial control and that the state is needed to intervene to deal with historical distortions inherited from colonialism is not important to the monetarists. The market orientation allows the strongest (by class and by nationality) to grow and increase their holdings. This approach clearly gives an advantage to advanced capital in general and to U.S. capital in particular which is interested in new markets which have been dominated by colonial powers on the African continent. The state, therefore, must not interfere with these "market forces."

The World Bank also expounds this approach and is lending less to the public sector and for oil purchases. Net investment by the International Finance Corporation (IFC) of the World Bank for private business ventures in developing countries reached an all-time high of $610 million in fiscal year 1985 (55 percent over what was loaned in 1984), while total lending declined in 1985 by over $1 billion. The World Bank policy for the 1980's is growth in the economy as a whole through "market mechanisms and fair pricing."

Governments in conservative states are also promoting private production and marketing. The U.S. government is the strongest advocate of such terms and even offers special bonuses in aid if a government is promoting private business. U.S.A.I.D. will lend only to private farmers in the Third World, and openly asserts that aid is given to promote U.S. corporate interests. Teresa Hayter suggests that "aid" is such a misnomer that it must now be renamed "export subsidy" of "public subsidy for private profit" or even "funds for counter-insurgency."

The interest rate shock to developing countries already in debt and the demand for privatization of production and marketing to receive loans call to order any country which thought it might be free from dependence relations. The governments find themselves with few policy alternatives, for even if growth does increase, it will be mainly to service the debt, not to increase the quality of life of their people. The burden is so severe that critics are calling for political organizing and collective action to attack it. The President of Argentina, Raul Alfonsin, stated, "Latin America cannot pay its foreign debt through the hunger of its people for two reasons: first, because it is immoral and second, because it is impossible." The publisher of the Toronto Globe and Mail stated, "The problems are such that a long-term solution cannot be developed and implemented unless and until the matter becomes politicized." Leaders as different as Fidel Castro and Julius Nyerere are calling for a debtors' cartel to refuse to honor the debts. The policy of the lenders, however, is to render these states impotent. Calling for the privatization of production and for market solutions weakens the ability of the state to intervene in the economy, to demand political resolutions to the problems.

This attack on the role of the state in the economy turns into overt military sabotage if a state is trying to transform to socialism. The events are well-known in Southern Africa (Angola, Mozambique) and in Central America
Support is increased to repressive governments if they can crush the demands of the workers and peasants (Chile, Philippines, South Korea, El Salvador). As Reginald Green points out, a good indicator of the failure of IMF conditionality is that democratic governments cannot fulfill the conditions. This tactic is not new, but there is no attempt at economic cooptation of those looking for alternatives; it is gunboat diplomacy with a new vengeance.

Southern Africa and South African Destabilization

These international economic relations are clearly replicated in Southern Africa. Perennial conditions like the foreign exchange crisis of the region's economies benefit South Africa. It is strong enough to offer long-term credit to importers of its goods, while the neighbors need immediate payments for their exports. When Zambian producers finally get approval for a foreign exchange allocation, they are in desperate need of parts or other goods to maintain production. They, therefore, go to the nearest market, which is often South African; the exporters increase the price because they know the Zambian producer is trapped and needs the goods immediately.

The battle in Southern Africa is for cheap labor and cheap mineral supplies; apartheid is profitable. Any country which offers an alternative to apartheid, which shows that black African nations can rule themselves or which assists South Africans in their struggle is a "legitimate" target.

SADCC, for all its weaknesses (to be discussed shortly), poses a threat to South Africa. South African trade with all African states was $1.5 billion in 1981, but Zimbabwe is South Africa's most important trading partner. It is estimated that 2 million wage jobs would be lost in South Africa if trade with the region were curtailed. SADCC is replacing historical infrastructures which linked all production and marketing activities in the region to the South. The alternative routes to the sea would clearly reduce South African revenue and its economic grip on regional trade. Other entities, like the Southern African Regional Commission for Conservation of the Soil (SARCUSS), which used to coordinate agricultural research in the region, are being replaced. Formed in 1950, the Commission became quite limited as each successive Southern African state gained independence and removed itself from SARCUSS (starting with Zambia in 1964). Now the Southern African Centre for Cooperation in Agricultural Research (SACCAR) is in position and is taking over completely the job of SARCUSS.

The relationship of SADCC to South Africa has gone through three periods. From 1979-1981, in the euphoria of Zimbabwe's independence, SADCC statements had a high political content. In 1981 at Blantyre, Malawi even joined its neighbors in a strong condemnation of apartheid. From 1981-1984, South African destruction of SADCC projects, combined with the drought, modified SADCC rhetoric. By 1985, South African policy toward SADCC has become clear. South Africa is trying to coopt economically only Malawi, Swaziland, Lesotho (e.g. subsidizing transport, Richard's Bay railroad, Highland Water Scheme, etc.) It will not offer economic carrots to any of the Frontline States within SADCC, not even Mozambique after Monatuli, not even Botswana. The Frontline States will be destabilized; the other three will be lured away as much as possible from SADCC. It is significant that neither Malawi nor Swaziland sent heads of state to the SADCC Summit in Arusha in August 1985.

South African destabilization of SADCC members cost them $10.1 billion from 1980-1985, or one-third of their total export earnings. Yet that figure is an underestimate, for destabilization did not begin in 1980. By 1981, six years after independence, the Angolan government had already calculated $10 billion worth of damage from South African aggression. The Rhodesian war, aided by South Africa, cost Mozambique $556 million. Military aggression has greatly added to the debt burden of the SADCC members.
International Planning Models

Planning models brought to the region by the international community to solve the debt and foreign exchange crisis follow the pattern described above. In fact, Tanzania is the leader in rejecting IMF conditionality, refusing the terms for five years. Zimbabwe restricted overseas remittances in 1984 in defiance of the IMF, has reduced some food subsidies but refuses to keep wages as low as the IMF demands. IMF conditions, even when followed, have no more solved the problems in Southern Africa than elsewhere, as the case of Zambia shows.

The international economic crisis was expressed mainly as a food crisis, as a three-year drought hit the region shortly after the recession began. SADCC estimates that three years and $1 billion assistance are necessary for agricultural production and herds to attain pre-drought levels. However, the international planning suggested for that problem is also not new. For example, the World Bank is still pushing production of cash crops and opposing changes in land tenure. U.S.A.I.D. is still promoting private, "small farmer" production and the commercialization of agricultural inputs. These agencies have complained about the national parasatals involved in marketing grain, calling instead for "free market" conditions. The response of SADCC is unequivocal:

SADCC believes that economic strategy and structures must be shaped primarily by public policy and not 'free market' forces: hence its approach is an interventionist or planned one. The present historically and externally imposed structures were not the result of 'free markets' or perfect competition, but rather of the planned actions of extra-regional states and corporations. Therefore, the Lusaka Declaration (1980) concludes that these structures and relationships must be reversed and restructured by planned action of the independent states nationally and acting together. Unless coordinated action is . . .planned jointly, national interventionism and regional reliance on market forces will always clash, with the regional cooperation efforts the inevitable victims.23 (emphasis mine)

Given the international crisis of capitalism which increases exploitation of the producers in the Third World, what can countries in the region do? The international models—for stabilization of production and for increased agricultural production—are old, generally have not worked, and mainly serve the interests of the promoters. What, if anything, can SADCC do with the reality of the international economic crisis and destabilization by South Africa? Before that question can be answered, we need to look first at the diversity of SADCC, for the constraints of the international economy are not new. A major difficulty for SADCC in facing the present crisis is the contradictions among the members resulting from the colonial legacy of their different positions in the international division of labour.

II. General Conditions for Regional Cooperation in Southern Africa

Although the SADCC economies are all underdeveloped, their different positions in the international division of labour set up contradictions among them. Mozambique is a service economy, for its major foreign exchange earners are the port and rail fees. Lesotho's major export is still its manpower to the South African mines. For three of the SADCC economies, two-thirds of their exports are from one commodity (Angola, Botswana, Zambia), and one commodity accounts for over one-third of total exports for three more
(Malawi—tobacco, Swaziland—sugar, Tanzania—coffee). As the table below shows, Zimbabwe is by far the most diversified economy, with manufacturing accounting for 26 percent of GDP in 1981:

<table>
<thead>
<tr>
<th>Country</th>
<th>Manufacturing as a Percentage of GDP, 1981</th>
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<tbody>
<tr>
<td>Angola</td>
<td>3</td>
</tr>
<tr>
<td>Botswana</td>
<td>6</td>
</tr>
<tr>
<td>Lesotho</td>
<td>5</td>
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<tr>
<td>Malawi</td>
<td>11</td>
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<tr>
<td>Mozambique</td>
<td>9</td>
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<tr>
<td>Swaziland</td>
<td>20</td>
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<tr>
<td>Tanzania</td>
<td>9</td>
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<tr>
<td>Zambia</td>
<td>18</td>
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<tr>
<td>Zimbabwe</td>
<td>26</td>
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</table>

In Zimbabwe, however, 70 percent of the population is still directly dependent on land. Further, Zimbabwe has the largest proportion of foreign capital in the productive sectors; Zimbabwe alone accounts for one-third of all foreign investment in the SADCC countries.

This diversity accounts for different priorities of economic planning in the countries. Most of the states follow a policy of import substitution as the basis for economic growth; they want to reduce imports as the economies develop to meet local consumption. Yet Botswana-Lesotho-Swaziland (BLS), with their membership in the South African Customs Union, cannot really protect their infant industries, so remain dependent on South African imports, with their "industry" relegated to parts assembly. Zimbabwe is pursuing growth based on exports and is, therefore, looking to the region for a market, because many Zimbabwean goods are not competitive on the international market (cost of transport, relatively high cost of production). SADCC, therefore, does not try to coordinate these economic policies, but instead, focuses on areas where agreement is possible in spite of these real contradictions.

Agriculture is a sector where progress has been made (to be discussed in the next section), but again, the different structures of production impinge upon efforts for coordination. For example, land is a key resource in Southern Africa and access to land determines the pattern of distribution—of employment, income and food. As the FAO bluntly stated, "land is the major input of production; when it is inadequate, or its tenure uncertain, the outcome is usually poverty levels of income." Although the general pattern in SADCC is the small peasant producer on communally owned land, the actual distribution of land varies greatly.

Botswana has both a reservation system for specific ethnic groups and a freehold system largely dominated by large cattle ranchers. Because the small scale farmer cannot grow enough grain to meet national consumption, the government now plans to open large tracts of land to "whoever will develop it," whether it be agribusiness or individual Batswana (in areas such as Chobe, Tuli, Ngamiland, Okavango).

Most of those in Lesotho with land have only 1-6 hectares per family, combining individual and communal tenure. However, landlessness is the highest in tropical Africa—about 20 percent—and the leasehold system of the 1979 Land Act could lead to greater numbers of landless people.

Although Swaziland has been independent more than fifteen years, there has been no programme of land redistribution: "the continued preemption of the best agricultural land by a few large estates relegates most farmers to smallholding on poor land, with little hope of adequate returns or their labour." Zimbabwe faces similar distribution problems, which are
not easily resolved, and the government has proceeded slowly, preferring to provide increased agricultural inputs to the communal lands, than to pursue massive redistribution of commercial farm land.

If present trends in Zambia continue, the exploitation of individual commercial farms will take place at the expense of the best communal lands. Agricultural production will increase, but small farmers will be further marginalized. In Malawi, much communal land has already been allocated to private property. The World Bank claimed success of a "land reform" project in Lilongwe, saying that the privatization would give farmers greater security, but then contradicted itself by saying that a market in land would ensure that land reached its commercial potential and could then be sold.31

Tanzania, Angola and Mozambique have nationalized all land, but the experiments in cooperatives and state farms have not been very successful. Problems of management, incentives, and organization—in inevitable in the early stages—have not been resolved. The majority of production is still by small peasants. Tanzania (sisal) and Mozambique (sugar) have turned some of their state farms back to private enterprise.

All of the SADCC members had a declining per capita growth rate in food production from 1966-1981 (before the drought). 32 Therefore, food is the first production priority. The FAO study concludes, however, that "in all the SADCC countries except Lesotho, the choice is clear: the governments will not be able to achieve objectives of greater self-sufficiency and equity unless the traditional sector gains more access to land."33

Yet land reform is not sufficient either. Agricultural policies about prices, marketing, agricultural inputs all affect production—and the individual agricultural policies differ as much as the land tenure. The price for maize, for example, in the BLs are based on the South African Maize Board prices, plus retail and transport costs; they cannot independently set maize producer prices. In Malawi prices are mainly determined in a "free market," but in Angola, Mozambique, Tanzania, Zambia and Zimbabwe, the states set producer prices for their major grains. Subsidies for basic foods are provided in Angola, Mozambique, Tanzania, Zimbabwe, with Malawi and Zambia only subsidizing maize. The BLs do not provide consumer subsidies (although Botswana is providing school lunches and other drought relief since 1982).

The governments intervene in marketing in all of the states, but to different degrees; the government only has a monopoly on tobacco marketing in Malawi and is involved in marketing only of milk, meat and maize in Swaziland. In all of the states, private traders are permitted, but in some they are restricted from certain commodities (e.g. maize) and in others the state corporations generally must compete with the private traders.

These agricultural policy differences, of course, reflect the various ideologies of the SADCC members about the role of the state in the economy. Malawi advocates a free market economy, with little interference from the state, while Angola and Mozambique are trying to use the state for transition to socialism. (Communal farming has a new life in the secure areas of Mozambique; communal fields are easier to protect than individual ones.) Zimbabwe and Zambia are state capitalist in that the state tries to ameliorate the worse abuses of the profit motive (establish priorities through price and wage control, etc.).

To coordinate this diversity is very difficult, but SADCC is a unique
model on the African continent for economic cooperation. The members are not pursuing economic integration; from the above few examples in agriculture, it is easy to see that goal is remote, and there is no congruence of ideology to promote it. SADCC has chosen, therefore, a decentralized structure and the goal of coordinating national action. The projects must follow mutual interests and are accepted only if there is consensus. This decentralized model encourages each member to take responsibility for a sector, to execute the policies which all nine have discussed and agreed upon.

The economic context for SADCC is harsh: international crisis of capitalism, destabilisation by South Africa, contradictions among SADCC members resulting from the international division of labour. To analyse SADCC planning in the face of these problems, the next section will focus on agriculture. By looking at agriculture, we can begin to understand in concrete terms how SADCC does or does not address the problems discussed above.

III. SADCC Agricultural Policy—Steps Toward Economic Planning

It must first be clarified that SADCC "planning" is not planning in the strict sense of the term. SADCC policy is based on a general consensus but not to the degree that is usually assumed in economic planning. In addition, there is not the accountability in SADCC that one finds within a government. Specific governments are given specific tasks, but there is no real mechanism to guarantee that a job is done; if Swaziland chooses not to pay attention to its role as coordinator of manpower, there is little SADCC can do but cajole. In short, the high degree of decentralisation in SADCC is a major characteristic which influences planning. The extent and effectiveness of planning will vary according to the country coordinator.

SADCC, however, has realized that the ad hoc, individual project approach to coordination has severe limitations for development. Therefore, planning by the sectors will be increased. The annual report to the SADCC summit in Arusha, August 1985, gave not only a review of all sectors, but also called for five-year strategies for each sector: "Each sector will thus establish for itself carefully defined and measurable targets of achievement...The sector strategies...will ensure that, during the next phase of growth, SADCC maintains a coherent overall approach to cooperation."35

For overall coordination of the sector plans, a macro-economic survey of the region is in process "against which it will be possible to assess the validity and relevance of SADCC's sectoral programmes and also to measure progress in their implementation."36 This survey will offer background information necessary to assess the sector plans and is a beginning of coordination of data collection for the whole region. The planning, however, will remain decentralized in each sector.

It is important, therefore, to analyze in some detail how one sector (food security) formulates policy. First, there will be an analysis of the decision-making structure of the food security unit; then the policy priorities will be analyzed to understand how they address the problems discussed above.

Infrastructure — Administration

Zimbabwe coordinates the food security sector of SADCC but also has responsibility for the overall coordination of agricultural research and animal disease control (Botswana), soil-water conservation and land utilization (Lesotho), fisheries and wildlife (Malawi) and forestry (Malawi). The importance of agriculture to SADCC is underlined by this fact that four of the nine members have responsibility for agricultural concerns;
further, as will be discussed, priorities in industry (Tanzania) include production of agricultural implements, fertilizer etc.

The SADCC food security unit is based in the Ministry of Agriculture in Zimbabwe and it acts as the executive for food security projects. Decisions about food security, however, involve the full SADCC apparatus. The annual meeting of the Ministers of Agriculture set general policy for agriculture, discussing their various approaches to production problems. In addition, they can initiate specific projects or modify proposals coming to them from the food security staff or the Consultative Technical Committees (CTC's). The CTC's are the working units of the food security sector; they thoroughly debate each aspect of each project, especially its technical feasibility and impact. They can also initiate projects or reject ones proposed from the food security staff. There are three CTC's: extension, research, economics and marketing. Since 1982, agricultural officials from the nine governments have met in each CTC annually and then have one joint annual meeting. After the Agricultural Ministers and CTC's discuss the projects, they are passed to the Standing Committee of Officials and then to the Council of Ministers who meet twice a year. Disputes about projects have been resolved at this level, but generally, they are concerned with overall policy.

This structure clearly shows that policy-making ("planning") occurs at several levels: 1) Zimbabwe does not make decisions but is responsible for execution of the projects. For example, it has been criticized for being slow in implementation and for not seeking SADCC nationals as consultants. 2) The member states have a chance to debate overall policy issues about agriculture at three levels: Ministers of Agriculture, Standing Committee of Officials and the Council of Ministers. 3) Technical issues (which also reflect policy) are discussed by each member in the CTC's.

Research and Development

Research is both centralized and decentralized within SADCC; individual members are in charge of research, but the information will be available in central locations. For example, project no. 3 in food security is to establish a regional data bank on agriculture. The research CTC helped to establish a new Southern African Centre for Cooperation in Agricultural Research (SACCAR) in Sibele, Botswana, under a Tanzanian director. SACCAR will not engage in direct research itself but will stimulate research through grants and by providing coordination of national research and of training. It will encourage long-term planning of national research.

Actual research activities are decentralized. Zimbabwe has the sorghum-millet head office; Malawi is in charge of ground-nut research and Tanzania is to direct cowpea research. These research stations will conduct long-term (20-25 years) research to improve seed for the various ecological zones in SADCC. They will share their information with SACCAR.

The sorghum-millet project is now testing 6,750 varieties at three locations in Zimbabwe (Matopos, Aisley Farm, Mzarabani) and in different ecological zones in nine countries. Sorghum represents 52 percent of Botswana's cereal crop production and a Botswanan plant breeder relates how SADCC assists his work. First, he designates 100 varieties of seeds to be grown in Matopos, Zimbabwe; after visiting the fields, he chooses 20 and then grows them in various areas of Botswana; he later can choose one or two to be marketed as improved seeds in Botswana. Second, he can send his young technicians to Matopos to be trained in the field. Third, he sends seedlings to Zimbabwe to be grown during the winter which is too cold in Botswana for a winter crop. They are returned to him, ready to propagate a third generation of seeds; research time is cut in half. Any of the SADCC countries can
take advantage of these services of the sorghum-millet research, or choose to ignore them.

Other areas where simply sharing information may increase agricultural production is the early warning system, to be fully set up in each member country by 1986. The system will record patterns of weather changes from season to season across the region. Animal and plant disease control is also easier on a regional basis.

Manpower Training

A major constraint for increased production in Southern Africa is a shortage of skilled personnel, from the technician in the field to the agricultural engineer. The CTC’s offer workshops at the high governmental level for agricultural officials. They have covered a wide variety of topics in three years: land use planning, irrigation, extension, pricing, weed control, water conservation, range management, etc. As a Mozambican delegate said, they found the workshops very useful because they could improve in almost every area. To underline further problems of destabilization in the region, Angola has attended only one of eight workshops, not being able to release hard-pressed personnel for training. At the workshops they learn general skills but also about each others' methods; Zimbabwe, for example, is considered the model for agricultural extension, but not without criticism, such as Mozambique raising the question why producer cooperatives were not given first priority by extension workers. Swaziland is coordinator of manpower training in general in SADCC, but has not focused much on agriculture, except for a management development programme for senior agricultural managers.

In the first five years (really three for the food security unit), SADCC is well on its way to this functional coordination of agriculture. In fact, if SADCC were to falter tomorrow such entities as SACCAR would probably continue to exist. What is amazing is that this obvious level of cooperation was only begun in 1980; the colonial past (Portuguese vs. British, orientation to South Africa, etc.) weighs heavily in the region. This level of coordination is important; however, it is not fundamental.

Food Production Policy

With the declining per capita food production and the debt burdens discussed above, SADCC had consensus on the priority of food crop over cash crop production. (Even Zambia has moved from its long-term policy of financing food imports with copper.) The World Bank agenda of the 1970’s, to increase foreign exchange earnings by cash crop exports, was rejected by SADCC in 1980, even before three years of disastrous drought in the region. Instead, the policy is to reduce imports by becoming self-sufficient in food production. At this point, only Malawi and Zimbabwe are food sufficient, in years of good rain.

The immediate priority is to reduce the vulnerability of the members to natural disasters. SADCC projects (early warning system, storage, seed stock) are to prepare better for the vagaries of weather in the region. Even Zimbabwe, with its highly developed hybrid maize, had not paid attention to seeds which could withstand drought conditions. SADCC has completed feasibility studies about the size of grain storage capacity needs for the region, but the project will simply promote national grain storage facilities; there are no immediate plans for regional authority over storage. When natural disasters do occur, SADCC goes to the international community as a unit, as they did in 1984. No attempt was made to prioritize the list of requests,
but the joint action increased international awareness of the severity of the situation and facilitated a coordinated international response. The data presented highlighted the more dire needs and helped the less severely hit governments realize the relative needs among the economies.

Planning has included selection of grains for increased production: sorghum, millet, groundnuts, cowpeas, beans—crops traditionally grown by peasants in the region. Significantly, wheat and rice are not on the list.

Planning in agriculture, however, must be multi-faceted. This lesson was bitterly learned by many African governments which transformed one sector (e.g., extension) only to find reduced production because of another growth factor (e.g., insufficient credit). In agricultural planning, there is no luxury of selectivity; many factors must be addressed at once. SADCC policy reflects this reality, but at the same time, reveals the limitations of regional cooperation. First, the discussion will focus on the production areas SADCC has coordinated and second, analysis will be made of areas that SADCC is unable to address.

Improved seed is one long-term answer; medium-term inputs are also important. SADCC projects emphasize improving extension work, both in quantity of technicians and extent of their knowledge. The CTC’s have held several workshops on extension to encourage each member to improve extension training.

The SADCC industrial sector, coordinated by Tanzania, has targeted farm implements and fertilizers as two priority areas. They have found that importing small tools costs 10 times more than if artisans made them, so artisan units have started production in Botswana, Lesotho, and Tanzania. To increase fertilizer production from 255,000 tonnes per year in 1980 to the necessary 400,000 tonnes in 1990, SADCC is choosing the countries in which to rehabilitate or create new fertilizer plants. Coordination of tractor production, however, has not been successful; Tanzania, Zambia and Swaziland have SADCC-sponsored tractor projects, but others, like Zimbabwe, proceed with their own testing and importing. Finally, demand for pesticides and insecticides will be met mainly by upgrading existing formulation plants in five of the members. In short, SADCC food security priorities have indicated to the SADCC industrial sector what projects should be emphasized. As of July 1985, 20 of 51 industrial implementation projects were for agriculture, accounting for 35 percent of the total cost of SADCC industrial projects. If production increases, then reduction of post harvest losses is necessary. (FAO estimates that as much as 35% of the grains are lost in Africa, Zimbabwe being a notable exception.) Storage, marketing and processing of food are on the agenda. As stated above, storage will be under national control; Zambia and Zimbabwe have already considerably increased their capacities.

The marketing project is the failure of the food security projects. The feasibility study was given to a private Canadian firm, which recommended actions for agribusiness, ignored the SADCC transport projects, and generally, did not follow the terms of reference. SADCC officials, especially from Mozambique, protested and two years after that first study was completed, the CTC’s and agricultural ministers have requested a new study. What the protest indicates is that SADCC countries will not simply accept free market assumptions. As discussed above, marketing is mainly controlled by the states, and SADCC accepts government intervention in the market.

Food processing will also be difficult to coordinate; right now basic questions like the milling of grain are being investigated. When the agenda advances to the questions of canned fruits and vegetables, then SADCC confronts the foreign-owned agribusiness firms in Zimbabwe. Zimbabwe has the most developed...
food processing industry by far and much of it is foreign-owned (Unilever, Brooke Bond, Delco). One report states that Africans only consume 10-20 percent of their food in processed form, while in industrialized countries, 85 percent of the food consumed is processed. Agribusinesses around the world are aware of this potential growth market. In theory, SADCC projects on food processing could regulate the entry of agribusiness into the food processing industry, by setting priorities and conditions; on the other hand, its studies may simply provide the information that agribusiness needs to enter the market more easily.

SADCC food security has not yet even addressed other areas which experts say are crucial to increased production. SADCC has stated that agricultural pricing policies must remain national policies, given the differences in the political economies and the farming systems. Yet research for improved seeds of sorghum and millet will not be used by farmers if producer prices are not high enough; most governments do not include sorghum and millet in their official prices. Land tenure is ignored by SADCC, claiming it is promoting projects for both large and small-scale farmers. Whether cooperatives are encouraged, consumer incentives given to farmers, or easy credit offered is also left to national policy. But each of these items—pricing, credit, land tenure, nature of ownership and incentives—are as crucial to increased production as the items SADCC is discussing.

One specific concern reflects at once the potentiality of SADCC and its severe limitations. In all the documents and accounts of meetings, there is talk of helping the "small producer." Sorghum-millet is for the "small producer;" appropriate technology, small-scale irrigation, etc. are all for the small producer. Quickly, however, one realizes that the concept has many definitions. U.S.A.I.D.—which is the major donor for the food security unit, the sorghum-millet project, a major food security study at the University of Zimbabwe, and a partial funder of the grain-legume research and of SACCAR—is clear that their goal is a green revolution in seeds for Southern Africa. They want hybrids which will multiply production per hectare. However, the hybrids will only grow with fairly exact quantities of water, fertilizer, and pesticides; marginal farmers cannot always get those inputs in the quantities or with the timing needed. If not applied, the hybrids yield less than traditional seeds. This fact has increased the wealth of emergent farmers in India using hybrid rice, while impoverishing thousands more. Production increases, but at the expense of those who are written off as "less efficient." They become farm labourers, often losing their land to debt repayment.

In interviews with SADCC officials, many are concerned about the problem. A Botswanan agriculturalist said that many Botswanan peasants simply will not have inputs necessary for the hybrids. He says that the SADCC Matopos project is fine because it releases time and money for him to concentrate Botswana research on "stable producers." They do not yield as much as hybrids but are not as vulnerable to variable inputs; the marginal Botswanan farmer can therefore use the stable producers and still sell to the market in good years. In a bad year, he will avoid a total crop failure of the hybrids. At the same time, the hybrids from the Matopos can be used by the emergent master farmers who can purchase all the inputs and make sure they arrive on time.

Mozambique agricultural experts think models of farming are inaccurate. They contend that the small farmer is relative; he or she may have two hectares and grow a surplus or 10 hectares and be subsistent only. Mozambique criticizes the emphasis on emergent farmers, for they say that farmers are emergent because they have already received some subsidies.
Mozambique’s priority, and they think it should be the priority of SADCC, is to bring subsistent farmers up to the level of marketing surplus.

Zimbabwe has done just that. Farmers in the communal lands are marketing more than before, because of the increased inputs such as the ones discussed above; it is a success story of which Zimbabwe can be proud. However, trends are being established which could create difficult social conditions. Unless concentrated effort is made to help the poorest of the poor, the agricultural inputs will be used most by the more efficient farmers, with marginal ones becoming insolvent. * Debt or inability to purchase seed or fertilizer will send the family to the city to look for jobs, releasing their land for reallocation to “more efficient” farmers. The increasing number of unemployed is blamed on their own farming inefficiency. Agricultural production increases because of the master farmers; the gross statistics look fantastic, especially to the planners. Food becomes abundant...for those who can afford it.

SADCC is assisting the establishment of infrastructure—administration, research and manpower training—basic to any coordination of production. In agriculture, there is consensus that each member should be self-sufficient in food, but in the interim, Zimbabwe will export to the region; this season purchases have already been made by Zambia and Mozambique. It is a convenient coincidence of interests, for Zimbabwe does have grain to export, but with transport costs, its grain would not be price competitive outside the region. Regional cooperation is planned to remove obstacles to food production, but there is no attempt to coordinate production itself.

* This small producer debate in SADCC does not address further problems that female food producers have in the rural areas. In all of SADCC (really in all of the world, it is the female single heads of households who are the poorest of the poor.

Similarities of Food Policy to Other SADCC Sectors

SADCC agricultural policy does reflect similar constraints in the other SADCC sectors. Priority has been given overall to infrastructure—such as the Southern African Transport and Communication Commission (SATCC). Coordination of industrial production is left for the future. Right now the projects only slightly coordinate small producer items, like the tools and fertilizer mentioned (also textile chemicals, cement, etc.). Capital goods coordination is not on the agenda, nor is there discussion of how to deal with the transnational corporations in any unified way. With nine separate investment codes, there is no consensus about the role of foreign investment. However, in 1986 two investment promotion conferences are scheduled for investment financiers and corporations. Commercial enterprises are also invited to the Industrial Rehabilitation Workshop in Arusha in September 1985. In the absence of any coordination about foreign investment, these conferences could open the door to foreign corporations “helping” SADCC “plan” industry.
pay each other in local currency, until one reaches the surplus limit. That partner is then asked to settle the account by purchasing more. Tanzania also has countertrade arrangements with Zambia and Zimbabwe; Zimbabwe has further countertrade with Zambia and Mozambique. Discussions are proceeding between PTA and SADCC about trade agreements, but Botswana, Mozambique and Angola are not members of PTA.

In summary, SADCC is concerned with changing the forces of production to reduce costs. It does not even raise questions about relations of production, because of the contradictions discussed in Section II. At the same time, however, SADCC is very useful in rationalizing infrastructure and expanding services which support production. In agriculture, each needs to increase food production so there is no conflict of interest or competition for markets. In the areas where there might be conflict—such as fertilizers and tractors—the record is mixed; some rationalization of fertilizer production is occurring, but tractor production continues, unabated by SADCC plans. The goal of complementarity of production remains on paper.

SADCC as a Negotiating Unit

A newly emergent characteristic of SADCC, one which shows its relative success, is that it is beginning to relate to outside organizations as a regional entity. The Nordic countries are enthusiastic about region-to-region relations; they see a Nordic-SADCC relation as a mini-NIEO. They have proposed region-to-region cooperation in four areas: development assistance, trade, raw materials, cultural cooperation, and the emphasis is on transfer of technology, not just exchange. This proposal is facilitated by the fact that the Nordics have been the most out-spoken against apartheid and have actually reduced their own economic ties with the racist regime. Further, their contribution to SADCC is a full one-third of all the OECD countries’ contributions; they have committed $200 million to 50 SADCC projects (in addition to assistance to individual members which amounted to $475 million in 1983 alone). As the Swedish delegate to the Mbabane conference stated, "...your association within SADCC has influenced us in getting together to exchange information and experience from development assistance and to pool resources in order to render support from our region to your region more effective."

With Angola joining at the end of April 1985, all the SADCC countries are now part of the Lome Convention. Already, the Frontline States within SADCC have requested negotiations with the EEC about its relation to South Africa. They feel that EEC contributions to SADCC are often used as an excuse to continue their close relations with South Africa. One concrete example of the region-to-region cooperation is the recent negotiations for selling beef to the EEC. Botswana and Zimbabwe will jointly market meat in the EEC, and management of sales will be provided by the Botswana Meat Commission for both countries. They will not compete with each other for quotas.

Other donors have begun to group themselves together also. The Cooperation for Development in Africa (CDA) is an informal association of donor countries (Gambia, Canada, FGR, France, Italy, UK, USA). It was formed in late 1980 with the understanding that "certain economic problems cannot be solved by one country" and with the goal of relating to "African international organizations." They have designated five zones of interest: Sahel, Sudan, Coastal-Central West Africa, Zaire Basin, East Africa, Southern Africa. The U.S. is the overall coordinator for Southern African relations, with the U.K. as the alternate. Their priorities are for training, crop research networking, and international agricultural research centers. Such groupings
could be potentially helpful, with coordination from the donor side, avoiding such catastrophes as 30 different water pumps in one district, all needing different spare parts. There is also the inherent danger that such coordination is for the donors to gain strength vis-a-vis SADCC. Certainly, such region-to-region cooperation as CDA-SADCC is not among "equal" partners. SADCC response will determine whether donor coordination is for greater efficiency in responding to SADCC needs or for greater control of SADCC from the outside.

Admitting that the Lagos Plan of Action has not proceeded much, the July 1985 OAU summit discussed further economic plans. SADCC spoke there as a unit and shared its lessons. For example, the decentralized model for coordination—each country assigned a sector—was considered as a model for the larger OAU coordination. In addition, the PTA is now looking for funds to build transport infrastructure, to overcome this trade barrier in Eastern and Southern Africa.

It is too early to say that SADCC is increasing the international bargaining power of its members. Clearly, some crucial areas, like international commodity prices, will not be influenced by SADCC at all. However, SADCC acting as a unit in international fora will gradually change the perception of outside countries about the region; this change may someday be reflected in their foreign policies.

Conclusion

SADCC is not pursuing economic integration; in that respect, the modesty of its goals contrasts sharply with the Lagos Plan of Action, or even the PTA. It does not intend to set up autonomous "international organizations" which begin to take on a life of their own. The decentralized, coordinated national action, therefore, concentrates on areas of mutual interest. It is not "planning" in that one authority will guarantee that concrete steps will be taken toward an agreed objective. However, SADCC is not ad hoc either. In agriculture, no "shopping list" of projects is presented to donors; each aspect of the projects has been debated at several levels of SADCC. Only when a project has attained consensus will it appear on a feasibility study list. At many stages, it can be dropped or totally modified. Finally, the five year strategies for each sector, available in 1986, will greatly increase SADCC planning, as each sector designates its goals within the realities of the regional economy.

Initial SADCC coordination has focused on areas where cooperation is easy, where national interests coincide. This emphasis has resulted in a successful record of functional coordination for the first five years: administration, infrastructure, research, some training. With only small producer goods on the list, coordination of industrial production, in contrast, has been elemental. The contradictions among SADCC members will circumscribe the ambitious goal of production complementarity.

SADCC—in all its modesty—does, however, confront the dominant interests in the international economy. It rejects the "free market" solution advocated by the IMF, World Bank, and other aid agencies. Resisting the demand to privatize their marketing of agricultural products, they are also increasing production first in food crops, not cash crops. They insist that the state must intervene in the economies for better planning to overcome colonial distortions. "Cost-benefit" analysis alone cannot work, for it is to the advantage of the strongest, most often foreign capital. Economic decisions must include political considerations to promote growth with equity. These differences with the dominant interests are not negligible.
Can SADCC begin to alleviate the problems of the international economic system? Many of its projects address the problem of chronic foreign exchange shortages and of debt due to reduced production. The first priority of agriculture is import-substitution of food imports, of agricultural inputs (fertilizer, pesticides, seed), of machine imports (hand tools, tractors). Export growth is more difficult, but SADCC does have the goal of reducing competition and increasing exports in the region by production coordination (e.g. fertilizer). Trade is proceeding with counter-trade arrangements to purchase each other's goods in local currencies.

These strategies, however, are dependent on foreign aid—on economies whose policies have exacerbated SADCC conditions in the first place. Eighty-seven percent of the food security unit projects and 100 percent of the agricultural research require foreign aid. SADCC states that their rationalization of the infrastructure, coordination of some import substitution and collective scrutiny of projects reduce the influence of donors. Further, their cooperation attracts more donor capital which should be flowing to the region anyway. Clearly, SADCC has attracted more capital collectively than they would have done individually (especially for Angola and Mozambique). Yet the capital does enter the region in the interest of those who have aggravated the problems of developing countries.

SADCC has survived its infancy during the height of an international recession, a three-year drought, military sabotage against its projects, and a full-scale war in two of the nine members. It is moving from the feasibility study stage to planning five year strategies for each sector. The members remain enthusiastic about pursuing their various interests within SADCC. The road, however, from its present functional coordination to complementarity of production in order to transform production forces, is a long one.
NOTES


They discuss the decline in the rate of profit for the developed capitalist world, see, pp. 160-1.

2. James O'Connor. The Fiscal Crisis of the State (New York: St. Martin's Press, 1973). This work was one of the initial ones which started the debate.


The Pentagon wants 48 MX missiles in 1985, at a cost of $4 billion.


For discussions of the monetarist approach to the crisis, see


14. Promotion of private production in agriculture is in most U.S.A.I.D. documents.

For one example, see U.S.A.I.D., Country Development Strategy Statement—Zimbabwe—FY 1987 (February 1985), pp. 52, 53, 58, 59, 68.


25. ibid., p. 13.

26. ibid., p. 86.


29. FAO. SADCC, op. cit., p. 6.4

30. ibid., p. 6.3.


33. FAO. SADCC, op. cit., p. 6.5.


36. ibid.


43. Interview with Louis Mashani, op. cit.


45. Simba Makoni, op. cit.


49. Ibid.

