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Assessing domestic resource mobilisation within the Southern African Development Community countries of South Africa and Zambia.

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Assessing Domestic Resource Mobilisation within the Southern African Development Community countries of South Africa and Zambia.



(African Finance Corporation, 2019)

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Abstract

The focus of this research paper is on unpacking what is hindering the implementation and utilisation of Public Domestic Resource Mobilisation (DRM) for development financing within the South African Development Community (SADC) countries. The research paper occupies a growing space of research into DRM in Africa to better understand what would make a DRM development financing strategy work long-term on the continent. The research uses a comparative case study approach to study the two SADC countries of South Africa and Zambia to unpack public DRM through national-level analysis. The research also includes an assessment of SADC to introduce the dimension of inter-governance and highlight the role that joint governance plays in fostering sustainable development. The research uses as its theoretical framework, the theory of dependency and looks particularly at the frameworks of capacity development, good governance, and African solutions to African problems. This research begins by assessing SADC institutionally through a descriptive analysis of SADC's institutional ability and capacity to incentivise a DRM strategy within its member states. The research finds that SADC needs to review its commitment to reducing economic dependency and strategies such as DRM development financing could rekindle the commitment to the manifesto. The findings show that by building on the already existing foundations of development in these countries and focusing on fostering a holistic Africanist approach to development financing that considers each economy as unique; the SADC region could flourish, the organisation could meet its goals, and DRM could rise to meet the need for an alternative sustainable development financing strategy in the region and the broader continent.

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1. Chapter One

1.1. Introduction

There are many postulations as to why economic growth in Africa has recently begun to slow and decline. Scholars like Dambisa Moyo point the finger at the harmful effects of foreign aid on not only the African economy but the entire African state (Moyo, 2010). Politicians like Shri Narendra Modi highlight the disastrous effects of poor governance on the economic prosperity of not just Africa but all Low-Income countries (Modi, 2010). The fact remains that regardless of where the finger is pointed, economic development on the continent is slowing, stagnating and in some cases even becoming regressive. This research takes as central to its thesis, the understanding that good infrastructure is the bones of sustainable long-term development (African Development Bank Group, 2018). This research postulates that Africa needs to renew its commitment to sustainable infrastructure development if it wishes to sustain and improve its current development and ensure sustainable long-term development. Ultimately, the research unpacks what is hindering the implementation and utilisation of Public Domestic Resource Mobilisation (DRM) for development financing within the South African Development Community (SADC) countries.

The focus of this research paper is on understanding why public DRM has not been more actively pursued by African states as a development financing strategy. This paper aims to establish a holistic understanding of what exactly a 'focused and nuanced' look at DRM as a development financing strategy on the continent needs to entail – to understand why and how SADC may further incentivise this type of development financing strategy and what benefit this has for countries in the region. This paper examines the viability of further utilizing public DRM as an avenue for SADC countries to attain SADC goals, including the promotion of autonomy and the cultivation of regional prosperity, by encouraging member states to pursue and achieve individual economic prosperity. The research centres around two major objectives; Firstly, it examines what an African DRM development finance strategy must overcome to be an effective and sustainable financing strategy for the continent. Secondly, it explores the ability and capacity of SADC as an intergovernmental organisation to enact change within its member states.

The research paper occupies a growing space of research into DRM in Africa, to better understand what would make a DRM development financing strategy work long-term on the continent. Africa today suffers from a complacency-inspired stagnation in both its civil society

and political institutions, its development has largely not met initial post-independence targets which sought to regulate foreign capital and strengthen domestic markets (Olukoshi *et al.*, 2020). This paper critically examines the concept of DRM within an African context. While the African Union has embraced DRM as a strategy for development financing, and DRM strategies are already present in African countries, it is essential to recognize that DRM originates from western discourse (Oyinlola et al., 2020). This raises questions about the applicability and viability of transplanting a DRM development financing strategy onto a continent that faces governance challenges as highlighted by the United Nations' framework for good governance. Therefore, this paper seeks to explore the feasibility of Africa adopting this type of development financing strategy, which promises accountability, prosperity, and sustainable development, given the prevailing governance practices often characterized as 'bad governance' in the conventional sense." The research uses as its theoretical framework, the theory of dependency and looks particularly at the frameworks of capacity development, good governance, and African solutions to African problems. The research uses a comparative case study approach to study the two SADC countries of South Africa and Zambia to unpack public DRM through national-level analysis. The research also includes an assessment of SADC to introduce the dimension of inter-governance and assess the role that joint governance plays in fostering sustainable development. This paper takes a clear stance that for DRM to effectively serve as a development financing strategy in Africa, it must adopt an Africanist perspective that prioritizes achieving individual economic prosperity in each member state, thereby fostering continued and sustained development for the benefit of the entire region.

1.2. Context

Since the turn of colonialism and the new era of African history categorised by state sovereignty and liberation, African states have enjoyed developments politically, economically, and socially. However, the effects of the continent's history remain, and amongst a myriad of plagues, huge infrastructure deficits continue to hinder development. Infrastructure is closely tied to development, as at the most basic level it is one of the foundations for a working state (African Development Bank Group, 2018). Relatively speaking, Africa's continental history means that its states are still in their early days of nation-building and have had to face a dual challenge of developing after years of slavery, colonialism and imperialism and now face new challenges of neo-colonialism and globalisation that have further tainted the continent's efforts at development. The push for DRM as a development financing strategy from the United Nations (UN) and the African Union (AU) is proposed as a solution to fighting

against mounting debt and countering the development financing woes in most developing countries. The question becomes, can the idea of DRM as an alternative development financing strategy be transplanted onto the African continent despite all the challenges faced by the continent today?

DRM can be better understood by its less popular pseudonym "Domestic Revenue Mobilisation" (Morrissey, 2015, p. 1). It is essentially a state's means of raising its own capital to adequately provide for the needs and wants of its people and for the successful functioning of the state. There are two types of DRM – public and private sector DRM. This research paper is focussed on public DRM which is defined as "comprising of tax, non-tax and other government revenues which are vital for state-building" (Culpeper and Bhushan, 2010, p. 5). This research is focussed on the use of Public DRM as a development financing strategy for infrastructure development. Essentially this focus on DRM as a development financing strategy is motivated as follows; firstly, due to the well-documented fact that aid is an unsustainable form of development financing that is drying up and which has almost more negative effects than it has positive effects (Moyo, 2010). Secondly, the motivation is based on the renewed focus on the importance of domestic resources themselves and the crucial link between infrastructure and development (African Development Bank Group, 2018). These ideas are best highlighted by Wangwe and Charle who posit that:

> "Financing for economic growth and poverty reduction is one of the challenges facing the least developed countries and domestic resources are important in financing domestic investment and social programmes, which are essential for economic growth and for eradicating poverty." (Wangwe and Charle, 2004, p. 1)

Culpeper and Bhushan (2010) draw an important consideration to the above discourse - ultimately a good utilisation of public sector DRM requires governments to have both effective administration capacities and a stable tax regime. Nnadozie *et al.* (2017) point out that the effective utilisation of DRM would require that there is a certain level of accountability and transparency in spending and resource collection which can only be bolstered by a good appreciation and knowledge of DRM, as both a fiscal and social contract between the state and the citizen. Evidently then what the implementation of better public sector DRM strategies hinges on is taxation and other forms of public revenue generation which in-turn hinges on the state's capacity to effectively utilise these resources (Aryeetey, 2009). Many African countries are labelled as having 'bad governance' as they do not meet some of the good governance

criteria of the UN, such as accountability, transparency, responsibility, responsiveness, participation, rule of law, efficacy, and inclusivity (Gisselquist, 2012). In context, this further means that these states are plagued by poor administrative capacities (Gisselquist, 2012). Essentially this means that their administrations are amongst other things; ill-equipped, poorly trained, understaffed, and either unable to or simply unwilling to execute their policy objectives. The entire state suffers because of this – leading to instability in the politics and economics of the state and larger policy, service delivery, development and institutional failures. As such, an important consideration for this study is to consider the notion that Africa is facing a leadership crisis (Olalere, 2015). As its citizens lose trust in their leaders, so too does their trust in their public institutions dwindle. Ultimately it can be hypothesized that institutional-level failures need to be readdressed in these states, not just for development but also critically for a DRM development financing strategy to flourish. Wangwe and Charle, write that the "mobilization of domestic resources is recognised as the foundation for self-sustaining development" (Wangwe and Charle, 2004, p. 1). Culpeper and Bhushan further highlight that:

> "Enhancing DRM in the region is not just necessary, but desirable as a greater reliance on internal resources increases a country's ownership of public policy, ties accountability to citizens instead of external investors and aid donors, and reduces the volatility associated with outside funding." (Culpeper and Bhushan, 2010, p. 1)

With all the above in mind, this research paper focusses on unpacking DRM within both its economic and political contexts to fully assess its feasibility as a development financing strategy for the African continent. The utilisation of the inter-governance aspect of SADC allows for the analysis of what an African DRM strategy needs to address politically to adequately support an African future built on sustainable development. The SADC was established in 1992 by 10 southern African states and has grown presently to incorporate 16 countries. Oosthuizen describes the objectives of the organisation as follows:

> "SADC was created to pursue lofty goals. All of which have a bearing on the well-being of the region's population. These can be grouped under two overarching objectives: the promotion of economic growth and socio-economic development, aimed at eventually eradicating poverty, and the promotion and maintenance of peace, security, and democracy, through regional co-operation and integration." (Oosthuizen, 2006, p. 39)

This research assesses DRM both economically and politically. Economically it assesses DRM as a development finance strategy for the case study countries of South Africa and Zambia by unpacking the economic situations in these contexts and ultimately looking at the viability of DRM to serve as a development financing strategy. Politically the research paper utilises the SADC dimension of analysis to unpack how a development financing DRM strategy could be politically motivated within these countries, and what it would take politically, in terms of incentivisation, for this strategy to be actualised.

SADC represents a joining together of multiple ideologies under a single body focused on communal growth and demonstrates a key Africanist principle of community development (Oosthuizen, 2006). The organisation has tremendous potential to foster pan-African ideologies. The region has tremendous potential for economic growth as well as displays relative political stability and prevailing democracy and a DRM development financing strategy is not only plausible to succeed in the region – if it is implemented correctly and can successfully overcome the challenges facing it – but the region is also highly influential, and success here would very likely give the rest of the continent a push in the same direction.

On the ladder of powerful inter-governmental organisations, SADC as a regional organisation falls on the lowest rung of the ladder and subscribes to the mandates and policies of the more powerful organisations that it subscribes to, such as the AU and ultimately the UN. As such the DRM development financing agenda within SADC is filtered down from the more powerful UN and AU which have already begun exploring this discourse. The AU was formed under the auspice of building unity and addressing the ills that plagued the continent. This continental body works closely with the UN and has adopted UN policies and agendas such as the "UN's Sustainable Development Goals" and "Agenda 2030", but the AU has also come up with a more nuanced African-specific continental strategy dubbed "Agenda 2063" (Oosthuizen, 2006). The AU prides itself in finding and prioritising 'African solutions to African Problems' (African Union Commission, 2019). The importance of DRM for development financing is emphasised in both "Agenda 2063" and the "Addis Ababa Action Agenda", which introduces DRM in the 'first ten-year implementation action plan' as a means to finance public infrastructure projects to foster sustainable development (African Union Commission, 2015b). The AU ultimately puts forward DRM as a means to achieve sustainable transformation in Africa (African Union Commission, 2015b). SADC thus subscribes to multiple agendas and policies, one of which is this commitment to sustainable transformation.

At an institutional level, SADC's major goal is economic development with the intention to reduce financial dependence on external funding. One of SADC's major weaknesses however is that it does not hold up against criticisms that despite its goals for financial independence which are highlighted in its "financing agenda 2063 first ten-year plan", the organisation remains heavily tied to foreign donor funding in the form of official development assistance (Oosthuizen, 2006, p. 64). This is problematic as there is increasing evidence that official development assistance (ODA) to Africa is declining because of donor hardships, aid fatigue and more stringent public and private spending based on harder financial times (Moss and Resnick, 2018). The problem however is not just that these sources of development financing are decreasing, it is also that external funding has left Africa in a debt crisis, with the continent now having some of the worst debt-to-GDP ratios in the world (Moyo, 2010). In 2020, South Africa had a debt-to-GDP ratio of 69.9% and national debt amounting to around 242.82 billion U.S. dollars (O'Neill, 2022). DRM has many benefits aside from debt mitigation, it also has direct correlations with improved public opinion and trust in government (Junquera-Varela *et al*., 2017). DRM cannot just foster economic growth, but it can also foster political stability (Junquera-Varela *et al*., 2017). DRM offers states a means to finance their public infrastructure development initiatives without pursuing donor funding – this is extremely important as public infrastructure is the first crucial step to creating and fostering economic prosperity (Culpeper and Bhushan, 2010). Most SADC states have resource extraction-based economies and most of these states have seemingly skipped the crucial step of public infrastructure development, focussing instead on a one-track sector-focused development. This type of development is largely unsustainable, demonstrated by recent stagnations in development trends across Africa.

1.3. Research Problem

The research paper has identified that development financing in Africa is heavily reliant on finances external to the state. This current strategy of development financing on the continent is unsustainable for a plethora of well-documented reasons – ranging from the decrease in donor funding to the disastrous effects of the debt crisis on the continent (Moyo, 2010). The research has also identified that Africa has a serious infrastructure problem – the research utilises the discourse that infrastructure is the key to development and should thus be reprioritised to meet development goals (African Development Bank Group, 2010). The other major problem that this research considers is that there is a plethora of ills that plague the continent – this is not unique to the continent as all countries across all continents have their own set of issues (Junquera-Varela *et al.,* 2017). Africa's issues however are compounded by

a unique history of extraversion as the gate-keeper state model prevails after decades of oppression (Cooper, 2002). To put it bluntly, the continent needs to catch up or be left behind in terms of current development – the African states need to work on capacity development as the wheels of progress keep turning and the gears in many African states are coming off.

Another important consideration that this research has considered is that modernity does not equate to development, nor does westernisation equate to development – what does equate to development is a direct improvement to people's lives (Moss and Resnick, 2018). There is development on the continent, particularly in the southern region, there is also agency amongst the African people to improve their standards of living and above that thrive as a continent (Moss and Resnick, 2018). There are multiple problems at hand, starting with the fact that development and development financing are intrinsically rooted in western power structures of dominance (Moyo, 2010). It is also evident that aid and the development economy are weakening state autonomy due to heavy conditionalities and the chokehold it places on state finance. Another factor to note is that the AU and SADC have readily adopted the idea of alternative development financing into their manifestos. Bearing all of this in mind, the larger problem at hand is that Africa is well aware of all of these facets yet there is no evidence of active groundwork being put in to pursue an alternative type of development funding. The more specific problem at hand is that DRM is often presented as an alternative funding silver bullet, yet it serves only as a shiny ornamental organisational white paper. There is little to no direction, no carrots nor sticks, nor urgency to this matter. A more nuanced focus on DRM as a development financing strategy in SADC has the possibility of not only aiding SADC member states in their development but could also directly fulfilling SADCs key objective of the "promotion of self-sustaining development on the bases of collective self-reliance" (Oosthuizen, 2006, p. 121). The research unpacks why there is then no active push for not just alternative development finance but specifically looks at why DRM remains a silver bullet development financing strategy merely in a holstered gun. Uncovering what is behind the complacency in adopting this strategy and what it would mean for individual countries if this strategy was adopted and assessing if such a strategy is viable.

1.4. Research Question

What is hindering the implementation and utilisation of DRM for development financing within SADC countries?

1.5. Research Approach

This research begins by assessing SADC through a descriptive analysis of SADC's institutional ability and capacity to incentivise a DRM strategy within its member states. The research then looks at the case studies more empirically to construct an understanding of the complexities of these countries' revenue, institutional, and infrastructure capacities. This research project adopts a mixed-method approach, using a comparative case-study approach. Mixed methods research is a popular research method for studying developing countries as it allows for the use of both qualitative and quantitative data to formulate a holistic picture of the context (Harris, 2021). The research utilises a comparative case-study approach of two specific SADC countries – South Africa and Zambia. Using a comparative case study analysis allows us to unpack how both countries have handled their domestic revenue up to date. Assessing these states' socio-political and economic backgrounds allows us to get a sense of how states within the SADC region are interacting with DRM as a development financing strategy and whether this is in line with the broader objects of SADC. It also allows for the evaluation of the viability of DRM as a long-term sustainable development financing solution.

When looking specifically at the utilisation of DRM as a national-level development financing strategy for countries within the SADC region, undertaking a case study analysis is extremely beneficial as well as crucially necessary. The SADC region has 16 member states, and whilst analysing each of these states would provide the best results, this type of study is too ambitious for the time, budget, and accessibility constraints it poses. It is thus of utmost importance to select a country or a few countries from the region to study. Looking at countries as holistic case studies means performing an in-depth assessment of the country – across its socio-economic and political contexts. The study proposes looking at national-level development financing strategies which is an incredibly taxing undertaking, thus the study proposes to look at only two SADC countries. The purpose of using two countries instead of one is motivated by the desire to understand and portray the complexities of the different context-specific environments in relation to the issues and challenges faced by DRM. SADC positions itself as a regional body whose member states all strive for the same goals – economic independence from external actors, regional prosperity, and integration – the countries in this region, although to varying degrees, have illustrated upward development since the new millennium and display a continuous propensity to further development. Thus, it is acceptable to make extrapolations about the effectiveness of a national implementation strategy from just two of these countries

as it is highly likely that this could then be adopted across the rest of the region if found effective.

Analysing countries at a national level allows us to easily cross-correlate the various aspects of the 16 SADC countries which in turn allows us to break them down into quantifiable units. See Appendix A for the different country indicators that have been considered and assessed. Looking at World Bank Data collected in 2020, pertaining to the 16 SADC countries such as population size, landmass, annual Gross Domestic Product, annual government debt, Human Development scores and annual Foreign Direct Investment – allows us to reduce the countries to quantifiable units. The selection of case studies relies most importantly on the availability of data. The World Bank has no record of government debt for nine out of the 16 SADC countries. Government debt is a crucial statistic for this research as one of the major prefaces for a push towards greater DRM development financing is that this type of financing is most applicable and most attractive to countries that have high levels of government debt as often, these countries are the ones that need to pursue alternative financing strategies for future development. The nonavailability of this data means that one of the key motivators for a DRM development financing strategy is missing for these countries. On this premise, we can narrow our potential sample of case studies to just the seven countries that have this data available. Of the remaining countries, the ones we can further exclude from the case study analysis are the Seychelles and Mauritius, as their island characteristics make them too unique from the rest of the seven countries to be effective in formulating a replicable theory from any case study based on them. Left with the five countries of Botswana, Malawi, Namibia, South Africa, and Zambia, this research has chosen to analyse South Africa and Zambia. South Africa is attractive for a plethora of reasons, from its larger population and great land size to its single-party dominant government and its high GDP and growth rates. South Africa is also attractive as it has the biggest economy in the region. Zambia is attractive for the case study analysis because it has the highest percentage of government debt amongst the rest of the SADC countries, it has also in recent years seen its economy in periods of extreme flux with development booming and stalling. Zambia, like South Africa, has a heavy resource extraction-based economy and both have recently suffered the economic consequences from a fall in commodity prices which have placed a strain on these countries' revenue collection abilities.

This study does not focus on means to increase revenue and bolster revenue collection but rather focusses on unpacking how already collected revenue may be better utilised. South Africa and Zambia have many key similarities as well that make them attractive for analysis.

Both countries are resource extraction-based economies, both countries have independent tax collection services and both countries are extremely attractive to global and continental trade and tourism. These countries crucially need to maintain and advance infrastructure to sustain positive growth, and a good DRM financing strategy for development in these countries would not only act as a motivator to the region but would also be transferable to the other countries who share many similarities with these countries.

1.6. Data Collection and Analysis

1.6.1. Data collection

This research utilises secondary data collection methods and looks at both qualitative and quantitative sources. Qualitative data is collected from secondary existing policy documents on the SADC, these organisational papers are collected from the organisation's open-access archives. These papers include the SADC Declaration and Treaty; the SADC Common Agenda; the SADC Regional Indicative Strategic Development Plan; the SADC Vision 2050; the SADC Regional Infrastructure Development Master Plan; the SADC Resource Mobilisation Strategy; the SADC Regional Development Fund. The quantitative data is composed of economic statistics collected from a broad variety of sources such as the World Bank, the African Development Bank, Transparency International, the Mo Abraham Foundation, the South African National Government, the Zambian National Government, the South African Revenue Service (SARS), and the Zambian Revenue Authority (ZRA). The research utilises the following values and indices from these sources: Real Gross Domestic Production (GDP); Tax Revenue (% of GDP); Foreign Direct Investment (FDI), net flows (% of GDP); Human Development Index (HDI); African Infrastructure Development Index (AIDI); Corruption Perceptions Index (CPI); South African Revenue Service (SARS) revenue data; Zambian Revenue Authority (ZRA) revenue data. All these statistics are carefully chosen for analysis as they have key implications for the research question. In assessing the case study countries, the research establishes why a DRM development financing strategy has not risen to meet the need for alternative, sustainable and long-term development in these countries. This assessment aims to establish what is causing this hindrance at a national level i.e., assessing hindrances at a state level.

The case study countries cannot be assessed without utilising one of the most publicised and well-known quantifiable country statistics – GDP. The real GDP of a country has become the economic indicator most used around the globe to illustrate the size of the economy and how well a country's economy is doing (Callen, 2008). Real GDP and its growth rate are a measure

that is “often used as an indicator of the general health of the economy” (Callen, 2008, p. 14). Real GDP is commonly used as opposed to nominal GDP, as real GDP is adjusted for inflation and therefore allows for a more accurate assessment of how the country’s economy is doing over some time. GDP is an extremely useful statistic – however, its shortfalls as an index must also be noted – it is extremely one-dimensional. Tim Callen of the IMF points out that, “GDP is not a measure of the overall standard of living or well-being of a country. Although changes in the output of goods and services per person (GDP per capita) are often used as a measure of whether the average citizen in a country is better or worse off, it does not capture things that may be deemed important to general well-being” (Callen, 2008, p. 15). It does not take into account aspects such as wealth distribution, environmental degradation, quality of life, or other useful social indicators, hence why this study also utilises other social indicators. For this research, GDP paints the picture of the economy at the most basic level. If for example, the GDP presents very low, this could be an indicator that there is not much money in the economy to even begin attempting to utilise, which may be the first hindrance.

It is widely understood that “higher tax revenues mean a country is able to spend more on improving infrastructure, health, and education—keys to the long-term prospects for a country’s economy and people” (Kagan, 2021). The Tax to GDP ratio divides the tax revenue collected by the GDP for that period, it is thus an extremely useful signal in gauging “how well the government controls a country's economic resources” (Kagan, 2021). It is also useful in that it allows for a comparative analysis of the tax revenue over time as well as across various countries. According to the World Bank, tax revenues above 15% of a country’s GDP are a key ingredient for economic growth and, ultimately, poverty reduction (Kagan, 2021). For this research, it is imperative to understand how much domestic revenue is being collected, as from the literature it is apparent that most DRM strategies are focussed on boosting collection efforts and low domestic revenue collection may be the next hindrance to effective utilisation of DRM as an alternative funding strategy.

FDI is extremely beneficial to developing countries as it essentially represents investment into the country (affiliate economy) by nationals (parent investors) from outside of the country, however, FDI can also be damaging to the national industry as parent investors often expect to influence the enterprise that they invest in. FDI also brings about debt payments that often catch up with the affiliate economy (Organisation for Economic Co-operation and Development *et al*., 2008). Negative FDI can occur for three main reasons – but all represent a

major red flag of the affiliate economy. The OECD library explains the three reasons as follows:

> "First, if there is disinvestment in assets. Second, if the parent borrowed money from its affiliate or if the affiliate paid off a loan from its direct investor. Third, if reinvested earnings are negative. Negative FDI positions largely result when the loans from the affiliate to its parent exceed the loans and equity capital given by the parent to the affiliate." (Organisation for Economic Co-operation and Development *et al*., 2008)

It is imperative to the research that an understanding of the foreign investment landscape of the case study countries is established, as from the literature it is clear that one of the main driving forces for willingness to pursue domestic revenue as an alternative funding strategy is moving away from foreign investment and avoiding any debts incurred through it.

The HDI is provided by the UN as part of their human development reports project. The HDI is widely used as an indicator to assess socio-economic development – looking at GDP as well as HDI, allows for the assessment of not just economic development within the country but also overall development in the quality of life. The HDI is a composite index that is made up of the measure of three main sectors of interest. It utilises a Gross National Income (GNI per capita) index, an education index, and a life expectancy index. Combined with the HDI, the research also looks at the African Infrastructure Index (AIDI) as provided by the African Development Bank (AfDB) and allows us to see how development has played out in these countries in a more nuanced way. The African Bank has recognised that infrastructure development is crucial for the economic success of the continent as well as for regional integration. The purpose of the Index as stated by the AfDB is that it serves three key objectives:

> "(i) to monitor and evaluate the status and progress of infrastructure development across the continent; (ii) to assist in resource allocation within the framework of ADF replenishments; and (iii) to contribute to policy dialogue within the Bank and between the Bank, African countries and development partners." (African Development Bank Group, 2018)

The AIDI is a composite index that measures different facets of infrastructure development, it assesses transport, electricity, water and sanitation, and information and communications technology (ICTs). Both the HDI and the AIDI are assessed in this research because as the literature mentions, DRM is as much about social development as it is about economic

development, and the effective utilisation of DRM could be hindered by the social fabric of the country as utilisation efforts may be compromised by the lack of trust infrastructures in these countries. Adversely, dissatisfaction here could also serve as a driving force to mobilise a DRM development financing strategy.

To better understand how governance may perhaps serve as a hindrance to the effective utilisation of DRM as a development financing strategy, the research assesses indicators on governance and looks at deconstructing governance in these countries. The CPI is a measure of public perception of the country's public service and is one of the most widely used corruption indexes. It is made up of 13 different data sources and because of the nuanced and hidden factors of corruption, the index also takes into account questionnaires and survey data. The IIAG assesses government performance, it looks at four key factors to determine overall government performance. Looking at; security and rule of law; human development; foundations for economic opportunity; and participation, rights and inclusion. The index collects data from over 30 independent sources and is meant to shine a light on African governance and the performance of African governments across the continent. Government expenditure breakdowns are important in exposing and highlighting where the government is allocating its recourses, but it also essentially highlights which sectors are being prioritised.

1.6.2. Data Analysis

This research employs a mixed-method approach, utilizing both qualitative and quantitative secondary existing sources for data analysis. This methodology offers several benefits, including the ability to draw upon a wide range of data sets that have already been cross correlated, facilitating a comprehensive and holistic examination of the overall discourse. By employing this mixed-method analysis, the research critically analyses the sources to uncover their main themes, addressing the research questions and ensuring construct validity. Furthermore, this approach ensures that cultural factors are considered, which is essential for understanding the necessary components of a holistic African-centered focus on DRM and overcoming challenges for its success. The study primarily focuses on the institutional analysis of SADC and conducts case studies on South Africa and Zambia. This analysis primarily involves unpacking economic statistics and utilizing pre-constructed indices to evaluate the relevant factors. This comprehensive approach enables a robust assessment of the subject matter by integrating qualitative and quantitative perspectives.

2. Chapter Two

2.1. Literature review

There is a rich body of literature that relates to the main areas of the research, and this can be grouped into three themes that form the basis of this research discourse. The first theme is that relating to and concerning DRM. The second theme is centred on DRM in Africa and low-income countries (LICs), and the third theme is centred around the case studies on DRM in South Africa and Zambia and concerns literature on SADC. Drawing on all three of these themes is necessary as there is currently little research that focuses on combining all of these themes cohesively under a single research paper. This body of literature also allows for the structuring of a good foundation and an adequate understanding of the research that has already been conducted and how this literature relates to the major themes of this research paper. It is also important to assess all of these literary themes because each of the research areas needs to be broken down and understood in isolation first before a holistic idea can be formulated on how SADC may play a role in incentivising its member states to prioritising DRM to meet public sector infrastructure needs.

By synthesizing literature from these three themes, this research contributes to the academic discourse by bridging important gaps in the existing literature. It sheds light on the intersections between DRM, African development contexts, and regional initiatives such as SADC, thus offering a comprehensive understanding of the complexities involved. Additionally, this research aims to provide evidence-based insights, arguments, and theoretical frameworks that can inform policy discussions surrounding DRM and public sector infrastructure investments. By situating the study within the broader literature, this research underscores its significance in filling the identified gaps and offering practical implications for policymakers, researchers, and stakeholders working in the field of DRM and development finance.

2.1.1. DRM

The first literary theme that this paper is concerned with focuses on DRM and unpacks it at its most basic level. Providing insight into what a focus on DRM as a development financing strategy should mean at a national level and looking at where the concept of development financing through DRM emerged from. One of the main sources this theme draws on is the book published in 2017 by the World Bank Publication titled, *Strengthening Domestic Resource Mobilisation: Moving from Theory to Practice in Low- and Middle-Income countries*. This book written by Junquera-Varela *et al.* is focused primarily on constructing a foundational

understanding of DRM not just as a concept but also as a practice. Junquera-Varela *et al.* point out that the factors that hinder domestic revenue collection are, "low tax capacity of the economy, lack of a "good" tax system, low tax effort, and globalisation and international trade and capital flows" (Junquera-Valera *et al.*, 2017, p. 9). The book also specifically speaks to reforming the tax systems for DRM as well as looking more critically at the taxation of exhaustible natural resources. The book crucially notes the pillars of any proposed DRM strategy, these being "enhancing the quality of tax systems, strengthen the operational capacity of tax administrations and fostering social acceptance and legitimacy of the tax system, while improving public accountability" (Junquera-Valera *et al.*, 2017, p. 75). The book speaks on "assessing major tax regimes" and says that one major way to do this is by looking firstly at the tax policy unit (Junquera-Valera et al., 2017, p. 94). It also gives a board overview of lessons learned from different resource mobilisation case studies. This book is important to this research as it highlights key aspects of 'workable' DRM – moving the concept away from a theory perspective and towards an applied perspective. It lays out an introduction to DRM as an instrument of sustained and inclusive development, it also looks at the opportunities and challenges that DRM poses as well as its connection to the centrality of the Sustainable Development Goals of the UN. However, a large part of the book seeks to understand how to get countries to reform taxation in a way that allows them to collect more tax revenue. As such, one of the major shortfalls of the book is its failure to contend that tax reform and tax utilisation are intrinsically connected and although the book pays attention to tax reform in LIC, it fails to specifically mention any African case studies as examples (Moore *et al.*, 2018). The book focusses more on tax reform than on tax capabilities and tax accountabilities. Whilst this publication is seminal and coherently formulates the bulk of the current discourse around DRM, it does not consider particularly the shortfalls of resource extraction economies in Africa and their relationship to DRM. The bulk of literature on DRM is western and is focussed on less developed countries as well as LICs. Most of the literature is focussed on private DRM and strategies of DRM development funding are blindly premised on the idea that states have good governance, as is the case of Junquera-Valera *et al*. (2017). These sources on DRM, amongst many others, serve as the foundation for the research project as this theme of literature highlights the need for DRM to be better defined and contextualised into an Africanist discourse. It also highlights the need to critically assess DRM outside of American and Western institutions to consider its context within the development agenda.

2.1.2. DRM in Africa and LICs

The next literary theme is concerned with the theme of DRM and the African continent, this theme seeks to fill the space left by the previous theme and introduces a context-specific DRM discourse to the research. It draws on various papers that specifically look at how DRM functions within the African context, from case studies to policy analysis. One such paper is from the North-South Institute (2010) which is titled, *Do it yourself development: A synthesis report on Domestic Resource Mobilisation in Africa* by Roy Culpeper and Aniket Bhusan. This paper looks at the pursuit of non-debt-dependent means of financing that governments should aim to implement in order to sustain the levels of growth they have achieved in recent decades as well as foster greater development in the present and future. This paper emphasises why a move away from donor funding is necessary for states in Africa due to the current economic context and it uses a case study methodology to unpack challenges to DRM in five different African countries. Culpeper and Bhusan's (2010) findings and suggestions form a crucial base for research into DRM and Africa, however, their study does not look at SADC particularly. nor does it study any of the SADC countries and further, they do not speak enough to the utilisation of public revenue mobilisation, instead focussing on how to improve revenue collection and motivate taxation.

Under this literature theme, papers such as Ernest Aryeetey's (2009) paper titled, *The global financial crisis and domestic resource mobilisation in Africa*, which looks at assessing DRM against the backdrop of the current economic situation in Africa are also assessed. Like the Culpeper and Bhusan paper, the subject of Aryeetey's paper is concerned with why Africa needs to move away from foreign investment and towards revenue mobilisation in leu of the current economic contexts. Aryeetey points out that one of the major hindrances of DRM in Africa is a low DRM capacity problem, highlighting that Africa needs to increase its utilisation of its domestic revenue. Importantly the paper states that:

> "The capacity of African economies to mobilise domestic resources through taxation is not only hampered by widespread poverty but is largely a consequence of institutional failures that need to be addressed." (Aryeetey, 2009, p. 13)

This however is not the main subject of the paper, and neither is this claim further unpacked as the paper is ultimately concerned with private revenue mobilisation. Under this theme, the paper by Emmanuel Nnadozie *et al.* (2017) titled, *DRM in Africa: state capacity imperatives and policy actions,* is also assessed. This paper outlines how DRM came to be a policy initiative

in Africa through the AU as well as the UN and looks particular at why development financing entered the spotlight. Highlighting the need to move away from donor funding, it sees as challenging to DRM the "relatively high dependency on foreign aid" as well as the "overreliance on resource rents" and the "inadequate capacity to effectively mobilise domestic resources generally" (Nnadozie *et al*., 2017, p. 195-197). State Capacity in this context refers to the government's ability to achieve its policy goals. This paper employs an empirical study to assess the state's capacity to finance its development and finds that both the environmental and the administrative capacity are crucial for the effective utilisation of DRM, further, it points to capacity building particularly at the national level as crucial to support the implementation of DRM. The research paper by Nnadozie *et al.* (2017) serves as a valuable contribution to the research as it forms the bases for assessing the case study countries of South Africa and Zambia in terms of DRM and state capacity.

Oliver Morrisey in his 2015 paper titled, *Aid and DRM with a focus on Sub-Saharan Africa* looks comparatively at the difference between aid and taxation for development financing. This paper takes on the idea of looking to meet development financing goals through taxation and not aid. He discusses the adverse role that aid can have on tax collection and tax utilisation efforts. Amongst other economic papers, this literary theme also looks at the economic analysis and policy paper by Mutiu Oyinlola *et al.* (2020) titled *Governance, DRM, and inclusive growth in Sub-Saharan Africa*. This paper focusses on the government's role in fostering inclusive growth through DRM utilisation. It focusses on understanding the linkages between "governance, tax and inclusive growth" (Oyinlola *et al*., 2020, p. 70). Amongst its findings it concludes that a "country-specific study in this area (the SADC region) would be suggested for future research towards understanding the role of the country's governance structure in the inclusive growth and resource mobilisation linkage" (Oyinlola *et al.,* 2020, p. 87). Although the study focuses on governance it is also heavily focussed on economic growth in the private sector and thus leaves room to analyse the intersection between inclusive growth and infrastructure development 9in relation to governance. These papers under this theme are crucially important as they discuss the fundamental themes at the heart of this research paper - how DRM applies both contextually and empirically within the African context. These papers look at aid dependency, national debt, and governance within Africa, using different approaches, from case studies to qualitative research and mixed method approaches to dissect the relationship between DRM and the African continent and have all identified different areas of DRM effectiveness and ineffectiveness within Africa which this research paper advances

upon. All these papers do not adequately address where the problem of DRM utilisation comes into play or how existing DRM could be efficiently utilised instead of looking to bolster the collection of DRM, this research paper occupies this research gap.

2.1.3. DRM in South Africa and Zambia

The third literary theme is concerned with literature on the specific case studies that this research paper analyses, i.e. literature concerning South Africa and Zambia. These papers, together with qualitative data, form the bases for the case study analysis of these two countries. The pieces of literature under review provide us with a picture of the countries being analysed as well as their DRM landscapes. Concerning DRM in South Africa, the fact sheet compiled by the Centre for Economic and Social Rights in 2019, titled *South Africa: Is Domestic Resource Mobilization Reducing Inequality?* ultimately finds that South Africa is falling short in achieving its sustainable development commitments and that more needs to be done across the policy space and within the budget to achieve these goals. This theme also assesses more detailed cases of analysis like the 2016 research paper by Bonani Nyhodo *et al.*, titled *South Africa's Domestic Resource Mobilization position: is it good or bad and why*. This paper looks critically at South Africa's DRM effort and highlights that much has been done to increase the collection efforts. However, this paper exposes that less has been done in South Africa to focus on effective DRM utilisation. The paper published in 2010 by the African Development Bank Group on *Domestic Resource Mobilization for Poverty Reduction in East Africa: South Africa Case Study*, analyses South Africa's DRM utilisation and posits what lessons can be learned from it. Although much has changed in South Africa since this paper was published, one of the important lessons that this paper gathers through its analyses poses that a lesson learnt is that states must have a "zero tolerance policy to corruption" and the paper praises South Africa for its efforts in this regard (African Development Bank Group, 2010, p. 35). This paper is important to the overall research project as it provides an in-depth look at South Africa's DRM effort.

Case study literature about DRM and Zambia is much scarcer and most literature is centred around private DRM and how to improve the Zambian financial sector. The literature here includes the 2014 book chapter by Frances Chipimo, titled *Financial Markets and Resource Mobilization in Zambia* which looks at the reasons why Zambia must increase its effort at resource mobilisation to meet its development goals and its financing needs. Chipimo (2014) highlights that to meet Zambia's developmental objectives a mobilisation of domestic resources, both private and public, is crucially necessary to finance these objectives. This paper

also speaks to the fluctuating nature of Zambia's economy and the prevalence of FDI as development financing. Another paper in this theme is a 2019 policy paper by Rakabe Mabugu, titled *How Erratic Tax Policies Are Impeding Revenue Mobilization in Zambia*. Which looks specifically at Zambian tax reform and tax policy, it focusses on understanding how public revenue in Zambia can be bolstered and highlights how collection efforts are hampered by several factors, ranging from tax policy to trust and it speaks to Zambia's debt crisis and its mining sector as a major point of contention in the country's successful development efforts. Much of the literature on DRM in Zambia is concerned with private DRM and there are little to no studies conducted or research papers that concern public DRM within the country and the few that do, are focused on improving the collection of revenue and rarely focus on the utilisation of it.

The literature sources within this theme are all concerned with how the two countries have respectively dealt with the rise of DRM prioritisation and some of these sources also deal with what has become of this DRM intervention, of sorts. A major theme within this group of literature looks also at the governance structures of these countries. The sources do not however deal with fostering an understanding of the linkages between the effectiveness of the government and the failure and success of DRM within their states. The research uses this literature alongside empirical data to better advance this correlation.

2.1.4. SADC

The body of literature here also looks at assessing what has driven the push for DRM as a development financing strategy within the SADC as well as critically looks at SADC as an intergovernmental organisation to develop an understanding of both the institutional capacity and motivation to implement objects and specifically the objective of pursuing its member states to adopt more efficient DRM development financing strategies. This literary theme forms the empirical analysis on the regional level that this research paper tackles. It is concerned with policy briefs and literature pertaining to SADC but also builds on literature that intersects with SADC, such as AU policy briefs as well as the UN Sustainable Goals.

It looks specifically at a research paper by Amos Saurombe (2012) titled, *The role of SADC institutions in implementing SADC treaty provisions dealing with regional integration*. This paper unpacks the capacity that SADC has as a regional organisation in terms of power to enact change. It looks at the "SADC Resource Mobilisation strategy" (Approved by the SADC Council of Ministers, August 2012), the "SADC Industrialisation Strategy and roadmap: 2015-2063" (Approved by Summit in Harare on 29 April 2015) and amongst others, the "SADC

Regional Indicative Strategic Development Plan (RISDP) 2020-2030". These papers form the basis of SADC's resource mobilisation strategy and give insight into the functioning of the intergovernmental organisation.

It also looks at two pieces from the UN, the United Nations Economic Commission for Africa – July 2016 brief from the Inter-Agency task force on financing for development, titled "DRM in Africa: A focus on Government Revenue" and the "UN Resolution adopted by the General Assembly on 27 July 2015: 69/313. Addis Ababa Action Agenda of the Third International Conference on Financing for Development". These papers deal specifically with Africa and the need to collectively address African issues. It is also necessary to look at the AU's "financing agenda 2063 - first 10-year plan: Agenda 2063 financing, DRM and partnership strategy" as well as the AU's 2019 Advocacy brief on "DRM: fighting against corruption and illicit financial flows". The research also assesses the African Union's 2019 African economic brief, published in tandem with the African Development Bank, titled "Mobilising Domestic Resources in Africa for inclusive growth". This literary theme is carefully curated as it allows us to understand the regional level of analysis that this research paper seeks to understand around SADC as an organisation, but it also extends all the way up to include establishing knowledge from the AU and the UN on the issues of African DRM and development financing. This literary theme gives us an indication of how these supranational organisations function and this, in turn, allows us to understand how much (or how little) power the SADC regional body has over its member states and this understanding is needed as from this we can formulate what means the organisation has at its disposal to push for implementing these policies within its member states and how these are perhaps constrained by the organisation's structure and manifesto.

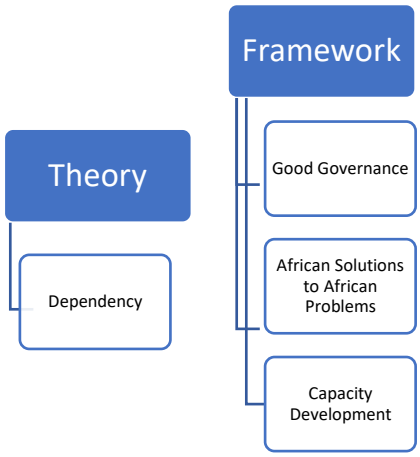
The body of chosen literature is best suited for this research as it does not dispute the need for more active DRM for development financing or even the relationship between unsustainable debt and external development.

The selected body of literature aligns well with the objectives of this research, as it acknowledges the importance of active DRM for development financing and recognizes the connection between unsustainable debt and external development. Instead of challenging these notions, the literature establishes a cohesive framework that allows for a more comprehensive exploration of the research themes at hand. It enhances our understanding of the nature, significance, and growing calls for increased DRM utilization in Africa. Importantly, the

literature demonstrates a consensus across all themes, presenting key theories and debates that collectively lay a solid foundation for further study.

By conducting an in-depth literature review encompassing these four thematic areas, this research contributes to the academic discourse by building upon existing theories, empirical evidence, and debates. It fills a crucial gap in the literature by synthesizing these themes into a broader approach that can advance our understanding of DRM and its implications for development in Africa. Moreover, this research serves as a valuable resource for policymakers, researchers, and stakeholders as it provides a comprehensive overview of the existing literature and offers insights for shaping effective DRM strategies. By situating the study within the broader literature, this research underscores its significance in bridging gaps, contributing to theoretical advancements, and informing policy discussions related to DRM and development financing in Africa.

2.2. Theoretical Framework



A structure of the theoretical framework of this research paper.

As a guiding theoretical framework, this research paper utilises the ideas presented in the theory of dependency and those ideas put forward by the frameworks of good governance, African solutions to African problems, and capacity development. This theoretical framework is utilised as this amalgamation of theories and frameworks allows for a better, more holistic understanding of the research. This theoretical framework facilitates an understanding of the importance of the central research question, ultimately aiding in the understanding of what can be learnt from studying the challenges facing DRM's effective utilisation within the SADC and particularly the case study countries of South Africa and Zambia – in terms of understanding

what an effective DRM strategy for Africa needs to overcome and what it needs to entail in order to ensure its long-term success. By drawing upon this multifaceted theoretical framework, this research aims to uncover the complexities and dynamics inherent in DRM's effective utilization within the SADC region. It facilitates a nuanced understanding of the central research question, shedding light on the barriers that need to be overcome and the essential components necessary for the long-term success of DRM strategies in Africa. Specifically, the theoretical framework provides a context-specific lens through which the continent's unique challenges and opportunities can be addressed, enabling the development and implementation of effective DRM-based development financing strategies.

2.2.1. Dependency theory

Dependency theory has long been used by African scholars to highlight the plight of western interference in Africa, scholars such as Frans Fanon (1952) and even recent scholars such as Dambisa Moyo (2010) are examples of these. Dependency theory further emphasises the point that Africa needs African solutions instead of imported solutions from the global north, however, dependency theory also highlights an important reason why Africa needs an effective DRM financing strategy, because of its use in explaining what has spurred aid dependency and in emphasising the importance of regaining state autonomy. The importance of dependency theory has been highlighted by 21st-century scholars such as Allen Sens, but it originated with Paul Prebisch in the late 1950s (Ferraro, 2008). Prebisch based the theory of dependency on his observations that developing countries were not advancing as rapidly as developed countries had once done and fundamentally questioned what was holding developing countries back from achieving development (Ferraro, 2008). One of the central prepositions that dependency theory supports is the idea that “it suggests that alternative uses of resources are preferable to the resource usage patterns imposed by dominant states” (Ferraro, 2008, p. 59). Dependency theory ultimately exposes that there exists a core-periphery relationship in the international system which is perpetuated by the relationships between powerful well-developed states and those underdeveloped and developing states, and this relationship is furthered by the domination of liberal economics and ultimately serves the capitalist agenda (Ferraro, 2008). When discussing dependency theory, we must start with formulating a good understanding of dependency, it is often accredited to Lenin in his discussions on imperialism, or the social scientist Das Santos, who wrote:

> “By dependency, we mean a situation in which the economy of certain countries is conditioned by the development and expansion of another economy to which the former

> is subjected. The relation of inter-dependency between two or more economies, and between these and world trade, assumes the form of dependency when some countries (the dominant ones) can expand and can be self-sustaining, while other countries (the dependent ones) can do this only as a reflection of that expansion, which can have either a positive or a negative effect on their immediate development." (Namkoong, 1999, p. 124)

Dependency theory is ultimately based on a world view that sees interactions between states in the global economy in terms of a core and periphery relationship. Recently, dependency theory has lost steam in the social sciences, as an outdated modality of understanding the global order, however, the theory has certainly not lost its credibility (Ghosh, 2019). The problem that scholars have with dependency theory is that it is closely linked to dependency and the concept of underdevelopment (Ghosh, 2019).

2.2.2. Good governance framework

The good governance framework was popularised by the UN to promote, practice, and instil good democratic values in emerging countries (Keping, 2018). Yu Keping writes that there are six essentials for good governance, "legitimacy, transparency, accountability, rule of law, responsiveness and efficiency" (Keping, 2018, p. 5). The good governance framework is prioritised by the UN as well as the AU and numerous other intergovernmental organisations, as it is seen as the basic qualities needed at the highest level for a state to function at its highest level. "The crisis in governance" was a term used by the World Bank to refer to what was happening in Africa in the late 1980s (Keping, 2018, p. 2). The ideas presented in the good governance framework have been re-emerging with the prevailing idea of the leadership crisis in the third world and particularly in Africa (Keping, 2018). Kaufmann *et al.* (1999) have found empirical evidence of a strong causal relationship between better governance and better development outcomes. The good governance framework understood against the backdrop of dependency theory displays that in a system with weakened domestic markets and without strong democratic institutions, state autonomy is compromised, and the very fabric of the state begins to fall apart. Essentially the good governance framework tries to instil practices that promote democratic development. Dependency theory believes that development in the periphery – or the developing countries – is innately stunted by the capitalistic power relations that exist between these states and more powerful developed states and that this relationship essentially weakens the state autonomy of those developing states (Ghosh, 2019). The weakening of state autonomy compromises governance, therefore this research paper uses both

this theory of dependency and this framework of good governance to inform its ideas on the necessity for an effective DRM development financing initiative to secure the long-term future of the African state as this type of development is non-reliant on external donors and is heavily reliant on the good governance practices.

2.2.3. Capacity development framework

Capacity development (CD) emerged in the 21st century and in recent years has become a buzz word in white papers and across the discipline of development. CD is not regularly defined as a particular framework but rather seen as a strategy for pursuing sustainable development. It is largely focused on two main sectors of society, civil society, and those in power, but more than that, it is heavily focussed on building on existing spaces instead of starting from the ground up, when looking to achieve change objectives (Lusthaus *et al*., 1999). The idea behind utilising CD in this research paper is built around the assumption that "nations have difficulty learning within their own context how to create appropriate roles for the state in development" (Lusthaus *et al.*, 1999, p. 1). The definition of CD that this research paper draws upon is found in the UNDP (1997) which states:

> "Capacity development is the process by which individuals, groups, organisations, institutions and societies increase their abilities: to perform functions to solve problems and achieve objectives; to understand and deal with their development need in a broader context and in a sustainable manner." (Lusthaus *et al*., 1999, p. 3)

When discussing capacity development, it is unavoidable to not investigate the meaning of capacity. Capacity can be defined as, "the evolving combination of attributes, capabilities, and relationships that enables a system to exist, adapt, and perform" (Brinkerhoff and Morgan, 2010, p. 3). The World Bank also defines capacity as, "the combination of people, institutions and practices that permits countries to reach their development goals" (Lusthaus *et al.*, 1999, p. 3). CD proposes a shift towards strengthening and enhancing existing capacities in a context-specific approach and it essentially speaks to the development of those capacities that are fundamental as the basis of future development, such as infrastructure, health care, technology, and other facets of society (Lusthaus *et al.*, 1999). This paper utilises the five-capability approach of capacity development theory as this approach allows us to analyse the research problem best critically under a capacity development lens. The five-capability approach to capacity development is built on the following capabilities, "the capability to commit and engage, the capability to carry out technical and service delivery and logistical tasks, the capability to relate and attract support, the capability to adapt and self-renew, and lastly, the

capability to balance diversity and coherence" (Brinkerhoff and Morgan, 2010, p. 3). Any effort to build capacity must focus on the holistic development of all 5 capabilities for it to be efficient and sustained, capacity development must not be seen as a 'means-to-an-end' phenomenon, as "capacity is a latent phenomenon" (Brinkerhoff and Morgan, 2010, p. 3). This framework orients the research to prioritise a situational analysis of the effectiveness of a DRM financing strategy and introduces the fundamental ideas behind the framework of 'African solutions to African problems' (ASAP).

2.2.4. African solutions to African problems framework

The ASAP framework was popularised by its strong support from the AU and was coined by George Ayittey (Mngomezulu, 2019). Potgieter writes that:

> "With the creation of the AU in 2001, the idea of African solutions to African problems gripped policymakers as African leaders acknowledged that the scourge of conflicts constitutes a major impediment to the socio-economic development of the continent and the need to promote peace, security and stability as a prerequisite for development and integration (AU 2000: 3)." (Potgieter, 2021, p. 6)

ASAP is born out of the idea that the dissatisfaction of Africans with their own conditions must spur a great internal pursuit of African-inspired and African-led change initiatives. It is built on the idea that Africa has both the capability and determination to counter its own challenges. (Lobakeng, 2017). ASAP is an incredibly useful framework for this paper as it has a strong pan-Africanist ideological underpinning. Nathan (2013) writes that "it conjures amalgamating politics with action, placing emphasis on pride, indigeneity, self-reliance, taking ownerships and responsibility" (Nathan, 2013, p. 48-49). The AU has readily adopted the framework although its implementation of the ideology of this framework leaves much to be desired (Akinola, 2022). There is an interesting interplay when assessing ASAP and dependency theory as there is much opposition recently from modern Africanist scholars who see the framework as promoting a type of western scapegoating (Akinola, 2022). These scholars believe that most of Africa's problems are historically motivated – consequences of Western expansionism, colonialism, and imperialism, and thus the West should bear the brunt of providing the solutions to these problems (Nathan, 2013). Assessing ASAP within the ideas of dependency theory supports this frame of thinking, however, it does not negate the fact that importing solutions from the west for problems created by the west further removes African autonomy and thus whilst it is important to note the blind spots of this framework, assessing it in tandem with the ideas presented by the frameworks of good governance and CD allow us to see the

benefit of an African approach to the problems of the continent. Potgieter supports this discourse by saying that "in short, it is time for Africans to take things into their own hands and make use of their resources to solve Africa's troubles" (Potgieter, 2021, p. 7). ASAP cannot be discussed without discussing capacity as well, Dr Adeoye O. Akinola in a blog post highlights this relationship as well as the relationship between ASAP, CD and good governance as follows:

> "The main challenge of the "African Solutions to African Problems" is the lack of capacity and commitment of decisive actors towards the actualisation of Africa's peace and security architecture. Where there are capacities, the commitments are lacking; and where there are commitments, capacities are found wanting. African political elites, at several levels, have lost touch with the people they claimed to have been "serving". Several governments have employed instruments of terror against the citizens. Some African leaders are more liberal than the liberalists and several are more western than the westerners. Others spend more time in the West than in their countries. How can such "rulers" seek African Solutions to African Problems?" (Akinola, 2022)

Evidently, then, it can be seen how crucial all three frameworks are for this paper as they highlight the crucial need to not simply adopt a DRM focussed development financing initiative without first understanding what this would mean for the continent and what this would need to accomplish and overcome for its long-term success and sustainability. The selection of the theoretical framework for this study, encompassing the theory of dependency and the frameworks of good governance, African solutions to African problems, and capacity development, holds significant importance. These frameworks collectively emphasize the necessity of not simply adopting a DRM-focused development financing initiative without comprehensively understanding its implications and requirements for long-term success and sustainability within the African context. Central to this theoretical framework is the understanding that transplanting existing Western solutions or theories onto the African context risks perpetuating imperialism and disregarding the unique complexities of the African continent. By amalgamating these two theories and two frameworks, this research is guided towards a new direction—one that recognizes the heterogeneity of Africa and the need for nuanced contextualization.

This theoretical framework operates on the premise that Africa's developmental challenges require tailored solutions that acknowledge the ground-level complexities rather than assuming

a deficit in the continent's capabilities. The application of dependency theory within this framework highlights the intricate dynamics of the north-south, core-periphery relationship, demonstrating the interplay between external dependencies, sustainable development, and DRM strategies. In conjunction with the frameworks of good governance, capacity development, and African solutions to African problems, a more holistic and context-specific strategy for sustainable development emerges. This approach recognizes the need to address not only the economic aspects but also the governance structures, capacity building efforts, and the urgency to achieve socioeconomic progress in Africa. By utilizing this comprehensive theoretical framework, this research aims to bridge the gap between theory and practice, offering insights and recommendations for policymakers and stakeholders. It serves as a departure from conventional approaches by highlighting the need for inclusive, locally rooted strategies that account for Africa's diverse realities. In doing so, this study contributes to the academic literature by offering a nuanced perspective and informing policy discussions on DRM and sustainable development in Africa. The gravitas behind this theoretical framework guides the research in a new direction through the amalgamation between the two theories and the two frameworks. The fact of the matter is that Africa does not need unique solutions to its problems because it is lacking in some fundamentally derogatory way, but rather because it is extremely heterogenous, unlike the West, and as such requires a nuanced contextualisation. Thus, for development solutions to be effective there is a greater need for the solutions to consider the complexities on the ground. This thinking is evident in the use of dependency theory to highlight the complexities of the north-south, core-periphery relationship that proliferates and is demonstrated through the need to use the frameworks of good governance, capacity development and ASAP to create a more holistic strategy of sustainable development.

3. Chapter Three

3.1. Findings

3.1.1. SADC

To assess SADC institutionally, a descriptive analysis is undertaken of SADC's institutional ability and capacity to incentivise a DRM development financing strategy within its member states. There are a few pertinent institutional aspects of SADC that this descriptive analysis unpacks to formulate the understanding required to answer the research questions. The SADC documents outlined in this chapter seek to unpack what is hindering the implementation and utilisation of DRM for development financing within SADC countries. The documents show that organisationally SADC ultimately exists in a grey area. The research begins by establishing what the structure of SADC is, what the organisation is governed by, how development is financed and how power is exercised within the organisation.

To understand the organisation institutionally and provide insight into answering the research question, the findings delve into three facets of SADC, its policy manifesto, its organisational structure, and its financing agenda. According to its policy manifesto, a DRM development financing strategy aligns with SADCs values and goals for regional economic independence through democratic sustainable development. SADC has recognised and largely acts under the guise that the region is making great strides in developments across the board due to its sustained efforts at regional integration. However, the findings show that structurally SADC has neither the ability nor the capacity to incentivise its member states into adopting or fulfilling any policy let alone a DRM development financing strategy. From SADCs financing strategy it is evident that a DRM development financing strategy would assist the organisation in moving its finances in the desired direction of decreased economic dependency as well as improving transparency and countering rising corruption. It must be established then, what is hindering the implementation and utilisation of DRM for development financing within SADC countries when such a strategy surely ticks more boxes than one, in regard to fulfilling the wants and needs of the organisation.

SADC policy manifesto

How does the policy manifesto provided in the findings section of this document display an alignment of SADC values and goals with a DRM development financing strategy? SADC came into existence via the Declaration and Treaty established and signed at Windhoek in Namibia in 1992 by 17 Heads of State of government (Southern African Development Community Declaration and Treaty, 1993, p. 3). This was a ground-breaking treaty for the

region and the continent in a new era of independence. SADC sought to mobilise a joint effort to tackle the region's problems and deficits. In the early Southern African Development Coordination Conference (SADCC) the groundwork was laid out for the development community. The conference declaration stated that "SADCC was established as a vehicle for the reduction of economic dependence and for equitable regional integration; an appropriate sequel to the political emancipation of the region" (Southern African Development Community Declaration and Treaty, 1993, p. 8). SADC is built on the early founding objectives of the SADCC which sought to "forge links to create a genuine and equitable regional integration" (Southern African Development Community Declaration and Treaty, 1993, p. 3). At its founding, the SADC focussed on a plethora of different facets; the first area of cooperation identified was around infrastructure projects. The focus slowly shifted from specific projects towards "the coordination of sectoral plans and programmes, and also from the development of infrastructure to measures intended for the promotion of investment and production" (Southern African Development Community Declaration and Treaty, 1993, p. 3). This was all done to reduce dependency and to move towards some form of equitable integration of member states.

SADC germinated from ideas put forward by both the 1980s Lagos Plan on Action as well as the African Economic Community treaty established in 1991 which prioritised integration and saw "Regional Economic Communities (REC's) the building blocks for the continental community" (Southern African Development Community Declaration and Treaty, 1993, p. 7). SADC is governed today according to the SADC Regional Indicative Strategic Development Plan (RISDP) 2020-2030 and functions according to SADC Vision 2050. These are new strategies that have replaced the previous RISDP (2005-2015) which was merged with the previous two versions of the Strategic Indicative Plan for the Organ on Politics, Defence and Security Cooperation (SIPO). "RISDP 2020–2030 sets out a comprehensive 10-year development agenda for addressing social, economic, political, and governance issues in the region" (Southern African Development Community Regional Indicative Strategic Development Plan 2020-2030, 2020, p. 9). SADC remains governed by the SADC Common Agenda as well as the SADC Declaration and Treaty. The RISDP also shows that as a regional intergovernmental organisation, SADC also complies with other larger supranational organisations. The SADC RISDP points out that, the SADC's aspirations as enunciated in its Vision and Mission 2050 document are aligned to key global and continental frameworks, such as the United Nations' 2030 Agenda for Sustainable Development and the African Union's

Agenda 2063 (United Nations, 2015). Agenda 2063 and the Addis Ababa Action Agenda introduced DRM in their 'first ten-year implementation action plan' to finance public infrastructure projects which in turn would foster better development, and ultimately put forward DRM as a means to achieve transformation in Africa. The AU stated that:

> "DRM is meant to contribute at 75% to 90% to the financing of Agenda 2063 on average per country, namely through: (i) enhanced fiscal resource mobilization, (ii) maximization of natural resource rents, (iii) the leveraging of the increasingly important pool of African institutional savings, (iv) enhanced retail savings mobilisation through financial inclusion namely; (v) the curbing of illicit financial flows (IFFs); (vi) the reduction of inefficiency and governance/corruption-based financial leakages and wastages – government, infrastructure services, agricultural value chain, etc." (African Union Commission, 2015b)

Seeking wider and deeper regional economic integration and development, SADC's Mission Statement seeks to:

> "(1) create a conducive environment to foster regional cooperation and integration, (2) accelerate the mobilisation of resources from within the Community and external sources, (3) improve implementation of SADC policies and programmes, (4) strengthen compliance by Member States through the implementation of effective compliance monitoring and assurance mechanisms, and (5) magnify visibility and awareness as a means to trigger the participation of SADC citizens in driving the regional integration agenda." (Southern African Development Community Regional Indicative Strategic Development Plan 2020-2030, 2020, p. 9)

His Excellency Filipe Jacinto Nyusi President of the Republic of Mozambique and then Chairperson of the Southern African Development Community in the forward says, "As we move forward, the region will be premised on SADC Vision 2050, which is to have by 2050, a peaceful, inclusive, competitive, middle- to high-income industrialised region, where all citizens enjoy sustainable economic well-being, justice, and freedom" (Southern African Development Community Vision 2050, 2020, p. 1). SADC Vision 2050 is contextualised in the goal that, "by 2050, SADC is to attain higher levels of peace and stability, enabling the further prioritisation, pursuit, and achievement of its objectives of socio-economic development, poverty eradication and regional integration" (Southern African Development Community Vision 2050, 2020, p. 4). The foundational pillars of SADC Vision 2050 are

expressed in three pillars, “Industrial Development and Market Integration, Infrastructure Development in Support of Regional Integration, and Social and Human Capital Development; and built on a firm foundation of Peace, Security, and Good Governance” (Southern African Development Community Vision 2050, 2020, p. 3). The SADC RIDSP further states the organisation’s intentions to be guided by the principles outlined in Article 4 of the SADC Treaty, these being:

> “a. Sovereign equality of all Member States; b. Solidarity, peace, and security; c. Human rights, democracy, and the rule of law; d. Equity, balance, and mutual benefit; and e. Peaceful settlement of disputes.” (Southern African Development Community Regional Indicative Strategic Development Plan 2020-2030, 2020, p. 40)

The RISDP also emphasises the following values:

> “a. Regional development and integration for the benefit and full employment of SADC citizens; b. Systematic reduction of poverty, unemployment, and social exclusion; c. Advancing innovation as well as the development and application of science and technology, for greater productivity and global competitiveness; and d. Promoting sustainable and optimum use of the region’s natural resources be it on land or in the marine environment.” (Southern African Development Community Regional Indicative Strategic Development Plan 2020-2030, 2020, p. 40)

Another pertinent document from the SADC is its Regional Infrastructure Development Master Plan (RIDMP) which states that the region’s potential was stunted by the fact that, “the region currently faces a number of challenges with regard to the provision of adequate regional infrastructure” (Southern African Development Community Regional Infrastructure Development Plan, 2012, p. 4). The RIDMP lays out the key areas of focus for SADC by drawing attention to some of the challenges being faced by the region. It lists these as:

> “1) Insufficient energy supply to serve increased production and to extend access; 2) Highly priced, unpredictable transport and logistics services, especially for landlocked states; 3) Lack of low-cost access to information and communications technologies; 4) Inadequate meteorological services for effective and efficient planning and management of water resources, energy production, transport services and other climate-sensitive sectors; 5) Unacceptably high number of citizens without access to safe drinking water, adequate sanitation and water for irrigation to improve systems for agricultural production which will contribute to food security; and 6) Slow response to new tourism

> trends and opportunities." (Southern African Development Community Regional Infrastructure Development Plan, 2012, p. 5)

So how does the policy manifesto align SADC values and goals with a DRM development financing strategy? From SADCs guiding principles and goals, it is clear to see that there is a focus on three important aspects within the organisation: regional integration, infrastructure development and economic independence. Regional integration is the biggest goal of SADC, present in the founding SADC Declaration and Treaty and SADC Common Agenda and still prevalent years later in the new SADC RISDP and the SADC Vision 2050. SADC is a regional organisation and is founded on the integration of its member states to create and foster regional prosperity. From the SADC documents, we can see that there is a prioritisation of regional integration through a commitment to building up and developing the entire region – the RISDP and the RIDMP highlight that infrastructure development remains one of SADC's crucial pillars to achieving its goals of regional prosperity. It can also be seen that SADC's Vision 2050 is aligned with "infrastructure development in support of regional integration" and that the goal is to achieve a "middle to high-income industrialised region" (Southern African Development Community Vision 2050, 2020, p. 3).

The RIDMP prioritises not just development but more pertinently, infrastructure development as one of the most important means to overcome the stagnation currently faced by the region. The nature of the high resource base within the region meant that throughout its existence, investment into the country has been to extract profits, in the form of resources, out of the country and consequently infrastructure in the region which would not aid in the extraction of these resources was not prioritised (Bayart, 2000). The SADC was founded on the SADCC which prioritised infrastructure projects and from the findings, it is evident that this prioritisation shifted to the promotion of investment and production as well. The organisation, decades after its founding has a great amount to show for both infrastructure development as well as investment and production. The RIDMP shows that advancements have occurred across its priority sectors of energy, water, ICT and telecommunications, transport, and meteorology. However, the RIDMP also exposes that there is much work still to be done across all the priority sectors before the organisation can revel in any successes. The infrastructure put in place in the early first decades of SADC is largely still the only showpiece for the organisation's development efforts, with new developments stalling and taking place at a much slower rate. Today, infrastructure in the SADC region remains unreliable, dilapidated, and inconsistently dispersed - clustered in urban areas. Electricity remains one of the region's biggest burdens,

with only approximately 50% of the entire region having access to electricity and this is limited to urban areas with only 32% of rural areas having access (Southern African Development Community Regional Infrastructure Development Plan, 2012). Access to water is only a little better, with only 61% of the region having access to safe drinking water.

Aside from the goal of infrastructure development that is still very much underway and requires immense continued effort to overcome its current challenges and stagnations, SADC's goal of achieving independence is another very pertinent problem. The documents show that Dependency theory highlights why the region remains largely resource extractive and why infrastructure largely remains composed of those infrastructures that allow resources to leave the country, instead of aiding domestic production (Namkoong, 1999). The documents show that SADC was established as a "vehicle for the reduction of economic dependence" (Southern African Development Community Declaration and Treaty, 1993, p. 8). Unfortunately, the policy manifesto, aside from professing that external economic dependency is harmful to the region's prosperity, does not lay out an action agenda to combat this problem. Precisely where it fails to take up arms against dependency is in its financing strategy. One of the key missions highlighted in the SADC RISDP is "the creation of a conducive environment to foster regional cooperation and integration, through the individual building up of member states and thus an improved regional environment" (Southern African Development Community Regional Indicative Strategic Development Plan 2020-2030, 2020, p. 9). An alternative development financing strategy based on each member state committing to the SADC values and goals of regional integration and economic independence would see the development of policies very similar to that of a DRM development financing strategy, and SADC needs to reprioritise its commitments to its policy manifesto so that it does not stand in the way of its own goals.

SADC structure

It is also apparent that the structure of SADC compromises its ability to carry out a DRM development financing strategy. In 2001, governed by Article 9 of the treaty, SADC adopted a formalised structure consisting of eight principal organs and institutions (Southern African Development Community Declaration and Treaty, 1993, p. 3). These institutions are, *The Summit of the Heads of State or Government, The organ on Politics, Defence and Security Co-operation, The Council of Ministers, A Secretariat, A Tribunal, The Troika, The Standing Committee of Officials, and the SADC National Committees* (Southern African Development Community Declaration and Treaty, 1993).

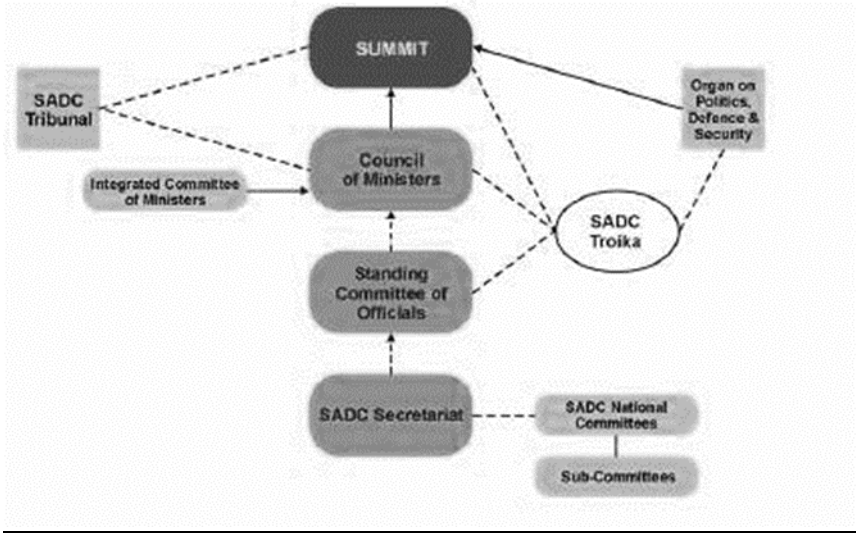


Figure 1 Internal structure of the SADC [SOURCE: SADC (2005)]

Figure 1 above outlines the relationship between these organs as well as the overall structure of the organisation. These organs all work together like an onion, with the Summit at the core and the Committee at the outermost layer. Power is held at the core and those in the outer layers are responsible for ensuring that the Summit's goals are achieved. The Summit is formulated and understood to be the power organ of the institution and is led by a Chairman and Vice-chairman based on an agreed time and rotation between member states (Saurombe, 2012, p. 461). The Summit, which is made up of all the Heads of State of the SADC members is a legislative organ and its decisions, which are taken by consensus, are binding. Saurombe (2012) also points out that it is important to note that inspection of the SADC Treaty exposes its faults, in that the treaty is silent on how these binding decisions can affect the territory of individual member states. Articles 10(8), 11(3)(6) and 13(6) do not make any provisions in the Treaty on how impasses will be overcome to reach a consensus, it leaves the implementation of Summit decisions to individual members (Saurombe, 2012, p. 459-461). Since its conception, the perceived authoritarianism of its leaders has meant that the organisation has infamously been nicknamed a club of dictators. Whilst the region seemingly steers in the same direction, its members are heavily embedded in their own close ties with each other, and their distrust and trust of long-standing relationships have shown up in full force during negotiations and policy and decision-making. A good example is South Africa's role in negotiations of the Madagascar crisis in 2009, as opposed to its silence on Zimbabwe's 2008 crisis.

One of the key organisations for mediating and avoiding kinship relations in the Summit from impacting the region is the Tribunal but this has been suspended by the Summit since 2010

(Saurombe, 2012, p. 469). The importance of the tribunal is highlighted by Saurombe (2012) who says:

> "The Tribunal is empowered by the Treaty to apply SADC law without fear or favour and to pave the way for the harmonisation of business law to the extent that these laws can also be applied by the Tribunal. The harmonisation of policies or the adoption of similar policies is a signal that a regional arrangement is seeking to achieve a high degree of economic integration. The drastic action taken to dissolve the Tribunal has sent the worst possible signal to the SADC region and to potential investors and the whole international community, reflecting the SADC's poor record on human rights, democracy and the rule of law." (Saurombe, 2012, p. 472)

The answer to the question of how exactly SADC's structure compromises its ability and capacity to carry out a DRM development financing strategy lies in the organisation's onion-like structure. The nature of power being centralised at the Summit makes it evident that SADC functions as a top-down structure where decisions are made by the heads of state and standing Presidents and are filtered down the chain towards the SADC secretariate at the very bottom. However, it must also be considered that due to the interconnected nature of the structure – decisions filter up the chain as much if not more than they filter downwards. It is widely understood that the groundwork of policy making is done by those advocating much lower down the chain and that these policies are sent upwards through the linkages to be advocated for by those at the top (Carne, 2013). At the very top of SADC, the Summit comprises the heads of state of all SADC member states – at the very bottom, the SADC secretariat comprises both the SADC national committees and sub-committees. As structured as the organisation seems, SADC remains a regional organisation plagued by various voices all indifferent to one another's plights and campaigning for their own agendas (Saurombe, 2012).

Regarding the structure of the organisation with regards to its capacity to carry out a DRM development finance strategy, the onion-like structure of the organisation and its eight organs are further compromised due to two important aspects. The decision-making nature of the Summit and the dissolution of the SADC tribunal. From the documents consulted and the work of Saurombe (2012), it is clear that the Summit although proposed by SADC as having ultimate power alongside binding decision-making capabilities, takes decisions via consensus. This type of democratic practice is not the issue, the issue is that even disputes are settled via consensus. When assessing the SADC manifesto further, it becomes evident that the SADC Declaration

and Treaty does not give a clear statement as to the extent to which the Summit has authority over member states. As Saurombe (2012) mentions this means that even after the Summit takes decisions, it is up to the member states to decide how they will implement these decisions. The only real organ that could have acted to catalyse member states towards a common direction is the SADC Tribunal, but its suspension in 2010 has left a hole in the organisation for complacency and misconduct to creep in. Saurombe (2012) highlights that this suspension of the Tribunal should act as a warning signal that the structure of the organisation has been compromised and with it, its capacity to implement strategies. The tribunal is key to the structure of the organisation as it ensures the coordination of policies within the summit (Shumba, 2022, p. 18). Without the Tribunal and with the nature of the organisation's consensual decision-making, the organisation has no sticks, no hard line on which to ensure that member states coordinate their actions.

For a DRM development finance strategy to take hold in the organisation, it would have to join the already long list of trailing existing policies, which have shown varying successes but have largely been dragging in the mud (Tjønneland, 2005). The issue at hand is that since the structure has no effective means to regulate its member states' actions effectively, there is no real way to ensure the success of any strategy. Specifically, for the member states to adopt a financing strategy that effectively forces them to work in isolation, is not an appealing pitch. The idea that handouts from SADC are decreasing, instils something of a sink or swim mentality. The organisation therefore must find some other ways to mobilise support for a DRM development financing strategy since no hard methods are available, meaning they must look for ‘carrots’ to motivate these states and convince them that the ‘sink or swim’ option provided by DRM development financing is not a bad thing, considering how economic data shows many of them are already on the verge of sinking. States must be convinced that current strategies of development financing are unsustainable. The summit must coordinate to establish for their own benefit as well as the overall benefit of the region.

SADC financing

SADC finances its development in two main ways – through member contributions and International Cooperating Partner (ICP) contributions. SADC’s financing mechanisms support the idea that not only does a DRM development financing strategy align with the organisation's manifesto but that it would also aid in achieving the organisation’s primary goal of economic independence. This is largely evident in an unpacking of the SADC

Resource Mobilisation Strategy (RMS) from 2012 which outlines SADC's financing strategy:

> "The guiding principles of the RMS are as follows: *Principle 1*- Meet the SADC region needs. *Principle 2*- Promote efficiency and effectiveness. *Principle 3*- Build on national, regional and international synergies. *Principle 4*- Strengthen capacity. *Principle 5*- Result-based programming and implementation." (Southern African Development Community Resource Mobilisation Strategy, 2012, p. 9-10)

The RISDP indicates that SADC has two distinct types of financing – financing for its coordinating functions and financing for development activities. Financing for the coordinating function is through a contribution by each member state based on the member state's proportional contribution to the combined SADC Gross Domestic Product (GDP). The SADC operational budget is supplemented by contributions from International Cooperating partners. These International Cooperating Partners also finance most SADC projects in the form of grants and financing agreements (Southern African Development Community Resource Mobilisation Strategy, 2012, p. 7).

Finance for development is used for activities such as "public finance, official development assistance (ODA), debt relief, domestic savings, foreign direct investment (FDI) and portfolio investment (FPI), development finance and the development finance institutions network" (Southern African Development Community Resource Mobilisation Strategy, 2012, p. 7). The mechanisms that were to be employed to raise this development finance included "public-private partnerships (PPPs), domestic financial and capital markets, private equity and venture capital and the SADC development fund" (Southern African Development Community Resource Mobilisation Strategy, 2012, p. 7). This finance raised through these means had to be supplemented by other contributions from Member States and the level of contribution at this level would impact on whether goals could be achieved. The financial inputs and resources required for activities to be carried out at national and regional levels would be derived from:

> "(a) statutory contributions from Member States; (b) official development assistance (ODA) and other forms of development funding from various partners; (c) SADC Regional Development Fund (RDF); and (d) local and foreign investments attracted from the private sector (including PPP initiatives)." (Southern African Development Community Resource Mobilisation Strategy, 2012, p. 41)

The Regional Development Fund mentioned in the RMS, requires that at least two-thirds of the members ratify the agreement and at present only 9 of the 16 SADC Member States have ratified the agreement. The agreement, therefore, remains un-operational at present. In a recent article, Clarkson Mambo points out that "research carried out by the SADC Secretariat in 2016 established that only 9.2% of regional projects were being funded by Member States, while International Cooperating Partners (ICPs) funded the remaining 90.8%" (Mambo, 2022). The ownership and sustainability of regional programmes have thus been compromised as the agreement was that "SADC Member States will hold a majority shareholding of 51% in the RDF, with 37% allocated to the private sector and 12% to international cooperating partners" (Mambo, 2022). The Agreement was to initially raise US$ 13 billion with a subscription fee of US$120 million for each Member State. SADC has committed to financing its development in a manner that prioritises economic independence, however, the findings show that this is not the case and ownership and sustainability of regional programmes have been compromised due to ICP's funding the majority of the development within the region. A DRM development financing strategy would aid in reducing the percentage of funding through ICPs as well as meeting the principles outlined in the RMS, as financing development through member states domestic revenue mobilisation would ultimately lead to the fulfilment of the region's needs, as well as promote efficiency and effectiveness of development projects leading to improved synergies and strengthening capacity.

The RMS divides SADC funding into two main categories, financing for development and financing for coordinated functions. Member states are responsible for financing the coordinated functions although the analysis of the RISDP exposes that most of SADC financing, both its coordinated functions as well as development are mainly financed through ICPs. Whilst external investment is a good sign for the region, development efforts are being held hostage by aid conditionalities and debt payments (Moyo, 2010). The SADC RMS states that "the financial inputs and resources required for activities to be carried out at a regional and national level" falls on contributions made by member states and funding attained from external sources and investors as well as the SADC RDF (Southern African Development Community Resource Mobilisation Strategy, 2012, p. 41). The SADC RDF, just like the SADC tribunal with its immense positive potential, has been curtailed by SADC member states complacency to commit to supranational governance. The RDF is not yet operationalised years after its introduction and as the findings show, with over 90% of development funded by ICPs, it is now more necessary than ever that SADC reorientate its financing strategy. The non-

ratification of the RDF displays that the extent to which member states are willing to co-ordinate financing to directly assist each other is low. The SADC RIDMP highlights the various challenges facing the SADC region, from energy, weather, tourism, transport, and ICT, to food, water, employment, poverty, and shelter and displays that various priority areas still need massive capital injections for the region to achieve its development objectives. It also highlights that for a DRM development financing strategy to take hold, the organisation would need to renew its commitment to decreasing its dependency on donor funding to meet these incentives.

SADC epilogue

The SADC documents outlined above show a few pertinent aspects as to what is hindering the implementation and utilisation of DRM for development financing within SADC countries. SADC suffers the ill faith of most intergovernmental organisations; in that, it ultimately exists within a policy grey area. On the one hand, it has massive potential to foster and achieve the goals that it wishes to achieve, but on the other hand, it shies away from even the mention of any type of stance that could compromise the integrity or sovereignty of any of its member states. Without a major reboot of the organisation's values, a restoration of the tribunal, a revamp of financial decision-making, a serious recommitment to its policy manifesto and a push from other more powerful supranational organisations it will continue to act with little impact on the region aside from pageantry. A DRM development financing strategy would mitigate the hesitancy of member states to spend their own funds on other countries because, unlike the SADC RDF fund, a DRM development financing strategy would focus on using domestic resources for domestic development. A DRM development financing strategy would move the region further towards economic independence by decreasing the percentage of outside development funding required. Why then has it not been actively pursued? Because the organisation's structure has fragmented its decision-making capabilities.

Development is central to the SADC policy manifesto and naturally development financing must be a central part of the conversation. Regional integration ultimately relies on connected infrastructures, infrastructures which cannot be supported without adequate financing. SADC's policy manifesto is nothing more than a fallacy as SADC's financing exposes that the organisation's vision of reduced dependency is not materialising with over 90% of funding taken from ICPs. If SADC wants to achieve its objectives and strategies, the organisation needs to get its member states refocused on going back to the drawing board to reassess their commitment to the region as well as the organisation's early commitment to infrastructure

development. Although progress has occurred, infrastructure remains the biggest issue facing its member states and compromising the viability of the organisation's goals or socio-economic development and regional integration.

3.1.2. Case Study

The findings seek to paint a picture of the case study countries, economically, socially, and politically through an assessment of these countries' revenue, institutional and infrastructure capabilities to assess the viability of the implementation of a DRM development financing strategy. To critically discuss the feasibility and tangibility of DRM in these countries, there was a need to assess the two countries economically, socially, and politically so that the research can provide findings that foster an understanding of these countries as holistically as possible. The research looks at the case study countries, unpacking them by assessing their revenues, institutions, and infrastructure capabilities. The motivation for selecting the specific group of indicators has been discussed earlier in the data collection section of this paper. Figures 2 to 8 have been compiled by the author from different composite indexes and are comparative graphs on different important indicators and aspects for these countries. Figures 9 and 10 are sourced from the government websites of the respective countries and illustrate the different breakdowns of government spending, the figure for South African covers the year 2020 and the figure for Zambia comparatively shows data from 2017 until 2020. Figures 11 and 12 are the country profiles compiled by the Mo Abraham Foundation for the case study countries in 2019. And finally, Figures 13 and 14 show the amount of revenue collected in the year 2020 and the breakdown of revenue collection from these two countries as reflected on the countries' tax revenue service websites.

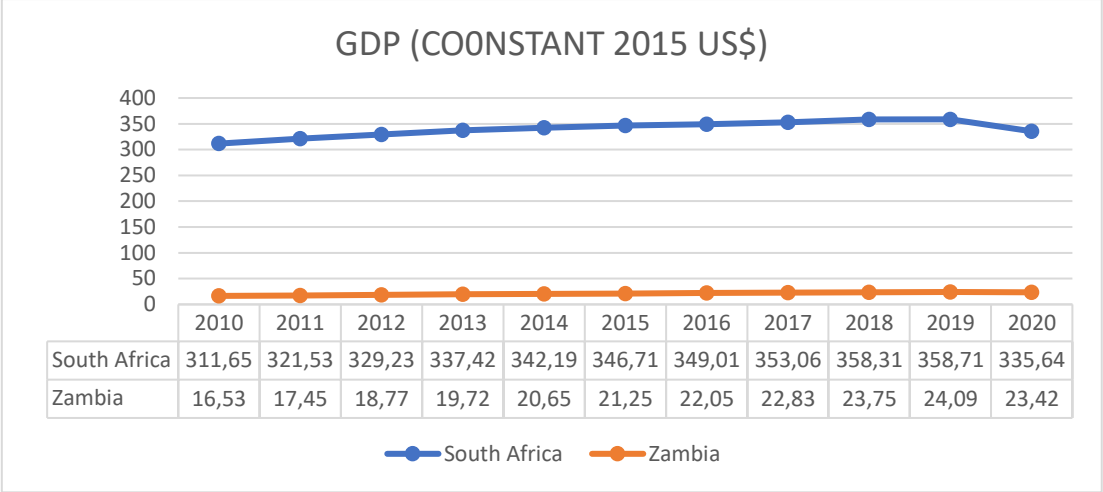


Figure 2 GDP[1]

Figure 2 represents the real GDP over the period of 2010 to 2020 of both countries. Figure 2 shows consistent small increases in the real GDP of both countries over the last ten years, bar the drop in South Africa's real GDP in 2020, largely due to the extenuating circumstances of the COVID-19 pandemic. The real GDP of these two countries represents a steady economy with the prospects for these countries looking economically promising. The GDP figure for both countries shows that they have economies ready to be advanced and bolstered by further positive reinforcement. It also indicates one cannot assume that the size of the economy is what is hindering the effective utilisation of DRM as a development financing strategy within these two countries.

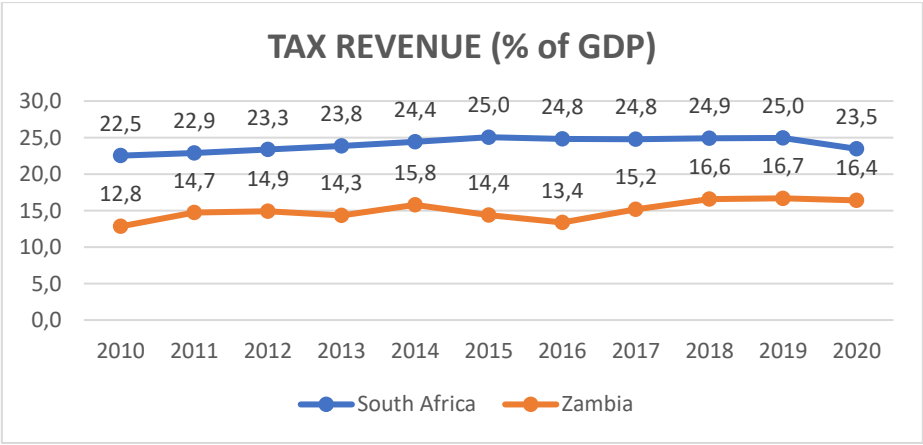


Figure 3 Tax Revenue (% of GDP) [2]

[1] Source: The World Bank Group, https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=ZG. . Graph constructed by Author.

[2] Source: The World Bank Group, https://data.worldbank.org/indicator/GC.TAX.TOTL.GD.ZS. Graph constructed by Author.

Figure 3 shows the overall tax revenue collected as a percentage of the country's GDP. South Africa has had a Tax to GDP ratio above 15% consistently over the last decade. Whilst Zambia's ratio hovers around the 15% mark, with both countries' ratios fluctuating across the decade, Zambia's is more than South Africa's. Moore *et al.* highlight that "African governments are not novices at the business of collecting taxes. They do so more effectively than governments in some other low-income parts of the world" (Moore *et al.*, 2018, p. 6). The findings show that these countries have a tax-to-GDP ratio close to the 15% mark which the World Bank regards as a good rate for being able to aid in development and poverty reduction (Kagan, 2021). Whilst Figure 2 displays that there is revenue in the economy, Figure 3 displays that this revenue is being collected. This removes one of the key arguments against imposing a DRM development financing strategy – that there is insufficient tax collection – and instead paves the way for tax utilisation over tax collection discourse.

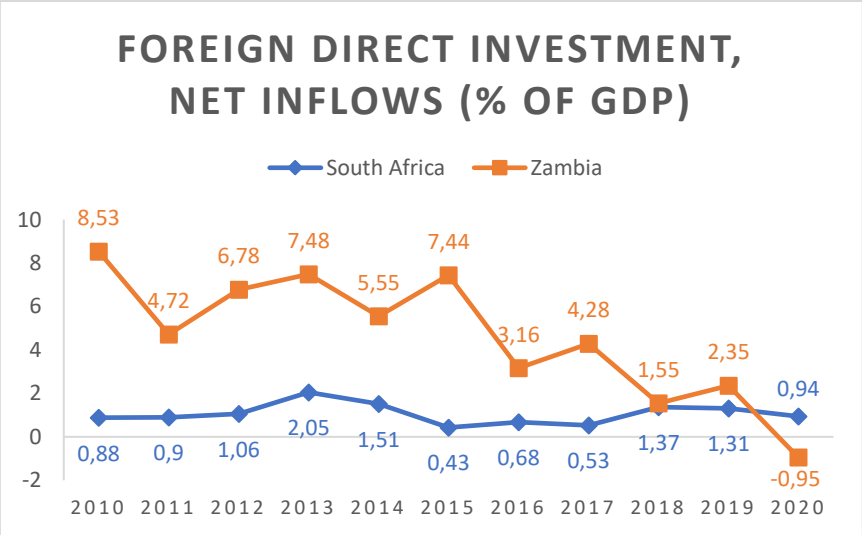


Figure 4 Foreign direct investment, net flows (% of GDP)[3]

Figure 4 represents the Foreign Direct Investment (FDI) as a % of the GDP of both countries over a period of ten years. South Africa's FDI (% of GDP) is lower than Zambia's but relatively much more stable. Zambia's FDI (% of GDP) fluctuated and varied over the ten years, ending with a negative value in 2020 with alarming disinvestment. FDI is an important indicator in understanding the 'invest-ability' of a country's economy. Both countries are resource-extraction economies and rely heavily on foreign investment, which aside from harmful

[3] Source: The World Bank Group, https://data.worldbank.org/indicator/BX.KLT.DINV.WD.GD.ZS?view=map. Graph constructed by Author.

conditionalities and the resultant non-diversification of the economy, comes with the underdevelopment of local industries and leads to the financing of huge debt repayments.

Foreign investment shows that there is faith in the country to sustain investment and in Zambia's case seeing a disinvestment in 2020 is rather alarming. Without having a backup plan to finance development, money is leaving the country and consequently, development is largely being left stranded (Chipimo, 2014). The figure shows that Zambia needs to sort out its own domestic financing, as the foreign investment landscape of the country is chaotic at best. The foreign investment landscape is much different in South Africa compared to that in Zambia. The figure shows that FDI in South Africa has been relatively stable over the ten years. The question then becomes, if FDI has been stable, why hasn't the country worked out how much of its own domestic resources it needs to mobilise to keep investments at a level where conditionalities and future repayments will not drown the economy? Whilst Figure 2 displays that there is revenue in the economy and Figure 3 displayed that this revenue is being collected, Figure 4 exposes that despite this, foreign investment under the guise of development is running rampant. Assessing the FDI (% of GDP) allows us to ask the question of why a DRM development financing strategy has not been developed in each country, to take the strain off the economy and boost future investment in infrastructure in a sustainable diversified manner. A further assessment of the indicators below allows the answer to this question to emerge.

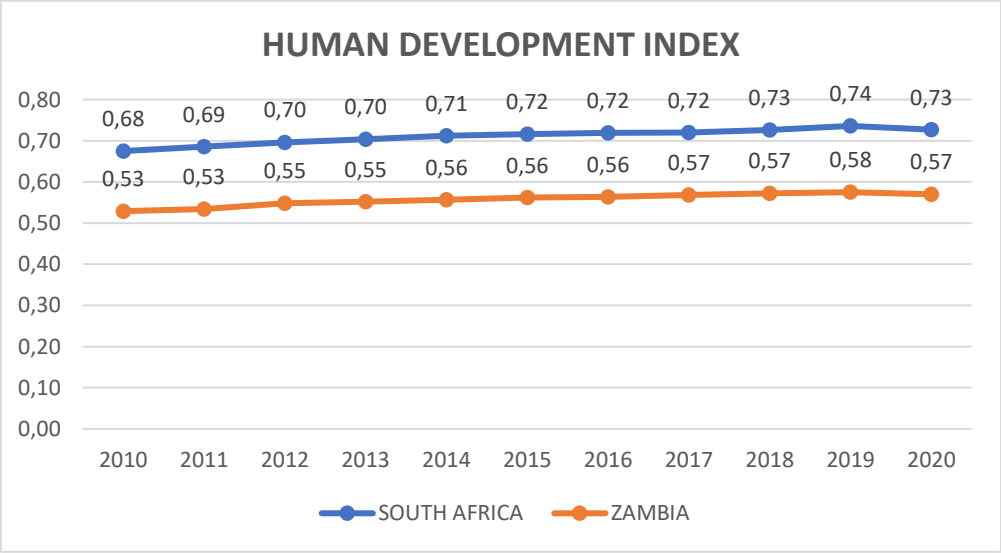


Figure 5 Human Development Index[4]

[4] Source: The World Bank Group, https://worldpopulationreview.com/country-rankings/hdi-by-country. Graph constructed by Author.

Figure 5 represents the Human Development Index (HDI) scores of both countries over ten years. The HDI looks at human development and for a DRM development financing strategy to be implemented it must be understood what life is like in these countries, outside of the economic picture painted by the previous three figures. The main objective of countries pursuing development is to improve the quality of life of citizens (Harris, 2021). The main purpose of pursuing a DRM development financing strategy is to aid in financing development that has not yet occurred in these countries. If there is revenue in the country and revenue is being collected through both domestic revenue as well as foreign investment, then economically there is no need to pursue a different financing strategy for development as this revenue should already be funding development. We must now understand if developments are taking place with this revenue as this will give us a clue as to whether a DRM development financing strategy is even necessary. The HDI measures 1 as high quality of life and 0 as low quality of life, the world average has always been around the 0.6 – 0.7 mark. South Africa has a higher HDI than Zambia and its score is around the world average whilst Zambia's score is much lower than the world average. Both countries have been fairly consistent over the ten years observed. Both countries have put in a considerable effort to develop after decades of oppression and both countries show progress, although minute. The figure shows that Zambia needs to focus on meeting development goals that would raise its development level to that of the world standard whilst South Africa needs to revamp its development strategy to stay on par with the world standard and sustain its development. The findings on HDI highlight that development needs to be holistic and not just economic in both countries. Figure 5 highlights that development is occurring, as the quality of life is increasing, however, the figure also highlights that development is occurring at a snail's pace. If development is occurring, why is the quality of life increasing only minutely? The answer becomes clear once we look at where development efforts are oriented. The data in Figure 6 will help us better understand this.

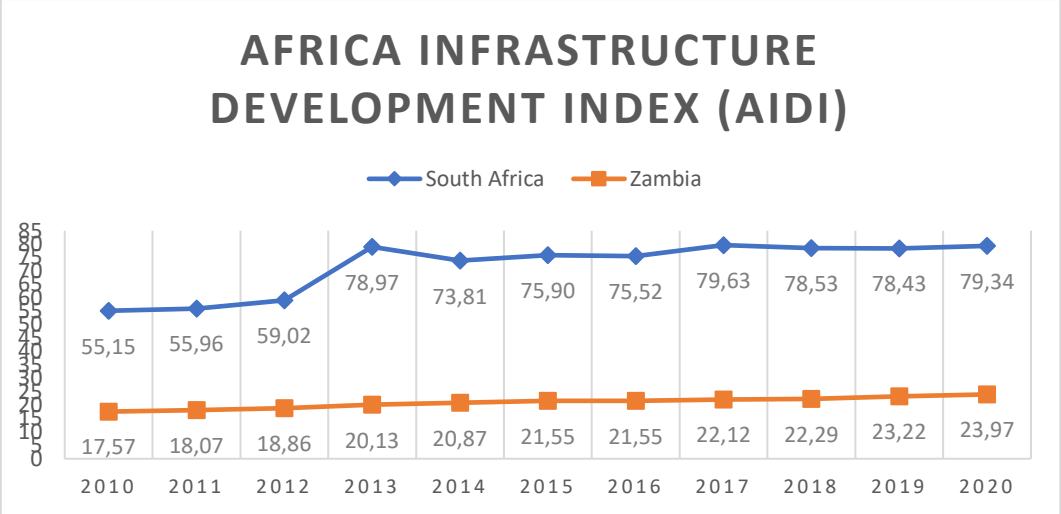


Figure 6 Africa Infrastructure Development Index[5]

Figure 6 is a graph representing the African Infrastructure Development Index (AIDI). South Africa has consistently scored a ranking that places it in the top ten most developed countries on the continent for the period observed, it saw a steep increase in its ranking in 2013 and has been in the top five since then. Zambia's score, although much lower than South Africa's and out of the top 10, is still in the upper quartile of all African countries. The findings of the AIDI illustrate that infrastructure development has already been prioritised in these countries. Phalatse (2021) highlights how infrastructure financing in South Africa has shifted from public revenue financing to private investment and how these projects have been focused on the building of economic infrastructure, meaning that health care, education and other forms of social and human development are less important. Phalatse (2021) also exposes how in recent years South Africa has focused on outsourcing big development projects to private investors and has moved away from relying on domestic revenue. South Africa needs to reassess its development financings, as with increased private funding, comes a decreased government responsibility to be accountable to its citizens and profit incentives begin to obscure the motives and successes of development (Phalatse, 2021). Zambia in the last decade has injected massive capital into infrastructure development, aided by private investment from mainly China, the country has accumulated a wealth of debt with little to no results to show for its development projects. Scarfe (2022) reports that "77% of Zambia's population do not have access to clean drinking water, 60% do not have access to electricity, and 46% do not have access to the

[5] Source: African Development Bank. (2018) "African Infrastructure Development Index 2018." Graph constructed by Author.

internet". Despite what Figures 2, 3 and 4 show, Zambia is in economic turmoil. The country has unsustainable levels of debt and in 2020 Zambia defaulted on its foreign debts and in 2022 it secured an IMF zero-interest loan of US$1.3 billion to rebuild its economy (Scarfe, 2022). As a result of its economic woes, and as a conditionality of the IMF loan, Zambia has had to put investment and infrastructure development on hold. In South Africa's case, many have been warning of a complete infrastructure collapse. William Gumede (2022) warns that infrastructure in the country is so poorly maintained and captured by corruption that unless serious maintenance occurs across almost all priority sectors the existing infrastructure will not be able to support the country going forward and repairs will cost more than building new infrastructures.

Implementing a DRM financing strategy for further infrastructure development would allow both countries to sustain development efforts and build on their already existing infrastructure, starting the long process required for them to dig themselves out of their developmental infrastructure pits. Focussing on individual growth within each country is not only necessary for these countries to tackle their own unique challenges, but it would have a spin-off effect of fostering prosperity and growth over the entire region as a by-product.

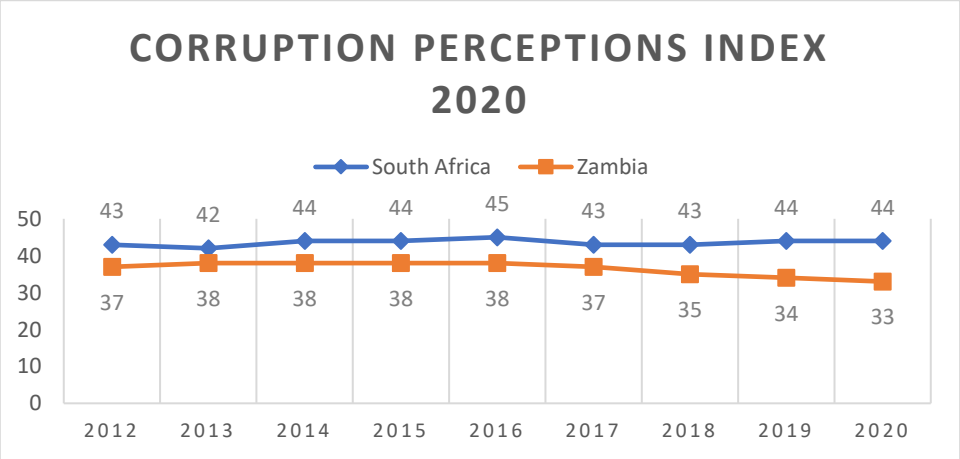
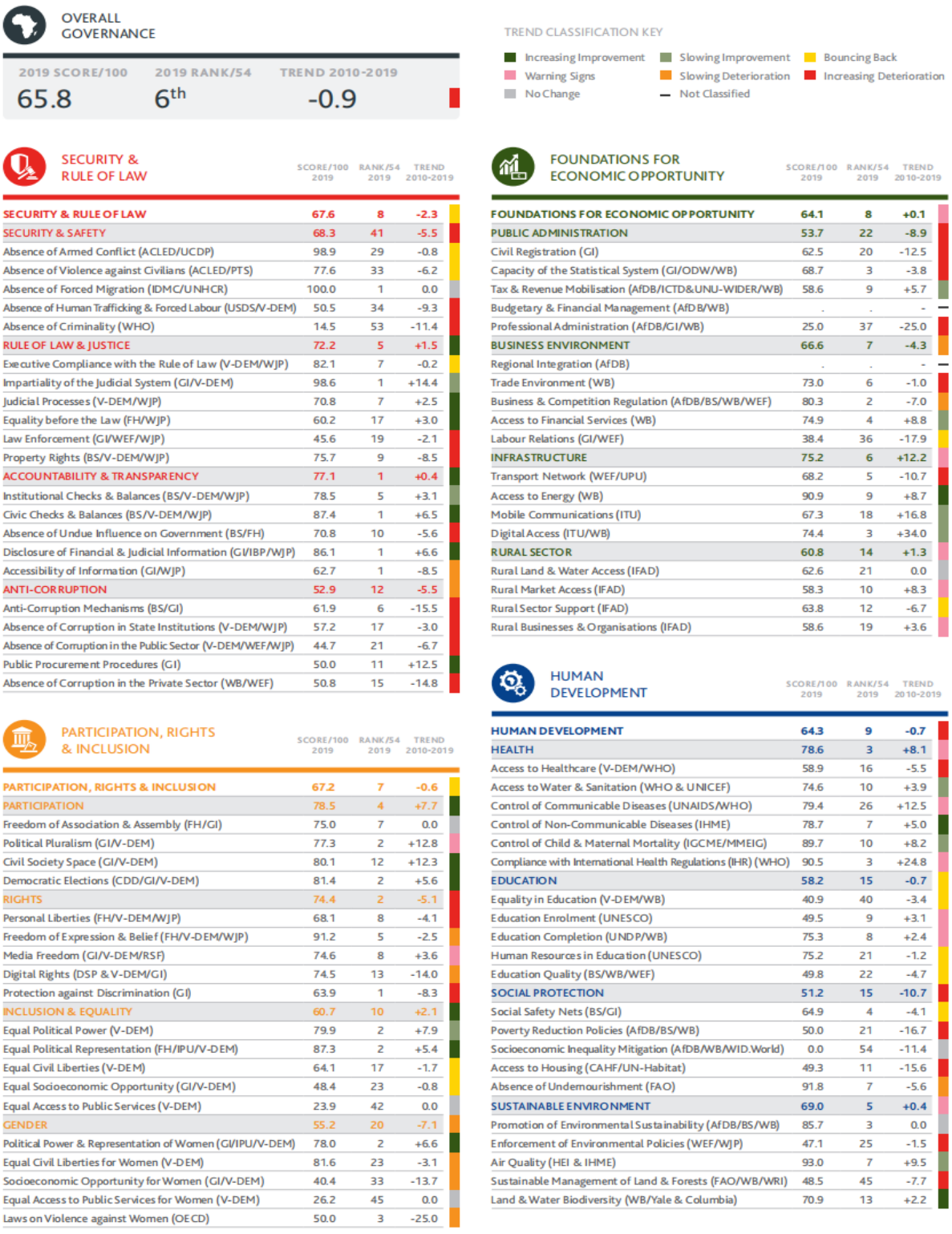


Figure 7 Corruption Perceptions Index 2020: Score timeseries since 2012[6]

Figure 7 is a graph representing the Corruption Perception Index (CPI) scores for both countries over ten years. The CPI gives out a ranking between 0 and 100, with 0 being the most corrupt and 100 being the least corrupt. The figure shows that both countries fall in the bottom half of the ranking and join the ranks of some of the world's most corrupt states. South Africa is less

[6] Source: Transparency International, https://www.transparency.org/en/cpi/2020. Graph constructed by Author.

corrupt than Zambia, however, Zambia is showing an alarming increase in corruption in recent years with South Africa largely maintaining its poor ranking. A DRM development financing strategy cannot function efficiently if there are any disruptive linkages between collection and utilisation and it requires transparency and can only function if the curtain is pulled back to expose where the faulty linkages are between collection and utilisation. Inspired by the ideas of fiscal exchange theory, Mpofu indicates that, “in most African countries, corruption is high, service delivery is poor and government expenditure is not transparent. Therefore, tax morale is very low, tax non-compliance is high and ultimately domestic revenue mobilisation is challenging leading to budget deficits” (Mpofu, 2022, p.223). The figure shows that both countries are losing the trust of their citizens, rightly so, due to bad governance practices like corruption, and both countries desperately need to rebrand for their governments to maintain not just their power, but their revenue collection efforts. Figure 3 indicated that tax efforts are largely on target with the Word Bank average, therefore the data in Figure 7 indicates that the problem in the countries being studied is tax utilisation, as opposed to tax collection, yet if these countries do not regain the trust of their citizens even tax collection will suffer.



OVERALL GOVERNANCE

2019 SCORE/100	2019 RANK/54	TREND 2010-2019
65.8	6th	-0.9

TREND CLASSIFICATION KEY

- Increasing Improvement
- Slowing Improvement
- Bouncing Back
- Warning Signs
- Slowing Deterioration
- Increasing Deterioration
- No Change
- Not Classified

SECURITY & RULE OF LAW

	SCORE/100 2019	RANK/54 2019	TREND 2010-2019
SECURITY & RULE OF LAW	67.6	8	-2.3
SECURITY & SAFETY	68.3	41	-5.5
Absence of Armed Conflict (ACLED/UCDP)	98.9	29	-0.8
Absence of Violence against Civilians (ACLED/PTS)	77.6	33	-6.2
Absence of Forced Migration (IDMC/UNHCR)	100.0	1	0.0
Absence of Human Trafficking & Forced Labour (USDS/V-DEM)	50.5	34	-9.3
Absence of Criminality (WHO)	14.5	53	-11.4
RULE OF LAW & JUSTICE	72.2	5	+1.5
Executive Compliance with the Rule of Law (V-DEM/WJP)	82.1	7	-0.2
Impartiality of the Judicial System (GI/V-DEM)	98.6	1	+14.4
Judicial Processes (V-DEM/WJP)	70.8	7	+2.5
Equality before the Law (FH/WJP)	60.2	17	+3.0
Law Enforcement (GI/WEF/WJP)	45.6	19	-2.1
Property Rights (BS/V-DEM/WJP)	75.7	9	-8.5
ACCOUNTABILITY & TRANSPARENCY	77.1	1	+0.4
Institutional Checks & Balances (BS/V-DEM/WJP)	78.5	5	+3.1
Civic Checks & Balances (BS/V-DEM/WJP)	87.4	1	+6.5
Absence of Undue Influence on Government (BS/FH)	70.8	10	-5.6
Disclosure of Financial & Judicial Information (GI/IBP/WJP)	86.1	1	+6.6
Accessibility of Information (GI/WJP)	62.7	1	-8.5
ANTI-CORRUPTION	52.9	12	-5.5
Anti-Corruption Mechanisms (BS/GI)	61.9	6	-15.5
Absence of Corruption in State Institutions (V-DEM/WJP)	57.2	17	-3.0
Absence of Corruption in the Public Sector (V-DEM/WEF/WJP)	44.7	21	-6.7
Public Procurement Procedures (GI)	50.0	11	+12.5
Absence of Corruption in the Private Sector (WB/WEF)	50.8	15	-14.8

PARTICIPATION, RIGHTS & INCLUSION

	SCORE/100 2019	RANK/54 2019	TREND 2010-2019
PARTICIPATION, RIGHTS & INCLUSION	67.2	7	-0.6
PARTICIPATION	78.5	4	+7.7
Freedom of Association & Assembly (FH/GI)	75.0	7	0.0
Political Pluralism (GI/V-DEM)	77.3	2	+12.8
Civil Society Space (GI/V-DEM)	80.1	12	+12.3
Democratic Elections (CDD/GI/V-DEM)	81.4	2	+5.6
RIGHTS	74.4	2	-5.1
Personal Liberties (FH/V-DEM/WJP)	68.1	8	-4.1
Freedom of Expression & Belief (FH/V-DEM/WJP)	91.2	5	-2.5
Media Freedom (GI/V-DEM/RSF)	74.6	8	+3.6
Digital Rights (DSP & V-DEM/GI)	74.5	13	-14.0
Protection against Discrimination (GI)	63.9	1	-8.3
INCLUSION & EQUALITY	60.7	10	+2.1
Equal Political Power (V-DEM)	79.9	2	+7.9
Equal Political Representation (FH/IPU/V-DEM)	87.3	2	+5.4
Equal Civil Liberties (V-DEM)	64.1	17	-1.7
Equal Socioeconomic Opportunity (GI/V-DEM)	48.4	23	-0.8
Equal Access to Public Services (V-DEM)	23.9	42	0.0
GENDER	55.2	20	-7.1
Political Power & Representation of Women (GI/IPU/V-DEM)	78.0	2	+6.6
Equal Civil Liberties for Women (V-DEM)	81.6	23	-3.1
Socioeconomic Opportunity for Women (GI/V-DEM)	40.4	33	-13.7
Equal Access to Public Services for Women (V-DEM)	26.2	45	0.0
Laws on Violence against Women (OECD)	50.0	3	-25.0

FOUNDATIONS FOR ECONOMIC OPPORTUNITY

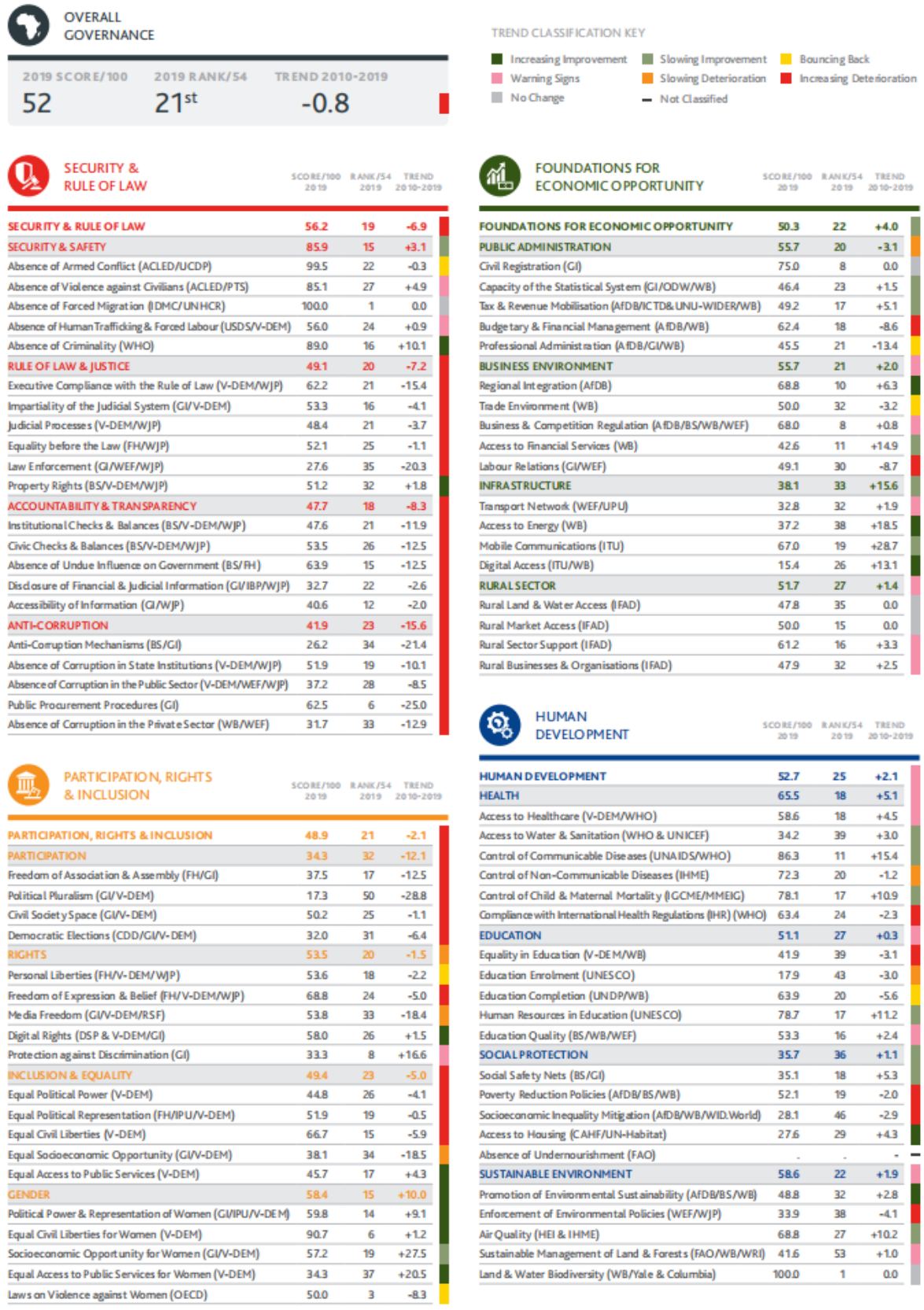
	SCORE/100 2019	RANK/54 2019	TREND 2010-2019
FOUNDATIONS FOR ECONOMIC OPPORTUNITY	64.1	8	+0.1
PUBLIC ADMINISTRATION	53.7	22	-8.9
Civil Registration (GI)	62.5	20	-12.5
Capacity of the Statistical System (GI/ODW/WB)	68.7	3	-3.8
Tax & Revenue Mobilisation (AfDB/ICTD&UNU-WIDER/WB)	58.6	9	+5.7
Budgetary & Financial Management (AfDB/WB)	.	.	-
Professional Administration (AfDB/GI/WB)	25.0	37	-25.0
BUSINESS ENVIRONMENT	66.6	7	-4.3
Regional Integration (AfDB)	.	.	-
Trade Environment (WB)	73.0	6	-1.0
Business & Competition Regulation (AfDB/BS/WB/WEF)	80.3	2	-7.0
Access to Financial Services (WB)	74.9	4	+8.8
Labour Relations (GI/WEF)	38.4	36	-17.9
INFRASTRUCTURE	75.2	6	+12.2
Transport Network (WEF/UPU)	68.2	5	-10.7
Access to Energy (WB)	90.9	9	+8.7
Mobile Communications (ITU)	67.3	18	+16.8
Digital Access (ITU/WB)	74.4	3	+34.0
RURAL SECTOR	60.8	14	+1.3
Rural Land & Water Access (IFAD)	62.6	21	0.0
Rural Market Access (IFAD)	58.3	10	+8.3
Rural Sector Support (IFAD)	63.8	12	-6.7
Rural Businesses & Organisations (IFAD)	58.6	19	+3.6

HUMAN DEVELOPMENT

	SCORE/100 2019	RANK/54 2019	TREND 2010-2019
HUMAN DEVELOPMENT	64.3	9	-0.7
HEALTH	78.6	3	+8.1
Access to Healthcare (V-DEM/WHO)	58.9	16	-5.5
Access to Water & Sanitation (WHO & UNICEF)	74.6	10	+3.9
Control of Communicable Diseases (UNAIDS/WHO)	79.4	26	+12.5
Control of Non-Communicable Diseases (IHME)	78.7	7	+5.0
Control of Child & Maternal Mortality (IGCME/MMEIG)	89.7	10	+8.2
Compliance with International Health Regulations (IHR) (WHO)	90.5	3	+24.8
EDUCATION	58.2	15	-0.7
Equality in Education (V-DEM/WB)	40.9	40	-3.4
Education Enrolment (UNESCO)	49.5	9	+3.1
Education Completion (UNDP/WB)	75.3	8	+2.4
Human Resources in Education (UNESCO)	75.2	21	-1.2
Education Quality (BS/WB/WEF)	49.8	22	-4.7
SOCIAL PROTECTION	51.2	15	-10.7
Social Safety Nets (BS/GI)	64.9	4	-4.1
Poverty Reduction Policies (AfDB/BS/WB)	50.0	21	-16.7
Socioeconomic Inequality Mitigation (AfDB/WB/WID.World)	0.0	54	-11.4
Access to Housing (CAHF/UN-Habitat)	49.3	11	-15.6
Absence of Undernourishment (FAO)	91.8	7	-5.6
SUSTAINABLE ENVIRONMENT	69.0	5	+0.4
Promotion of Environmental Sustainability (AfDB/BS/WB)	85.7	3	0.0
Enforcement of Environmental Policies (WEF/WJP)	47.1	25	-1.5
Air Quality (HEI & IHME)	93.0	7	+9.5
Sustainable Management of Land & Forests (FAO/WB/WRI)	48.5	45	-7.7
Land & Water Biodiversity (WB/Yale & Columbia)	70.9	13	+2.2

Figure 8 Ibrahim Index of African Governance (IIAG) for South Africa 2019[7]

[7]Source: Mo Ibrahim Foundation. Available at: http://iiag.online. Graph constructed by Author.



OVERALL GOVERNANCE

2019 SCORE/100	2019 RANK/54	TREND 2010-2019
52	21st	-0.8

TREND CLASSIFICATION KEY

Increasing Improvement; Slowing Improvement; Bouncing Back; Warning Signs; Slowing Deterioration; Increasing Deterioration; No Change; Not Classified

SECURITY & RULE OF LAW

	SCORE/100 2019	RANK/54 2019	TREND 2010-2019
SECURITY & RULE OF LAW	56.2	19	-6.9
SECURITY & SAFETY	85.9	15	+3.1
Absence of Armed Conflict (ACLED/UCDP)	99.5	22	-0.3
Absence of Violence against Civilians (ACLED/PTS)	85.1	27	+4.9
Absence of Forced Migration (IDMC/UNHCR)	100.0	1	0.0
Absence of Human Trafficking & Forced Labour (USDS/V-DEM)	56.0	24	+0.9
Absence of Criminality (WHO)	89.0	16	+10.1
RULE OF LAW & JUSTICE	49.1	20	-7.2
Executive Compliance with the Rule of Law (V-DEM/WJP)	62.2	21	-15.4
Impartiality of the Judicial System (GI/V-DEM)	53.3	16	-4.1
Judicial Processes (V-DEM/WJP)	48.4	21	-3.7
Equality before the Law (FH/WJP)	52.1	25	-1.1
Law Enforcement (GI/WEF/WJP)	27.6	35	-20.3
Property Rights (BS/V-DEM/WJP)	51.2	32	+1.8
ACCOUNTABILITY & TRANSPARENCY	47.7	18	-8.3
Institutional Checks & Balances (BS/V-DEM/WJP)	47.6	21	-11.9
Civic Checks & Balances (BS/V-DEM/WJP)	53.5	26	-12.5
Absence of Undue Influence on Government (BS/FH)	63.9	15	-12.5
Disclosure of Financial & Judicial Information (GI/IBP/WJP)	32.7	22	-2.6
Accessibility of Information (GI/WJP)	40.6	12	-2.0
ANTI-CORRUPTION	41.9	23	-15.6
Anti-Corruption Mechanisms (BS/GI)	26.2	34	-21.4
Absence of Corruption in State Institutions (V-DEM/WJP)	51.9	19	-10.1
Absence of Corruption in the Public Sector (V-DEM/WEF/WJP)	37.2	28	-8.5
Public Procurement Procedures (GI)	62.5	6	-25.0
Absence of Corruption in the Private Sector (WB/WEF)	31.7	33	-12.9

PARTICIPATION, RIGHTS & INCLUSION

	SCORE/100 2019	RANK/54 2019	TREND 2010-2019
PARTICIPATION, RIGHTS & INCLUSION	48.9	21	-2.1
PARTICIPATION	34.3	32	-12.1
Freedom of Association & Assembly (FH/GI)	37.5	17	-12.5
Political Pluralism (GI/V-DEM)	17.3	50	-28.8
Civil Society Space (GI/V-DEM)	50.2	25	-1.1
Democratic Elections (CDD/GI/V-DEM)	32.0	31	-6.4
RIGHTS	53.5	20	-1.5
Personal Liberties (FH/V-DEM/WJP)	53.6	18	-2.2
Freedom of Expression & Belief (FH/V-DEM/WJP)	68.8	24	-5.0
Media Freedom (GI/V-DEM/RSF)	53.8	33	-18.4
Digital Rights (DSP & V-DEM/GI)	58.0	26	+1.5
Protection against Discrimination (GI)	33.3	8	+16.6
INCLUSION & EQUALITY	49.4	23	-5.0
Equal Political Power (V-DEM)	44.8	26	-4.1
Equal Political Representation (FH/IPU/V-DEM)	51.9	19	-0.5
Equal Civil Liberties (V-DEM)	66.7	15	-5.9
Equal Socioeconomic Opportunity (GI/V-DEM)	38.1	34	-18.5
Equal Access to Public Services (V-DEM)	45.7	17	+4.3
GENDER	58.4	15	+10.0
Political Power & Representation of Women (GI/IPU/V-DEM)	59.8	14	+9.1
Equal Civil Liberties for Women (V-DEM)	90.7	6	+1.2
Socioeconomic Opportunity for Women (GI/V-DEM)	57.2	19	+27.5
Equal Access to Public Services for Women (V-DEM)	34.3	37	+20.5
Laws on Violence against Women (OECD)	50.0	3	-8.3

FOUNDATIONS FOR ECONOMIC OPPORTUNITY

	SCORE/100 2019	RANK/54 2019	TREND 2010-2019
FOUNDATIONS FOR ECONOMIC OPPORTUNITY	50.3	22	+4.0
PUBLIC ADMINISTRATION	55.7	20	-3.1
Civil Registration (GI)	75.0	8	0.0
Capacity of the Statistical System (GI/ODW/WB)	46.4	23	+1.5
Tax & Revenue Mobilisation (AfDB/ICTD&UNU-WIDER/WB)	49.2	17	+5.1
Budgetary & Financial Management (AfDB/WB)	62.4	18	-8.6
Professional Administration (AfDB/GI/WB)	45.5	21	-13.4
BUSINESS ENVIRONMENT	55.7	21	+2.0
Regional Integration (AfDB)	68.8	10	+6.3
Trade Environment (WB)	50.0	32	-3.2
Business & Competition Regulation (AfDB/BS/WB/WEF)	68.0	8	+0.8
Access to Financial Services (WB)	42.6	11	+14.9
Labour Relations (GI/WEF)	49.1	30	-8.7
INFRASTRUCTURE	38.1	33	+15.6
Transport Network (WEF/UPU)	32.8	32	+1.9
Access to Energy (WB)	37.2	38	+18.5
Mobile Communications (ITU)	67.0	19	+28.7
Digital Access (ITU/WB)	15.4	26	+13.1
RURAL SECTOR	51.7	27	+1.4
Rural Land & Water Access (IFAD)	47.8	35	0.0
Rural Market Access (IFAD)	50.0	15	0.0
Rural Sector Support (IFAD)	61.2	16	+3.3
Rural Businesses & Organisations (IFAD)	47.9	32	+2.5

HUMAN DEVELOPMENT

	SCORE/100 2019	RANK/54 2019	TREND 2010-2019
HUMAN DEVELOPMENT	52.7	25	+2.1
HEALTH	65.5	18	+5.1
Access to Healthcare (V-DEM/WHO)	58.6	18	+4.5
Access to Water & Sanitation (WHO & UNICEF)	34.2	39	+3.0
Control of Communicable Diseases (UNAIDS/WHO)	86.3	11	+15.4
Control of Non-Communicable Diseases (IHME)	72.3	20	-1.2
Control of Child & Maternal Mortality (IGCME/MMEIG)	78.1	17	+10.9
Compliance with International Health Regulations (IHR) (WHO)	63.4	24	-2.3
EDUCATION	51.1	27	+0.3
Equality in Education (V-DEM/WB)	41.9	39	-3.1
Education Enrolment (UNESCO)	17.9	43	-3.0
Education Completion (UNDP/WB)	63.9	20	-5.6
Human Resources in Education (UNESCO)	78.7	17	+11.2
Education Quality (BS/WB/WEF)	53.3	16	+2.4
SOCIAL PROTECTION	35.7	36	+1.1
Social Safety Nets (BS/GI)	35.1	18	+5.3
Poverty Reduction Policies (AfDB/BS/WB)	52.1	19	-2.0
Socioeconomic Inequality Mitigation (AfDB/WB/WID.World)	28.1	46	-2.9
Access to Housing (CAHF/UN-Habitat)	27.6	29	+4.3
Absence of Undernourishment (FAO)	.	.	-
SUSTAINABLE ENVIRONMENT	58.6	22	+1.9
Promotion of Environmental Sustainability (AfDB/BS/WB)	48.8	32	+2.8
Enforcement of Environmental Policies (WEF/WJP)	33.9	38	-4.1
Air Quality (HEI & IHME)	68.8	27	+10.2
Sustainable Management of Land & Forests (FAO/WB/WRI)	41.6	53	+1.0
Land & Water Biodiversity (WB/Yale & Columbia)	100.0	1	0.0

Figure 9 Ibrahim Index of African Governance (IIAG) for Zambia 2019[8]

[8] Source: Mo Ibrahim Foundation. Available at: http://iiag.online. Graph constructed by Author.

Figures 8 and 9 above are the Ibrahim Index of African Governance (IIAG) compiled by the Mo Ibrahim Foundation. The index is incredibly detailed and aside from ranking the two countries, South Africa, at 6 and Zambia at 21 out of the 54 African countries it ranks, it highlights important factors such as declining trends in the rankings and particularly regarding security and rule of law, and participation, rights and inclusion. South Africa is also showing a decline in human development. The IIAG serves to reaffirm all the figures presented above. The assertion that corruption is a major hindrance to effective DRM development financing is based on evidence from DRM literature that links the effective utilisation of DRM with the effective collection of taxation and states that low capacity to collect revenue is driven by bad governance practices like rampant corruption (Junquera-Varela *et al.,* 2017). The IIAG shows a downward trend in governance and from the literature on DRM it is evident that for a DRM development financing strategy to work effectively, it relies on transparency and capacity development, both of which the IIAG shows are decreasing in the countries being studied. The findings paint a bleak picture of South Africa, suffering a decrease in three out of the four sectors. The decrease in human development – specifically in the sectors of health, education and social protection – serves as a warning sign to the country and its investors. A country is nothing without a good government and South Africa is beginning to suffer from years of poor governance and increased corruption. Figures 7 to 9 illustrate that corruption is on the rise and governance is decreasing. The IIAG displays, through a decrease in pertinent aspects of governance in both countries, that the political and social landscape of these countries is alarming. The connection between poor governance and its negative effects on development has recently emerged as a major discourse within development studies. The framework of good governance adds a dimension to understanding how progress is linked to development and how for a DRM development financing strategy to take hold in these countries it would be crucial for there to be a level of transparency and overall improvement of governance practices.

9

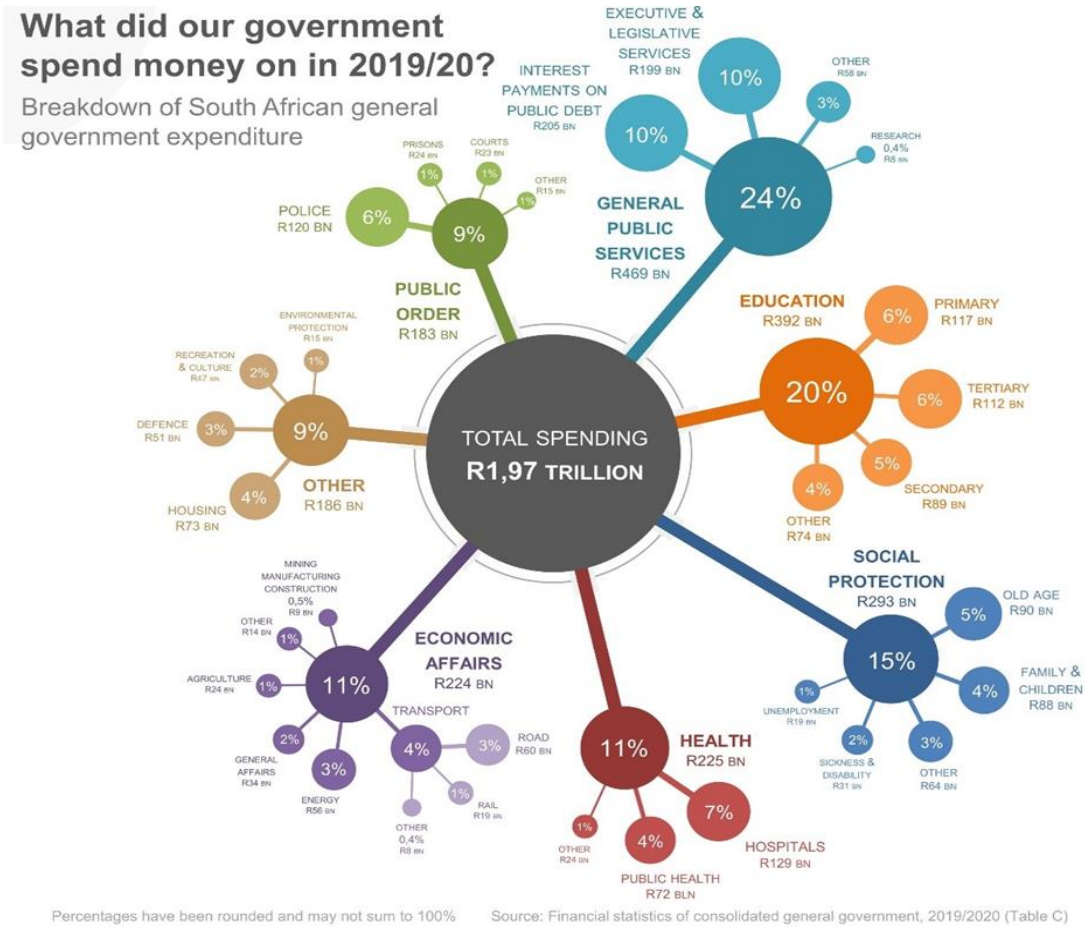


Figure 10 Breakdown of South African general government expenditure.

10

Expenditure by years

Functions	2020 Budget		2019 Budget		2018 Budget		2017 Budget	
	ZMW	Percentage of Budget	ZMW	Percentage of Budget	ZMW	Percentage of Budget	ZMW	Percentage of Budget
General Public Services	44 billion	41.6%	31.2billion	36.03%	25.8 billion	36.10%	17.9 billion	27.90%
Defence	6.5 billion	6.2%	5 billion	5.84%	3.4 billion	4.90%	3.2 billion	5.00%
Public Order & Safety	4 billion	3,8	2.8 billion	3.30%	2.1 billion	3.00%	2.3 billion	3.60%
Economic Affairs	21.8 billion	20.6%	20.6 billion	23.79%	17.2 billion	24.10%	20,1 billion	31.10%
Environmental Protection	611.7 million	0.6%	875million	1.01%	951 million	1.30%	616 million	1.00%
Housing & Community Amenities	3.4 million	3.3%	2.23 billion	2.58%	816 million	1.10%	822 million	1.30%
Health	9.4 billion	8.8%	8 billion	9.30%	6.7 billion	9.50%	5.7 billion	8.90%
Recreation, Culture & Religion	383 million	0.4%	297million	0.34%	451 million	0.60%	323million	0.50%
Education	13.1 billion	12.4%	13.2 billion	15.29%	11.5 billion	16.10%	10billion	16.50%
Social Protection	2.6 billion	2.4%	2.1 billion	2.52%	2.3 billion	3.20%	2.6 billion	4.20%
Total	106 BILLION	100.00%	86.8 BILLION	100.00%	71.6 BILLION	100.00%	64.5 BILLION	100%

All Currency's in Zambian Kwacha

Table 1: Government Expenditure by Functions (2017 - 2020)

Figure 11 Breakdown of Zambian Government Expenditure by Functions (2017-2020)

[9] Source: Statistics South Africa (2020)

[10] Source: Policy Research and Monitoring Centre (2019) 'Policy Research and Monitoring Centre: Zambia National Budget Analysis 2020'

Figures 10 and 11 are taken from the national budgets of each country and represent the general government breakdown of spending. Figure 10 is the breakdown of South African general government expenditure for the year 2020. Figure 11 is the breakdown of the Zambian Government Expenditure by functions for the years 2017 to 2020. The figures show that a small percentage of the budget is going into infrastructure development which falls under the blanket term "economic affairs" in both budgets. South Africa putting just 11% of the total towards it, whilst Zambia putting 20.6%. The trend across Figure 11 shows that this percentage is decreasing within the budget. The findings expose two key things for this research – that both countries are spending huge amounts on interest payments on debt and spending starkly little on economic affairs such as infrastructure development. South Africa's largest portion of its spending goes to "general public services" and within it, it spends 10% of that on interest payments on public debt, this is almost the same amount on "economic affairs", and half the entire amount spent on education. The findings here relate to the findings in the above figures, that development has been focussed primarily on economic development financed through private investment. The largest portion of Zambia's budget also goes towards "general public services" and is almost double the amount spent on "economic affairs". In the Zambian case, we can see that this trend of spending has been occurring and increasing over the years and it is evident how damaging foreign debt has been to the country due to its current economic debt crisis. The findings show that the more debt increases, the more the budget is constricted. These countries cannot keep digging wells hoping for water, they need to think proactively about pursuing alternative development financing strategies such as a DRM development financing strategy to focus on building infrastructure for human development whilst also mitigating the dangers of foreign debt.

R million	Direct				Indirect					
	Personal Income Tax (PIT)[1]	Company Income Tax (CIT)[1]	Dividends Tax (DT) / Secondary Tax on Companies (STC)[2]	Other	Value-Added Tax (VAT)	Fuel levy	Customs duties[3]	Specific excise duties	Other	Total tax revenue
2015/16	389 280	193 385	23 934	17 558	281 111	55 607	46 250	35 077	27 779	1 069 983
2016/17	425 924	207 027	31 130	17 660	289 167	62 779	45 579	35 774	29 042	1 144 081
2017/18	462 903	220 239	27 894	19 704	297 998	70 949	49 152	37 356	30 271	1 216 464
2018/19	493 829	214 388	29 898	19 662	324 766	75 372	37 902	40 830	51 043	1 287 690
2019/20	529 172	214 986	27 930	19 083	346 761	80 175	55 428	55 428	26 802	1 355 766
Percentage of total										
2015/16	36.4%	18.1%	2.2%	1.6%	26.3%	5.2%	4.3%	3.3%	2.6%	100.0%
2016/17	37.2%	18.1%	2.7%	1.5%	25.3%	5.5%	4.0%	3.1%	2.5%	100.0%
2017/18	38.1%	18.1%	2.3%	1.6%	24.5%	5.8%	4.0%	3.1%	2.5%	100.0%
2018/19	38.3%	16.6%	2.3%	1.5%	25.2%	5.9%	2.9%	3.2%	4.0%	100.0%
2019/20	39.0%	15.9%	2.1%	1.4%	25.6%	5.9%	4.1%	4.1%	2.0%	100.0%
Nominal percentage increase from 2015/16 to 2019/20										
Cumulative	35.9%	11.2%	16.7%	8.7%	23.4%	44.2%	19.8%	58.0%	-3.5%	50.6%
Per year	8.0%	2.7%	3.9%	2.1%	5.4%	9.6%	4.6%	12.1%	-0.9%	10.8%
Percentage of GDP										
2015/16	9.4%	4.7%	0.6%	0.4%	6.8%	1.3%	1.1%	0.9%	0.7%	25.9%
2016/17	9.6%	4.7%	0.7%	0.4%	6.5%	1.4%	1.0%	0.8%	0.7%	25.9%
2017/18	9.9%	4.7%	0.6%	0.4%	6.3%	1.5%	1.0%	0.8%	0.6%	25.9%
2018/19	10.0%	4.4%	0.6%	0.4%	6.6%	1.5%	0.8%	0.8%	1.0%	26.2%
2019/20	10.3%	4.2%	0.5%	0.4%	6.7%	1.6%	1.1%	1.1%	0.5%	26.3%

1. Includes interest on overdue income tax.
2. Dividends Tax (DT) replaced Secondary Tax on Companies (STC) on 1 April 2012.
3. Excludes Miscellaneous customs and excise receipts.

Figure 12 Tax Revenue by main revenue source South Africa, 2015/2016 - 2019/20. Source: South African Revenue Service

Year	Tax Revenue (A+B+C+D+E)	Direct Taxes		Indirect Taxes		Trade Taxes		Extraction Royalties		Other	
		Amount (A)	% of Total	Amount (B)	% of Total	Amount (C)	% of Total	Amount (D)	% of Total	Amount (E)	% of Total
2020	57,422.6	29,172.7	51.0%	6,057.4	10.5%	16,844.3	29.2%	5,348.2	9.0%	0.0	0.0%
2019	52,681.4	23,918.6	45.4%	8,772.1	16.7%	15,805.9	30.0%	4,184.8	7.9%	0.0	0.0%
2018	48,176.7	20,199.9	41.9%	10,033.2	20.8%	14,007.0	29.1%	3,936.7	8.2%	0.0	0.0%
2017	38,899.3	16,394.4	42.1%	8,868.8	22.8%	11,200.9	28.8%	2,435.2	6.3%	0.0	0.0%
2016	31,188.8	14,937.9	47.9%	3,397.9	10.9%	9,799.9	31.4%	3,053.1	9.8%	0.0	0.0%
2015	29,927.8	12,758.7	42.6%	4,786.7	16.0%	8,633.3	28.8%	3,749.1	12.5%	0.0	0.0%
2014	27,604.2	11,458.2	41.5%	6,011.0	21.8%	8,368.1	30.3%	1,766.9	6.4%	0.0	0.0%
2013	23,154.8	9,869.9	42.6%	3,525.0	15.2%	7,999.1	34.5%	1,760.7	7.6%	0.0	0.0%
2012	20,719.1	10,275.2	49.6%	1,918.9	9.3%	7,066.5	34.1%	1,458.6	7.0%	0.0	0.0%
2011	18,889.0	8,898.9	47.1%	1,629.7	8.6%	5,739.7	30.4%	868.0	4.6%	1,752.6	9.3%
2010	13,125.6	6,914.3	52.7%	1,887.4	14.4%	3,911.9	29.8%	412.0	3.1%	0.0	0.0%

Figure 13 Revenues from Headline taxes Zambia 2010 – 2020 (K' Million). Source: Zambian Revenue Association

Finally, Figures 12 and 13 respectively are taken from the case study countries' semi-autonomous revenue services. Figure 12 provided by SARS shows tax revenue by main revenue source for South Africa during the period of 2015/2016 up to 2019/20. Figure 13 provided by the ZRA shows revenues from headline taxes in Zambia during the period 2010 – 2020. The figures show that both countries show an increase in total revenue over the periods illustrated, with South Africa seeing an increase in Personal Income Tax (PIT) and Value Added Tax (VAT) collection as well as a decline in Company Income Tax (CIT). Zambia is also experiencing similar trends, with an increase in direct tax collection and a decrease in

indirect taxation. It also shows that both trade tax, as well as extraction royalties in Zambia, are increasing. The trend of the increase in direct tax and a decrease in indirect tax highlights that more strain is being placed on the consumer. African countries have huge informal sectors, and the major taxation challenge has been how to fight this to improve revenue collection. But you can only increase taxation so much before the tax basin starts shrinking as a result. The findings across all the figures show that this need not be the issue. If tax revenues are continuing to increase and the economy is fairly consistent and relatively stable, yet development has seemingly plateaued, and debt continues to plague these economies and is increasing, then the issue at hand is not, and has not been, that more revenue needs to be collected, but rather that government needs to start effectively utilising the existing revenue.

Case study Epilogue

The evidence shows that the situation on the ground in South Africa and Zambia is alarming. At the surface level, both countries have seemingly normal economic landscapes that are progressing slowly but mostly in a positive direction. Yet a closer examination of these countries' landscapes has exposed that there is far more to development than a few positive economic indicators. The data has shown that both countries have the domestic revenue to support a DRM development financing strategy, this is not to say that these countries could finance all of their development projects with their own domestic revenue, but that they could surely fund a much bigger percentage then what they currently do. It is also evident that both countries require an alternative development financing strategy for different reasons. Zambia in its current debt crisis, has little to no choice but to turn inwards in an attempt to build infrastructure that could save the country from collapse. South Africa needs to address its infrastructure crisis to continue maintaining existing growth or risk a total economic collapse. In getting an answer to the question asked above as to why a DRM development financing strategy has not been developed in each country, to take the strain off the economy and boost future investment in infrastructure in a sustainable diversified manner, we need to go back to the fundamental research question of what is hindering the implementation and utilisation of DRM for development financing within the SADC countries.

The most pressing issue hindering DRM development financing in both countries is not the size of the economy, nor tax collection efforts, nor is there a big initial capital inflow needed to establish development from the ground up. The issue at hand as presented in the findings is that both countries are suffering from a capacity problem – a utilisation problem brought on by weak governance and a prioritisation of debt repayments over infrastructure development. Both

countries need to move away from and overcome huge debt repayments and need to restore faith in government. To ask these countries with already corrupt governments to adopt a strategy of transparency sounds like a fallacy but it is perhaps the only option that they have left. If these political parties wish to stay in power, it could be their only option to restore public faith, and in turn could be the people's only way of ensuring accountability and reaching development results that would improve the country across the board, economically, socially and politically.

Traditional development strategies focus on economic development whilst a focus on infrastructure development through a DRM development financing strategy would allow these countries to develop holistically. The difference between a typical development finance strategy and a DRM finance strategy is that the latter allows for the mitigation of development tied to future costs. Development through other avenues such as ODA of FDI comes with debt and conditionality and has plunged the continent into a dependent relationship with its creditors. The countries being studied have illustrated that they have risen to meet the challenges of being post-colonial states. They have pursued development, established their economies, attracted investors, and improved overall quality of life, however, the trends in the findings are worrying as it indicates that these countries may move backwards faster than they have moved forward due to an increase in corruption, a decrease in public trust, huge increases in debt, and a stagnation in commitments to development. A DRM development financing strategy utilises a capacity development approach, to build on existing structures already in place. The findings show that by building on the already existing foundations of development in these countries and focusing on fostering an alternative approach to development financing that considers each economy as unique, countries within the SADC region could flourish.

4. Chapter Four

4.1. Discussion

4.1.1. What is hindering the implementation and utilisation of DRM for development financing within SADC countries?

Blanket conclusions cannot be drawn across all SADC countries as each is unique and there is a need to compensate and take into consideration the situational factors at play in each country. From the literature on DRM and Junquera-Valeria *et al.* (2017), we know that one of the most fundamental things that hinder the implementation of DRM is the tax system, however, the findings show that some other hindrance is at play, since tax efforts in both countries are increasing, meaning that for the larger part, their tax system is organised and effective. This makes it evident that the focus must shift from tax collection to tax utilisation. The findings also support the ideas of Culpeper and Bhusan (2010) as it shows that development and development efforts have largely stalled or taken the back burner in these countries, as is evident in the shrinkage of the development budget. From Aryeetey (2009) we can deduce that since tax collection is not the problem, then either poverty or institutional failures are hindering the effective utilisation of DRM. The CPI and the Mo Abraham Index indicate that this is evidently the case in the countries that were studied. Nnadozie *et al.* (2017) further show that the commitment towards alternative funding and DRM from the AU and the UN is there, and we can see that the motives behind this push for alternative development funding are still – and might even be more – relevant. From the country's findings, we can see that in both countries, development funding through domestic revenue is shrinking, and debt repayments are at an all-time high. Further, the Oyinlola *et al.* (2020) paper looking at governance, further displays that the issue of effective DRM implementation is extremely context specific and Oyinlola *et al.* (2020) introduced the idea of bad governance being a vital player in this issue. In the Center for Economic and Social Rights (2019) paper, it is evident that sustainable development is falling short of its targets in South Africa, and this is supported further by the AIDI and the IIAG which show that infrastructure has only gone up incrementally, whilst health, human development and participation, rights and inclusion have decreased. From Nyhodo *et al*. (2016) it is also evident that little has been done in South Africa that focuses on active utilisation of its tax revenue. The African Development Bank Group (2010) paper warns of corruption as a major hindrance to the effective utilisation of DRM, it stresses the need for a zero-tolerance policy on corruption but at the same time, it praises South Africa for its efforts at anti-corruption. It is evident that much has changed in the country in the past decade. From

dependency theory and the frameworks of capacity development, good governance, and ASAP, it can be understood that a focus on capacity development must be a holistic focus on commitment and engagement; technical, service delivery and logistics; relating and attracting support, adapting and self-renewing; and balancing diversity and coherence. The findings ultimately support that good governance is at the heart of the discourse on what is hindering the effective utilisation of DRM as a development financing strategy in the case study countries and that to move away from patterns of dependency DRM needs to be contextualised within the African context and the focus needs to shift from collection to utilisation.

The assessment of South Africa and Zambia are case studies of just two out of the 16 SADC member states. However, this assessment allows one to postulate that focusing on individual member state development through a DRM development financing strategy would allow SADC countries to tailor-make their own development strategies in a way that suits their already existing socio-economic and political contexts, and which would inevitably allow SADC to achieve its goals of regional prosperity through individual member developments. It would also mitigate the challenge of complacency of the Summit to act in favour of the greater good, by getting member states to act for the benefit of their own countries and then aligning all these individual strategies for the overall benefit of the region. A DRM development financing strategy in each member state would also aid in fighting corruption across the region through the introduction of better governance practices and improved transparency. It would also aid in reducing the region's future debt and help mitigate the debt crisis facing the region as well as the broader continent. It would allow for the focus on revenue collection to become as much of a focus on revenue utilisation. It would also reduce complacency within SADC, as member states who do not align with the strategy get left behind. Many aspects need to be considered and the simplest is that not all the countries in the region have the existing revenue to finance their own development. What the research has established is that DRM as a development financing strategy is necessary and can exist in both larger countries like South Africa and smaller countries like Zambia. However, for it to be effective in the region, SADC must focus on revitalising its commitment not only to its policy manifesto – seeking the removal of external influence and the fostering of regional prosperity – but also its commitment to the effective policy implementation, so that the organisation may aid the smaller, less economically developed countries to meet their development budget deficits.

We can understand from the literature and the findings on SADC that it is compromised in many ways. Due to its structure, the SADC has limited institutional capabilities – the

organisation has few carrots and sticks to incentivise its member states into adopting and ratifying its policies. The absence of the Tribunal and the non-ratification of the RDF highlights that much is missing in terms of actualising the organisation's intentions. The organisation needs to turn its focus proactively on addressing individual member states, as focusing on the region at large, together may currently be an insurmountable task for the organisation. SADC needs to utilise the fact that it is an organisation with limited power and capability that subscribes to larger more powerful organisations such as the AU and the UN, as these organisations have more power in influencing individual SADC member states to pursue domestic-based financing strategies and these organisations are already pushing for effective ways to mitigate the fallout of the continent's debt crisis. When member states align towards a common strategy of individual development, a combination of these strategies for overall benefit becomes all the easier.

4.1.2. Policy Implications and Policy Recommendations

For a DRM development financing strategy to take hold in the region, each country would need to see the benefit of such a strategy. The case study countries have demonstrated that there is a critical need for development financing to be re-assessed in these countries, in order to overcome and compensate for the challenges facing them. The findings also show that current development financing strategies in both countries are unsustainable and have not risen to effectively meet their needs. The current economic climate does not support the preferred method of these countries to fund their development through foreign investment. The findings show that both countries need a DRM development financing strategy for different reasons – South Africa to overcome its infrastructure crisis and Zambia to overcome its debt crisis. As a recommendation, the research suggests that these countries should move away from their existing strategies of financing, which have been accompanied by huge debt repayments that have created an unsustainable development environment. These countries must also tackle the issues of corruption and bad governance that have plagued their development efforts. They must also overcome the stagnation and complacency in their development that has come as a product of redirecting their efforts towards private investment financing over public revenue mobilisation. Alternative development financing can become available through a DRM development financing strategy, but the countries must commit fully to the values that underpin this type of strategy if they wish to turn their fortunes around.

The findings essentially point to the fact that SADC, which subscribes to UN and AU policy recommendations, is looking for strategies for alternative development financing. The case is

also made that the case study countries in the region are facing development challenges. Yet, SADC cannot enact these changes and as such its goals of regional prosperity and independence will largely remain a fallacy. Governance issues, corruption and complacency are standing in the way of national implementation. The sad reality is that SADC has little to no power to push for this strategy, and this strategy would disadvantage those in power at the national level who have become increasingly reliant on bad governance practices to paddle their own agendas. Therefore, this strategy has little to no traction and nothing is stopping it from simply becoming another drop of water in the leaking bucket that is being used to extinguish the African development fire. The research suggests as its policy recommendation that since the SADC cannot push for a DRM strategy with sticks, it should use carrots to initiate the move towards independent self-funding in its member states. The organisation needs to accept its link at the bottom of a power chain of more powerful organisations like the AU and the UN. Members of SADC need to understand that individual countries can either make or break the success of the region. A country in the region that has implemented DRM development financing is a good neighbour as the country is committing to long-term sustainable development, although it might be a hard route. It is a means of ensuring that debt goes down and development goes up. Countries who continue to accumulate debt from the international community to finance their development are not necessarily bad neighbours but need to be painted as such by the SADC, because the transparency of the strategy is surely enough to get the member states to understand they are better with a neighbour they can see instead of a neighbour behind closed doors who might damage the entire region if left to their own vices.

5. Conclusion

SADC has its heart in the right place, it wishes to achieve regional prosperity and decrease dependency and since its formulation, it has many positives to show for its efforts. The organisation laid out in Windhoek in 1997, outlined hundreds of pages on SADC's commitment to development across every imaginable topic, from finance and investment to sustainable development, however, the organisation has quickly become little more than a social club. SADC's commitment to its manifesto has remained strong – in recent years it has continued to formulate and adopt policies that are true to its founding principles, yet its member states have slowly chipped away at the organisation's enforcing capabilities which has blanketed the organisation in a stagnated complacency. Action within SADC is limited to the sway of the tide and the organisation exists mainly as a soapbox for its members to advocate for common agenda whilst vindicating their own actions. The findings of the analysis of SADC exposed the following:

- That the organisation's ability and capacity to incentivise a DRM development financing strategy within its member states is compromised by its structure.
- That DRM as a development financing strategy is supported by the organisation and would allow the organisation to strengthen its commitment to its policy manifesto's goals of regional development.
- That the organisation can benefit immensely from capitalising on its subscription to more powerful supranational organisations to push the Summit in a common direction of achieving its manifesto.

The case study countries have highlighted that development in the region is progressing. Socio-economic and political developments have occurred; however, this development is currently stagnating and being stunted by poor utilisation of public revenue and a rise in corruption and bad governance practices. These country budgets show that debt repayment is being prioritised over development. Strategies like DRM development financing provide these countries with an opportunity to advance development and build capacity but only if these strategies take on an individual perspective. Traditional DRM development financing strategies highlight and prioritise the importance of collection of public revue over its utilisation and the case study countries show that this is not the primary issue at play. It is clear from the findings that the issue in these countries is not collection but utilisation. The research has unpacked that these two countries must overcome the following issues:

- They must see through the glittering promise of FDI which has been accompanied by huge debt repayments and created an unsustainable development environment.
- They must fight back against corruption and the degradation of public services that have been plaguing their development efforts.
- They must focus on improving the utilisation of public revenues to extract the full benefits from the revenue they are collecting.
- They must overcome the stagnation and complacency in their development that has come as a product of redirecting their efforts towards private investment financing over public revenue mobilisation.

In conclusion, this research has sought to understand what is hindering the implementation and utilisation of DRM as a development financing strategy for the SADC region. In order to unpack how viable a development financing strategy through DRM would be as a unique pathway for SADC countries to achieve their goals, such as the promotion of autonomy and the fostering of regional prosperity through member state's economic prosperity, the research sought to unpack what an African DRM development financing strategy must overcome for it to be an effective and sustainable financing strategy for the continent. It also sought to lay out the importance of SADC as an intergovernmental organisation and discuss its position to enact change in its member states and the region. Through an interpretivist methodological approach, the research has found that DRM has not risen to meet the need for an alternative, sustainable, long-term development finance strategy in the region for a combination of reasons. Guided by the theoretical framework of dependency theory and the frameworks of good governance, African solutions to African problems and capacity development, the research indicates that for DRM to be efficient as a development financing strategy on the continent, it needs to take up an Africanist perspective, that is primarily based on achieving individual economic prosperity in each member state as to foster continued and sustained development that would benefit the entire region.

Appendixes

Appendix A

Country	Size (Land area km^2)	Population	GDP	Government Debt	HDI	FDI
Angola	1,246,700.00	32,866,268.00	58,375,976.29	-	0.574	-3.20
Botswana	566,730.00	2,351,625.00	15,061,922.80	15.80	0.728	0.53
Comoros	1,861.00	869,595.00	1,235,400.35	-	0.538	0.31
DRC	2,267,050.00	89,561,404.00	48,716,960.86	-	0.459	3.08
Eswatini	17,200.00	1,160,164.00	3,972,728.95	-	0.608	1.11
Lesotho	30,360.00	2,142,252.00	1,875,227.64	-	0.518	1.58
Madagascar	581,800.00	27,691,019.00	13,056,079.98	-	0.521	2.75
Malawi	94,280.00	19,129,955.00	12,182,348.21	34.29	0.485	0.37
Mauritius	2,030.00	1,265,740.00	10,920,606.20	36.51	0.796	2.25
Mozambique	786,380.00	31,255,435.00	14,019,446.61	-	0.446	22.74
Namibia	823,290.00	2,540,916.00	10,619,194.51	23.75	0.645	-1.53
Seychelles	460.00	98,462.00	1,059,886.36	63.34	0.801	16.52
South Africa	1,213,090.00	59,308,690.00	335,442,101.37	23.60	0.705	0.95
Tanzania	885,800.00	59,734,213.00	62,409,709.11	-	0.528	1.10
Zambia	743,390.00	18,383,956.00	18,110,631.36	49.41	0.591	-0.95
Zimbabwe	386,850.00	14,862,927.00	18,051,170.80	-	0.563	0.83

Figure 4 SADC Country statistics. Data collected from the World Bank. Table constructed by Author.

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