

## **ECONOMIC INTEGRATION IN SOUTHERN AFRICA**

### **Introduction**

In 1980, nine Southern African states - Angola, Botswana, Malawi, Mozambique, Lesotho, Swaziland, Tanzania, Zambia and Zimbabwe - established the Southern African Development Co-ordination Conference (SADCC). The main objective of this organisation was to reduce its members' economic dependence on the Republic of South Africa, but also to start the process of regional political and economic integration between these so-called front-line states. Within the two last decades the organisation has transformed from a development conference into a development community and is nowadays called SADC. It has also extended its geographical coverage to cover five more states – the Democratic Republic of Congo, Mauritius, Namibia, the Republic of South Africa and the Seychelles - and it aims today at a very deep integration, but so far has achieved very little.

Southern Africa is a typical example when it comes to regional integration in the African context. There are plenty of regional organisations in the Southern Africa, but none of them has been able to produce genuine integration. SADC is the most important regional organisation of the region. It has achieved relatively little during its history but at the moment it has an ambitious objective. SADC aims at establishing a free trade area among its members by the year 2008. This paper looks into the problems related to regional integration in Africa generally, to the main turning points in the regional integration process in SADC and the challenges that SADC will face in its economic integration.

### **Problems of African regional integration**

Africa's record in regional integration since African countries started achieving independence at the beginning of the 1960s has been a disappointment. African countries have formed over 200 regional cooperation organisations (Traore 1993, Söderbaum 1996). Most of them have concentrated on economic integration, but none of them has

been able to achieve the goal of producing genuine regional economic integration. Peter Robson has summarised this rather bluntly: 'It is in fact the case that hardly any of the African trade blocs have been successful' (Robson 1993, 334). Therefore, it seems rather justified to conclude that signing treaties and establishing regional institutions will not by itself produce economic integration in Africa (Mistry 2000, 561).

When measured in traditional terms, the successes of African regional schemes have been rather limited. According to Mistry, only the arrangements in francophone West Africa and in southern Africa have had limited success with a customs union, while attempts at deeper economic integration in the rest of the Africa have not produced discernible benefits (Mistry 2000, 556-557). Mistry has compiled a long list of reasons for this failure, but it is sufficient to highlight the first three of the reasons he puts forward.

- 'The failure of African governments to translate their commitments in regional treaties and agreements into substantive changes in national policies, legislation, rules, and regulations. There was no follow-through in translating regional commitments into national actions.
  - The unwillingness of African governments to subordinate immediate national political interests in order to achieve long-term regional economic goals or to cede the essential elements of sovereignty to regional institutions
  - The absence of monitoring and enforcement mechanisms to ensure adherence to agreed timetables on such matters as tariff and NTB [non-tariff barrier] reductions or in achieving more difficult objectives.'
- (Mistry 2000, 558)

The suggested reasons for failure can be divided into two groups. The first are related to the shortcomings of the methods and strategies applied by regional cooperation organisations. The most common problem has been the inapplicability of the import substitution strategy and protectionism of most regional groupings during the first wave of regionalism (for example Kennes 1997; Mistry 2000, 557). The other group of problems is more fundamental, and it is summarised above in the three examples by Mistry. It appears that these reasons are in line with other analysis on the reasons for failure (for example Laaporte 1995; Nomvete 1993). Irrespective of the way used to categorise the reasons and the names applied to describe the reasons, it appears that all the analyses centre around the same problems. 'An absence of monitoring and enforcement mechanisms' on the regional level effectively explains why governments

have been able to default on their regional commitments. The secretariats of regional organisations have been weak, and none of the regional organisations has had a similar judicial organ to the European Court of Justice. There has not been a party that would have promoted the regional interest or overseen that regional commitments are effectively turned into national policies, as has been the case with the European Commission. Already in the design of the regional organisations, member states have aimed at granting as little power as possible to the supranational level. And the last phrase of the second reason provided by Mistry explains why this has happened ' [the unwillingness of African countries] to cede the essential elements of sovereignty to regional institutions' has been a common feature for all regional arrangements.

Still, establishing regional organisations has been popular among African countries. If we take Southern Africa as an example we can see that most of the countries in the region belong to several regional cooperation arrangements (see table 1).

Country	SADC	SACU	COMESA	EAC
Angola	•		•	
Botswana	•	•		
DR Congo	•		•	
Lesotho	•	•	•	
Malawi	•		•	
Mauritius	•		•	
Mozambique	•		•	
Namibia	•	•	•	
Seychelles	•		•	
South Africa	•	•		
Swaziland	•	•	•	
Tanzania	•			•
Zambia	•		•	
Zimbabwe	•		•	

Table 1: Membership of SADC countries in regional organisations

As noted above, there are numerous regional organisations in Africa in addition to the ones mentioned in table 1. Some of these organisations have overlapping functions and, for example, in an economic integration process, overlapping membership can cause problems. The problem of overlapping membership has been addressed also in various academic studies (for example Lewis 2001, 41).

Why are regional organisations so popular, if they cannot produce real benefits for their members? One possible answer could be found from the so-called 'instrumental benefits' that accrue to the member-states from an integration arrangement. A concrete example of instrumental benefits is, for example, facilities built into a project that aim at improving public health or education. They exist regardless of whether the project achieves any of its intended objectives. Masud Hossain has used this concept to show how the creation of regular SAARC summits has contributed to the conflict transformation of the region (Hossain 2002, 138-145). Used in the context of regional integration it shows how instrumental benefits can have importance also in many different ways. Sometimes, the existence of a cooperation treaty or organisation alone may be beneficial for participating countries. They may, for example, increase investors' interest in the region or respond to the wishes of donors. In this way, regional arrangements can produce certain, although limited, benefits for its member countries, even though member states had no intention to carry out their regional commitments in the first place. In the case of SADC, the existence of the organisation has helped its member states to attract foreign aid from the Nordic countries (Sidway & Gibb 1998). However, it is obvious that nowadays regional integration arrangements have to be based on real benefits that accrue to member-states and, for example, these so-called instrumental benefits are not sufficient. This means that also economic integration in SADC has to produce real economic benefits for all the countries that participate in that process.

## **KEY HISTORICAL TURNING POINTS IN SOUTHERN AFRICAN INTEGRATION**

### **First integration arrangements**

The first regional cooperation treaty in Southern Africa was signed already during the colonial period in 1889. This first customs union eventually developed through various phases to what is nowadays called the Southern African Customs Union (SACU), which consists of so-called BLNS countries (Botswana, Lesotho, Namibia and Swaziland) and South Africa (Sidway and Gibb 1998, 172). A larger regional cooperation scheme was launched in 1980, when Zimbabwe, Mozambique, Angola, Swaziland, Lesotho, Botswana, Malawi, Zambia and Tanzania founded the Southern African Development Co-ordination Conference (SADCC). The main objective of this new organisation was to

reduce its members' economic dependence on the Republic of South Africa, but also to start a process of regional political and economic integration between these so-called front-line states. The end of the apartheid regime in South Africa, at the beginning of the 1990s, changed the regional context in which SADCC operated, and in 1992 the organisation was transformed into a development community (SADC). At the same time, the objective of creating genuine and equitable regional integration in Southern Africa gained more importance on SADC's agenda. One step towards this goal was taken in 1994 when South Africa became a SADC member state. Also four other countries joined the organisation during the 1990s and today SADC consists of fourteen member states: South Africa, Botswana, Mauritius, Namibia, the Seychelles<sup>1</sup>, Swaziland, Zimbabwe, Angola, the Democratic Republic of Congo, Lesotho, Malawi, Mozambique, Tanzania and Zambia.

### **Southern African Development Co-ordination Conference**

The origin of the integration process of SADC lies in a Lusaka Summit, held in April 1980. Nevertheless, the ideological background dates a little further back in history, to the mid-1970s, when Angola, Botswana, Mozambique, Tanzania and Zambia formed the so-called Frontline States. These states attempted to fight against colonialism and white minority-rule and decrease their countries' dependence on South Africa. In this attempt, regional co-operation and integration was seen to play an important role and the framework for this cooperation was thus established in the form of SADCC (Southern African Development Co-ordinating Conference). The objectives of the SADCC were:

- to reduce economic dependence particularly, but not only, on South Africa
- to forge links to create genuine and equitable regional integration
- to mobilize resources for implementing national and interstate policies
- to take concerted action to secure international cooperation within the framework of the strategy of economic liberation.

(SADC 2003a)

The integration strategy adopted by SADCC focused on functional co-operation, which left most of the responsibility for the member states as the structure of the organisation

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<sup>1</sup> The Seychelles were not able to participate in the SADC Summit in Dar es Salaam in 2003. The reasons for this were economic and there has been speculation whether the Seychelles could withdraw from their

was decentralised. Sectoral co-ordination units (SCU) and commissions were established in the fields of cooperation, but they were located in member states so that each member hosted some sector. SCUs and commissions were responsible for developing both regional policies as well as operational work in their respective sectors. The staff of the SCUs was recruited locally, which in practice meant that the civil servants of the host country were also responsible for regional cooperation. This decentralised cooperation was seen to have certain benefits over closer cooperation, but it naturally created also some inefficiency in the operation of the Conference (Sidaway and Gibb 1998, 166-168). This was even amplified by the uncertain legal position of the conference, which ensured that SADCC actually remained more as a forum of intergovernmental cooperation than a form of genuine regional integration.

### **From SADCC to SADC**

By the end of the 1980s, it had become evident that SADCC needed restructuring and at the Harare Summit in 1989 the Council of Ministers was given the task to formalise SADCC (SADCC 1989). There were several factors contributing to this situation. First of all, it was evident that cooperation within the framework of an intergovernmental conference had been inefficient and the organisation had not been able to achieve its objectives. A fact, that SADCC even itself recognised: 'progress towards the reduction of the region's economic dependence, and towards economic integration has, so far, been modest' (SADCC 1992, 4). Partly this inefficiency was caused by the uncertain legal status and unclear decision-making structures of the organisation, partly the division of the functions into sectoral cooperation, which were not incorporated into one coherent regional programme contributed to the problem. In any case, it was obvious that SADCC needed to address these problems.

The reorganisation of the organisation coincided with changes in the international system that also created pressures to transform the organisation. At the beginning of the 1990s, the end of the cold war had already created a new international framework for regional integration also in Southern Africa. Perhaps the most obvious sign of this new framework

was the independence of Namibia and its membership of the organisation. However, an even more important change for the whole regional integration process was on its way, when South Africa was moving towards majority rule. Although, RSA was not yet a member of the organisation at the beginning of the 1990s, it was already obvious for SADC that genuine regional integration (especially economic integration) would not be viable without South Africa: 'The entry of a democratic, non-racial South Africa into SADC could give a major boost to efforts already underway to promote regional cooperation and integration in Southern Africa' (SADC 1993, 1). At the same time, the effects of economic globalisation were also starting to affect Southern Africa and create pressures for economic integration:

There can be little doubt that Southern Africa needs a credible institutional structure for regional economic integration. The reason for this is not so much that economic integration is a good thing but that Southern Africa is a part of a continent which is becoming increasingly marginalized in the eyes of the international investor community, if not in the eyes of the world at large. Yet, Southern Africa should be the part of Africa, which is best equipped to escape this marginalization. It has the most developed country in Africa, i.e. South Africa, a long standing economic integration and monetary arrangement with a sophisticated financial infrastructure; a reasonable industrial structure in Zimbabwe; significant unexploited resources in Angola and Mozambique. It is a region, which also seems to have forged a feeling of common identity thanks to the various economic groupings in existence. (Maasdorp and Whiteside 1992, 44-45. Cited in Odén 1996a).

In other words, it seemed as if economic globalisation were creating pressures for the future economic development of the region and economic integration was seen as a solution for these challenges. A view shared also by SADCC at the time (SADCC 1992, 7).

To solve the problems and to answer the challenges mentioned above, SADCC decided to adopt an integration strategy, which followed the lines of development integration strategy<sup>2</sup> (SADCC 1992, 28). At the same time this approach was seen as helping the

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<sup>2</sup> The most important feature of development integration is that member states intervene in the process of economic integration and attempt to ensure that all the members of the regional organisation benefit from integration. If necessary, member states can, for example, establish corrective mechanisms that ensure that economic benefits are distributed equally to all members.

region to avoid the problems that other developing countries had experienced in their regional integration, and on the other hand, it clearly prepared the organisation for the membership of a powerful new member – RSA. The strategy was seen as setting the framework also for political integration:

‘[adoption of development integration approach] will also require the establishment of mechanisms capable of achieving the high level of political cooperation and conscious intervention necessary in shaping the scope and scale of the process of integration’ (SADCC 1992, 39).

This was seen to include transferring more of the decision-making authority to the regional level and establishing also effective mechanisms, for example, for dispute settlement (SADCC 1992, 39-42). Transformation of the SADCC into a new organisation called the Southern African Development Community (SADC) was agreed at the Windhoek Summit in August 1992.

The new organisational structure of the organisation included a summit of heads of states, which is the highest decision-making body of the organisation. The second highest decision-making body is the Council of Ministers, which is responsible for overall policy work and oversees the functioning of the organisation. Supranational institutions also include a Tribunal responsible for adjudicating disputes and a permanent secretariat based in Gaborone, Botswana. But the decentralised cooperation in different sectors was, nevertheless, carried over to SADC, which meant that sectoral co-ordinating units and commissions continued their functioning.

### **Development during the 1990s**

During the 1990s, SADC, both enlarged and deepened its integration process. As mentioned above, during the 1990s SADC gained five new members: Namibia in 1990, South Africa in 1994, Mauritius in 1995, and finally the Seychelles and the Democratic Republic of Congo in 1997. RSA was obviously the most important of these new members. The membership of RSA made it possible for the regional organisation to pursue genuine regional integration, especially in the field of economic integration. With fourteen members it seems at this point that further enlargements are not in sight.

SADC also took important steps in deepening its integration process during the 1990s, although the deepening in this case should not be understood to be as profound as, for example, in the case of the EU. The SADC Treaty included the possibility to adopt protocols, which would be legally binding:

‘Each Protocol shall be approved by the Summit on the recommendation of the Council and shall thereafter become an integral part of this Treaty’  
(SADC Treaty, Article 22:2)

During the 1990s, SADC adopted and ratified protocols in several different areas. The adoption of different protocols did not lead to further integration during the 1990s, but they set the framework for future cooperation in the region now that they have been adopted. In addition to the adoption of different protocols, SADC also took an important step in the field of political integration by establishing a so-called Organ on Politics, Defence and Security in 1996.

SADC has so far signed altogether 23 protocols, but only 12 have been ratified and entered into force. The most important of these protocols was perhaps the Trade Protocol, which was signed at the Maseru Summit in 1996 and ratified by the required number of members in 2000. This is because this protocol sets the framework for the economic integration process in Southern Africa, which will be one of the main areas of cooperation of SADC in the near future. The objective of the economic integration is to establish a SADC Free Trade Area by year 2008. From thereon SADC envisages to move on in its integration efforts according to a tight schedule: the establishment of a SADC customs union is envisaged to take place in 2010 and the establishment of common markets would follow in 2015 (SADC 2003b, 65). Economic integration is the area where SADC aims at achieving the most concrete results and therefore it is also the area, which to a great extent shapes the future of the organisation - its success or failure.

Another important step was taken in the field of political cooperation although even this step did not produce results immediately. Although SADC countries had agreed that political stability was a prerequisite for the achievement of the objectives of the organisation, it was not able to agree upon the institutional structures related to the

establishment of a regional security regime during the first half of the 1990s (Nathan 2002, 58). However, at a Gaborone Summit in June 1996, SADC decided to establish a SADC Organ on Politics, Defence and Security. The appointment of Robert Mugabe, president of Zimbabwe, to chair the new Organ led to a peculiar situation. Organ did not exist de jure before the Organ Protocol was approved at the Blantyre Summit in 2001, nor did it exist de facto, but still Mugabe managed to make decisions and give out statements as the Chair of the Organ without consulting other SADC members (Nathan 2002, 58). Among these decisions was to send Zimbabwean, Namibian and Angolan troops to DRC, which according to Mugabe was made under the SADC flag. But as said the Protocol on Politics, defence and security co-operation has now been signed giving SADC a possibility to deepen its cooperation in the field of common security. The objective of the Organ is to promote the peace and security of SADC members, but in addition to this the Organ Protocol lists also twelve other objectives, which deal with, for example, democracy and human rights. But as Jan Isaksen concludes, the Organ is still quite far away from the role envisaged for it in the SADC Treaty and Protocols (Isaksen 2002, 36).

### **Institutional Restructuring**

Although SADC was able to produce deeper regional integration during the 1990s it still suffered from inefficiency. Especially its institutional structure proved to be inappropriate for deeper integration. The sectoral cooperation had been the main form of cooperation during the 1980s and this decentralised model of cooperation was carried over to SADC in the transformation of 1992. However, it soon proved that this model of cooperation was not suitable for more intensive cooperation that SADC had now initiated.

During the latter half of the 1990s, it was becoming obvious that SADC was facing severe problems in its integration efforts. As listed by Isaksen and Tjønneland these problems included:

- 1) The SADC secretariat in Gaborone lacked the power, authority and resources required to facilitate regional integration;
- 2) The sector co-ordinating units in the member states were highly uneven in their ability to pursue and implement policies;
- 3) SADC's Programme of Action lacked a clear regional focus, it covered too many areas, and the majority of projects were mainly national;

- 4) Limited capacity to mobilise the region's own resources, including the private sector, for the implementation of the Programme of Action and an over-dependence on external financial resources.
  - 5) Growing political divisions within SADC and a failure to address governance, peace and security issues.
- (Isaksen and Tjønneland 2001, 4).

SADC was also aware of these problems and in 1999, the SADC Summit decided to launch a review of the operations of SADC institutions. The committee set up to carry out the review recommended a comprehensive restructuring of SADC institutions. This recommendation was decided to be carried out by the extraordinary Summit in March 2001.

The main innovations of the restructuring included closing the sectoral co-ordinating units and commissions located in SADC member states. Their functions would instead be transferred to Gaborone, which would strengthen the SADC secretariat. All 21 sectoral co-ordinating units were decided to be abolished and instead establish four clusters in the secretariat that would take care of the cooperation in all sectors. The summit remained as the highest decision-making body of the organisation and the Council of Ministers remains also in the same position as in the original Treaty. During 2000 and 2001 SADC also signed protocols on Politics, defence and security co-operation as well as on a Tribunal. These institutions have an important role in the institutional set-up of the organisation, but the Tribunal has not yet been established. Later in 2001, SADC also amended its Treaty to conform to the institutional changes. Isaksen and Tjønneland have concluded that although it is too early to judge what will be the actual outcome of this restructuring, it is at least addressing the main problems of the organisation (Isaksen and Tjønneland 2001, 20). With institutional restructuring and the amendment of the Treaty, SADC has now taken the first steps, which will enable it to achieve genuine regional integration, but there are still many challenges ahead.

During the first years of the first decade of 2000, SADC has concentrated on implementing its objectives that a rise both from the original treaty as well as from the restructuring of the organisation. Restructuring has been the highest priority of the

organisation<sup>3</sup>. The restructuring has proceeded relatively well and tasks have been handed over from the sectoral co-ordinating units to the secretariat, which nevertheless still remains relatively weak compared to its tasks (Isaksen 2002, 64). However, Isaksen points out that focus on restructuring has, for example, slowed down the progress in building the capacity of the secretariat, which, in turn, has slowed down progress in the implementation of the protocols (Isaksen 2002, 65). Implementation of the Trade protocol runs smoothly although certain problems can be expected to surface in the future (Isaksen 2002, 18-19). Progress has been also made in the issues that belong to the competence of the Organ for Politics, Defence and Security, but member states' willingness to protect the regional stability has partly hampered the objectives of the Organ. It has not, for example, directed much attention to the issues of good governance and the protection of human rights (Isaksen 2002, 65). SADC has also produced a Regional Indicative Strategic Development Plan (RISDP), which basically aims to operationalise protocols and harmonise policies.

Overall, SADC is well on its way to creating a legal framework (including the Treaty and the Protocols) as well as establishing an institutional set-up, which will meet the requirements of deeper integration. Recently, the focus has been on restructuring and also SADC itself has noted with concern the slow progress in ratifying the protocols (SADC 2003c). Both creating the legal order and restructuring the organisation are necessary, but not sufficient requirements for successful integration (for example, the successful establishment of a free trade area). However, the next step is perhaps the most difficult. From now on, SADC must also deliver, in other words, it must also produce some substantial benefits for its member states<sup>4</sup>.

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<sup>3</sup> In SADC summit 2003, SADC noted that the status of the restructuring process was the following: the process was near completion, four Directorates had been established and SADC national committees were operational at member state level. Summit also approved RISDP. (SADC 2003c)

<sup>4</sup> At the beginning of 2004, the restructuring process has almost been completed and all SCUs closed down and their tasks have been transferred to Gaborone. This process has somewhat slowed down the actual integration process, but most likely it will prove to be necessary for the success of the integration process in the future.

## **CHALLENGES OF ECONOMIC INTEGRATION IN SOUTHERN AFRICA**

The SADC Treaty states that SADC is an international organisation, which tries to achieve the following objectives:

- a. promote sustainable and equitable economic growth and socio-economic development that will ensure poverty alleviation with the ultimate objective of its eradication, enhance the standard and quality of life of the people of Southern Africa and support the socially disadvantaged through regional integration;
  - b. promote common political values, systems and other shared values which are transmitted through institutions which are democratic, legitimate and effective;
  - c. consolidate, defend and maintain democracy, peace, security and stability;
  - d. promote self-sustaining development on the basis of collective self-reliance, and the interdependence of Member States;
  - e. achieve complementarity between national and regional strategies and programmes;
  - f. promote and maximise productive employment and utilisation of resources of the Region;
  - g. achieve sustainable utilisation of natural resources and effective protection of the environment;
  - h. strengthen and consolidate the long standing historical, social and cultural affinities and links among the people of the Region;
  - i. combat HIV/AIDS or other deadly and communicable diseases;
  - j. ensure that poverty eradication is addressed in all SADC activities and programmes; and
  - k. mainstream gender in the process of community building.
- (Amended SADC Treaty, Article 5:1).

In principle, the objectives of the organisation are rather far-reaching. In relation to the actual integration process, the most important immediate objective of the organisation is to establish a SADC free trade area. According to the Trade Protocol, the establishment of the free trade area should take place within eight years of the ratification of the Protocol, which occurred in the year 2000 (SADC protocol on trade 1996, Article 3b). Economic integration is also the area of cooperation that involves a clearly spelled out timetable for future activities (SADC 2003b, 65).

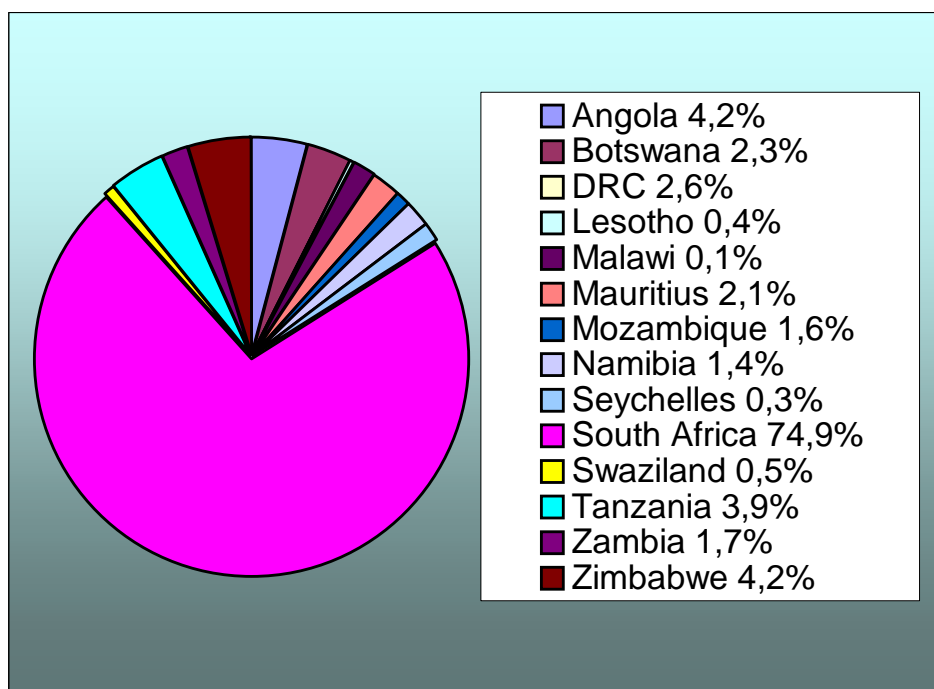
### **Dominance of RSA in Southern Africa**

SADC differs from many other regional organisations because it has a member that is so dominant compared to the other member states. Most obvious factor in the regional system of southern Africa that favours regional integration, is the dominance of the Republic of South Africa (RSA). RSA is overwhelmingly dominant almost in all respects in a southern African context. At the same time, when this dominance creates a need for regional integration it also constrains it by requiring a high level of intervention in the implementation of the process and adoption of certain kinds of integration strategies.

As described above the whole regional integration process in southern Africa was started in the first place to balance the regional imbalance between RSA and the front-line states and as noted the process did not achieve its goals in this respect. After the end of the apartheid regime in South Africa the approach changed considerably. The objective of integration was transformed to include the regional giant in the framework of cooperation. In this sense, there are similarities with the post-war European situation, where the economic development of Europe was dependent on the ability to incorporate Germany as part of the European economic system (Milward 1992, 134). RSA is even more dominant economically in southern Africa than Germany is in Europe and therefore it is vital for the region to be able to include RSA in the economic integration process. However, there are also marked differences between Europe and southern Africa. Whereas in Europe, Germany also needed the integration process, in southern Africa this situation is in no way as obvious for RSA.

### **Economic dominance of RSA - fear of polarisation effect**

In 2002, the combined population of SADC countries was approximately 210 million people and the total GDP USD 226,1 billion (SADC 2003b). However, the levels of economic development in the region are highly uneven. While the population of RSA is a little more than 20% of the combined population of SADC, the GDP of RSA is almost 75% of the combined GDP of SADC.



Picture 1, *Share of each member of total SADC GDP 2001*

Source: SADC 2003d, p 72

Picture 1 shows clearly how South Africa is overwhelmingly dominant economically in the regional context. One of the conditions that increases the likelihood of successful economic integration is that the regional partners are more or less on the same level of economic development, which obviously is not the case in Southern Africa.

South Africa also dominates the intra-regional trade patterns. Before the membership of South Africa, SADCC was a heavily trade dependent area, but with only a small share of intra-regional trade. At the beginning of the 1990s, the African Development Bank reported that the share of intra-regional<sup>5</sup> trade was less than 6 % of total trade. (AfDB 1993, 35). After that, the situation has changed rapidly and the amount of regional trade has increased in relation to trade with the rest of the world. As table 2 shows, the share of intra-regional trade in relation to all trade in SADC increased from 3.1 % to 10.0 % during the 1990s.

<sup>5</sup> This region included all the present SADC members except the DR of Congo, Mauritius and the Seychelles.

Share of SADC in Countries Exports	1980	1985	1990	1995	1999
Angola	0,03	0,00	0,01	0,03	0,7
DR Congo	0,05	0,03	0,1	6,0	0,3
Malawi	12,4	15,4	1,6	17,2	16,9
Mauritius	1,4	0,1	1,2	1,4	1,4
Mozambique	1,1	0,3	0,3	32,1	17,4
South Africa	0,7	2,8	2,5	10,7	11,5
Seychelles	10,5	0,8	0,4	1,4	1,2
Tanzania	5,2	0,1	0,5	1,4	7,4
Zambia	0,9	3,1	0,8	3,8	7,8
Zimbabwe	1,3	25,0	30,7	31,7	28,0
<b>Intra-SADC trade</b>	<b>0,9</b>	<b>3,4</b>	<b>3,1</b>	<b>9,9</b>	<b>10,0</b>

Table 2: Share of SADC in each country export, in %  
Source: Chauvin and Gaulier 2003, p.11

However, as table 3 shows, most of the growth is due to the increase in trade flows including South Africa, which have increased rapidly after the demise of apartheid, and accounted for nearly 80% of all intra-regional exports in 1999.

Source of intra-SADC exports	1980	1985	1990	1995	1999
Angola	0,2	0,0	0,03	0,03	0,9
DR Congo	0,4	0,1	0,1	2,7	0,1
Malawi	11,1	6,1	0,5	1,9	2,3
Mauritius	2,2	0,1	1,4	0,6	0,6
Mozambique	1,8	0,1	0,1	1,4	1,6
<b>South Africa</b>	<b>64,2</b>	<b>50,5</b>	<b>56,0</b>	<b>76,5</b>	<b>77,8</b>
Seychelles	0,2	0,0	0,0	0,0	0,1
Tanzania	9,6	0,1	0,2	0,3	1,3
Zambia	4,4	4,1	1,0	1,3	2,0
Zimbabwe	6,0	38,9	40,7	15,4	14,9

Table 3: Contribution of each country to intra SADC exports, in %  
Source: Chauvin and Gaulier 2003, p.12

These tables show how the share of SADC has increased in RSA's exports after the demise of apartheid and it has gained a larger relative share in overall intra-SADC trade. At the same time, the relative share of other SADC members has decreased in intra-SADC trade flows. This is because the volume of RSA exports alone is much bigger than other SADC members together as shown in table 4:

1995	Intra-SADC exports (Value in USD)	As a proportion of total intra-SADC exports	1999	Intra-SADC exports (Value in USD)	As a proportion of total intra-SADC exports
Angola	703	0%	Angola	1869	0%
DR Congo	101 306	3%	Dr Congo	3505	0%
Malawi	74 012	2%	Malawi	85 004	2%
Mauritius	21 061	1%	Mauritius	23 478	1%
Mozambique	52 105	1%	Mozambique	0	0%
Seychelles	703	0%	Seychelles	1 869	0%
South Africa	2 922 100	76%	South Africa	2 825 344	78%
Tanzania	10 120	0%	Tanzania	48 061	1%
Zambia	48 323	1%	Zambia	71 071	2%
Zimbabwe	589 865	15%	Zimbabwe	542 060	15%
Total	3 820 573		Total	3 632 412	

Table 4: Total intra-SADC exports<sup>6</sup>

Source: Gonzalez-Nunez 2003

Without South Africa, the share of intra-regional trade would be on an insignificant level and the changes in trade flows involving South Africa also affect the overall trade patterns of SADC.

The statistics are thus not promising for the southern African economic integration process. The market integration theory emphasises the importance of trade creation<sup>7</sup> and it is more likely to occur when trade is small compared to the domestic production of member states and most of that trade is undertaken with other members of the regional group (Robson 1980, 146). Therefore, it seems unlikely that the establishment of free trade area in southern Africa will lead to trade creation. Instead, the dominance of RSA in the regional context should concentrate the benefits of integration on RSA and thus cause a polarisation effect<sup>8</sup>. At the end of the 1990s, SADC trade ministers still considered in

<sup>6</sup> Data not available for individual SACU countries. South Africa includes also other SACU countries.

<sup>7</sup> Trade creation refers to a shift from the consumption of higher-cost domestic products in favour of lower-cost products of other integrative states as a result of the integration process. The other possibility is that integration leads to trade diversion, which is considered to be harmful for participating countries.

<sup>8</sup> Polarisation effect can result from an integration process that will not lead to trade creation. In this situation economic benefits will concentrate only in the countries that are more developed than their partners (in the southern Africa case RSA), while other members can even suffer economic losses as a result of integration.

their meeting that the question of polarisation should be addressed (SADC 2001). Nowadays, the approach is less straightforward and, for example, in RISDP it is stated that:

'The policies and strategies that are adopted for trade, industry, finance and investment should take into consideration the special needs of less-developed member countries and ensure that a win-win situation prevails.'  
(SADC 2003b)

Despite the small changes in official rhetoric, it is obvious that if the fear of polarisation would be realised it would create a threat to the successful implementation of the economic integration. However, it is not necessarily automatic that the economic dominance of RSA will lead to polarisation.

### **Factors reducing the likelihood of the polarisation effect**

Although the statistics do not favour economic integration in southern Africa, there are also various factors that can reduce the likelihood of the polarisation effect. Some of these factors can reduce polarisation already in the short term, but perhaps the most important one of them will produce its benefits only in the long run.

Other members can expect to benefit from integration only when they have been able to diversify their production structure, and gain their share of regional trade. The SADC secretariat believes that it is possible for all the members of the organisation to claim their share of regional production, and that SADC will follow a 'flying geese' model. In this model, the leading country (RSA) constantly develops new industries and when it loses competitive advantage in a particular product, it passes it on to its less-developed neighbours (SADC 1999). A study made by Friedrich von Kirchbach and Hendrik Roelfson confirms that there actually exists a real potential for this model. According to von Kirchbach and Roelfson in Southern Africa there are certain promising similarities with East Asia, where the production capacity has been shifted from Japan to other Asian countries. First of all, South Africa's economy is strong enough to act as a locomotive for the whole region. In addition there are enough countries at different levels of economic development, which guarantees that wages vary throughout the region. On the negative

side, South Africa's exports are mainly resource-based, which makes their relocation more difficult than light manufacturing, as in the Asian case. However, von Kirchbach and Roelfson have studied the region's trade patterns (between SACU and rest of SADC, which they refer to as SADC 7) to find the possible product groups where a possible shift between South Africa and other SADC members could occur. According to them, the results are very promising: 'In sum, there is quite a broad range of products for which the seven SADC countries under review may have an interesting potential as an export platform for SACU investment' (von Kirchbach and Roelfson 1998, 23). Similarly Chauvin and Gaulier have concluded that there does not exist much complementarity between SADC economies, but trade could expand in vertically differentiated goods<sup>9</sup> (Chauvin and Gaulier 2002, 33) and Hess has suggests that after initial polarisation, industries would return to other SADC members as a response to lower wage costs (Hess 2002, 23). These studies seem to imply that the production structure as well as the trade patterns of the region could be different in the future, and the rationale for integration does not have to rest on the hope that integration will lead to trade creation within the existing pattern of trade.

Another possible factor that can reduce the effects of the polarisation effect could be foreign investments. At least according to the traditional growth theory, economic integration and the liberalisation of economic policies should be able to attract more investments to SADC countries, and in this way have positive effects on many SADC economies. At the moment, large foreign investments in SADC countries are exceptions, and they usually concentrate only on a few sectors of economy (especially mining), but nevertheless during the 1990s, SADC was able to increase the annual volume of FDIs from \$691 million to \$3061 million (SADC 2003b). Only South Africa is able to attract MNCs (multinational companies) to a greater extent, but, on the other hand, it attracts 25% of all FDIs to sub-Saharan Africa (SADC 2003b). SADC sees this as a sign that MNCs have started to integrate South Africa into their global production network (SADC 2000a, 23). If the economic development of the region follows the flying geese model,

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<sup>9</sup> RSA specialising in higher quality goods and other SADC members concentrating on middle and lower quality goods.

these investments should eventually trickle down also to other members of SADC. This would increase the volume of both external investments in other SADC members but also intra-regional investments. At the moment, South Africa, Mauritius and Zimbabwe are the main sources of intra-regional investments and these investments concentrate on the following sectors: Mining, Tourism, Transport, Finance, Manufacturing, Retail, Telecommunications, Agriculture and Fisheries (SADC 2003b). The creation of FTA could increase the interest of South African companies to invest in other member states, because that way they could take advantage of lower labour costs, but benefit from larger markets at the same time.

Even if the economic and political situation in SADC countries would improve as a result of FTA, it does not automatically guarantee that the volume of FDI from South Africa and the rest of the world would start to increase. Samson Muradzikwa lists at least the following reasons that might constrain SADC from attracting FDI: the relatively small market size, the remoteness from major markets in Europe, USA and Asia, the underdeveloped infrastructure, crime and corruption and finally political instability (Muradzikwa 2002, 14-18). Furthermore, because of the lack of investments in education, SADC might have problems also in offering a skilled workforce for MNCs. As a conclusion, it could be said that the creation of a free trade area would most likely increase the inflow of FDI into the region as well as intra-regional investments. This offers an opportunity for SADC countries for rapid economic growth and to benefit, for example, from transfers of technology. On the other hand, many less-developed members suffer from insufficient infrastructure and the lack of skilled personnel, which might reduce their chances to increase their share of FDI. As Muradzikwa concludes, it is not possible to draw one general conclusion as to how SADC will be able to attract FDI in the future, because it is dependent on both regional and national factors, i.e. how regional policies are implemented and what kinds of economic and political conditions prevail in individual member states (Muradzikwa 2002, 20). It seems likely that increased investments alone cannot reverse the uneven distribution of benefits resulting from trade diversion.

Thirdly, if economic development itself does not correct all the effects of economic liberalisation, SADC can also intervene in the process and establish corrective mechanisms, which would try to ensure the equitable distribution of the benefits to all members. As was said before, especially during the 1990s, this was seen as necessary in official SADC documentation (SADCC 1992, 39). However, it was not always fully clear what actions would be required or would be taken in order to achieve this equitable distribution. In the industrial development programme, SADC focused mainly on the preparation of a regional industrial policy and strategies, which would best promote spontaneous industrial development in the region. Especially, the organisation tried to ensure that the effects of trade liberalisation would not be too negative on local industries, although responding to market needs automatically means increased competition for local producers. Nowadays, industrial development is incorporated also in the RISDP, and the needs of the less-developed members are also taken into account:

'Deliberate policies will also be required to deal with industrial development for the periphery areas or countries that may not be as competitive as others.'

(SADC 2003b)

A framework for other possible corrective mechanisms also exists. SADC plans to establish a development fund, which could support the achievement of SADC regional development objectives. If established, the SADC development fund would have an important role in balancing the differences between SADC members:

'A feasibility study is underway to advise Member States of the desirability and viability of establishing a SADC Development Fund in support of its regional development objectives. The important issues for regional integration are potential asymmetrical benefits and costs of regional integration in terms of resource flows, the need to provide sustainable finance for SADC Programme of Action, and bottlenecks and constraints in the mobilisation and utilisation of existing sources of finance for regional development. The need therefore arises for the re-allocation of resources in favour of less endowed countries to avoid polarisation.'

(SADC 2003b)

South Africa has also tried to reduce the regional asymmetries by launching so-called SDIs (Spatial Development Initiatives). SDIs include investments and development

projects in some less-developed SADC countries, and they aim to reduce the regional dominance of South Africa.

### **Potential negative effects of economic integration**

The South African economy is in a dominant position in Southern Africa. It has diversified and developed economic infrastructure (by African standards). Therefore, it appears that South African producers might have an advantage over their SADC competitors in most sectors of the economy. One of the fears of the smaller SADC members has been that the creation of a free trade area would mean a non-restricted flow of South African products into their domestic markets, which would further damage their economies (Dieter et al 2001, 63). The free flow of South African products into other SADC countries could damage the domestic production of some countries, but, on the other hand, South Africa had already at this point quite a strong foothold in other SADC markets, as the trade statistics show in the table 2 above.

However, even if the influx of South African products would not cause problems, the revenue losses that would result from a reduction in tariffs would have negative effects on the economies of certain countries. Most of SADC members belong to several trade agreements, which means that the majority of intra-SADC trade is already taking place at very low tariff rates. Nevertheless, the highest tariff barriers exist between South Africa and non-SACU countries. Since South Africa can account for, up to a half of some SADC country's imports, the abolishment of tariffs may have significant consequences for some countries. Table 5 shows the estimated revenue losses of SADC countries after the establishment of the SADC free trade area. Of course, countries that have the highest tariff barriers towards South African products will also suffer most from the increased competition.

Country	Percent change in customs revenue	Customs revenue as % of total	Percent change in total revenue
Angola	-1.8	4.3	-0.08
Botswana	-3.0	15.2	-0.46
Lesotho	-3.0	45.0	-1.35
Malawi	-23.9	22.0	-5.26
Mauritius	-17.0	33.5	-5.70
Mozambique	-5.8	22.2	-1.29

Namibia	-3.0	29.8	-0.89
South Africa	-3.0	1.8	-0.05
Swaziland	-3.0	49.4	-1.48
Tanzania	-5.8	27.6	-1.60
Zambia	-28.7	8.6	-2.46
Zimbabwe	-32.2	17.2	-5.55

**Table 5 Estimated impact of SADC FTA on government revenue**

Source: Hess 1999

In the worst case, integration can be harmful for certain SADC countries, because their domestic producers will have to face more competition and their revenues will decline when intra-regional tariffs are abolished. In this case it is even possible that some countries will be worse-off within the free trade area than what they would be outside it.

### **The worst scenario**

Because of the RSA's dominance, the integration process will not be automatically beneficial for all members of the SADC. This naturally creates some reluctance in some members of the Community to deepen the process, since the most obvious requisite for a successful integration process, is that it has to benefit all members. Without any kind of corrective mechanisms, the implementation of economic integration can lead to a situation where most of the benefits of integration are concentrated in South Africa and some of the less-developed members can even find themselves to be worse-off as a result of the integration process. Therefore, the need for the equitable distribution of benefits of economic integration is stressed in various academic studies (for example, Odén 1996a, 46; Gibb 1998, 306; Dieter et al 2001, 69; Hess 2002, 23).

In the worst case scenario, the implementation of economic integration will not lead only to an unequal distribution of benefits. As a result, some members can suffer economic losses and if they are not compensated, this can also cause instability within the region. Frederik Söderbaum argues that in recent years Southern Africa has moved from 'an explosive security complex towards a security community' and that 'a large scale inter-state war in Southern Africa is not foreseeable' (Söderbaum 1998, 78-79). Söderbaum is correct in a sense, because the main threat towards regional security nowadays does not a

rise from military threats, but more from other threats to human security (such as disparities in the distribution of economic wealth, diseases, ecological threats). At the same time, these new threats include, for example, asymmetries caused by integration. Therefore, there exists a threat to regional security if the asymmetries in regional economic development are reinforced as a result of the integration process. These tensions could severely affect also regional stability, although their escalation into a military conflict would seem highly unlikely.

As a conclusion, it can be said that RSA dominates the southern African economy. If economic integration is implemented according to the logic of the market integration model, with minimum intervention in the functioning of the markets, it will not lead to an optimal result. At best, the benefits of integration will concentrate only in South Africa, but it is also possible that it will leave some of the less-developed members of SADC worse-off inside the free trade area. In the worst scenario, the uneven distribution of economic benefits can also disturb regional stability, but the likelihood of military conflicts can be assumed to be very low. Integration does not have to cause problems, since SADC can also intervene in the process and try to correct the unwanted results of the process. This is naturally a difficult task since it requires the establishment of different kinds of corrective mechanisms. Their implementation, in turn, requires, among other things, a political will and resources. The most crucial factor in such an approach towards regional integration will be the attitude of RSA towards its regional partners and the regional integration process. In other words, can RSA take the role of benevolent hegemon in the Southern African region?

### **WHAT KIND OF ROLE FOR SOUTH AFRICA?**

#### **South Africa as a hegemon?**

The dominant position of the Republic of South Africa (RSA) is a fact that has to be recognised by the political leaders when planning regional integration and also a fact that has to be taken into account when analysing the possibilities of regional integration in Southern Africa. With a dominant position within the region and at the same time integrated in the regional system, RSA will most likely take some kind of hegemonic role

in the region. However, what kind of hegemonic role it will take can vary considerably. The two extreme possibilities are benign or exploitative (Odén 1999, 172-173). According to Odén, in the worst case, this would mean that RSA uses the region to serve its short-term national interests and exploit its regional partners. In the opposite case, RSA would promote regional cooperation, which would be beneficial both to itself and to its regional partners (1999, 173).

We are going to consider only the latter possibility, where RSA takes the role of a benevolent hegemon. This is because the whole concept of regional integration in southern Africa is naturally built on the assumption that the membership of RSA benefits all countries. On the other hand, at least on a rhetorical level this is also an objective of RSA. Therefore, we are now going to identify the conditions under which RSA could take the role of a benevolent hegemon and regional integration could be steered in a direction where it could benefit all SADC members. Bertil Odén recognises two conditions that have to be fulfilled if South Africa is to take a hegemonic position in the region:

- 1) South Africa must have the capacity and the will to create and maintain a mutually beneficial hegemonic regime
- 2) The other countries in the region must be willing to let South Africa play the role of benign hegemon and they must have sufficient capacity to be able to participate within such a regime.

(Odén 1999, 172).

### **Hegemony of RSA - is it possible?**

If one wants to find an analogy from Europe for South Africa's dominant position, it would naturally be Germany. In Europe, it had become evident for other European countries that their economic recovery was dependent on the incorporation of the German economy into the European economic system (Milward 1992, 134). Similarly, it is crucial for other southern African countries to integrate RSA economically into the region, if they want to have the best possibilities to develop their economies. However, there is an important difference between the two regions. RSA is in a considerably different situation than where Germany was in its relation towards regional integration.

The structure of economic relations between the economic hegemon and the rest of the region are considerably different in Europe and in Southern Africa. RSA is neither an industrialised nor developing country. This situation can both increase and decrease RSA's interest in regional integration. This question was touched upon already above when it was mentioned how SADC markets at least used to play an important role also for South Africa's producers, but that this situation may have changed with the signing of the EU-South Africa free trade agreement. So far South Africa has deepened its involvement in the SADC region: both exports and direct investments from South Africa to the SADC region have increased substantially since 1994, after the country's first democratic elections, when at the same time South Africa has not been able to increase its total exports in the same proportion (SADC 2000b, 76). Sectors where this increased involvement has occurred include at least mining, brewery, railways and retail (Dieter et al 2001, 57). It seems that SADC would offer a good opportunity for South Africa to increase its foreign trade in the future, and, therefore, it should also have an interest to deepen Southern African economic integration. However, at the same time differences in the level of economic development between RSA and the rest of SADC can also affect RSA negatively if the integration process is deepened. Regional economic integration can at the same time lead to job losses in RSA's labour-intensive industries, but at the same time it needs better access to the markets of the industrialised countries (Gibb 1998, 296). This situation implies that RSA could have more to lose from regional market integration and more to win from cooperation with industrialised countries. These contradictory elements can be found also in RSA's trade policy, which is committed at least officially to SADC, but has also directed its interest towards Europe by signing a free trade agreement with the EU.

Some analysts have been extremely critical of the long-term effects of the EU-South Africa free trade agreement. Previously SADC was seen to form the main market area for South Africa. As Bertil Odén argued in 1996, even though SADC markets are relatively small compared to South Africa's domestic market, they are still an important market for South Africa's manufacturing industry, which with a few exceptions is not competitive on the OECD markets (Odén 1996b, 9). According to some analysts, the free trade area

with the EU changed this situation completely. 'A free trade area with the EU enables South Africa to cut itself off from the region. It is no longer necessary for South Africa to have the development of the region as a priority of economic policy.' (Dieter et al 2001, 69). According to Dieter et al. the EU-RSA free trade agreement benefited foremostly individual EU members, then RSA, and least of all the other SADC countries (2001, 71). Furthermore, they criticise that the EU has not played a very constructive role in the region. For example, in the negotiations leading to the EU-RSA free trade agreement, the EU could have insisted that RSA must take more responsibility for balanced regional development (Dieter et al 2001, 71).

Another question is whether RSA is able to play the role of benevolent hegemon even if it wants to. As concluded above, economic integration within SADC will most likely lead to imbalanced economic development in the short run, which in turn, would require the establishment of different kinds of corrective mechanisms, which would balance this development. These corrective mechanisms would in turn require substantial financing and RSA would be the most obvious financier of these mechanisms since it is the wealthiest member state of SADC and is expected to benefit most from market liberalisation. However, at the same time, RSA is facing several domestic problems, which require its attention and most importantly also financing. Therefore, it can be questioned whether RSA has the real will or capacity to pursue balanced economic integration, as the preamble of the SADC Trade Protocol requires (Odén 2000, 243).

Finally, it has to be remembered that the most important motivation for Germany to participate in regional integration originally was not economical but political. Regional integration offered a possibility to rehabilitate the status of Germany in the post-war situation. Similar political motivation to pursue regional integration does not exist in the case of RSA even though before the 1990s the international status of RSA was similar to that of post-war Germany. The historical burden towards its regional partners was not carried over for the new government in RSA as was the case in Germany in the post-war situation. RSA is nowadays a fully rehabilitated state, which does not have a similar political need to repair the historical wounds of its neighbours made by the previous

regime as Germany had in Europe. Therefore, it can be concluded that the number of motivations for RSA to pursue regional integration that would be beneficial for all regional partners is limited and the actual capability of the country to pursue such a policy is also limited.

### **Hegemony of RSA – are others willing to accept it?**

In addition to the actual capability of RSA to play the role of benevolent hegemon, another difficult question is whether other regional actors are willing to let it play that role. There are several factors that could contribute to the reluctance of other SADC countries to let RSA play the role of the hegemon in the region. First, is naturally the trade policy of the RSA. As Dieter et al. say the trade policy of the RSA is sending a confusing message for other regional actors (2001, 69). In a situation where the objective is to build an integration process, which aims at achieving equitable integration, RSA is pursuing a trade policy, which serves foremostly its national interests. Therefore, it can be questioned what is the commitment of the regional giant to regional development. Another question, which has created reservation in other regional partners, was the behaviour of RSA in the case of Lesotho in 1998. South Africa carried out a military intervention in Lesotho in September 1998 after the ruling party of the country had achieved a victory in the parliamentary elections. Intervention was a violation of international law since it lacked the approval of the UN Security Council. Such behaviour from a country, which is politically, economically and militarily dominant naturally raises fears about its reliability and readiness to interfere in the domestic matters of other SADC countries also in the future. (Dieter et al 2001, 58-59).

### **AT THE END, EVERYTHING DEPENDS ON POLITICAL WILL**

At the end, the success or failure of southern African economic integration depends on political will. Political will is needed from the leaders of SADC member states and especially from the leaders of RSA. It is, however, needed also on the lower levels of governance in SADC members. Unfortunately, the lack of political will has often caused problems for regional integration in Africa.

The lack of political will to carry out regional integration has been manifested on two different levels of governance in Africa in general. The political elite, which has been responsible for negotiating regional treaties, has been reluctant to hand over parts of national sovereignty to the regional organisations and to create effective follow-up mechanisms at the regional level; civil servants in member states have lacked the political will to implement the regional commitments of the political leaders at the national level (Mistry 2000, 558). Once again, these problems are also valid in the context of southern Africa as well.

The lack of political will on the level of political leaders can be explained by various factors. Laurie Nathan has explained the slow progress of SADC in the field of creating a common security regime to stem mainly from the lack of common values. Nathan argues that SADC integration especially in the field of 'high politics' is difficult since countries are divided on two grounds. In their domestic policies, they have been divided into democratic and authoritarian countries; in foreign policies, member states can be divided into militarist and pacific countries. As a result, Nathan concludes that 'SADC's inability to create a dynamic security regime is due principally to the absence of common political values among member states' (Nathan 2002, 78). Nathan argues that an authoritarian government will have little interest in the viability of a regional organisation if it functions on the basis of democratic principles and vice versa (Nathan 2002, 71). Since there is not a sufficient degree of political congruence and political communality among member states, they are not willing to cede political powers to the supranational level in the fields that are politically controversial.

In general, southern African leaders have been reluctant to strengthen regional institutions and create efficient follow-up mechanisms at the regional level. There are various reasons for this reluctance. Strengthening regional institutions would require giving them political power, which would be taken away from the national level. Southern African states being relatively weak and young states have not been willing to cede much of their power to the regional institutions. Southern African states have gained their independence only recently and, therefore, as Nathan argues they are 'particularly

sensitive' when it comes to limiting their sovereignty (Nathan 2002, 76). On the other hand, their sovereignty is also limited because of their weakness and they are also reluctant to limit their sovereignty even further because of this. This tendency has been evident throughout the history of SADC, which has always been characterised by weak regional institutions. Today, it is exemplified best in slow progress in ratifying the Protocol on Tribunal: 'SADC states do not want to be 'governed' by an independent forum whose decisions are binding on them' (Nathan 2002, 71).

One of the problems of regional integration in SADC has been that political leaders have not been able or willing to transform their regional level commitments to action on the national level. Partly, this is a result of the lack of actual political will (Sidaway and Gibb 1998, 168). Partly, this is explained also by the lack of political will among the elite, but partly, it is also a result of the reluctance of civil servants to implement regional commitments. As Dieter et al say 'The bureaucracies in all participating countries may fear job losses due to the delegation of tasks to the regional body.' (Dieter et al 2001, 63).

If the leaders of SADC members want the process of integration to succeed, they need to put these considerations aside. SADC members have to be willing to limit their sovereignty in favour of the regional organisation if they want the process of integration to be successful. This means that the elite has to be ready to transfer part of its powers to the supranational level and, on the other hand, be ready to implement on a national level the decisions made on the supranational level. Especially, political will is needed from the RSA. It has to be ready to accept its role as a responsible hegemon of the region, if the process of integration is not to cause asymmetries in the economic development of the region.

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