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Nagar, Dawn Isabel

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The Politics and Economics of Regional Integration in Africa: A Comparative Study of COMESA and SADC, 1980–2015

Dawn Nagar
Doctor of Philosophy (PhD.)
(Student No. 687887)

Supervisor: Professor Gilbert M. Khadiagala

Department of International Relations
School of Social Sciences
Faculty of Humanities
University of the Witwatersrand, Johannesburg, South Africa

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Dedication

This thesis is dedicated to my Mother, Elaine Florence Jampies Nagar for her tremendous efforts toward my education; and to my Father, Davidson Bhana Nagar who taught me about politics.

Acknowledgements

I would like to express my sincere gratitude to my Supervisor, Professor Gilbert M. Khadiagala for his tremendous knowledge, and incredible support afforded to me during this degree, as without his supervision and guidance, this study would not have reached completion. I am also deeply thankful to my organisation, Centre for Conflict Resolution (CCR) for sponsoring my degree and affording me the time to undertake this study. I am most grateful to my daughters, Simóne, Danielle, Marcel, and Nina who have supported me throughout this process. I would like to say a special thank you to our Heavenly Father and Almighty God for helping me complete this degree.

Abstract

This thesis examines the efforts of the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC) to promote regional integration between 1980 and 2015 in the areas of trade and security. The conceptual framework provides a focused review of general and specific literature on two key concepts of regional integration: divergence, and convergence. Throughout the thesis, the core focus is on the divergence and convergence of COMESA and SADC. The thesis articulates two analytical frameworks: the neoclassical economics approach, and the neoclassical realist approach. A historical account focuses on the history of the Preferential Trade Agreement (PTA) of 1981 that evolved into COMESA by 1993. A history of Southern Africa's Frontline States (FLS), which evolved into the Southern African Development Coordination Conference (SADCC) in 1980, and later into SADC in 1992, is then provided. The thesis discusses apartheid South Africa's involvement in the

Eastern and Southern African regions. The thesis provides a discussion on the debate on the rationalisation processes of these two organisations: COMESA and SADC, between 1991 and 1997. The thesis next expands on the regionalisation processes of COMESA and SADC between 2008 and 2015. The main actors and factors assessed involve South Africa's market-led regional approach, its regional developmental role and its economic impact on both regions since it joined SADC in 1994. The thesis expands on the two main regional integration approaches adopted by the COMESA–EAC (East African Community)–SADC Tripartite bloc (created in 2008) of variable geometry and trade liberalisation, as it moved towards its Tripartite Free Trade Area that was signed in June 2015.

The thesis also provides definitions and assumptions **of two new theories deployed** to strengthen the research: i) **neoclassical economic regional integration,** and ii) **neorealist security convergence,** which are applied in the thesis**.** The thesis thus expands on how COMESA and SADC (as both institution and member states) manage multiple memberships. A central argument of the thesis is that multiple memberships have become a stumbling block for convergence. In furtherance of this argument, the thesis explains the benefits of regional integration schemes. Therefore assessed, is how developing countries are likely to be better served by "North–South" than by "South–South" free trade agreements. The analysis is expanded by a discussion of economic convergence in the neoclassical economic approach of open trade in regional trade agreements within the Southern African Customs Union (SACU) – whose five members all belong to SADC - with the presence of a regional hegemonic state: South Africa. To further expand the concept of regionalism to encompass security cooperation, the thesis finally assesses COMESA and SADC's managing of regional security since the 2008 Tripartite Agreement, by employing the concept of regional security complexes.

Declaration

I declare that the work in this thesis is my own work and has not been produced elsewhere. It is being submitted for the award of the degree of Doctor of Philosophy in International Relations, in the Department of International Relations, School of Social Sciences, Faculty of Humanities, University of the Witwatersrand, Johannesburg, South Africa. To the best of my knowledge, it has not been submitted before for any degree or examination in any other university.

Name: Dawn Isabel Nagar

Signature: *D Nagar* **Date**: 18 July 2016.

List of Abbreviations and Acronyms

AAF–SAP	Structural Adjustment Programme for Socio-Economic Recovery and Transformation
ACIRC	African Capacity for Immediate Response to Crises
ACP	African Caribbean and Pacific Group of States
ACRF	African Crisis Response Force
ADF-NALU	Allied Democratic Forces – National Army for the Liberation of Uganda
AEC	African Economic Community
AfDB	African Development Bank
AGOA	African Growth and Opportunity Act
AHI	Afrikaanse Handelsinstituut
AMU	Arab Maghreb Union
ANC	African National Congress
ARF	African Renaissance and International Cooperation Fund
ARTIN	African Regional Transport Infrastructure Network
ASEAN	Association of Southeast Asian Nations
ASYCUDA	Automated data management system
AU	African Union
β	beta-convergence
BLNS	Botswana, Lesotho, Namibia and Swaziland
CAP	Common Agriculture Policy
CCR	Centre for Conflict Resolution
CEMAC	Central African Economic and Monetary Community
CEN–SAD	Community of Sahel-Saharan States
CEOs	Chief Executive Officers
CEWARN	Conflict Early Warning
CFTA	Continental Free Trade Area

CIA	US Central Intelligence Agency
CIDA	Canadian International Development Assistance
CMA	Common Monetary Area
COMESA	Common Market for Eastern and Southern Africa
COSATU	Congress of South African Trade Unions
CPA	Comprehensive Peace Accord
DAC	Development Assistance Committee
DAM	Day-ahead market
DBSA	Development Bank of Southern Africa
DBSA	Development Bank of Southern Africa
DFID	Department for International Development
DIRCO	Department of International Relations and Cooperation
DPKO	UN Department of Peacekeeping Operations
DRC	Democratic Republic of the Congo
DTI	Department of Trade and Industry
EAC	East African Community
EAC	East African Region
EACB	East African Central Bank
EAMU	East African Monetary Union
EAPP	East African Power Pool
EASBRIG	Eastern African Standby Brigade
ECB	European Central Bank
ECCAS	Economic Community for Central African States
ECLA	Economic Commission for Latin America
ECLAC	Economic Commission for Latin America and the Caribbean
ECOWAS	Economic Community of West African States
ECSC	Economic Coal and Steel Community

EEC	European Economic Commission
EFTA	European Free Trade Association
EMU	European Monetary Union
EPAs	Economic Partnership Agreements
ESAMI	Eastern and Southern African Management Institute
EU	European Union
FARDC	Armed Forces of the Democratic Republic of the Congo (Forces Armées de la République Démocratique du Congo)
FDI	Foreign direct investment
FDLR	Democratic Forces for the Liberation of Rwanda *(Forces démocratiques de libération du Rwanda*
FIB	Force Intervention Brigade
FLN	National Liberation Front
FLS	Front Line States
FRELIMO	Mozambique Liberation Front
FTA	Free Trade Area
G-20	Group of 20
GATT	General Agreement on Tariffs and Trade
GDP	Gross domestic product
GERD	Grand Ethiopian Renaissance Dam
GIGA	German Institute of Global and Area Studies: Institute of African Studies
GNP	Gross national product
HAT	High Transitional Authority (*Haute Autorité de la Transition)*
HDI	Human Development Index
HSRC	Human Sciences Research Council
ICGLR	International Conference on the Great Lakes Region
ICJ	International Court of Justice

ICM	Integrated Committee of Ministers
IDT	Independent Development Trust
IGAD	Intergovernmental Authority for Development
IGADD	Intergovernmental Authority for Drought and Development
IGD	Institute for Global Dialogue
IMF	International Monetary Fund's
IMO	International Maritime Organization
IRP	Integrated Resource Plan
ISDSC	Inter-State Defence and Security Committee
ISIC	International Standard Industrial Classification
ISPDC	Inter-State Politics and Diplomacy Committee
JCA	Joint Competition Authority
JOC	Maputo Corridor Joint Operating Centre
JPC	Joint Planning Committee
LAPSSET	Lamu Port for Southern Sudan–Ethiopia Transport corridor
LDCs	Least developed countries
LDF	Lesotho Defence Force
LMPS	Lesotho Mounted Police Service
LPA	Lagos Plan of Action
LRA	Lord's Resistance Army/Movement
M23	March 23 rebel group movement
MANU	Mozambican African National Union
MC	Ministerial committee
MCLI	Maputo Corridor and Logistics Initiative
MDC	Maputo Development Corridor
MDC	Movement for Democratic Change
MDGs	Millennium Development Goals

MERCOSUR	Mercado Común del Sur
MERG	Macro-Economic Research Group
MFN	Most-Favoured Nation
MNCs	Multinational corporations
MONUSCO	United Nations Organisation Stabilisation Mission in the Democratic Republic of the Congo (Mission de l'Organisation des Nations Unies pour la Stabilisation en République Démocratique du Congo)
MOU	Memorandum of Understanding
MPLA	Popular Movement for the Liberation of Angola
MULPOCs	Multi-national programming and operational centres
MVA	Manufacturing value-added
MW	Megawatts
NCACC	South African National Conventional Arms Control Committee
NEPAD	New Partnership for Africa's Development
NGP	South Africa's New Growth Path
NIEO	New International Economic Order
NIPF	National Industrial Policy Framework
NRA	National Resistance Army (Rwanda)
NRA/T	New Regionalism Approach/Theory
NTBs	Non-trade barriers
σ	sigma-convergence
OAU	Organization of African Unity
OCAs	Optimum currency areas
OECD	Organisation for Economic Development
OPDS	Organ on Politics, Defence, and Security
OPDSC	Organ on Politics, Defence and Security Cooperation
OPEC	Organization of Petroleum Exporting Countries

PAFMECA	Pan-African Movement for East and Central Africa
PAP	NEPAD Priority Action Plan
PCRD	Post- Conflict Reconstruction and Development Programme
PIDA	Programme for Infrastructure Development in Africa
PTA	Preferential Trade Area for Eastern and Southern Africa
R2P	Responsibility to Protect
RECs	Regional Economic Communities
REIPPP	Renewable Energy Independent Power Producer Programme
RENAMO	Mozambican National Resistance (Resistência Nacional Moçambicana)
REPSS	Regional Payment and Settlement System
RIAs	Regional integration agreements
RISCO	Rhodesian Iron and Steel Corporation
RISDP	Regional Indicative Strategic Development Plan
ROOs	Rules of origin
RPTC	Regional Peacekeeping Training Centre
RSC	Regional security complex
SACCAR	Southern African Centre for Cooperation in Agricultural Research
SACU	Southern African Customs Union
SADC	Southern African Development Community
SADCC	Southern African Development Coordination Conference
SAFTO	South African Foreign Trade Organisation
SAIIA	South African Institute for International Affairs
SANDF	South Africa's National Defence Force
SANDF	South African National Defence Force
SAPP	Southern African Power Pool
SAPs	Structural adjustment programmes
SATCC	Standing Committee of Officials

SDIs	Spatial Development Initiatives
SIPO	Strategic Indicative Plan of the Organ
SITC	Standard International Trade Classification
SMMEs	Small, micro, and medium enterprises
SNCs	SADC National Committees
SPA	SADC Programme of Action
SPLA	Sudan People's Liberation Army
SPLM-IO	Sudan People's Liberation Movement In Opposition
SSR	security sector reform
SWAPO	South West Africa People's Organization
SWIFT	Society for Worldwide Interbank Financial Telecommunication
TBTs	Technical barriers to trade
TCSO	Tripartite Committee of Senior Officials
TDCA	Trade, Development and Cooperation Agreement
TFP	Total factor productivity
TFTA	Tripartite Free Trade Area
TOR	Terms of Reference
TPSF	Trade Policy and Strategy Framework
TTCID	Tripartite Technical Committee on Industrial Development
TTCM	Tripartite Trade and Customs Committee
TTF	Tripartite Task Force
TTNF	Tripartite Trade Negotiating Forum
TTWGs	Tripartite Technical Working Groups
UAPTA	Unit of account of the Preferential Trade Area
UDENAMO	National Democratic Union of Mozambique
UEMOA	Western African Economic and Monetary Union
UFIR	Upper Flight Information Region

UNAMI	National African Union of Independent Mozambique
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNEP	United Nations Environment Programme
US	United States
USTDA	US Trade and Development Agency
WTO	World Trade Organisation
YD	Yamoussoukro Declaration
ZANU	Zimbabwe African National Union
ZAPU	Zimbabwe African People's Union
ZMM-GT	Zambia–Malawi–Mozambique Growth Triangle

Chapter 1

Introduction

1. Purpose and Objectives of the Thesis

The purpose of the thesis is to reach a better understanding of Africa's efforts at promoting regionalisation and its relevance to the continent and for its regions. The thesis therefore attempts to provide an overall understanding of integration processes to assess the effectiveness of such attempts at regional economic and security integration. Moreover, the thesis draws on the debate of divergence and convergence, which can help us better understand and contribute to a more effective analysis of the regional transformation discourse and processes in eastern and Southern African states over the years. The primary focus of the thesis is on two regional economic communities (RECs): the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC), and assesses their attempts at promoting regional economic and security integration. The thesis examines their transformation processes and their formation through the lenses of regional integration, divergence and convergence. First, this chapter explains the rationale for and relevance of the thesis; states the thesis objectives; provides the research questions which guide the thesis, outline the research methodology deployed in the study, and frames the outline of the thesis.

This thesis makes two main arguments focused on divergence and convergence of regional economic integration and, on divergence and convergence of regional security. The first main argument of the thesis is premised on the relationship between divergence and convergence of regional economic integration policies of COMESA and SADC. The thesis underscores that owing to COMESA and SADC's regional integration policies (of both institutions and member states) of free trade agreements, which is largely premised on neoclassical economics linked to open markets and free trade, and due to the unequal nature of intra-regional trade, regional trade policies will diverge. The thesis therefore posits that because open markets and trade are largely premised on neoclassical economics, as also outlined by the General Agreement on Tariffs and Trade (GATT) (now called the WTO) principles, open markets cannot be simply wished away since it is part of the real world.

Moreover, the thesis argues that due to the distorting nature of trade that is premised on the neoclassical economics approach, economies of COMESA and SADC member states will also diverge and hence under-development and poverty will be experienced and not economic growth. The thesis posits that the implementation of effective regional policies of COMESA and SADC as regional blocs have the potential to converge regional trade policies, and increase regional trade and grow the economies of its member states; granted that such policies take into account endogenous factors of growth, such as technology, research, and inputs of smaller industries into the outputs of production of regional trade that links clear agreed to rules of origin (ROOs) in order to spur real economic growth; and incentivising poorer economies of its member states. The argument further stipulates that while a strong economic partner with smaller economies in a regional bloc can grow the economies of the smaller economies over a long-run convergence period like South Africa attached to SACU; the flipside of the long-run convergence theory is that due to the liberal tariffs incorporated by the COMESA-EAC-SADC 2008 Tripartite Agreement, smaller economies within this regional grouping that are attached to the SACU bloc have diverged the regional integration policies of the COMESA-EAC-SADC 2008 Tripartite Agreement. This main argument is adequately supported in discussions provided in the thesis of Walter Mattli,[1] as well as Anthony Venables,[2] and those of Steve Dowrick and Duc-Tho Nguyen,[3] among other important scholars explained in Chapter (2) under the neoclassical economics divergence and convergence debate and applied in Chapter (5) of the thesis. The overall findings of this main argument are further assessed in discussions outlined and demonstrated in Chapter (5) of the thesis. The second main argument of the thesis underscores that the regional security frameworks of COMESA and SADC and also that of the East African Community (EAC) can converge regional security mechanisms of its member states, considering that there is a regional hegemonic power — a state with a strong economic and military power that has geopolitical interests in pursuit of national interests — such a regional hegemon has the ability to converge regional security of member states within such a regional grouping. This second main argument is further assessed in chapter (6) of the thesis.

[1] Walter Mattli, *The Logic of Regional Integration: Europe and Beyond* (Cambridge: Cambridge University Press, 1999).
[2] Anthony J. Venables, "Regional Integration Agreements: A Force for Convergence or Divergence?" *Policy Research Working Paper*, no. 2260, World Bank (December 1999).
[3] Steve Dowrick and Duc-Tho Nguyen, "OECD Comparative Economic Growth 1950-85: Catch-Up and Convergence", *The American Economic Review*, vol. 79, no. 5 (December 1989), pp. 1010-1030. *See also*, Dan Ben-David, "Trade and Convergence Among Countries", *Journal of International Economics*, vol. 40 (May 1996), pp. 279-298.

Second, the thesis provides an understanding of the overall regional integration literature and the divergence and convergence literature linked to neoclassical economic growth in trade liberalisation and is assessed within regional trade agreements in chapter (2). This literature allows the researcher to be better equipped to analyse the divergence and convergence debate as the main threads and arguments in defining regional economic and security integration. The thesis also under this chapter provides definitions and assumptions of two new theories: i) **neoclassical economic regional integration,** and ii) **neorealist security convergence,** which are discussed in chapter (2) to allow further support of the overall literature reviewed in chapter (2).

Third, the thesis provides an assessment of the historical period of the Preferential Trade Area (PTA) for eastern and Southern Africa and its formation, which subsequently evolved into COMESA. Also provided is a commentary on the historical period and an assessment of the Front Line States (FLS) that evolved into the security Organ of SADC. In order to facilitate understanding and gauge the extent to which their existence filtered into the new COMESA and SADC, the discussion expands on how these institutions evolved during their rationalisation process which is also further discussed in chapter (3). The thesis therefore focuses on regional and sub-regional cooperation in industrial policy and programming of the PTA that became the cornerstone for rapid industrial development in Africa. It was seen as an important mechanism to address issues of colonialism and racial discrimination in Rhodesia and confront the apartheid regime in South Africa.[4] The thesis assesses the impact that non-trade barriers had on the potential of trade creation for PTA member states. The Southern African Development Coordination Conference (SADCC) has conducted trade since 1980, without a trade protocol or treaty, and the PTA was formed in 1981 and its Treaty was signed in June 1982. In assessing the period between 1980 and 1992, it is thus critical to examine how PTA member states have benefited from their treaty. The challenges that both the PTA and SADCC member states faced, and in becoming economically and regionally stable will be assessed in chapter (3). The establishment of SADC in 1992 and COMESA in 1993 was momentous, owing to the destabilisation practices of apartheid South Africa.

[4] Douglas G. Anglin, "Economic Liberation and Regional Cooperation in Southern Africa: SADCC and PTA", *International Organization*, vol. 37, no. 4 (Autumn 1983), pp. 681-711. *See also*, Samuel K.B. Asante, "The Years of Preparation: Adedeji and the ECA", in, Asante, *African Development: Adebayo Adedeji's Alternative Strategies* (Lagos: Spectrum, 1991), p. 21.

The PTA's initial ten states – Burundi, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Somalia, Tanzania, and Zambia (in the 1990s Comoros, Djibouti, Lesotho, Mozambique, Swaziland, and Uganda joined, followed by Angola, Namibia, and Zimbabwe), and SADCC's nine states – Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia, and Zimbabwe (and later Namibia, which joined SADCC in 1990), were forced to consider a difficult decision during the 1990s: whether to incorporate a post-apartheid South Africa into COMESA or SADC, or whether to merge into one institution. These processes are discussed during the period of rationalisation. Also considered and taken into account are the Southern African Customs Union (SACU) and the Common Monetary Area, which were established to create a customs union and monetary area for SACU.

Fourth, the thesis discusses COMESA and SADC's period after the rationalisation process (1991–1997) and focuses on the period between 1998 and 2008, and considers what factors led to the Tripartite 2008 agreement. It uses the literature on regional integration and convergence to help illuminate this period and outlined and discussed in chapter (4). The thesis explains how Africa's regionalisation attempts have further evolved with the adoption of an action plan by the African Union (AU) in 2012 for boosting intra-African trade and the creation of a Continental Free Trade Area (CFTA), have been accelerated through regional initiatives. Such initiatives include the COMESA–EAC–SADC 2008 Tripartite Free Trade Area (FTA). This thesis therefore assesses and discusses these issues in depth to provide an understanding of the three RECs: COMESA, EAC, and SADC that joined forces on 22 October 2008 to create a Tripartite alliance towards Africa's regional integration efforts, by integrating trade and economic development towards a CFTA with an indicative date of 2017, a Continental Customs Union by 2019, an African Common Market by 2023, and a Continental Economic and Monetary Union and Pan-African Parliament by 2028.[5] Key to their agenda is the implementation and acceleration of trade liberalisation; regional infrastructure development programmes in transport, information communications technology, energy and water; civil aviation and expansion of trade to alleviate poverty and improve the quality of life of their citizens and Africa at large; as well as security.[6]

[5] United Nations Economic Commission for Africa (UNECA), "Assessing Regional Integration in Africa V", 2012, pp. 13-16.
[6] Danso Kwaku, "The African Economic Community: problems and prospects: the Politics of Economic Integration in Africa", *Africa Today* (Fall, 1995).

Member countries are now faced with various challenges in COMESA and SADC blocs to commit to an FTA. Similarly, effective regional economic integration does not only comprise intra-regional trade, but numerous other factors, inter alia, transaction costs; infrastructure systems such as transport, information and communications; commitment at national government level to regional policy and hence to implementation of agreed tariffs; trade creating and trade diverting effects; multiple regional arrangements by states; and regional security mechanisms. The lack of a workable infrastructure has thus placed a damper on regional integration. Member states have indicated that it may be more economically viable to do business with Europe, for example, rather than conducting trade inter-regionally or intra-continentally, owing to the poor African infrastructure. COMESA, EAC, and SADC comprise 10 landlocked states: Botswana, Burundi, Ethiopia, Lesotho, Malawi, Rwanda, Swaziland, Uganda, Zambia, and Zimbabwe. Only 30 percent of the roads on the entire continent are paved. Mechanisms such as infrastructure (rail, roads, ports, air, water and electricity) are important in assessing Africa's integration attempts.

The thesis thus discusses these challenges and the main actors and factors in their various forms within the convergence (coming together and joining forces) of COMESA and SADC during the Tripartite 2008 agreement leading to the free trade area in June 2015 discussed in chapter (4) of the thesis. The analysis includes the regional policies based on the Tripartite 2008 memorandum of understanding (MOU): i. trade protocols and legal instruments; ii. regional free trade areas relating to intra- and inter-regional trade policies and total trade; obstacles to trade (trade barriers and non-trade barriers [NTBs] such as border posts, industrialisation, value-added chains, and rules of origin [ROOs]); iii. customs unions; iv. legal binding commitments according to the Tripartite MOU of 2008; v) macro-economic frameworks towards establishing a monetary union; vi. progress in infrastructure development such as transport corridors (rail, road, air, and ports), regional electricity generation (trade, demand and supply), and information and technology; and, vii. socio-political issues touching on education and migration policies.

Fifth, the thesis assesses multiple memberships of the COMESA and SADC blocs. As a result of trade liberalisation and tariff adjustments, conditions concerning economic pressures leave member states either joining other regional groupings, or remaining in the bloc but not adhering to the RECs policies, or else delaying trade agreements by not signing agreements that could facilitate trade because they are unable to do so largely owing to the fragility of their markets.

A larger market is able to create a larger space for competitive pricing of goods within an economic grouping; this further creates a larger geographical scale and more purchasing power, thus creating economies of scale. Each REC also has its own trade processes of liberalisation according to its protocols; hence reforms toward a single Tripartite Free Trade Area (TFTA) are stalled and the regional integration process is concomitantly delayed. The thesis therefore further addresses how COMESA and SADC are dealing with their approach, which allows states to enter agreements and liberalise trade at their own pace – the variable geometry approach that both COMESA and SADC have embraced. But the variable geometry approach becomes unwieldy when the slower members sign on as members in either blocs or other adjacent regional groupings.[7] The thesis provides therefore a further understanding of how COMESA and SADC manage relations of its member states with external trade partners like the African Growth Opportunities Act (AGOA) with the United States (US) and the Economic Partnership Agreements (EPAs) with the European Union (EU), which the Tripartite 2008 Agreement is promoting. These approaches then incorporate new dynamics to the dimension of trade and ROOs. The various evolving bilateral and multilateral agreements of COMESA and SADC member states similarly require an in-depth analysis to ascertain their relevance in the regional integration process of COMESA and SADC; how COMESA and SADC deal with these phenomena are further lines of enquiry and discussed in chapter (5) of the thesis.

Moreover, regional integration efforts within these groupings have been challenged by historical internal and external actors and factors that have filtered into existing regional practices. Such challenges constitute uneven economic growth of the member states at national, regional and continental levels. Stronger economies like those of South Africa attached to SACU and SADC, and Angola in SADC, and Egypt and Kenya in COMESA, which are linked to regional trade arrangements, dominate the trade markets, leaving very little room for the smaller economies to manoeuvre. These stronger economies have bilateral international trade agreements that have impacted on the smaller economies, with infant industries either destroyed or becoming insolvent. Therefore the concepts of "divergence" and "convergence" raised in the literature review in chapter (2) are important analytical lenses for understanding and explaining the issues raised and discussed in assessing multiple memberships in chapter (5) of the thesis.

[7] *See also*, Southern African Development Coordination Conference/Southern African Development Community (SADCC)/(SADC) Summit Communiques, <http://www.sadc.int/files/3913/5292/8384/SADC_SUMMIT_COMMUNIQUES_1980-2006.pdf>.

These two concepts are inter-connected and states may have incentives to join and form a region to attract direct foreign investment in favour of their own markets and could divert it from other members. Therefore the thesis takes into account the pernicious effects that the direction of trade can have on infant economies that are associated with liberal tariff adjustments, such as commodity prices and price volatility, which play a major contributing role in diversion. Similarly, the discussion also takes into account recessions and economic downturns, when markets could swing either way, from low to massive surpluses, with prices falling either way.[8] The thesis considers these issues in the convergence debate in chapter (5). The thesis further expands on how COMESA and SADC are dealing with the issue of multiple memberships by providing an analytical discussion. Further expanded in the thesis and assessed is South Africa's relations in SACU. The thesis thus provides an explanation of South Africa's approach in managing SACU member states and what this means for regional integration and convergence for the region.

Sixth, the thesis further expands on the interplay between economic and security links and the importance of regional stability. The security apparatus of COMESA and SADC towards region building, as well as their abilities and attempts in achieving peace and security, are therefore assessed. An expansion of the security dynamics of COMESA, EAC, and SADC member states are provided which underscores that a powerful state like South Africa with a robust military component, while serving its own parochial interests can converge regional security of COMESA, EAC and SADC member states. These issues are adequately discussed in chapter (6). The thesis thus poses the following five main research questions to guide the study.

1.1 Research questions

Five key research questions are addressed in the thesis:

1) How did COMESA and SADC evolve from their predecessor institutions, the PTA and SADCC respectively, and who were the actors that informed their relationship?

2) What explains the new convergence of these two regional communities, COMESA and SADC, in signing a 2008 Tripartite agreement (which includes the EAC)?

[8] José Antonio Ocampo and Joseph E. Stiglitz (eds.), *Capital Market Liberalization and Development* (New York: Oxford University Press, 2010), pp. 125-126.

3) How much trade have these two regional institutions (COMESA and SADC) promoted? What do the literature and theories on divergence and convergence tell us about their trade liberalisation processes?

4) How are these two regional institutions (as both institutions and member states) managing multiple memberships?

5) How are these two regional institutions (COMESA and SADC) managing the issue of regional security?

As outlined above, these five core questions will help the thesis to interrogate regional economic communities of COMESA and SADC, with member states that are straddling national positions and regional obligations. The relationship is a divided one, with values such as power and wealth filtering into the regional economic fraternity.[9] Because the concepts of states, markets, and power cut across and form the core building blocks of several theoretical strands, the thesis utilises two mutually supporting approaches to link these concepts to guide the study: the neoclassical economics approach and the neorealist approach which will serve as principal indicators for conceptualising the literature review and interpreting the research findings as well as the conclusions presented in the thesis. Also considered is the security of the region and its fragile regional security mechanisms as well as the requisite literature for understanding security convergence and cooperation.

1.2 Thesis Methodology

The thesis does not take the approach of econometric cross-country growth indicators to measure results. Instead, the primary focus is to understand trade liberalisation theory analysed in trade regional groups of COMESA and SADC, during the rationalisation process (1991–1997) and is discussed in chapter (3). Trade figures are accessed from the United Nations Economic Commission for Africa and from the World Bank's reliable statistical database, which furnishes relevant and reliable information. An analysis is provided in support of the findings.

[9] *See also*, David Balaam and Michael Veseth, *Introduction to Political Economy* (Upper Saddle River: Pearson Prentice Hall, 2001), pp. 110-127.

The East African Community is not core to the thesis, and neither is SACU. However, the literature review in this chapter and elsewhere in the thesis where relevant also discusses the EAC, since COMESA and SADC have signed a Tripartite agreement[10] that also involves the EAC, and some of the EAC and SACU member states are also members of COMESA and SADC. The thesis employs both quantitative and qualitative research methodologies. Quantitative research is based on observations that are converted into discrete units that can be compared to other units by using statistical analysis. Emphasis is being placed on the statistical part of the research examination as the most essential part of quantitative research. Quantitative research is thus based on a positivist position. In 1830 Auguste Comte first coined the word positivism, which for him was synonymous with science or with positive or observable facts, based on measurable variables and provable propositions. Positivism is thus based on explanation, prediction and proof. In, "Science, Faith and Society", Polanyi, purports that "in research, personal judgments, intuitiveness and sensitivity plays a vital role in the world of the scientist itself."[11] Hence, personal judgements, intuitiveness and sensitivity is a critical aspect in the world of the scientist. Qualitative research examines people's words and actions in narrative or descriptive ways more closely representing the situation that is being researched as experienced by participants. Qualitative research is based on a phenomenological position. Phenomenology is the philosophical study of the structures of experience and consciousness from a first-person point of view, and attempts to understand the meaning events have for individuals, where the person is viewed as having no existence apart from the world, and similarly, the world has no existence apart from the person.[12] In summary, the debate about research should not be based on the correctness of qualitative versus quantitative theories, but should rather be all-encompassing. Questions that need to be addressed in research should be those of ontology, epistemology, logic, and teleology. Ontological assumptions concern the nature of reality.

[10] COMESA-EAC-SADC 2008 Tripartite partnership agreement, < http://www.comesa-eac-sadc-Tripartite.org/sites/default/files/documents/Tripartite-Triparrtite%20MoU%20Signed%20Version.pdf>.
[11] Michal Polanyi, *Science, Faith, and Society: A Searching Examination of the Meaning and Nature of Scientific Inquiry* (US: University of Chicago Press, 1964), pp. 21-42. *See also*, Kuhn Thomas S, *The Structure of Scientific Revolutions* (Chicago: The University of Chicago Press, 1970); Kant. I, "Empirical and a Priori Knowledge", in, Madden Edward H, *The structure of Scientific Thought* (Cambridge, Massachusetts: The Riverside Press, 1960); and Berlin Isaiah, *Auguste Comte Memorial Lectures 1953-1962* (UK: Athlone Press, 1964).
[12] *See*, Johann Mouton, *Basic Concepts in the Methodology of the Social Sciences* (Human Sciences Research Council [HSRC]: Pretoria, 1988). *See also*, Dawn Nagar (Alley), "Research Methodology", in, "An Examination of the South African Correctional Services' Policy with respect to Children Living with their Mothers in Prison", M.Phil. Thesis, University of Port Elizabeth (UPE), 2003.

Epistemological assumptions concern the origins of knowledge that concerns the nature of reality. Relationships between the "knower" and the "unknown" and the role of value and judgements contribute to the overall principles of logic and an attempt to demonstrate and verify assumptions of knowledge. The researcher has to address pertinent questions. For example, in the logic of enquiry, are causal linkages between bits of information possible? What is the possibility of generalisation occurring? Teleological questions ask what research contributes to knowledge and what is the purpose of research? The answers to these questions comprise the postulates of the research paradigm. By paradigm, the thesis refers to a set of overarching and interconnected assumptions about the nature of reality. Assumptions cannot be proved; they are stipulated, and these stipulations are called postulates, which form a paradigm. Hence, this thesis is guided by the interpretation of both documentary evidence (primary sources) and interviews (secondary sources). The desktop analysis with regard to the politics, economics and security of COMESA and SADC's integrating policies will draw on the primary and secondary data outlined in the literature review and conceptual framework in chapter (2). The thesis study similarly draw on statistical data and provide a thorough assessment and an analysis by using graphs and tables including the use of total gross domestic product (GDP) percentages, per capita GDP ratings, foreign direct investment (FDI) and trade data. Core to the research methodology is the deployment of interviews that were conducted in the region which the thesis draws and rely heavily on in its findings and overall discussion and analysis.

The thesis provides an overall display of the trustworthiness and research rigour of the research methodology deployed as reliable. The thesis thus builds strongly on reliable data and sources as defined by academic scholars such as Monique Hennink, Inge Hutter, and Ajay Bailey and others such as Punch, Turner and Shipman.[13] Hence, the researcher is confident that in the event that this same study and investigation is undertaken by a different researcher/s — while deploying the same research methodology — that the exact same results would be achieved. The thesis has thus provided explanatory discussion and research findings while a number of methods were used to gather qualitative material. These also included participation in meetings and seminars on Africa's regional integration and security frameworks and processes, meetings with South African ambassadors, empirical observation of political events, and in-depth interviews.

[13] Monique Hennink, Inge Hutter and Ajay Bailey, *Qualitative Research Methods* (London: Sage, 2011); *see also*, M.D. Shipman, "The Limitations of Social Research" (New York: Routledge, fourth edition, 2014); *see also*, Keith F. Punch, *Introduction to Social Research: Quantitative and Qualitative Approaches* (London: Sage, 2005).

1.2.1 Structured interviews and analysis

Interviews form a critical part of this thesis.[14] To strengthen the thesis, open-ended questions carefully designed pertaining to the participatory and experiential approach of the participants' experience in the field of study of COMESA and SADC. Their viewpoints provided in-depth knowledge pertaining to the study. My role as researcher was to accumulate the data in an unbiased fashion and utilise all the information provided during the interviews and adherence to forms and data collection analysis were used. The overall preparation for the research entailed structured interviews conducted in 2011 with a previous SADC executive secretary in 2011 in Kariba Lake, Zambia and also in 2015; and in 2009, 2010, and 2011 with the former head of the United Nations Economic Commission for Africa (UNECA) in Cape Town, in Ijebu Ode (Ogun State, Nigeria), and in Stellenbosch (Western Cape) respectively.

In 2009 and in 2013, the research was further supported by interviews conducted at the Secretariat of SADC in Botswana, and in 2014 research interviews were conducted at the Secretariats of COMESA in Lusaka, Zambia and at the Secretariat of SACU in Windhoek, Namibia. The conversations and discussions with staff from the three Secretariats (COMESA, SADC, and SACU) were highly effective, and their commitment to the COMESA–EAC–SADC Tripartite in spearheading regional integration was shown in their willingness to give up several hours of their time (frequently after working hours) to inform this research. Confidentiality was also important for staff and conversations were underpinned by work ethics and assurances of confidentiality during the interview process. Discussions were structured in boardroom engagement at all three Secretariats. Information gathered from the research has been sensitively reported so that confidential information is not divulged, nor Secretariat staff or government officials implicated. Interviews were conducted with three high-level government officials in South Africa in 2012, and 2013 and one of these meetings also took place in 2010 in Lagos, Nigeria. A further interview was conducted with a South African Ambassador for the AU/African Caribbean and Pacific (ACP) Office in Brussels, Belgium.

[14] Daniel Turner, "Qualitative Interview design: a practical guide for novice investigators" *the Qualitative Report*, 15, 3 (May 2010).

There were also numerous discussions with both the South African Department of Trade and Industry (DTI) and the Department of International Relations and Cooperation (DIRCO) in 2013 and 2014, and with senior government officials at ambassadorial level who have worked for over 30 years at the United Nations. There were further interviews with a senior parliamentarian and South West Africa People's Organization (SWAPO) veteran at the Namibian Parliament in Windhoek in 2014. Also interviewed, was another senior official head of Southern Africa from UNECA in 2014 in Tshwane (Pretoria). Meetings and conversations were also held with professors from the Universities of the Western Cape, Johannesburg, the Witswatersrand, North-West, and Cape Town, and more importantly, with senior government officials serving in the ministries of South Africa and Swaziland in 2011, and in 2012. Interviews and discussions were conducted with former as well as current secretaries-general and executive secretaries of COMESA and SADC Secretariats respectively, while policy research staff and trade officials strengthened both economic and security integration, facilitating the researcher's grasp of the problems. Mindful of the various sensitivities arising from summit meetings, information was shared with circumspection; however the discussions did not hamper the research for this thesis project and these interviews were extremely meaningful in gauging accuracy in the analysis and assessment of the Tripartite agreement in terms of its convergence and the overall analysis provided within the thesis. My personal participation and involvement in observation and participatory forums on regional integration made possible through the work of the Centre for Conflict Resolution (CCR) further strengthened my understanding to undertake the research.

1.3 Outline of the thesis

The thesis comprises seven chapters.

Chapter 1 (which is this chapter, Introduction) introduces the purpose of the research, its aims and objectives, the research questions, and the methodology selected. It provides a roadmap of the thesis as it unfolds in subsequent chapters.

Chapter 2 provides the underpinning of the research by establishing a theoretical and conceptual framework for studying regional integration in COMESA and SADC. As Joseph Nye contends, "scholars studying integration in Africa must remember the primacy of politics and [should] not be misled by assumptions natural to 'developed' societies. It is important to pay attention to social, historical, and economic factors".[15]

Chapter 3 first gives a historical account and focuses on the 1970s–1990s and discusses Africa's main regional economic communities, born out of a pan-African vision and ideology for achieving political solidarity and economic independence. Further spearheaded by UNECA, the PTA of 1981 evolved into COMESA in 1993. A history of the FLS, which evolved into SADCC in 1980 and later SADC in 1992, is also provided. Also discussed is apartheid South Africa's involvement in the eastern and Southern African regions, which leads to a debate on the rationalisation period between 1991 and 1997. Engagement with the literature on divergence and convergence provides a theoretical underpinning to the rationalisation process.

Chapter 4 covers the regionalisation processes of COMESA and SADC for the period 1998─2008 and leading up to the TFTA in June 2015. Within the parameters of COMESA and SADC's 2008 Tripartite Agreement, I provide an in-depth study of the significance of this partnership for Africa's integration agenda. I therefore assess the roadmap of the 2008 Tripartite Agreement, and give an assessment of its trajectory to further understand how the partnership has evolved. The main actors and factors are discussed and assessed like South Africa's regional developmental role as the strongest economy in the COMESA and SADC blocs. Also assessed are the failures and achievements of the 2008 Tripartite Agreement, which was aimed at developing a full free trade area and a customs union. Therefore, trade liberalisation policies, trade barriers and non-trade barriers, infrastructure development, as well as macroeconomic convergence frameworks, are assessed. The chapter also provides an understanding of the processes of regional integration geared towards economic growth, and poverty alleviation and reduction, by incorporating the main theories of convergence on trade liberalisation within the neoclassical economics approach.

[15] Joseph Nye, *Pan-Africanism and East African Integration* (Princeton: Harvard University Press, 1965), *cited in*, James T. Gathii, "Neo-Liberal Turn in Regional Trade Agreements", *Albany Law School Legal Studies*, *Research Paper Series*, no. 40 (2010–2011).

Chapter 5 provides an in-depth assessment of the management of multiple memberships by COMESA and SADC member states (as both institution and member states) in Africa. This chapter applies the new theory of neoclassical economic regional integration (defined further above) which allows the thesis' explaining of the two regional integration approaches adopted by the COMESA–EAC–SADC Tripartite bloc and discusses the variable geometry and trade liberalisation approaches of open markets in moving towards a Tripartite Free Trade Area. Also touched on is the EAC, since the EAC member states are also member states of COMESA and some are part of SADC. The chapter assesses the links of multiple memberships and international trade agreements such as AGOA with the United States, and EPAs with the EU. This discussion also provides an understanding of the impact of these external trade relations on the Tripartite relationship, since the Tripartite 2008 Agreement allows member states to form international trade partnerships, and also allows for a variable geometry approach. Furthermore, discussed is the impact of rules of origin on trade within the Tripartite bloc. This chapter will also provide an understanding of South Africa's (as hegemonic state) approach in managing SACU member states, by furnishing an explanation for South Africa's maintaining a relationship with SACU, while all these member states are also part of COMESA bloc. In furtherance of this debate, the discussion is centred on the neoclassical economic convergence approach and considers the view of Venables'[16] theory to understand how South Africa's role as a SACU member, and as a dominant economy in the COMESA and SADC bloc, is managing its SACU partners and how this relates to divergence and convergence.

Chapter 6 of the thesis discusses a regional security complex framework theory, which provides assistance in understanding security complexities. In support of the overall literature review under security, this chapter applies the new theory: neorealist security convergence (defined under new concepts and definitions in chapter [2]) to illuminate the discussion of realism and security and its role in convergence of regional security practices and the geopolitical interests of a hegemonic state converging regional security within a regional grouping. This will strengthen the overall thesis analysis.

[16] Venables, "Regional Integration Agreements: A Force for Convergence or Divergence?", 1999.

The chapter expands on Barry Buzan and Ole Wæver's[17] observations that a starting point for such an analysis should be based on a clear definition of a regional security system. Chapter 6 is also guided by Amitav Acharya's observations on regional security within regionalism that sees security complexes as a national threat and discusses determinants of security interdependence.[18] The chapter expands on the main conflict areas and states in the eastern and Southern African regions and discusses the convergence of COMESA and SADC in managing these conflicts as well as the member states of the EAC.

Chapter 7 Provides a substantial conclusion based on the research and the main premise of the research. Also highlighted is the importance of the research for the field of international relations. Gaps are identified and explanations provided. Also highlighted within the concluding chapter (7) are possible policy recommendations to be considered, for trade, governance and security officials and policymakers within the COMESA, EAC, SADC and SACU Secretariats and their governments. It is envisaged that the South African government, Africa's continental bodies (e.g. the AU), other important African bodies (such as the New Economic Partnership for Africa's Development [NEPAD]), the African Development Bank (AfDB), the Development Bank of Southern Africa (DBSA), UNECA, the EU, the US, and donor community and civil society actors will find the thesis recommendations provided useful to their work. In an attempt to build the knowledge production in Africa, based on the findings of the thesis, it will also consider two new regional integration theories related to the Tripartite bloc's convergence efforts in economic integration (as will be discussed in chapter 5), and in security (as will be discussed in chapter 6) respectively, for the academic community to be potential beneficiaries of. The thesis findings will therefore be relevant to Africa's think tanks and policy institutes, and for universities and libraries in Africa where emerging academics and students could assess, address and expand on gaps in this research study. These could possibly further strengthen future studies in this area and on topics pertinent to Africa's development for sustained and solid economic growth. The thesis will contribute to the divergence and convergence debate in chapter (2) (literature review: theoretical and conceptual framework) and will be utilised to determine the degree of divergence and convergence of COMESA and SADC in the expanded thesis and to which we now turn.

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[17] Barry Buzan and Ole Wæver, *Regions and Powers, The Structure of International Security* (London: Cambridge University Press, 2003).

[18] Amitav Acharya, "Regional Security Complexes in the Third World: Stability and Collaboration", *National University of Singapore: Department of Political Science* (unpublished essay) (1992), <www.amitavacharya.com> (Written permission by email granted by Author to the Researcher to use article, accessed 20 March 2015).

Chapter 2

Literature Review: Theoretical and Conceptual Framework

2.1 Introduction

The theoretical and conceptual framework outlined in this chapter, provides a platform and base for discussing the primary pillars of this thesis on divergence and convergence of Africa's main regional economic communities, COMESA and SADC. In analysing the regional transformation processes of eastern and Southern Africa, the theoretical and conceptual framework provides a focused review of general and specific literature on the concepts of regional integration, divergence, and convergence. In this context, the chapter begins by locating regional integration within the larger divergence and convergence debate. The discussion provides an understanding of the politics and economics surrounding the two concepts. This lays the foundation for the examination of the different meanings, goals and specific approaches employed in regional integration in contemporary divergence and convergence discourse. The literature review on regional integration also provides a broad scope within which multiple memberships and regional security are discussed. Informed by the rich theoretical and conceptual debates and issues established in regional integration and divergence and convergence literature, the chapter articulates two analytical frameworks, the neoclassical economics approach and the neoclassical realist approach which will serve as principal indicators for conceptualising the theory and literature review and interpreting the research findings as well as the conclusions presented in the thesis.

2.2 Situating regional integration within the divergence and convergence debate

Regional integration processes in Africa and elsewhere have been considerable, with most regions confronting the same needs, forces, obstacles and constraints in various forms.[19] Regional economic integration has been viewed by many states as a mechanism for sovereign states to come together and to conduct economic integration in trade and is able to link government's national policies to a supranational entity.[20]

[19] Pascal Lamy, "Regional Integration in Africa: Ambitions and Vicissitudes", *Notre Europe policy paper*, no. 3 (2010).
[20] Mattli, *The Logic of Regional Integration: Europe and Beyond*, 1999.

Regional economic integration that is linked to market factors and open trade can dictate the outcome of regional integration schemes that are linked to regional institutions.[21]

2.2.1 International relations and regional integration theory: divergence and convergence

A debate important and relevant to the thesis is the understanding of the historical dimensions of regional integration in Africa, which also briefly centres the discussion on Europe's success at economic integration of incremental lobbying, as well as getting the buy-in of its member states at each stage of the process.[22] For Africa, Pan-Africanism defined political integration as the foundation for economic integration in Africa. This idea stemmed from political leaders such as Ghana's Kwame Nkrumah, Mali's Modibo Kéïta, Senegal's Cheikh Anta Diop, and Guinea's Sékou Touré, who promoted the formation of a single African government aligned with common institutions.[23] The period 1935 to 1957[24] marked the colonial phase of a much earlier attempt of regional integration for Africa. In 1945, the Fifth Pan-African Congress, held in Manchester, England, called for concrete recommendations towards combating the exploitation of Africa's resources. Further calls were made at the 1955 Bandung Afro-Asian Conference and subsequent Declaration, which also attempted to address the political and economic liberation of both Africa and Asia. These earlier ideas stemmed from a deep political and cultural notion of a unified Africa, and African unity – meaning a complete political union of Africa.[25] Between 1957 and 1960, 19 African states achieved independence[26] from colonial rule, with Ghana signalling the first integration efforts after having attained independence in 1957 under the leadership of Kwame Nkrumah.

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[21] Mattli, *The Logic of Regional Integration,*1999, p. 41.
[22] John Pinder and Simon Usherwood, *The European Union: A Very Short Introduction* (Oxford: Oxford University Press, 2007).
[23] Guy Martin, *African World Politics: a Pan-African Perspective* (Trenton: Africa World Press, 2002).
[24] Samuel K.B. Asante and David Chanaiwa, "Pan-Africanism and Regional Integration", in, Ali A. Mazrui and C. Wondji (eds.), *General History of Africa VIII: Africa Since 1935* (Paris: United Nations Educational, Scientific, and Cultural Organization [UNESCO], 1993).
[25] *See*, Immanuel Wallerstein, "Regional Unity and African Unity", in, Immanuel Wallerstein, *Africa: The Politics of Independence and Unity* (Lincoln: University of Nebraska Press, 2005).
[26] The years that African states gained independence from their colonial masters: Liberia 1847; South Africa 1910 (and from apartheid rule 1994); Egypt 1922; Libya 1951; Morocco, Sudan, and Tunisia 1956; Ghana 1957; Guinea 1958; Ethiopia (also the first century of the Christian era), Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Congo Brazzaville, Côte d'Ivoire, Gabon, Madagascar, Mali, Mauritania, Nigeria, Senegal, Somali, Togo, and Zaire 1960; Sierra Leone, and Tanzania 1961; Algeria, Burundi, Rwanda, and Uganda 1962; Kenya, and Zanzibar 1963; Malawi, and Zambia 1964; Gambia 1965; Angola, Botswana, Equatorial Guinea, and Lesotho 1966; Mauritius, and Swaziland 1968; Guinea-Bissau 1973; Cape Verde, Comoros, Mozambique, São Tomé and Príncipe, and Western Sahara 1975; Seychelles 1976; Djibouti 1977; Zimbabwe 1980; Namibia 1990; discussed in, J. Isawa Elaigwu and Ali A. Mazrui, "Nation-building and changing political structures", in, Mazrui and Wondji (eds.), *General History of Africa VIII*, 1993, pp. 456-461.

Africa's anti-colonial struggles received the backing of fellow veterans from the 1955 Bandung Conference, as well as from an earlier conference staged in Brussels in 1927. The League Against Imperialism and Colonialism included Asian and African leaders such as Senegal's Lamine Senghor, India's Jawaharlal Nehru and Vietnam's Ho Chi Minh.[27] Five Pan-African Congresses took place between 1919 and 1945.[28] Hence, theories of regional economic integration that largely were based on Europe's arrangements in integrating markets and institutions that started in the 1950s, also spilled over into other integration models.[29] Europe's views thus informed Africa's early attempts at pan-Africanism in the creation of a political union. Africa was enthused by Europe's rapid economic growth. Arguments were also put forward for the possibilities of regionalism among least developed countries (LDCs) by other integration economists like Raúl Prebisch while he was head of the Economic Commission for Latin America (ECLA), which became the Economic Commission for Latin America and the Caribbean (ECLAC) during the 1960s. Prebisch reinforced pan-African views among Africa's governments.[30]

The practical successes of Europe therefore dominated theories of integration, and also influenced region builders' thinking in other Third World continents like Africa, to attempt economic integration, and to apply it in their own regions.[31] Africa believed that it could adopt a similar regional integration model and cure the ills of post-colonialism plaguing its weak economies. In Africa, regional integration meant strengthening the fragile economies of newly independent states; for Europe, regional integration meant avoiding war, since its integration processes started after the Second World War[32] and was a difficult period for Europe that wanted to avoid war at all costs. Africa's regional integrationists appeared to have had no urgency, and took on a gradualist approach adopted through sub-regional organisations, but socio-economic conditions and a paucity of technology and minimal industrialisation militated against the desired functional spillover and linkages originally envisaged as outlined by Robert Henderson, Richard

[27] Locksley Edmondson, "Africa and the Developing regions", in, Mazrui and Wondji (eds.), *General History of Africa VIII*, 1993, pp. 829-870.
[28] Adekeye Adebajo, "Towers of Babel? The African Union and the European Union", in, Adekeye Adebajo, *The Curse of Berlin: Africa After the Cold War* (Scottsville: University of KwaZulu-Natal Press, 2010), p. 263.
[29] Andrew Moravcsik, "Negotiating the Single European Act: National Interests and Conventional Statecraft in the European Community", *International Organization* no. 45 (Winter 1991).
[30] John Ravenhill, "The Future of Regionalism in Africa", in, Ralph I. Onwuka and Amadu Sesay (eds.), *The Future of Regionalism in Africa* (London: Macmillan, 1985), pp. 205-224.
[31] Ibrahim A. Gambari, *Political and Comparative Dimensions of Regional integration: The Case of ECOWAS* (Atlantic Highlands: Humanities Press International, 1991), pp. 2-3.
[32] Pinder and Usherwood, *The European Union*, 2007.

Gibb, and Samuel K.B. Asante.[33] For Africa, the traditional intellectual debates of integration schemes have been influenced by experiences of integration by Western countries.[34] This discussion further outlines the regional economic integration theories starting from the 1950s. These views were expressed in various approaches and schools of thought: federalism, functionalism, and neofunctionalism. Regional economic integration is also different to pure economics, since it can dictate the outcomes of integration linked to open trade.

Initially, between the 1950s and 1960s, regional integration processes were particularly concerned with how supranationalism could modify state behaviour in community building, while viewing sovereignty as an important component in the promotion of economies of scale. Karl Deutsch stressed this importance, by noting that Europe had to consider and focus on the real reasons for joining a supranational organisation and forego sovereignty.[35] Deutsch also described supranationalism as a vehicle whereby the behaviour of the state could be modified through building a community of values and attitudes that could promote cooperation.[36] Supranationalism therefore implied that an international institution was able to exercise authority over its members (states), which involved elements of authoritative power in the political and legal areas, and which limited the autonomy of sovereign states. The EU is an example of a supranational entity which serves as the primary decision-making organ through the Council of the European Union.

Region builders of the federalist school (1950s) viewed politics and state governments as the cornerstones of regional integration processes. The federalists held the view that politics trumped economics, and integration had to be pursued through the creation of a centralised, supranational entity. For the federalists, maintaining a national identity and promoting economic growth could best be achieved by creating a central government, joint institutions, and a common constitution. Ernest Haas was the first proponent to write on the logic of integration, and his efforts pioneered analysis on the European Community as a supranational entity that led to the development of the

[33] Robert D.A. Henderson, "The Southern African Customs Union: Politics of Dependence", in, Onwuka, and Sesay (eds.), *The Future of Regionalism in Africa,* 1985. *See also*, Richard Gibb, "Southern Africa in Transition: Prospects and Problems Facing Regional Integration", *The Journal of Modern African Studies*, vol. 36, no. 2 (1998); Samuel K.B. Asante, *Regionalisation and Africa's Development: Expectations, Reality and Challenges* (London: Palgrave Macmillan, 1997).
[34] Gambari, *Political and Comparative Dimensions of Regional integration*, 1991.
[35] Karl W. Deutsch, *Political Community and the North Atlantic Area* (Princeton: Princeton University Press, 1957).
[36] Deutsch, *Political Community and the North Atlantic Area*, 1957.

framework for his theory of "neo-functionalism".[37] Leon Lindberg shared similar frameworks to those of Haas.[38] Spillover from institutions was seen to further the neo-functional discourse, which entailed that through enhanced increased trans-border exchanges, and cooperation in technical areas (as was the case of the Economic Coal and Steel Community [ECSC]), that integration processes could lead to an increased transnational interdependence, which in turn would create functional spillover into other areas, and ultimately, the integration process could become more sustainable.[39]

But federalist thinkers in Europe were challenged in the 1960s by functionalism and neo-functionalism approaches. David Mitrany, who was also known as the father of functionalism, in his concept articulated as, "peace by pieces", argued that a functional alternative to international integration was essential. For Mitrany, international cooperation had to be premised on the view that non-political issues of the state, such as "socio-economic, technical, and issues of a humanitarian nature, could be separated" and dealt with independently.[40] A functional approach was therefore seen by Mitrany as a pragmatic one, which instead of placing emphasis on the state, should be created, and constitute units of sectoral activities in the economic fields, for market regulation, communications, and management of natural resources. Furthermore, sectoral units had to be given a sense of autonomy and power for such units to solve the problems of the state. These efficiencies would spill over into the political fields, and in so doing ultimately avoid war and violent conflicts.[41]

As noted above, Africa's regional blocs have largely been created from a difficult past. The European Union that emerged from the Second World War provides a pertinent analogy. In the case of Africa, its regional integration processes have faced underdevelopment and poor integration processes that either failed, or have been ineffective. The majority of African economies and states are peripheral economies with five large core economies: Nigeria, Kenya, Egypt, Angola, and South Africa. Africa's regions still lack regional integration policies viable for economic growth, such as government support for businesses of small, micro, and medium

[37] Ernest Haas, *The Uniting of Europe* (Stanford: Stanford University Press, 1958); Leon N. Lindberg, *The Political Dynamics of European Integration* (Stanford: Stanford University Press, 1963).
[38] Haas, *The Uniting of Europe*, 1958; Lindberg, *The Political Dynamics of European Integration*, 1963.
[39] Mattli, *The Logic of Regional Integration*, 1999, p. 25.
[40] David Mitrany, *A Working Peace System* (Chicago: Quadrangle Books, 1966).
[41] Mitrany, *A Working Peace System,* 1966, p. 99. *See also*, David Mitrany, "A Functional Approach to World Organization", *Royal Institute of International Affairs*, vol. 24, no. 3 (1948), pp. 350-363.

enterprises (SMMEs) that can grow industrialisation alongside value-added production through intra-regional trade and manufacturing. Such factors are important in fostering endogenous growth through the transference of technology and skills to boost development, research, and education supported by strong government policies. Such factors should therefore be considered and engender support through state-led policies that are implemented at both national and regional levels. External bilateral and multilateral relations have, however, flourished more amidst regional trade agreements on the African continent. There is very little traded on the continent, with only 12 percent of intra-regional trade in 2014. African countries still face similar issues as those prevalent at independence, with largely mono-crop economies that spend a large part of their resources on the production of export commodities. For instance, the 1980s was viewed as "Africa's Lost Decade", since economic integration was ineffective, because there was debt build up and no economic growth. Region builders in Africa further evolved from the AU's predecessor's plan, the Organisation of African Unity (OAU) that defined regional integration as a vehicle for states to build regional institutions and to advance economic growth, as defined in its Charter.[42] Further spearheading Africa's regional integration cause, UNECA was seen as the master builder of Africa's integration, and assisted in the creation of the EAC established in 1967, and involving Kenya, Uganda, and Tanzania.[43] The grandiose integration plans pursued regionalism solutions – a paper plan and concept that collapsed within the reality of Africa's own political economy of strong sovereign states holding onto power.[44]

But what place for regional integration in Africa, already enhanced during the early 1900s? Pascal Lamy notes that regional integration is not a new process and that the African continent had seen the creation of the first of such processes of integration in 1910, with the creation of SACU, while 1919 saw the birth of the EAC.[45] Regional integration processes only really took root in the rest of the world about 40 to 50 years later. Such integration processes, for example in Europe, formed the ECSC, created in 1951. Other regional mechanisms were also formed such as the Association of Southeast Asian Nations (ASEAN) created in 1967; and in South America, the

[42] The African Union (AU) Strategy for regional integration, *Towards A Common Market for Agricultural Products* Charter of the organization of African Unity and the AEC Treaty, Article 3(c) and (d), <http://www.au2002.gov.za/docs/key_oau/sirte.pdf>.
[43] Anglin, "Economic Liberation and Regional Cooperation in Southern Africa", 1983, pp. 681-711.
[44] Ravenhill, "The Future of Regionalism in Africa", 1985.
[45] Lamy, "Regional Integration in Africa: Ambitions and Vicissitudes", 2010. *See also*, Arthur Hazelwood, "The End of the East African Community: What are the Lessons for Regional Integration Schemes?", in, Onwuka and Sesay (eds.), *The Future of Regionalism in Africa*, 1985, pp. 172-189. *See also*, Peter Robson, *Economic Integration in Africa* (Evanston: Northwestern University Press, 1968).

Mercado Común del Sur (MERCOSUR) created in 1991. In retrospect, although Africa was the first integrator and builder of regional economic communities, it is currently lagging behind in intra- and inter-regional trade and still facing major infrastructure impediments. In Europe, for example, the levels of inter-regional trade were 60 percent, while ASEAN's inter-regional trade levels were between 30 and 40 percent. MERCOSUR is a further example, with an inter-regional trade level of 40 percent in 2014.

On the other hand, the developmentalist approach of UNECA stressed the need to develop cooperation integration that centred on well-strategised projects, and that could promote integrated markets and co-investments. Through the efforts of UNECA's commitment, regional economic cooperation and integration evolved and initially only the Economic Community of West African States (ECOWAS) and the PTA for eastern and Southern Africa were established with the East African Community already being in existence.[46] The EAC was Africa's most successful regional cooperation and sophisticated regional grouping until it failed.[47] Kenya had a strongly developed industrial base and was seen as the major beneficiary of the community's economic development, but the economic and political ideologies of Idi Amin, the former Ugandan president, contributed greatly to the demise of the community in 1977.[48]

[46] UNECA, "Assessing Regional Integration in Africa V", 2012, <http://new.uneca.org/aria/aria5.aspx>. "The African Union identified the following regional economic communities and states: the Economic Community of West African States (ECOWAS) – formed in 1975 – (Benin, Burkina Faso, Cape Verde, Cotê d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo); the Arab Maghreb Union (AMU) formed in 1989 – (Algeria, Libya, Mauritania, Morocco, and Tunisia); the Preferential Trade Area of Eastern and Southern Africa, now Common Market for Eastern and Southern Africa (COMESA) formed in 1993 – (Burundi, Comoros, DRC, Djibouti, Egypt, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia and Zimbabwe); the Economic Community for Central African States (ECCAS) formed in 1983 – (Angola, Burundi, Cameroon, Central African Republic, Chad, the Democratic Republic of the Congo [DRC], Congo, Equatorial Guinea, Gabon, Republic of the Congo, São Tomé, and Príncipe); the Intergovernmental Authority for Development (IGAD) formed in 1996 – (Djibouti, Eritrea, Ethiopia, Kenya, Somalia, Sudan, and Uganda); SADC formed in 1992 (Angola, Botswana, DRC, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe); Community of Sahel-Saharan States (CEN–SAD) formed in 1998 – (Benin, Burkina Faso, Cape Verde, Central African Republic, Comoros, Cotê d'Ivoire, Chad, Djibouti, Egypt, Eritrea, Gambia, Ghana, Guinea-Bissau, Guinea, Kenya, Liberia, Libya, Mali, Mauritania, Morocco, Niger, Nigeria, São Tomé, Príncipe, Senegal, Sierra Leone, Somalia, Sudan, Togo and Tunisia); the East African Community (EAC) formed in 1919 from Kenya, Tanzania and Uganda and in existence even before independence but dissolved in 1975, has now been reactivated and expanded with the addition of Burundi, Rwanda and South Sudan (as its latest member) – six members). There are two French government- sponsored RECs – Western African Economic and Monetary Union (UEMOA) formed in 1994 and the Central African Economic and Monetary Community (CEMAC) also formed in 1994 by ECOWAS and ECCAS respectively.

[47] Hazelwood, "The End of the East African Community,1985, p. 172.

[48] Ahmed Aghrout, "Africa's Experiences with Regional Cooperation and Integration: Assessing Some Groupings", *Istituto Italiano per l'Africa el'Oriente (IsIAO)* (1992).

In furthering the regional integration cause in Africa, the key goals of the PTA were advanced by UNECA to promote trade liberalisation and state cooperation in specialised development industries such as production of food crops and livestock, development of science and technology, exploitation and utilisation of natural resources, human resources development, and creation of transport and telecommunications networks.[49]

But it was also a difficult period for eastern and Southern African states that faced regional wars targeting economic integration and destroying their infrastructure – valuable to the growth of the economy. But while South Africa had an influence on SADCC's non-growth on the one hand (by destroying its infrastructure), on the other hand the Federation of Rhodesia and Nyasaland, created through British imperialist objectives and interests, was a step ahead of the rest of the SADCC states. Those countries linked to the Federation – Northern Rhodesia (Zambia), Nyasaland (Malawi), and Southern Rhodesia (Zimbabwe) had access to railways. Through the railway system, these three countries had access to South Africa through Bechuanaland (Botswana), and further access to the ports of Beira and Lourenco Marques (Maputo) in Portuguese East Africa (Mozambique).

Aside from rail access, the countries linked to the Federation had telecommunications as well as electricity generated from the Zambezi River and accessed through Northern Rhodesia, Nyasaland, and Southern Rhodesia; this energy was generated from the Kariba power station. Throughout South Africa's apartheid years, the South African government had developed most of its neighbours' economies in some way or another, other than those of Angola and Tanzania.[50] Africa's slow economic growth among the regional communities has largely been attributed to the inappropriate integration models used as well as to major global events.

[49] Asante, *African Development*, 1991, pp. 18-21.
[50] Overseas Development Institute (ODI), "Sanctions and South Africa's Neighbours", *Briefing Paper* (May 1997).

Lynn Mytelka,[51] Ibrahim Gambari,[52] Gerald Meier,[53] and Lamy[54] all argued that global events that compounded the regional integration cause for Africa were largely due to the 1973 oil crisis, which triggered a three-fold increase in the price of oil demanded by the Organization of Petroleum Exporting Countries (OPEC).[55] The soaring oil price of 400 percent in 1980 led to an increase in production and transport costs overall and placed a further burden on Africa's economies.[56] External involvement also had implications for autonomous development and against regional political and economic cooperation agendas.

While restructuring institutions, the region's concern was focused on whether SADCC would have attained a level of economic development and integration that could withstand a powerful economy like that of South Africa. The major factor was the historical legacy of apartheid South Africa in terms of its aggressive military role in the region. SADCC member states viewed their organisation as a political institution designed to reduce dependence on the economy of South Africa in terms of trade, transport, communications, and infrastructure, either individually or jointly as a regional bloc. It is necessary to understand these debates in the theory and literature review, in order to have salient discussions in the thesis on how COMESA and SADC intend addressing the issue of regionalisation and convergence of their own protocols and treaties to remedy the economic growth for their member states.

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[51] Lynn Mytelka, *Regional Development in a Global Economy: The Multinational Corporation, Technology and Andean Integration* (New Haven: Yale University Press, 1979).

[52] Gambari, *Political and Comparative Dimensions of Regional Integration*, 1991.

[53] Gerald M. Meier, "The old generation of development economists and the new", in, Gerald M. Meier and Joseph Stiglitz (eds.), *Frontiers of Development Economics: The Future in Perspective* (Oxford: Oxford University Press, 2001). *See also*, Ali Abdel Gadir Ali, "The Rediscovery of the African Alternative Framework to Structural Adjustment Programmes", in, Amos Sawyer, Afeikhena Jerome and Ejeviome Eloho Otobo (eds.), *African Development in the 21st Century: Adebayo Adedeji's Theories and Contributions* (Johannesburg: Wits University Press, 2015), pp. 29-52.

[54] Lamy, "Regional Integration in Africa: Ambitions and Vicissitudes", 2010.

[55] *See also*, Margaret Legum, "Nyerere's Challenge", in, Adekeye Adebajo and Helen Scanlon (eds.), *A Dialogue of the Deaf: Essays on Africa and the United Nations* (Johannesburg: Jacana, 2006). *See also,* The Organization of the Petroleum Exporting Countries (OPEC) and its establishment in 1960, <http://www.opec.org/opec_web/en/about_us/24.htm>. *See also*, Edmondson, "Africa and the Developing regions", 1993, p. 868.

[56] Richard Peet, *Unholy Trinity, The IMF, World Bank, and WTO second edition* (London: Zed Books 2009). The establishment of OPEC and the oil price hike. OPEC was established in 1960 and was set up to coordinate the policies and prices of petroleum among member states, including Algeria, Iran, Iraq, Saudi Arabia, Kuwait, the United Arab Emirates, Libya, Nigeria, Venezuela and Qatar, and to offset pressure from major western oil companies. The 1973 oil crisis was sparked by OPEC's refusal to ship oil to western countries that had supported Israel in its Yom Kippur war.

As noted by Gambari, it was not possible for Third World countries to separate economics from politics, nor would the spill over of economic to political cooperation be a natural process.[57] Many African countries, having gained independence in the late 1950s and early 1960s, became protective of their independent states after the end of the colonial period. African states were therefore guarding their sovereignty. According to Gambari, the least developed countries in Africa viewed the role of the sovereign state as paramount in attempting integration, since these states were more intent on pursuing wealth and enhancing economic growth, and less concerned with the issue of avoidance of war and conflict that concerned the functionalist scholars like Mitrany.[58] Regional integration in the 1970s expanded more on economic cooperation, intergovernmentalism, developmental regionalism, political cooperation, economic cooperation, old and new regionalism, and regionalisation, and other integration processes that evolved across the world. Scholars of regional integration like Joseph Nye,[59] Robert Keohane,[60] and Andrew Moravcsik[61] all viewed successful integration as inter-dependent. Their view was that for integration to materialise, member states in a regional group should have the ability to adapt and respond to cooperative agreements through negotiation between governments, which in their view was a viable strategy which could lead to successful outcomes of integration. These scholars further noted that such negotiation processes should consider two important variables: "bargaining" and, "negotiating" among powerful members within the group. Also, through such a move, Europe's economic policy converged. The literature provides various views on regionalism. These views articulated regionalism seen as processes that have evolved from being state led, to constituting important dimensions of global restructuring processes. Similar concepts are expanded on by scholars such as Margaret Lee who writes on regionalism. She indicates that regionalism is "the adoption of a regional project by a formal regional economic organisation designed to enhance the political, economic, social, cultural, and security integration and/or cooperation of member states".[62]

[57] Gambari, *Political and Comparative Dimensions of Regional Integration*, 1991.
[58] Mitrany, "A Functional Approach to World Organization", 1948.
[59] Joseph S. Nye and Robert O. Keohane, "Transnational Relations and World Politics", *International Organization*, vol. 25, no. 3 (Summer 1971), pp. 329-349.
[60] Robert O. Keohane, "International Institutions: Two Approaches", *International Studies Quarterly*, vol. 32, no. 4 (December 1988), pp. 379-396.
[61] Andrew Moravcsik, "Negotiating the Single European Act: National Interests and Conventional Statecraft in the European Community", *International Organization* 45, (Winter 1991), p. 21.
[62] Margaret C. Lee, *The Political Economy of Regionalism in Southern Africa* (Cape Town: University of Cape Town [UCT] Press, 2003), p. 30.

Asante's discussion on Africa's regional integration within economic integration views integration as: "A process where two or more countries in a particular area voluntarily join together to pursue common policies and objectives in matters of general economic development or in a particular economic field of common interest to the mutual advantage of all the participating states."[63]

Old and new regionalism concepts were succinctly argued by Alex Warleigh-Lack as overly exaggerated political and economic projects. Warleigh-Lack explained this was not sufficient, by drawing on Haas's neo-functionalist theory in describing regional integration projects as being dependent on certain factors for success, such as increasing transaction levels between states that could benefit all member states, with wealthier participating states providing side-payments when necessary. Warleigh-Lack drew on a range of regional integration debates, including the constructivist approaches of Björn Hettne and rationalist perspectives of James Mittleman. Warleigh-Lack identified the importance of four independent variables in exploring regionalism within the political economy framework and these he defined as the rationale or genesis, functionality, socialisation, and the impact of the regionalisation process. Warleigh-Lack therefore noted that a successful regional project should concentrate on homogeneity of wealth and size of the participating members within a regional grouping, and focus should be on institution building when creating a common market.[64] For example, SADCC, and the PTA, were very closely linked regions, owing to both their geography and colonial heritage. During the 1980s, however, when the PTA and SADCC were formed, they had different regional perspectives to contend with. While SADCC was saddled with apartheid regional practices, the PTA was faced with complying with the Lagos Plan of Action (LPA). The true realities of struggling economies set in as the apartheid government in South Africa began its wars against the liberation movements in Angola, Mozambique, Zimbabwe, Namibia, and within South Africa. A further issue was the SACU agreement that generated trade revenue for the weak economies of Lesotho, Swaziland and Botswana and that was linked to a monetary area.

[63] Asante, *Regionalisation and Africa's Development*, 1997, p. 20.
[64] Alex Warleigh-Lack, "Towards a Conceptual Framework for Regionalisation: Bridging 'New Regionalism' and 'Integration Theory'", *Review of International Political Economy*, vol. 13, no. 5 (December 2006), pp. 750-771. *See also*, Björn Hettne and Fredrik Söderbaum, "Theorising the Rise of Regionness", *New Political Economy*, vol. 5, no. 3 (December 1999); and, James H. Mittelman, "Rethinking the 'New Regionalism' in the Context of Globalization", *Global Governance*, vol. 2, no. 2 (May-August, 1996).

John Akokpari defines regional cooperation as cooperation between states, which translate to regional integration and which is also a starting point for regional integration to advance. Regionalism in his view is a broadened concept that is beyond economic and market integration. Regionalisation, on the other hand, is seen as a broader process to include elements of both regionalism and interactions of formal and informal structures in a region. Later these processes could result in regionalisation.[65] According to Marianne Marchand, Morten Bøås, and Timothy Shaw, they similarly describe region-ness, or regionality, as the various dimensions and exchanges of cultural affinities, political regimes, economic policies, and security arrangements.[66] Tanzania for example, was instrumental in assisting with the liberation movements of Southern Africa. Tanzania, Angola and Mozambique became active participatory states in the involvement of the FLS and their liberation movements and struggle against white superiority and racism. Angola joined the Alliance members of Southern African states after independence in 1975. During the 1960s, Mozambique found a safe haven in Dar es Salaam for its Mozambique Liberation Front (FRELIMO). The historical dimension of EAC also stems from the 1969 Lusaka Manifesto and Tanzania was a key player in forming the FLS.

Akokpari provides a more definitive analysis of theories on regional integration in defining "regional integration" and "regional cooperation", as well as "regionalism" and "regionalisation", and his view is that theories have become conflated because these terms involve policies and harmonisation of such policies among states, as well as activities aimed at "accelerating regional development".[67] He also describes regional integration as a process that "... takes various forms including market integration (common markets) and development integration".[68] During the 1980s, Zimbabwe had the second largest economy in Southern Africa after South Africa.

[65] John Akokpari, "Dilemmas of Regional Integration and Development in Africa", in, John Akokpari, Angela Ndinga-Muvumba and Timothy Murithi (eds.), *The African Union and Its Institutions,* (Johannesburg: Jacana, 2008), p. 87. *See also,* Richard S. Mukisa and Bankole Thompson, "Prerequisites for economic integration in Africa: an analysis of the Abuja Treaty" *Africa Today*, 4th Quarter, vol. 42, issue 4 (1995), pp. 56-80, <http://www.jstor.org/stable/pdf/4187066.pdf>.
[66] Marianne H. Marchand, Morten Bøås and Timothy M. Shaw, "The Political Economy of New Regionalisms", *Third World Quarterly*, vol. 20, no 5 (1999), pp. 897-910.
[67] Akokpari, "Dilemmas of Regional Integration and Development in Africa", 2008, pp. 86-90.
[68] Akokpari, "Dilemmas of Regional Integration and Development in Africa", 2008, p. 87.

The link between the BLNS countries and their attachment to South Africa was SACU established in 1910, which remained a significant economic link during the 1980s and beyond. South Africa's attachment to Zambia for example, was linked to the mining industry.[69] Zambia received most of its mining equipment from South Africa and was also equipped by the South African government with mining skills and technology. South Africa has built up extensive investments in neighbouring countries that were aligned with the Botswana, Lesotho, Namibia and Swaziland (BLNS) states. But, in considering Warleigh-Lack's views, an assessment of the historical legacy should thus be undertaken in relation to the economic, social, political and infrastructural development of the region. These socio-economic and political factors as well as security issues cannot be ignored, and define the pace and intentions of regional integration. Such factors include skills and education; labour migration; infrastructure such as transport and communications; trade and finance; and other critical components important for achieving regional development.

South Africa as a hegemonic power has been a prominent player in regional integration efforts. Post 1994, South Africa assumed a market-driven developmental regional integration approach and a micro-regional approach. However, many states in the region accused South Africa's multinational corporations (MNCs) of regional investments that benefited South Africa more.[70] South Africa's regional strategy involved using Spatial Development Initiatives (SDIs) as a springboard to assist South Africa's neighbours, while also attempting to improve South Africa's own socio-economic and poverty stricken society with its huge skills shortages and poor education, poverty, and lack of the most basic of services such as running potable water, housing and sanitation. For example, the Maputo Development Corridor (MDC) that evolved from SADC's SDIs was developed by South Africa with billions of dollars provided by the South African government.[71] These issues are critical in order to grasp why Africa is struggling to grow its economies as Gregg Mills posits in his account of the reasons for Africa's poverty and why the continent has lagged behind amidst an abundance of natural resources.[72]

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[69] Gilbert M. Khadiagala, *Allies in Adversity: The Frontline States in Southern Africa Security 1975-1993* (Athens: Ohio University Press, 1994); and, Brendan Vickers, "South Africa's economic diplomacy in a changing global order", in, Landsberg and van Wyk (eds.), *South African Foreign Policy Review*, *Volume 1* (Johannesburg: Africa Institute of South Africa and Institute for Global Dialogue [IGD], 2012).
[70] Mills Soko, "The Political Economy of Regional Integration in Southern Africa", *Notre Europe* (2007).
[71] Fredrik Söderbaum and Ian Taylor, *Afro-Regions: The Dynamics of Cross-Border Micro-Regionalism in Africa* (Stockholm: Elanders Sverige, 2008), pp. 36-42.
[72] Gregg Mills, *Why Africa is Poor and What African can do About It* (Johannesburg: Penguin Books, 2011).

But according to Ian Taylor, new regionalism is seen as having three different levels – macro, sub and micro – within regional projects that interact with and react to other elements of the global economy. These three levels Taylor also viewed as important in understanding how macro-regions generate tensions and contradictions, for example within the SDIs of SADC that are linked to private partnerships and MNCs. These debates also evolved from the growing climate of globalisation in defining a new regional strategy for groupings like SADC and that focused on "developmental integration".[73] Taylor, Hettne, András Inotai, Osvaldo Sunkel, and Mittleman all expanded on "New Regionalism Approach/Theory (NRA/T)" that includes regionalism, regionalisation and transnational cross-border flows, which are seen as interdependencies within a global perspective and at multiple levels.[74] John Ravenhill is also of the view that if political cooperation is effectively facilitated and institutionalised, African agency would be enhanced, could serve as a collective voice, and become meaningful at international forums (such as the WTO, or Group of 20 [G-20] summits).

Therefore, one of the main reasons for creating RECs in Africa was to promote sustainable regional economic policies to address the imbalance of weaker economies against stronger ones within regional economic clusters. Africa's states were clustered into regional groupings based merely on geographical proximity. As noted earlier, the Federation of Rhodesia and Nyasaland was established in August 1953,[75] and alliances such as these had to spearhead infrastructure; however the region's infrastructure, depleted by apartheid South Africa in its wars against regional states, did not bode well for socio-economic development. Neither did the migration movements from neighbouring states to South Africa advance regional integration during the 1970s and 1980s, with labour continuously ebbing from the Southern African states. This left neighbouring countries in a great predicament in their attempts to rectify the damage and contend with a deteriorating infrastructure. It was therefore imperative for the OAU to consider the production of economic growth for Africa's development.

[73] Taylor, "Globalization and Regionalization in Africa", 2003, p. 315.
[74] Mittelman, "Rethinking the 'New Regionalism' in the Context of Globalization", 1996, p. 190. *See also*, Warleigh-Lack, "Towards a Conceptual Framework for Regionalisation: Bridging 'New Regionalism' and 'Integration Theory'", 2006, pp. 750-771. *See also*, Hettne and Söderbaum, "Theorising the Rise of Regionness", 1999; and, Björn Hettne, András Inotai and Osvaldo Sunkel (eds.), *Globalism and the New Regionalism, Volume I* (London: Palgrave Macmillan, 1999).
[75] Carl G. Rosberg, Jr., "The Federation of Rhodesia and Nyasaland: Problems of Democratic Government", *Annals of the American Academy of Political and Social Science*, vol. 306 (July 1956), pp. 98-105.

The three RECs comprising eastern and Southern Africa were identified as pillars for Africa's integration. These three RECs constitute 26 of Africa's 55 countries, and have a combined population of 530 million people and a total GDP of $1.3 trillion, with a total GDP per capita averaging $1.180. Furthermore, they encompass over half of the AU's membership and more than half of the African continent's one billion people. They are COMESA, the EAC, and SADC. The AU's Constitutive Act of 2000 and the Abuja Treaty of 1991 both viewed all three as the building blocks for achieving an African Economic Community (AEC).

Furthermore, the regional economic communities also manage regional security mechanisms which place a further strain on these communities. Hence, for African agency to benefit the African continent, Ravenhill suggests that political cooperation should be encouraged instead of imposed by the African Union. Regional institutions should therefore serve as vehicles that strengthen the state; simultaneously sovereign capacity should be considered that could enhance regional cooperation and promote greater economic cooperation and, ultimately, regionalism.[76]

In addition to the "New Regionalism Approach/Theory"[77] of Fredrik Söderbaum and Björn Hettne, other forms of integration emerged in Africa, such as micro- and macro-regionalism. Micro-regions had seemingly become the backbone in public–private partnerships, and were more trans-border in nature, existing at both national and local levels and unlike macro-regions (world regions), as noted by Söderbaum and Taylor.[78] Macro-regions are defined as: "larger territorial units or sub-systems between the national and the global levels".[79] Söderbaum and Taylor draw this analysis from Mozambique and South Africa's development corridor, where macro-regions are defined as larger territories or sub-systems between national and global levels.[80]

[76] John Ravenhill, "Regional Integration in Africa: Theory and Practice", *Paper presented on Region-building and Regional Integration in Africa* (Cape Town, South Africa: Centre for Conflict Resolution [CCR]) (April 2014).
[77] Björn Hettne and Fredrik Söderbaum, "The New Regionalism Approach", *Politeia*, vol. 17, no. 3 (1998).
[78] Söderbaum and Taylor (eds.), *Afro-Regions*, 2008.
[79] Söderbaum and Taylor (eds.), *Afro-Regions*, 2008, p. 35.
[80] Söderbaum and Taylor (eds.), *Afro-Regions*, 2008, p. 35.

Similarly, Nikki Slocum-Bradley discusses similar regional schemes such as the Zambia–Malawi–Mozambique Growth Triangle (ZMM-GT) (which covers the Zambezi Valley in Mozambique and certain micro-regions of Malawi and Zambia that border Mozambique) and defines them "as subjective phenomena that are continuously re-created through discourses by various actors and for various purposes […] the existence of regions is preceded by the existence of region-builders".[81]

However, an opposing view is provided by Olubanke King-Akerele and Kojo Asiedu of micro-regions to that of Söderbaum and Taylor, and Slocum-Bradley that is also based on the ZMM-GT. King-Akerele and Asiedu observed that micro-regions could be an innovative step to grow economies and a mechanism to withstand global competition, which the thesis will apply in chapter (4) of the thesis to ascertain how COMESA and SADC might grow their economies and mitigating the pernicious effects of open markets and whether it has the potential of convergence for the COMESA and SADC blocs.[82] Further afield, ASEAN, for example, experienced the emergence of such sub-regional growth, comprising three-tier growth triangles. ASEAN's growth triangles were believed to have contributed to economic growth because of the success of ASEAN's economic growth trajectory. Ravenhill also provides a specific example and defined: "the Johor–Singapore–Riau Growth Triangle within ASEAN, which took advantage of Singapore's skilled labour and developed infrastructure, Johor's land and semiskilled labour, and Riau's land and low-cost labour".[83] Quebec's large industrialised region is another example of an economy's forming successful micro-regions which were both independent and technologically advanced. Therefore, new regionalism can be defined as a process that develops in a multipolar context where the drivers do not have to be superpowers but can be more spontaneous; it includes states of semi-core and peripheral economies.[84]

[81] Nikki Slocum-Bradley, "The Zambia-Malawi-Mozambique Growth Triangle (ZMM-GT): Discursive Region-building in Africa and Consequences for Development", in, Söderbaum, and Taylor (eds.), *Afro-Regions*, 2008, p. 90.
[82] Olubanke King-Akerele and Kojo Boafo Asiedu, *Accelerating Africa's Integration Through Micro-Regionalism: The case of Zambia-Malawi-Mozambique Growth Triangle and Its Impact* (Tema: Digibooks, 2013).
[83] John Ravenhill, "The 'new East Asian Regionalism': A Political Domino Effect", *Review of International Political Economy*, vol. 17, no. 2 (2010), pp. 173-177.
[84] Ravenhill, "The 'new East Asian Regionalism': A Political Domino Effect", 2010.

The African Union's agenda on regional integration is also aimed at creating more efficient ways of building regional communities – hence the prominence afforded to fast-tracking regional integration through growth triangles with greater focus placed on the private sector. This is central in growth mechanisms that also include public–private sector partnerships as important strategies to achieve economic growth and that can contribute towards regional integration. The thesis will expand on how sub-regional economic zones have benefited member states within COMESA and SADC, such as South Africa and Mozambique's relations with the MDC and discussed in chapter (4) of the thesis. Also assessed is South Africa's micro-regional developmental integration approach in building infrastructure, such as the MDC and the energy grid – the Southern African Power Pool (SAPP) established in 1995 are assessed within the parameters of economic integration and convergence and how the South African government's domestic condition affected its regional response which is discussed in chapter (4) of the thesis.

2.2.2 Dependency theories

Africa's regional integration attempts cannot be discussed without assessing open markets of open trade and liberal agreements to assess economic growth. In taking these views into account, Bela Balassa posits that, "economic cooperation among member states to include actions aimed at lessening discrimination such as concluding international agreements on trade policies; and, economic integration and comprises measures and actions taken that suggests suppressing some forms of discrimination through removal of trade barriers."[85]

Currently it appears that Africa's efforts of liberalising its markets, and, "lessening discrimination such as concluding international agreements on trade policies" by finalising trade policies and deals with the international community, such as the Economic Partnership Agreements[86] with the European Union and other agreements such as the Europe-South Africa Trade Development and Cooperation agreement (EU-SA TDCA) of 1999, have impacted negatively on the region and may have further negative impact on COMESA and SADC's diverging trade integration schemes and discussed in chapter (4) of the thesis.

[85] Bela Balassa, *The Theory of Economic Integration* (Homewood: Richard D. Irwin, 1961) p, 2.
[86] *See* the European Commission's Economic Partnership Agreements (EPAs), <http://www.eusa.org.za/en/trade/EPA.htm>.

John Friedmann explains the unequal nature of growth in world systems theory, and contends that wealth from the "core" or "semi-core" will not automatically filter down to peripheral economies. The periphery is always dependent on the core for its market, technology, and production (spillover). World systems theory posits that as the market economy of the core grows, it continually expands, ultimately creating a larger periphery (or a semi-periphery), which gradually transforms, taking on similar attributes to the core, which may include advanced levels of technology, production, and an efficient market. However, the core can also be seen to be dependent on the periphery through market exploitation, creating a periphery of the periphery (with poor, vulnerable and resource-depleted economies).[87] The reality is that the region builders (government leaders) have not sufficiently merged policies of trade and policies of migration (labour).

Owing to the Tripartite bloc's (COMESA–EAC–SADC) infancy stages of development and trade since 2008, endowment factors that concern input and output have not been overly advantageous for regional integration. Knowledge spillover has been lagging as well. This, the thesis views as important and will expand on in addressing these conflicting views. As Justin Malewezi suggests, technological advancement and knowledge spillover are important to any region-building efforts; this the thesis will consider in discussing the regional economic integration processes of COMESA and SADC's Tripartite agreement and their efforts to converge policy, implementation, and practice discussed in chapter (4) of the study.[88]

Instead, Africa's regional integration processes have adopted a market-led strategy of free trade – a neoclassical economic approach of open markets that works against the principles of variable geometry, which the COMESA–EAC–SADC have adopted as a mechanism and framework designed to protect smaller economies and infant industries. These policies are also still being negotiated. Several smaller economies have therefore become dependent on other forms and ways of economic growth to protect their infant industries. Such mechanisms entail signing external trade agreements. The thesis discusses these multiple memberships and bilateral international trade agreements in greater detail in Chapter (5.)

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[87] John Friedmann, *A General Theory of Polarized Development* (1972), *cited in*, Robert Gilpin, *The Political Economy of International Relations* (Princeton: Yale University Press, 1987), p. 21.

[88] Justin Malewezi, "Regional Integration: The Path to Prosperity?" in Christopher Clapham, Gregg Mills, Anna Morner and Elizabeth Sidiropoulos (eds.), *Regional Integration in Southern Africa: Comparative International Perspectives* (Cape Town: South African Institute for International Affairs [SAIIA], 2001), pp. 19-26.

While market integration and regional trade are important factors to consider in COMESA and SADC's regional integration attempts, state capital of hegemonic states has become increasingly important in influencing the pace of economic and regional growth and setting the pace for integration efforts. Robert Putnam's "two-level game" model, adequately explains "how the relationship between diplomacy and domestic politics can be integrated", and "domestic politics and international relations [are seen as interlinked and entangled]".[89] Stephan et.al, clearly defines Africa's regional integration condition as being "constrained by globalisation, with realities of inadequate investment flows, adverse trading regimes, and the legacy of colonialism".[90] According to Putnam's two-level game theory:

> "Each national political leader appears at both game boards. Across the international table sit his foreign counterparts, and at his elbows sit diplomats and other international advisors. Around the domestic table behind him sit party and parliamentary figures, spokespersons for domestic agencies, representatives of key interest groups, and the leader's own political advisors. The unusual complexity of this two-level game is that moves that are rational for a player at one board (such as raising energy prices, conceding territory, or limiting auto imports) may be impolitic for the same player at the other board. Nevertheless, there are powerful incentives for consistency between the two games."[91]

In expanding on Putnam's two-level game theory in chapter (5) of the thesis, South Africa's investment through its market-driven approach, which recognises the importance of increasing intra-regional trade while balancing external trade within the SACU bloc, is expanded. Ian Bremmer further explains that the role of the hegemonic state in an integration process can either slow down economic growth by over regulating markets, or use the market as a means to bolster self-fulfilled trade for a state's own gains and for domestic and political positions.[92] Moreover, regional integration has been affected by state capitalism, which has become prominent in state inter-relations, and has placed a damper on regions by stifling trade liberalisation and distorting markets.

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[89] Harry Stephan, Michael Power, Angus Fane Hervey, and Raymond Steenkamp Fonseca, *The Scramble for Africa in the 21st Century: A View from the South* (Cape Town: Renaissance Press, 2006), pp. 224-225.
[90] Stephan, Power, Hervey and Fonseca, *The Scramble for Africa in the 21st Century*, 2006, pp. 226-227.
[91] Putnam, "Diplomacy and Domestic Politics: The Logic of Two-Level Games", 1988, p. 434, *cited in*, Stephan, Power, Hervey and Fonseca, *The Scramble for Africa in the 21st Century*, 2006, p. 226.
[92] Ian Bremmer, "State Capitalism Comes of Age: The End of the Free Market?", *Foreign Affairs*, vol. 88, no. 3 (May/June 2009), pp. 40-55.

According to Bremmer: "government sectors that own the world's largest oil companies, and those controlling three-quarters of the world's energy reserves, have huge influence on the direction of trade and have further influenced the pace of regional integration".[93] Various other processes have also hampered regional integration efforts in Africa. Globally, regional integration had been overshadowed by competing rounds of over 200 bilateral agreements, a mechanism to circumvent the Uruguay Rounds of General Agreement on Tariffs and Trade (GATT) (now called the WTO) to raise tariffs. Bremmer also suggests that: "protectionism begets protectionism, and subsidies beget subsidies".[94] From the neoclassical realist perspective, the literature on regional integration identifies that 'tit-for-tat' tactics and various power games exercised by states can erode cooperation and disadvantage peripheral economies; this creates regional economic divergence instead of convergence. For example, the Doha Round of international trade talks that failed in 2008, was effected by the US and the EU's agricultural tariffs, leaving China and India dissatisfied with the Doha Round process and wanting to protect both their farmers and infant industries.[95]

In considering Africa's economic integration processes, Hazelwood,[96] purports that Africa's markets are largely driven through free trade that entails reductions in tariffs between states and other methods of lowering transaction costs between them, such as common currencies and lowered restrictions on labour and capital mobility within a region. Therefore, such strategies require effective policy mechanisms for economies to progress. Gambari underscores that conventional integration theories tended to focus largely on economic prerequisites such as gains in trade as discussed by Jacob Viner,[97] and were largely a means to gain from exchanges in trade and led to either trade creation or trade diversion. Gambari indicates that economic factors, including the free movement of goods and elements of production, as well as the elimination of discrimination and discriminatory policies among member states, have not been conducive to Africa's economies and do not benefit LDCs.[98]

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[93] The 13 largest oil companies in the world, measured by their reserves are owned and operated by governments: Saudi Arabia's Saudi Aramco; the National Iranian Oil Company; Petróleos de Venezuela, S.A.; Russia's Gazprom and Rosneft; the China National Petroleum Corporation; Malaysia's Petronas. These state-owned companies own more than 75 percent of global oil reserves and production.
[94] Bremmer, "State Capitalism Comes of Age: The End of the Free Market?", 2009.
[95] *See also,* Lisa Martin, "Interests, Power and Multilateralism", *International Organization*, vol. 46, no. 4 (Autumn 1992), pp. 765-792.
[96] Hazelwood, "The End of the East African Community, 1985, pp. 172-187.
[97] Jacob Viner, *The Customs Union Issue* (New York: Carnegie Endowment for International Peace; and London: Stevens and Sons, 1950).
[98] Gambari, *Political and Comparative Dimensions of Regional Integration*, 1991.

Gains and benefits in a regional scheme are important considerations for states, depending on what the gains and benefits are. Andre Gunder Frank,[99] provides a different view from what Friedmann suggested (as noted above) in World Systems Theory. Frank identifies the "core" as feeding off the periphery, which distorts trade, but regional trade agreements are believed to help address such conflicting objectives of distorted trade through policy formulation and implementation as Hazelwood and Gambari posit. Further discussion on trade distortion and unequal benefits, and how these unequal gains and benefits are derived are expanded on by Jens Haarløv.[100] In related but different contexts in the literature review, James Gathii's[101] focus on bilateral trade groupings is further explored in Chapter 5 of the thesis.

Regional integration discussed above highlighted the attempts made by Africa to join forces and integrate the region through regional economic communities through promoting open markets and free trade areas but as discussed above divergence and convergence of regional integration attempts in Africa can occur. Because economic growth linked to open markets and free trade (pursued by COMESA and SADC) is largely based on neoclassical economics, the thesis now turns to understanding this debate and the literature review is thus premised on the divergence and convergence literature of neoclassical economics and to which we now turn.

2.3 Neoclassical economics: divergence and convergence

Like the concept of regional integration, divergence and convergence is a multi-dimensional concept to analyse and to assess through a single prism, which is economic growth policy. The literature will now outline economic growth models that demonstrate how divergence and/or convergence in regional groups and countries can be achieved that favour free trade through eliminating discriminatory policies as well as fostering industrialisation, technology and knowledge-driven production factors in endogenous growth models.

[99] See the discussion on new modern world systems in Gilpin, *The Political Economy of International Relations* 1987, pp. 67-69.
[100] *See*, Jens Haarløv, *Regional cooperation in Southern Africa: Central elements of the SADCC venture*, (University of Bonn, Centre for Development Research [CDR], 1988).
[101] James T. Gathii, "Neo-Liberal Turn in Regional Trade Agreements", *Albany Law School Legal Studies, Research Paper Series,* no. 40 (2010-2011). *See also*, Gathii, *African Regional Trade Agreements As Legal Regimes* (London: Cambridge University Press, 2011).

The literature will also highlight how convergence can be achieved by poorer countries' becoming on par in their per capita income with that of rich countries over a long-term period (6, 10, and 18 years) (in the example of South Africa in SACU); in time such countries could benefit from technology knowledge spillover. The literature on divergence and convergence will also explain how the growth experienced within a rich state can benefit smaller economies within a regional bloc, and how such benefits can advantage and disadvantage regional integration processes.

While the body of literature on regional integration, divergence and convergence is intertwined in the observations on regions and to fully comprehend the neoclassical economics approach, the literature review will first discuss the genesis of the approach and then move the discussion to contemporary theories of neoclassical economics of divergence and convergence and how these theories and discussions could relate to COMESA and SADC's promoting of convergence through regional integration. The literature review will also broadly explain, overlapping memberships and security integration and their relevance to the literature review and the overall thesis, which is further outlined below. Early studies (during the 1960s) on divergence and convergence focused primarily on the United States, as well as states and groups in Europe. Traditional industries in these countries were strongly driven by rules of competition combined with intensified levels of knowledge production in technology and research design.[102]

The prediction of the theory is that "poorer economies will show faster growth than richer economies, which will therefore converge over time towards common levels of per capita income."[103]

As suggested by Meier:

> "According to the second generation of development economists, correct policies were to move from inward-looking strategies toward liberalization of foreign trade regime and export promotion; to submit to stabilization programmes; to privatize state-owned enterprises; and to follow the dictates of the market price system. Through its guidance toward the correct policies, neo-classical economics were believed to be the safeguard against policy-induced distortions and nonmarket failures."[104]

[102] Mytelka, "Building Partnerships For Innovation: A New Role for South-South Cooperation", in, Lavergne (ed.), *Regional Integration and Cooperation in West Africa,* 1997, pp. 131-150.
[103] Ron Martin, "EMU Versus the Regions? Regional Convergence and Divergence in Euroland", *ESRC Centre for Business Research*, Working Paper no. 179 (September 2000).
[104] Gerald M. Meier, "The old generation of development economists and the new", 2001, p. 19; *see also*, Ali, "The Rediscovery of the African Alternative Framework to Structural Adjustment Programmes", 2015, pp. 29-52.

classical economic growth model indicates: "that a reduction of barriers to trade associated with economic integration will lead to increased growth for poor countries",[105] and will show faster growth for poor versus rich countries, with economies converging "over time towards a common level of per capita income associated with strong, absolute, and unconditional convergence".[106] But there was also a divergence in this understanding of economic growth, with Western and Eastern economic performances showing different development outputs. Within the classical economic approach there was poor economic performance in the West, but growth in Eastern economies was observed in technology and space shuttle (Sputnik) launches, as well as rapidly growing economies in the Soviet Union.[107]

The concepts of divergence and convergence have been evolving since the work of Robert Solow in 1956, and have as their origins classical economics linked to economic growth theory.[108] These two concepts stem from the 1929 Great Depression, and the 1940s and 1950s aftermath of under-development after the Second World War. Samuelson's (1949) writing on classical economics was conducted through abstract modelling and began setting a new path and a different model for classical economists.[109] However, theories also differed among economists. The Solow theory predicted that economic integration would lead to an increase in efficiency, and hence an increase in income per capita with growth accelerating to a new equilibrium. But it does not provide explanations for how technology spillover could affect economic growth. At that time, Solow's model was seen as an idealised case, not sufficiently taking into account the real world. This reality portrayed various frictions and deviations from the ideal conditions caused by monopolistic and oligopolistic imperfections of the market, external economies, price and wage rigidities, and lack of information and technological advances.[110]

The huge under-development of least developed countries was an added factor to the debate of classical economics. The classical economic model was attempting to find ways and means to

[105] Martin, "EMU Versus the Regions? Regional Convergence and Divergence in Euroland".
[106] Martin, "EMU Versus the Regions? Regional Convergence and Divergence in Euroland". *See also*, Robert Solow, "A Contribution to the Theory of Economic Growth", *The Quarterly Journal of Economics*, vol. 70, no. 1 (February, 1956), pp. 65-94.
[107] Paul Krugman, "The Myth of Asia's Miracle", *Foreign Affairs*, vol.73, no. 6 (November/December 1994), pp. 62-78.
[108] Solow, "A Contribution to the Theory of Economic Growth", 1956.
[109] *See discussion in*, Gilpin, *The Political Economy of International Relations*, 1987, p. 310.
[110] Gottfried Haberler, "Some Problems in the Pure Theory of International Trade", *The Economic Journal*, vol. 50, no. 238 (June 1950), p. 227.

address the LDCs' under-development and poor conditions. For example, Schultz, in 1964, noted that the LDCs were poor economic performers, largely owing to government failures. Therefore, fixing markets through government intervention would not rectify the economies of the poor states.[111] Governments of LDCs were to conform to principles of market openness, fiscal discipline, and non-interventionism in order to gain from economic development, and hence growth rates and national wealth of LDCs would over time equal those of developed countries. Theories varied and scholars differed in their understanding of and solutions to why some states remained impoverished, and tried to deploy strategies that would assist least developed countries to grow their economies, and similarly grow out of poverty. Solutions were also sought by classical economists in trying to understand the protracted decline of the US production industries and failing world markets. In Gilpin's view, the controversy that ensued was between the development economists and development theorists. For the development school, LDCs were different from the industrialised group, functioned in a different economic setting, and were victims of "late-late" development.[112]

Development theorists also believed that the strategy for development should be trade protectionism and import substitution, as well as building industrial structures behind high tariff walls. These ideas were proposed by leading economists, like Raúl Prebisch, who was heading ECLA and UNCTAD. Prebisch's ideas also became central to the import-substitution strategies of Latin America.[113] For the classical economic historians, productivity and related variables were inconclusive; they operated in silos without linkages afforded to long-run economic growth, which omitted historiography from the debate. These ideas found expression in the views of Alexander Gerschenkron,[114] arguing against the neoclassical economists' view that US productivity growth rates had been low relative to those of Germany, Japan, and many other countries. Other spurts of integration with Solow's economic growth model contributed to the

[111] Theodore W Schultz, *Transforming Traditional Agriculture* (New Haven: Yale University Press, 1964), *cited in*, Gilpin, *The Political Economy of International Relations*, 1987, p. 311.
[112] Gilpin, *The Political Economy of International Relations*, 1987, p. 307.
[113] *See discussion in*, Gilpin, *The Political Economy of International Relations*, 1987, p. 308.
[114] Alexander Gerschenkron, "Economic Backwardness in historical Perspective", in, Bert F. Hoselitz (ed.), *The Progress of Under-developed Areas* (Chicago: University of Chicago Press, 1952). *Cited in*, William J. Baumol, "Productivity Growth, Convergence, and Welfare: What the Long-Run Data Show", *The American Economic Review*, vol. 76, no. 5 (December 1986), pp. 1072-1085.

public finance work undertaken by David Cass, which addressed his question of determining factors on optimal savings.[115]

While the Keynesian model contributed to the neoclassical economic approach, various global events equally shaped the thinkers.[116] Such events were the 1973 OPEC oil-producing countries that saw huge financial surpluses later recycled as international bank loans to LDCs, which resulted in a wave of global financial shocks and debt crises.[117] The neoclassical economic model evolved largely from the success of East Asia in 1997, which ushered in variables of endogenised growth theory and accumulation of factors. This success was attributed to rapid accumulation of capital and labour, and the basic factors of production in supporting the neoclassical growth model.[118] Attempts made to understand how economic growth could be accurately measured in the divergence and convergence fraternity of debates, with claims that labour productivity and per capita income levels in the industrialised market economies that have tended to converge since the second World War (1945–1980s), with convergence implying a tendency for the poorer countries in the group to grow more rapidly than the richer ones – also led to doubts in terms of the empirical evidence.

It was not clear to all scholars whether the Solow model suggests that when broadening the analysis of endogenous growth theory to a wider spectrum within a regional grouping, convergence necessarily leads to growth, as it was assumed that it is due to absence of income convergence among countries. Robert Lucas,[119] and Paul Romer[120] suggested that convergence would only occur in an endogenous technological change model that considers "an equilibrium model of endogenous technological change in which long-run growth is driven primarily by the accumulation of knowledge by forward-looking, profit maximizing agents".[121]

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[115] David Cass, "Optimum Growth in an Aggregate Model of Capital Accumulation", *The Review of Economic Studies*, vol. 32, no. 3 (1965), pp. 233-240.
[116] Dimitri B. Papadimitriou (ed.), *Contributions to Economic Theory, Policy, Development and Finance: Essays in Honor of Jan A. Kregel* (London: Palgrave Macmillan, 2014), pp. 1-18.
[117] *See discussion in*, Legum, "Nyerere's Challenge", in Adebajo and Scanlon (eds.), *A Dialogue of the Deaf*, 2006.
[118] Krugman, "The Myth of East Asia's Miracle", 1994, p.62.
[119] Robert Lucas, "On the Mechanics of Economic Development", *Journal of Monetary Economics*, 22 (1988), pp. 3-42, (1988). *See also*, Nicoli Nattrass, Jeremy Wakeford and Samson Muradzikwa, *Macro Economics Theory and Policy in South Africa, third edition* (Cape Town: David Philip Publishers, 2003), pp. 31-33.
[120] Paul M. Romer, "Increasing returns and long-run growth", *Journal of Political Economy*, vol. 94 (1986), pp. 1002-1037.
[121] Romer, "Increasing Returns and Long Run Growth", 1986, p. 1003.

The divergence and convergence theories further expanded into the business, labour, finance, and history economic paradigms. Edward Prescott used the Solow technology parameter to develop the neoclassical stochastic growth model in their study. The study assessed business cycle fluctuations to estimate aggregate consequences of public finance and terms of trade shocks. Expanding on the Solow model predictions, "the neoclassical stochastic growth model unravels the argument that: "Once the model has a multistage production process, the neoclassical growth theory predicts the high volatility of inventory investment and also the fact that inventory stocks lag the business cycle."[122] Similarly, business economist, Gary Hansen, expanded his model based on the Solow model and "introduced non-convexities into the mapping between hours allocated to market activities and units of labor service produced, a feature of the economy well documented by micro observations".[123] The neoclassical economic growth model expanded into the financial markets and added to the Stanford Grossman and Robert Shiller study of stock market volatility.[124]

2.3.1 Market-driven trade liberalisation and economic growth

Building on the theories and empirical evidence of endogenous growth factors that lead to convergence, Lucas also argued that the endogenous growth model lacked the variables of diversity across countries, labour mobility, and the enormous pressures for immigration seen in the real world.[125] As suggested by Lucas, such variables were necessary to consider, based on the fluidity of movement of people in the world. The analysis observed that the endogenous growth model was missing key variables such as human capital and government policies, and the incorporation of these variables would provide a different result.

The divergence and convergence literature was also focused on conventional integration theories which tend to concentrate on economic factors and promote more efficient use of resources, eliminating discriminatory practices such as import substitution, and free movement of goods and services in a customs union. These older debates are discussed by Gambari, Mytelka, and also by

[122] Edward C. Prescott, "Robert M. Solow's Neoclassical Growth Model: An Influential Contribution to Economics", *The Scandinavian Journal of Economics*, vol. 90, no. 1 (March 1988), p.11.
[123] Prescott, "Robert M. Solow's Neoclassical Growth Model: An Influential Contribution to Economics", 1988. *See also*, Garry D. Hansen, "Indivisible labor and the business cycle", *Journal of Monetary Economics*, 16 (1985).
[124] Prescott, "Robert M. Solow's Neoclassical Growth Model: An Influential Contribution to Economics", 1988.
[125] Lucas, "On the Mechanics of Economic Development", 1988, p. 40.

Walter Ochoro.[126] As Gambari posits, not all these processes have been conducive to Africa's integration attempts. They constitute regional integration driven by developed countries, causing divergence in trade that has not been profitable for trade creation. Particularly in the areas of eliminating import substitution, Africa's governments have neglected to implement such policies, which are relevant for supporting LDCs in markets of free trade. The researcher finds these views relevant to the study and they are expanded on in the thesis. Such views outline that regional economic integration is a concept that involves state actors coming together in their economic activities to trade, and, in the case of COMESA and SADC, to create free trade. African governments have been attempting to address the obstacles of regional integration. These obstacles include barriers to trade: "a) to reduce supply-side constraints, improve competitiveness and promote industrialisation and diversification; b) to take practical steps to reduce trade barriers and facilitate trade; and, c) to deepen regional integration."[127] Neoclassical economics is based on conventional neoclassical growth theory, as it is assumed that economic integration will occur when there is a reduction of barriers to trade and will lead to increased efficiency and income per capita convergence.

In measuring economic growth in trade liberalisation, Robert Barro and Xavier Sala-i-Martin provide an understanding of economic growth convergence by outlining two levels of convergence models as a basis for their theory. These are defined as beta-convergence (β) or, absolute convergence (also defined as the catch-up process), and sigma-convergence (σ) (when the dispersion among a group of countries tends to decrease over time).[128] Barro and Sala-i-Martin assessed the European economic and monetary policies measured against the removal of trade barriers, harmonisation of regulations, and liberalisation of capital and labour movements. The main empirical study was applied to patterns of convergence across 73 regions of Western Europe, as well as growth across the United States. The findings suggests that countries such as the US as well as European markets experienced club convergence in increased economic integration processes of trade liberalisation when factors of mobility were considered, and this led to opportunities for economies of scale and specialisation. Barro and Sala-i-Martin also observed that reducing transport and transaction costs could lead to greater "spatial

[126] Walter Edwin Orondo Orchoro, "Trade and Industrial Development in the EAC", in, Rok Ajulu (ed.), *The Making of A Region,* (Johannesburg: Institute for Global Dialogue, 2005), pp. 127-134.
[127] United Nations Economic Commission for Africa, "*The Mutual Review of Development Effectiveness in Africa: Promise and Performance*" *report* (Addis Ababa: United Nations Economic Commission for Africa" (2013), p. 6.
[128] Robert J. Barro and Xavier Sala-i-Martin, "Convergence Across States and Regions", *Brookings Papers on Economic Activity*, 1 (1991), pp. 107-182.

agglomeration" as well as specialisation. These findings also suggest that easing and reducing costs of settling payments with a single currency led to convergence of factor prices across the US and European markets, but in addition also led to convergence in economic structures as well as per capita incomes.[129] But as Rob Davies has indicated, in Africa, which is lagging behind in economic growth and is saddled with many weak economies, benefits of functional spillover have not been as significant as in the instances of the EU and the US, given the infrastructure incapacities that Africa has yet to deal with.[130]

In shaping growth model studies, research measuring growth performance in trade liberalisation by Dowrick and Duc-Tho Nguyen,[131] focused on comparative economic growth performances of the Organisation for Economic Development (OECD) countries using trade liberalisation as a criterion. Their results indicated that labour productivity as a convergence variable was inadequate to measure economic performance. The model proposed total factor productivity (TFP) as the 'catch-up' and as a variable: "TFP catch-up implies a tendency for income levels to converge, but such a tendency may be masked or exaggerated if factor intensity growth varies systematically with income growth."[132] Furthermore, Dowrick and Nguyen observed that if poorer countries were to invest substantially more in employment and output than richer countries did, the convergence in labour productivity would be more rapid than in total factor productivity, since faster capital accumulation assisted the least developing countries' catch-up with the industrialised countries in their model testing. In expanding on endogenous growth factors in industrialisation and value addition of inter-regional trade, the thesis will employ Dowrick and Duc-Tho Nguyen's TFP as a catch up variable for downstream industries and is discussed in chapter (5).

Various approaches conducted in divergence and convergence growth economic models have provided different results. For instance, Oded Galor's theory on divergence and convergence was a response to the controversy in the debates of the neoclassical economic growth theory models in frameworks by Paul Romer; Barro and Sala-i-Martin; and Gregory Mankiw, David Romer,

[129] Barro and Sala-i-Martin, "Convergence Across States and Regions", 1991.
[130] *See discussion by*, Rob Davies, "South Africa in Southern Africa seminar report", *Centre for Conflict Resolution* (November 2012), p. 25.
[131] Dowrick and Nguyen, "OECD Comparative Economic Growth 1950-85: Catch-Up and Convergence", 1989. *See also*, Ben-David, "Trade and Convergence Among Countries", 1996.
[132] Dowrick and Nguyen, "OECD Comparative Economic Growth 1950-85: Catch-Up and Convergence", 1989, p. 1010.

and David Weil. Galor's findings indicated that the absolute convergence hypothesis that suggests:

> "… per capita incomes of countries converge to one another in the long run independently of initial conditions as inconclusive; since an economy's long-run equilibrium depends on its structural characteristics (e.g. technologies, preferences, population growth, government policy, factor market structure, etc.) Absolute convergence [therefore] requires convergence in structural characteristics across countries."[133]

Galor's work on divergence and convergence further argued that the "traditional neoclassical growth paradigm in club convergence hypothesis as well as in the conditional convergence hypothesis is empirically linked and therefore should include key variables such as human capital, income distribution, and fertility in conventional growth modelling, along with capital market imperfections, externalities, and non-convexities". Galor also posits: "i) The absolute convergence hypothesis – per capita incomes of countries converge to one another in the long-run independently of their initial conditions (Paul Romer; Robert Lucas; and Barro). ii) The conditional convergence hypothesis – per capita incomes of countries that are identical in their structural characteristics (e.g. preferences, technologies, rates of population growth, government policies, etc.) converge to one another in the long-run independently of their initial conditions (Barro; Gregory Mankiw, David Romer and David Weil; and Barro and Sala-i-Martin). iii) The club convergence hypothesis (Steven Durlauf and Paul Johnson; and Danny Quah) (polarisation, persistent poverty, and clustering) – per capita incomes of countries that are identical in their structural characteristics converge to one another in the long-run provided that their initial conditions are similar as well.[134]

As Ron Martin points out, within trade liberalisation, club convergence can be hampered "if economies in a region differ in their basic growth parameters (such as saving ratios, technological innovativeness, human capital development, etc), or spill-over of knowledge between economies

[133] Oded Galor, "Convergence? Inferences from Theoretical Models", *The Economic Journal*, vol. 106, no. 437 (July 1996), pp. 1056-1069. *See also*, Romer, "Increasing returns and long-run growth", 1986; Robert J. Barro, "Economic Growth in a cross section of countries", *Quarterly Journal of Economics*, vol. 106 (1991), pp. 407-501; Gregory N. Mankiw, David Romer and David N. Weil, "A contribution to the empirics of economic growth", *Quarterly Journal of Economics*, vol. 107, no. 2 (1992), pp. 407-437; Robert J. Barro and Xavier Sala-i-Martin, *Economic Growth, second edition* (Cambridge: MIT Press, 2004); Steven N. Durlauf and Paul A. Johnson, "Multiple Regimes and Cross Country Growth Behaviour", *Journal of Applied Econometrics*, vol. 10, no. 4 (October-December 1995), pp. 365-384. *See also and cited in*, Galor, "Convergence? Inferences from Theoretical Models", (1996), Danny Quah, "Convergence empirics across countries with (some) capital mobility", *Journal of Economics Growth*, vol. 1 (1996), pp. 95-124; *also see an earlier version by*, Quah, "Convergence empirics across countries with (some) capital mobility" (1995), <http://eprints.lse.ac.uk/2257/1/CEP_Convergence_Empirics_Across_Economies_with_(Some)Capital_Mobility.pdf>.

[134] Oded Galor, "Convergence? Inferences from Theoretical Models", 1996, pp. 1056-1069.

is weak, and therefore they may not converge to a common per capita income but instead to different economy-specific equilibrium levels of relative per capita income (so-called 'conditional' or 'weak' convergence)".[135]

Divergence among groups was also discussed by Matthew Slaughter, who provided an expanded understanding of the difference-in-differences methodology (comparative methodology approach) to assess income dispersion, and which compares convergence patterns among countries before and after liberalisation of open trade in those countries, as well as with the convergence pattern among a control (selected group) group of countries before and after trade liberalisation. Slaughter's methodology tested trade liberalisation effects on income convergence over four liberalisation groups: the European Economic Commission (EEC); the European Free Trade Association (EFTA); trade liberalisation between the EEC and EFTA; and the Kennedy Round of the General Agreement on Tariffs and Trade. The main empirical result was that trade liberalisation did not foster significant convergence among liberalisers in any of the four controlled groups.[136]

The divergence and convergence literature outlined various historical models and studies and provided empirical evidence that largely centred on the neoclassical growth model, which focused on growth paths. However, a more holistic approach is required to assess convergence of free trade agreements and intra-regional trade, which we now discuss.

2.3.2 Free trade agreements and Intra-regional trade: divergence and convergence

The 1973 oil crisis and subsequent global events precipitated other equations and findings to the neoclassical economics debate. These events were mainly centred on the success achieved by Asian countries between the periods 1997–1998, which was after the collapse of major markets in 1973 with OPEC's increase of oil prices. During the same period, Europe's economic growth was not as successful in managing the financial global crisis as it was for Asian countries, as Richard Griffith[137] contends. Asian countries' growth levels were due to their dynamic economic performance and achievements, largely drawn from specialisation and market competitiveness,

[135] Ron Martin, "EMU Versus the Regions?, 2000.
[136] Matthew J. Slaughter, "Trade Liberalization and per Capita Income Convergence: A Difference-In-Differences Analysis", *Journal of International Economics*, vol. 55 (2001), pp. 203-228.
[137] Richard Griffith, "The Dynamics and States of European Construction, 1945-1995, SADC-EU", *Seminar on the Regional Integration Process* (1995), p. 78.

whereas European businesses needed to improve their international competitiveness. Japan, for example, was undercutting Europe's products in consumer heavy-duty products, and also in car manufacturing. In addition to the economic crisis, Europe was also faced with the Bretton Woods system that collapsed in 1973, leaving the European Economic Commission unable to support its member states.[138] Further studies conducted in Europe during the 1990s by Dan Ben-David were based on the trade arrangement of EU member states. These deliberated how to improve their economies and whether there had been any success achieved in economic and social conditions in free trade areas among the member states of the group. The findings noted that convergence led to growth for poorer economies and highlighted that trade agreements in free trade areas and customs unions could have a significant effect on growth in this region. Therefore the hypothesis supported the finding that trade liberalisation in a group of states could lead to economic growth in income per capita convergence.[139]

Since the General Agreement on Tariffs and Trade processes of 1990, literature on exports and growth started rapidly evolving in the convergence debates. Francisco Rodriquez and Dani Rodrik made this clear distinction on the evolving nature of the trade growth divergence and convergence debate that was centred on openness and growth. Rodriquez and Rodrik noted that: "between 1980 and 1991, studies were conducted that were more concentrated on per capita income growth modelling in openness and growth, which focused on exports and growth in trade. However, since the GATT negotiation processes, studies conducted from mid-1991onwards focused more on trade policy and economic growth."[140]

One of the leading economists, Paul Krugman[141] further advanced research on divergence and convergence in free trade agreements. He provided an expanded view of Asia's economic performance, termed the 'Asian Miracle', and the ability of Asian economies to weather the economic crisis of 1997/1998. In studying Asia's growth patterns, Krugman indicated that extrapolating growth favours a progressive policy and not a laissez-faire approach, where states leave it all up to the markets. But instead, to experience economic growth in trade liberalisation, states needed to implement economic policy that incorporated sophisticated industrial policies

[138] Richard Griffith, "The Dynamics and States of European Construction", 1995.
[139] Ben-David, "Trade and Convergence Among Countries", 1996.
[140] Francisco Rodriquez and Dani Rodrik, "Trade Policy and Economic Growth: A Skeptic's Guide to the Cross-National Evidence", *National Bureau of Economic Research (NBER) Macroeconomics Annual 2000*, vol. 15 (January 2001), pp. 261-338.
[141] Krugman, "The Myth of Asia's Miracle", 1994, pp. 62-78.

and selective protectionism. He further contended: "On one side are increases in 'inputs': growth in employment, in the education level of workers, and in the stock of physical capital (machines, buildings, roads, and so on). On the other side are increases in the output per unit of input; such increases may result from better management or better economic policy, but in the long run are primarily due to increases in knowledge".[142] Krugman's growth accounting tautology also outlined that a developed index is important to combine all measurable inputs that are able to measure the rate of growth of national income relative to that index. Krugman's hypothesis, defined in endogenous growth, which assumes that convergence in economic integration can contribute to and yield higher growth rates, and allow states to converge regional economic systems relatively easily, is in contrast to Gambari's view.

Gambari and Mytelka observed that for the economies of LDCs, larger markets might not be able to enhance greater flows of foreign capital and endogenous factors of spillover in skilled labour, and suggested that there should be processes in place to support import substitution, with trade in Africa being conducted in foreign currency, leading to trade diversion. The literature of Krugman on regional convergence[143] is of particular relevance to the thesis. As Martin also suggested that, "the dependence of regional economies on export clusters held together by local Marshallian[144] type external economies, reaps benefits from specialised labour of technological spillover, and leads to increasing economic returns that can benefit the regional states, by placing them at a competitive advantage."[145] Krugman purports, growth accounting needs to calculate explicit measures of both "increases in the output per unit of input". Increases in knowledge can be positive for growth convergence. However, growth measurements must be considered in the

[142] Krugman, "The Myth of Asia's Miracle", 1994, p. 66.
[143] Paul Krugman, "What's new about the 'new economic geography'? *Oxford Review of Economic Policy*, vol. 14 no, 2, pp.7-17. *See also*, Martin, "EMU Versus the Regions?, 2000, pp. 23-24.
[144] Alfred Marshall, *Principles of Economics* (London: Macmillan, 1920), *cited in*, Nattrass, Wakeford and Muradzikwa, *Macro Economics Theory and Policy in South Africa, third edition,* 2003, p. 15. Marshallian-type economies refer to many of the assumptions which are similar to the foundational models for macro-economic and neoclassical models. These are: "price adjustment in individual markets ensures that no surpluses or gluts prevail; wage adjustment ensures full employment; and the interest rate fluctuates in order to bring savings into line with investment; and typically it is assumed that under conditions of perfect competition, the operation of market forces will ensure that all resources are optimally allocated. Markets are assumed to be perfectly competitive and characterised by many buyers and sellers, homogeneous products, perfect knowledge and perfect factor mobility. The value of the economy is therefore measured by nominal and real values (the equilibrium values of real [real values are obtained by deflating nominal values by a price index] variables [employment, output] are determined in the labour and goods markets, whereas nominal [nominal values are e.g. wages, and output] variables [current prices] are determined in the money market). Given that real variables are not affected by changes in the money supply in such a model, money is then neutral. Hence this generates two parts to the theory: i) a theory of how equilibrium output and employment are determined, and, ii) a theory of how the aggregate price level is determined".
[145] Martin, "EMU Versus the Regions? Regional Convergence and Divergence in Euroland".

process of economic growth. The view is that "per capita income can only occur if there is a rise in output per unit of input".[146] Krugman does not take into consideration the aspects of rules of origin that concern inputs of production in his accounting index. The literature review identified this as a gap in his research; therefore the thesis will expand on this in respect of COMESA and SADC's rules of origin policy and the effects thereof in the multilateral trade agreements of AGOA, and EPAs. This discussion is attempted in Chapter 5 and the views of Frank Flatters[147] are also taken into account, which underscore that rules of origin could lead to divergence of trade policies in regional schemes, should policies not conform or be streamlined and addressed at both national and regional levels. Of equal relevance is endogenous growth factors in support of industrialisation and value addition in inter-regional trade and meaningful for the Tripartite bloc's convergence. The chapter therefore employ Dowrick and Duc-Tho Nguyen's TFP as a catch up variable for downstream industries and is discussed in chapter (5).

A more expanded view of regional convergence theory is provided by Ochoro[148]. He holds the view that: "convergence is more likely to occur when technology and production are adequately incorporated into a regional grouping and where governments play more of a central role. Policies should therefore reflect such strategies that develop appropriate technologies, promote research and development, address essential tax credits, develop new ways for infrastructure, and formulate strategic trade policies."[149] Moreover, when all these factors are considered, infant industries could then be protected and have the tenacity to foster further innovation across a range of other related industries, which could also converge regional integration policies.[150] Besides considering technology, and research and development to spearhead production and economic growth convergence, various other factors are also at play. For example, technical barriers to trade (TBTs) are viewed as the yardstick for the harmonisation of technical regulations and standards of conformity, as well as assessment of products traded in goods and services. Hence, such frameworks as outlined by Ochoro should consider TBTs in convergence of economic growth. Similarly, Carolyn Jenkins and Lynne Thomas highlighted that governments should coordinate effective policies that can mitigate the effects of labour within national economies: to

[146] Krugman, "The Myth of Asia's Miracle", 1994, p. 67.
[147] *See also*, Frank Flatters, emeritus professor at Queens University Canada on SADC Rules of Origin, See discussion in Southern African International SAIIA SADC Barometer issue 1 (March 2003), pp. 21-22.
[148] Orchoro, "Trade and Industrial Development in the EAC", 2005.
[149] Walter Orchoro, "Trade and Industrial Development in the EAC", in, Ajulu (ed.), *The Making of A Region*, 2005, pp. 127-134.
[150] Orchoro, "Trade and Industrial Development in the EAC", 2005.

gain from remittances and income flows is an important mechanism in converging economic growth. Therefore, governments should also ensure that opportunities for labour are concentrated in industries that could mitigate the effects of trade diversion and allow for growth.[151]

Phillip O Nying'uro holds the view that the capitalist global order has been more diverging than converging.[152] These theories are further elaborated in Chapter 3 of the thesis in assessing the rationalisation processes of the PTA and SADCC institutions. The theories on divergence and convergence are also relevant to the thesis in understanding South Africa's role (prior to its first democratic elections in 1994) in the rationalisation process within these two RECs, and are therefore expanded in Chapter 3.

The theory and literature review outlines a mixed bag of evidence in the studies on divergence and convergence in trade liberalisation which was mainly centred on by Western scholars on the United States and Europe. Furthermore, these studies mainly focused on measuring "factor outputs against intermediate inputs" and on economic divergent or convergent economic growth and per capita income convergence. The literature review also discussed trade liberalisation and open market performance by measuring population, as well as income per capita and endogenous growth factors such as technology, skills, and production spill-over that could lead to growth.

A recent report of the United Nations Conference on Trade and Development (UNCTAD),[153] outlined several studies on various continents, including Africa. The report highlighted that globalisation and technological change can affect income distribution. The report's findings also revealed that since policies influence the nature and speed of economic integration, they will also influence and affect the process of structural change and the related creation of employment and wage opportunities in high-productivity activities.[154] Therefore UNCTAD highlighted that economic structures should not be implemented in silos and should neither be independent of

[151] Carolyn Jenkins, and Lynne Thomas, "The Macro-economic Frameworks", in, Carolyn Jenkins, Jonathan Leape and Lynne Thomas (eds.), *Gaining from Trade in Southern Africa: Complementary Policies to Underpin the SADC Free Trade Area* (London: Palgrave Macmillan, 2000).
[152] Phillip O Nying'uro, "The EAC's prospects on the global stage", in, Ajulu (ed.), *The Making of A Region*, 2005, pp. 31-44.
[153] United Nations Conference on Trade and Development (UNCTAD) Trade and Development Report, *Policies for Inclusive Development and Balanced Growth* (2012), < http://unctad.org/en/publicationslibrary/tdr2012_en.pdf>, pp. 103-104.
[154] United Nations Conference on Trade and Development, 2012.

trade and financial integration, nor its management and implementation, but should be seen as a joint process.

The G-20 Summit that met in Brisbane on 15 November 2014 highlighted in their meeting that Africa's economies were over-reliant on natural resources; Africa's services sector was similarly weak. Africa's policymakers should therefore consider enhancing the productive manufacturing sectors, which are believed to be the key to Africa's convergence. The missing piece in trade convergence and sluggish growth were noted to be due to the slow pace of industrialisation, and it was unlikely that Africa could replicate the convergence dynamics evident in Europe and Asia.[155] Similar views were expressed by William Baumol in respect of how to increase convergence through productivity levels.[156] Such an approach needed to take into account the macroeconomic principles that are able to support the concepts to which endogenous growth theorists like Gene Grossman and Elhanan Helpman allude.[157]

Concepts that pertain to knowledge spillover and specialisation in Robert Baldwin's discussion on openness and growth, highlight that endogenous factors that lead to increasing returns do not adequately inform how trade policy can affect growth rates.[158] In expanding the literature on endogenous factors leading to growth, Baldwin discussed policy and implementation levels and suggested that policies affecting the "openness" of trade and investment or its "inward orientation" or "outward orientation" should incorporate components of "outward-looking development policies that take into account endogenous growth factors as well as addressing government's inward-looking and outward-looking policies, which involve more than just trade and trade policies."[159] Baldwin further noted that: "consideration of such factors would then lead to growth convergence for poorer economies. Policies should therefore also include the willingness of governments to accept foreign direct investment (FDI) so that market-oriented exchange rates are maintained; budget deficits and corruption are tightly monitored; and

[155] Dani Rodrik, "'An African Growth Miracle?'", *The National Bureau of Economic Research*, Working Paper, no. 20188 (June 2014), p. 8. *See also*, Amadou Sy, "Convergence or Divergence: Discussing Structural Transformation in Africa during the G20", *Brookings Institution*, <http://www.brookings.edu/blogs/africa-in-focus/posts/2014/11/14-convergence-divergence-structural-transformation-africa-g20-sy>.
[156] Baumol, "Productivity Growth, Convergence, and Welfare, 1986, pp. 1072-1085.
[157] Gene M. Grossman and Elhanan Helpman, "Endogenous Innovation in the Theory of Growth", *The Journal of Economic Perspectives*, vol. 8, issue 1 (Winter 1994), pp. 23-44.
[158] Robert E. Baldwin, "Openness and Growth: What's the Empirical Relationship?", in, Robert E. Baldwin and L. Alan Winters, (eds.), *Challenges to Globalization: Analyzing the Economics* (Chicago: Chicago University Press, February 2004), pp. 499-525.
[159] Baldwin, "Openness and Growth: What's the Empirical Relationship?", 2004.

monopolistic behaviour by firms and industries is controlled so that trade and growth are not restricted to individual states within a group".[160] This discussion is relevant to the thesis in discussing the formation of SADCC to SADC and is particularly pertinent to chapter (3) of the thesis.

2.3.3 Macroeconomic policies – divergence and convergence

The literature review further explores the divergence and convergence debate of macroeconomic policies within regions. A study conducted by UNECA, which tests macroeconomic policies using econometric testing of income per capita, GDP, and economic fiscal growth factors within regional economic groups, noted that: "African governments should consider harmonising and coordinating macroeconomic policies at national levels as a first step first in considering a monetary union."[161] Similarly, David Dollar, notes that "within a macroeconomic regional framework, weak trade policy must be addressed and prioritised early on in an integration process. This will help in financial integration at the regional level and facilitate the institutionalisation and implementation process thereof, which constitutes more than just focusing on trade liberalisation."[162] Ogochukwu Nzewi stressed that: "weak national economies are also characterised by poor organisational learning, lack of resources (human, technical, and financial) and weak, politically marginalised secretariats",[163] and such factors should be equally taken into account when considering regional monetary schemes.[164] According to UNECA, the extent to which national macroeconomic policies reflect government's monetary, fiscal, trade and exchange policies, often discriminates against regional trade and is seen as the main impediment to viable integration.[165]

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[160] Baldwin, "Openness and Growth: What's the Empirical Relationship?", 2004.
[161] United Nations Economic Commission for Africa, "Macroeconomic Convergence in African RECs "Assessing Regional Integration in Africa", 2008, < http://www.mcli.co.za/mcli-web/downloads/ARIA4/aria3/chap5.pdf >, p. 137.
[162] David Dollar, "Outward-oriented Developing Economies Really Do Grow More Rapidly: Evidence from 95 LDCs, 1976-1985", *World Bank Economic Development and Cultural Change*, vol. 40, no. 3 (April 1992), pp. 523-544.
[163] Ogochukwu Nzewi, "The Challenges of post-1990 regional integration in Africa: Pan-African Parliament", *Centre for Policy Studies Policy Brief* 57, (Johannesburg: Centre for Policy Studies [CPS]), (April 2009), p. 7.
[164] Nzewi, "The Challenges of post-1990 regional integration in Africa: Pan-African Parliament", (April 2009).
[165] UNECA report, "Macroeconomic Policy and Institutional Convergence of Member States in the Southern African Development Community" (Addis Ababa: UNECA), <http://www.uneca.org/sites/default/files/publications/report_macroeconomic-policy.pdf> (accessed 10 January 2015).

More progressive regional blocs such as Europe, Bernard Fingleton, Harry Garretsen and Martin contended that the European Monetary Union (EMU) was not able to support EMU member states' economies during the 2008 and 2009 global economic crisis and caused divergence among members.[166] They also observed that during the first major economic shock in 2008, the EMU's meltdown raised several questions of whether monetary integration for regions, which had a shared institutional monetary policy, would lead to divergence or convergence in conditions of economic crisis. Europe is still trying various mechanisms to address its falling economy in the eurozone. While geography played a major role in the economic and monetary integration plans for Europe, peripheral eurozone members were also tied to a monetary policy and to the European Central Bank (ECB) that was largely dominated by the large economies of Germany, France, and Italy (eurozone member states). Hence, Fingleton, Garretsen and Martin argued that the peripheral eurozone members lacked the adjustment mechanisms needed to avoid a severe negative economic shock in the 2008 and 2009 economic crises and were worse off than those states of non-eurozone members.[167]

The European Commission has ever since the economic crises battled to keep some of its economies afloat. In January 2015, the ECB launched a government bond-buying programme of one trillion euros, known as the quantitative easing programme, as a rescue plan to revive the economic growth and to ward off deflation for Europe.[168] According to an article by Reuters, this meant that the ECB would purchase bonds to deal with sovereign debt from March 2015 to the end of September 2016, and release into the EU market bonds to the value of 60 billion euros ($68 billion) a month in the form of cheap loans to banks.[169] Fingleton, Garretsen and Martin observed that a monetary union could lead to regional divergence and greater disparity, and make regions more vulnerable. Optimum currency areas (OCAs), Fingleton, Garretsen and Martin also observed, were not part of the initial planners and were not incorporated into the EMU's framework when it was created. "The OCA theory highlights that symmetry, flexibility, and

[166] Bernard Fingleton, Harry Garretsen and Ron Martin, "Shocking Aspects of Monetary Union: The Vulnerability of Regions in Euroland", *Special Issue of Journal of Economic Geography on The Future of Europe* (2 April 2014), pp. 9-11.
[167] Fingleton, Garretsen and Martin, "Shocking Aspects of Monetary Union", 2014, p. 23.
[168] Jonathan Gould and John O'Donnell, "ECB launches 1 trillion euro rescue plan to revive euro economy", *Reuters*, (22 January 2015), < http://www.reuters.com/article/2015/01/22/us-ecb-policy-idUSKBN0KU2ST20150122>.
[169] Gould and O'Donnell, "ECB launches 1 trillion euro rescue plan to revive euro economy", 2015.

integration are key variables to consider when forming a monetary union."[170] Fingleton, Garretsen and Martin also noted that "within the eurozone, core states that were closely connected to economic powerhouses like Germany, suffered less in terms of employment loss, which was in contrast to those states of the peripheral regions (Ireland, Spain, the Baltic states, and Greece)". "These peripheral states had also fared worse during the financial recessions of 2008 and 2009 and experienced greater divergence".[171]

Various scholars suggest that African economies like SADC member states are not ready for macroeconomic convergence.[172] This is mainly due to the caveat that states regional blocs must have sound financial policies that are resilient and able to support the bloc during global financial crises, and also have the ability to handle market crises and shocks. Such factors require strong macroeconomic principles as suggested by Jenkins and Thomas.[173] In the instance of Eastern and Southern Africa, the closest to a monetary union has been the trilateral monetary agreement among the governments of Lesotho, Swaziland, and South Africa, which established the Common Monetary Area on April 1, 1986 and links member states of SACU (excluding Botswana in the case of the Common Monetary Area).

The literature reviewed the benefits of a monetary unification model which entailed a monetary policy managed by a regional central bank and fiscal policies managed with national governments, as in the case of the EU. Keith Jefferis, in studying the SADC region, observed that not all macroeconomic convergence processes are designed to support the processes of monetary unions.[174] There are both economic and political costs associated with monetary union formations. Such costs are high for some states, since ceding levels of autonomy in the fields of monetary and exchange rate policy could have various implications at the national level.[175] At the economic stage, implications may be associated with reducing and minimising economic policy instruments, which could have been previously available to bear the burden of adjustment to economic shocks for national economies. But as the OCA literature highlighted, a monetary

[170] Fingleton, Garretsen and Martin, "Shocking Aspects of Monetary Union", 2014, p. 5. "The symmetry condition means that economies should be roughly similar and synchronised so that shocks are symmetrical where all countries are roughly affected the same..."
[171] Fingleton, Garretsen and Martin, "Shocking Aspects of Monetary Union", 2014.
[172] Jenkins, and Thomas, "The Macro-economic Frameworks", 2000.
[173] Jenkins, and Thomas, "The Macro-economic Frameworks", 2000.
[174] Keith R. Jefferis, "The Process of Monetary Integration in the SADC Region", *Journal of Southern African Studies*, vol. 33, no. 1 (March 2007), pp. 83-106.
[175] Jefferis, "The Process of Monetary Integration in the SADC Region", 2007, p. 87.

union must have the flexibility over fiscal policy to compensate for the loss of policy instruments such as monetary and exchange rate policies.[176] Jenkins and Thomas also observed that efforts to grow economies in Africa through regions have generated slow growth due to the huge differences in economies, geography, technology advances and poverty levels. Therefore, efforts of trade liberalisation must become the driving force to effect growth. Converging currency could lead to divergence in economic growth. Africa's states are not ready to manage macroeconomic convergence, which requires sound macroeconomic principles. Such principles must be informed by macroeconomic policy, fiscal adjustment, foreign investment, and socio-economic policies that are able to support infrastructure and education, export promotion, and compensatory mechanisms.

Moreover, policies should be aligned with and coordinated between domestic economic policies and reform strategies in trade reforms.[177] Jenkins and Thomas further suggested that more emphasis should be placed on economic and trade policy reforms at national level. At the regional level, a medium-term coordinated approach should be underpinned by the direct effects of cross-border transactions.[178] Richard Gibb observed that "regional integration has been a contested issue in Africa, but there is no doubt that the level of intra-regional trade provides a useful indicator of economic integration and regional convergence".[179] "RECs boost regional trade through tariff reductions and limit non-tariff barriers."[180] The neoclassical growth model also stresses the importance for governments to focus more on physical investment to expand national outputs. Investment in equipment and research is critical to advance technology; equally important is investment in infrastructure (roads, ports and railways).[181] The literature reviewed in this section outlined the benefits of a monetary unification model, which entailed a monetary policy managed by a regional central bank and fiscal policies managed with national governments. The literature review also outlined that not all macroeconomic convergence processes are designed to support the processes of monetary unions and COMESA and SADC are still at the phase of converging trade protocols. These two blocs are also confronted with member states belonging to more than one regional grouping, which the literature review next assesses.

[176] Fingleton, Garretsen and Martin, "Shocking Aspects of Monetary Union", 2014, p. 5.
[177] Jenkins, and Thomas, "The Macro-economic Frameworks", 2000, pp. 24-54.
[178] Jenkins, and Thomas, "The Macro-economic Frameworks", 2000, p. 7.
[179] Richard Gibb, "Rationalisation or Redundancy? Making Eastern and Southern Africa's Regional Trade Units Relevant", *The Brenthurst Foundation* (2006), p. 5.
[180] Gibb, "Rationalisation or Redundancy? 2006, p. 5.
[181] Barro and Sala-i-Martin, *Economic Growth*, 2004, pp. 16-21.

2.4 Multiple memberships: divergence and convergence

Regional integration is important for convergence of COMESA and SADC's integration efforts – these two blocs are challenged by member states belonging to more than one regional economic community. Multiple memberships have consequently been seen as both a hurdle and also as a positive step towards integrating regional schemes.[182] This section of the theoretical framework examines the literature and theories in relation to multiple memberships and trade agreements in regional integration efforts of COMESA and SADC. Gathii highlights that multiple memberships are created by states when governments use the market as a means to benefit domestic economies. This Gathii attributes to the proliferation of multilateral trade agreements which lead to divergence in regional integration efforts.[183] Rodriquez and Rodrik also noted that trade growth and growth rates will diverge to the extent that trade policies are reinforced and trade volumes increased; therefore other forms of integration will be pursued by states in an attempt to remedy skew trade in order to protect infant industries.[184]

Robert Gilpin[185] provides an expanded view framed in the neoclassical realist approach, whereby states use the market as a means to achieve and exercise power. The state can use the market (or the market is used) as a means to gain wealth; the state and the market are therefore seen as inseparable, and both are important entities for economic interaction and influencing the direction of the market due to distribution of power and wealth in a global economy. Gilpin further indicates that regional integration can exploit the effects of functional spillover, and integration of regional markets can create economies of scale. Gilpin is of the view that to exploit opportunities for comparative advantage, state policies must inform outputs of production and distribution of production. Such policies then need to take into account the extent of the state's political interests (in terms of its partners/agreements and economic interests) which can ultimately affect the overall regional economy. On the other hand, Jens Haarløv[186] argues that developmental integration could rectify the "anomalies or discrepancies" of open regionalism, in considering three aspects: a) changing the objectives of the integration process; b) changing the

[182] Nzewi, "The Challenges of post-1990 Regional Integration, 2009, p. 7.
[183] Gathii, "Neo-Liberal Turn in Regional Trade Agreements", 2010-2011, pp. 647-648. *See also,* Arvind Panagariya, "The Regionalism Debate: An Overview", *World Economy* 22, no. 4 (1999), pp. 1-60.
[184] Rodriquez and Rodrik, "Trade Policy and Economic Growth, 2000.
[185] Gilpin, *The Political Economy of International Relations*, 1987, p. 11.
[186] Haarløv, *Regional cooperation in Southern Africa*, 1988. *See* also, Lee, *The Political Economy of Regionalism in Southern Africa*, 2003, p. 23.

timing and level of interstate binding commitments; and, c) changing the distribution of costs and benefits of cooperation. Venables[187] posits that "states belonging to a free trade agreement and that have a higher income member relative to the other members within that FTA and also relative to the world average than the lower income members, are likely to converge with the high income partner and benefit from such an FTA".[188] In further explaining the benefits of economic integration within the multiple membership debate, chapter (5) of the thesis will discuss how developing countries can be better served by "north–south" than by "south–south" free trade agreements, as observed by Venables, and whether this will hinder or promote regional integration.

The assessment is expanded by a discussion of economic convergence in the neoclassical economic approach of open trade in regional trade agreements within SACU with the presence of a regional hegemonic state (South Africa). Further employed is the theory of Barro and Sala-i-Martin to provide an understanding of economic growth convergence by outlining two levels of convergence models as a basis for their theory. These are defined as beta-convergence (β) or, absolute convergence (also defined as the catch-up process), and sigma-convergence (σ) (when the dispersion among a group of countries tends to decrease over time).[189] Two variables are therefore relevant and used in chapter (5): total trade as a percentage of GDP and growth of total trade over a long-run period of nine years. The long-run convergence is tested over nine years (2005–2013).[190] In terms of north–south trade, the assessment takes into account South Africa (as a high-income partner relative to the world), and smaller economies (as low-income countries forming an FTA with a high-income partner, that is, South Africa). This discussion contributes to understanding the benefits of integration within a multiple membership framework and attempting to address the key research question posed in the thesis how COMESA and SADC are managing multiple memberships.

[187] Venables, "Regional Integration Agreements: A Force for Convergence or Divergence?", 1999.
[188] Venables, "Regional Integration Agreements: A Force for Convergence or Divergence?", 1999.
[189] Barro and Sala-i-Martin, "Convergence Across States and Regions", 1991, pp. 107-182. The two concepts: "beta-convergence (β) or absolute convergence (also defined as the catch-up process), and sigma-convergence (σ) are interlinked. When there is β convergence, a poor country is catching up to a rich country, which further means that the poor country has a higher growth rate. And, further means that there is a decrease of the dispersion between the countries. But when the dispersion (dispersion implying the measurement taken by the standard deviation of the per capita income or the logarithm of the per capita income) among a group of countries tend to decrease over time, one speaks of σ convergence."
[190] The dates 2003–2013 are being assessed as the most accurate data from the World Bank Economic Indicators for the period based on the literature review and research assessments conducted.

Ravenhill discusses the "domino theory" of proliferation of membership. Preferential trade agreements increase once exporting interests of disadvantaged groups in a region are contested. Similarly, Ravenhill notes that the proliferation of trade agreements between East Asian governments was in part a response to the government policies which disadvantaged business groups.[191] Ravenhill also contends that while an increased interdependence among East Asian economies had been largely responsible for the growth seen in inter-governmental collaboration, among their economies these benefits were not evenly spread within Asia.[192] Views expressed by scholars have been mixed; while some view multiple memberships as positive, others adopt a more pessimistic stance. According to Arvind Panagariya, a proliferation of regional agreements has occurred, since states are trying to circumvent or replace the non-discriminatory Most-Favoured Nation (MFN) tariff associated with the WTO regulations for trade by "crisscrossing FTAs".[193]

The research by Gathii and Panagariya is particularly useful and the thesis will examine in chapter (5) how COMESA and SADC can better manage multiple memberships. This should also help assess whether multiple memberships are useful for regional integration. To gain a further understanding of the economic benefits of multiple memberships in regional integration, the thesis will expand how COMESA and SADC (by both institution and member states) are managing the issue of multiple memberships within the Tripartite bloc. Also included in this analysis is the EAC, since its member states also belong to both COMESA while others are in SADC as well as in other economic schemes on the African continent.

Furthermore, the COMESA–EAC–SADC Tripartite agreement in 2008 had adopted a variable geometry approach, which is an incremental process that allows member states to relax tariffs at a slower pace than others, according to an agreed process of liberalisation commitments. The Tripartite bloc has also adopted a market-led strategy of free trade – a neoclassical economic approach of open markets, and relaxed tariffs, amidst multilateral international agreements that is in contrast to the principles of variable geometry of protecting member states against discriminatory free trade. Hence, the forces of globalisation of open markets and trade create a contradiction for the Tripartite Agreement's regional integration approaches. These

[191] Ravenhill, "The 'new East Asian regionalism'", 2010, p.191.
[192] Ravenhill, "The 'new East Asian regionalism'", 2010.
[193] Panagariya, "The Regionalism Debate, 1999, pp. 1-60

contradictions are not adequately supported within the neoclassical economic approach theory of open trade and regional integration divergence and convergence debates discussed in the literature reviewed. The thesis identifies this as a gap in relation to the theories and deploys a new theory in support of the literature reviewed in this chapter, defined as: neoclassical economic regional integration, which will help in supporting the findings provided in chapter (5). But as Keohane and Nye observed, the process of economics theory does not have a theory of international regime change.[194] Neoclassical economic analysis was developed not as a faithful description of reality, but as a simplified explanation for suggesting policies to increase economic efficiency and welfare. Economists have therefore focused on economic theory, without considering issues that centred on power, which is further outlined below in the neoclassical realism approach.

2.5 Neoclassical realism approach: Security

The neoclassical realist approach will be an appropriate theory to use in the thesis in helping to understand and examine the interactions of member states, since the neoclassical realist approach incorporates both domestic and systemic factors. It will similarly help explain the convergence of COMESA and SADC in managing regional security. The neoclassical realism approach is a modification of the realist approach, which has evolved since the 1970s.[195]

> "Realism as a theoretical approach analyzes all international relations as the relations of states engaged in the pursuit of power. Realism cannot accommodate any non-state actors within its analysis. Neorealism evolved since the 1970s and recognizes that economic resources in addition to military capabilities are a basis for exercising influence. The most significant change in neorealism was in abandoning the concept of a single international system in favour of there being many issue-specific systems, each characterised by their own power structure. [For example] Saudi Arabia may be the most powerful state in the politics of oil, while Brazil is the most powerful in the politics of rainforests."[196]

Classical realism had built its concepts of international relations on the literature of the Melian dialogue and Thucydides' account of the Peloponnesian War between Athens and Sparta.

[194] Robert O. Keohane and Joseph S. Nye, *Power and Interdependence, third edition* (New York: Longman, 2001), pp. 20-32.
[195] Peter Willetts, "Transnational actors and international organizations in global politics", in, John Baylis and Steve Smith (eds.), *The Globalization of World Politics, second edition* (Oxford: Oxford University Press, 2001), pp. 356-386.
[196] Willetts, "Transnational actors and international organizations in global politics", 2001, p. 358

Thucydides noted that the resolve of Athens was to remain in power and act in the self-interest of the state. The Melian dialogue provides an understanding of how powerful states create and join institutions in self-interest, based on their domestic concerns.

Political realists' view of the nation state is that of a malign hegemon (regional superpower) that has as its principal gain self-interest; hence realists' analyses of self-interest are associated with dominance and mercantilist strategy. The political realists view the hegemonic state as a powerful, strong economy that sets the rules of the game in economic relations, and always has a greater advantage over its partner states. But the downside is imperial over-reach through greed for power and wealth, with the state seeking more international influence than it can maintain, leading to the decline of the hegemon's dominance.[197]

Gideon Rose provides a critical approach to understanding the concept of neoclassical realism. Neorealism consists of two theories of foreign policy: offensive and defensive realism. Defensive realism theory provides switches between systemic and domestic factors as causal variables of foreign policy.[198] In this regard it is argued that while systemic factors explain some foreign policy decisions, domestic factors are the drivers of the state's external decisions.[199] Offensive realism, on the other hand, argues that systemic factors are the main determinants of foreign policy decisions. Offensive realism also argues that the anarchic nature of the international system, combined with the state's relative capabilities, drives and shapes foreign policy decisions. Such policies are historically linked to African states associated with state formation and sovereignty. Realism is situated in mercantilist policies that are not primarily economic, but policies subjected to force economic policies into the service of power. Mercantilist policies are closely linked to state struggle and survival to help achieve unity through the centralisation and concentration of power.

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[197] Balaam and Veseth, *Introduction to Political Economy*, 2001, pp. 110-127. *See also* Nordiska Afrikainstitutet, *Regionalism and Regional Integration in Africa: A Debate of Current Aspects and Issues, Discussion Paper 11*, Uppsala, Sweden, (2001).

[198] *See also*, Jack Snyder, *Myths of Empire: Domestic Politics and International Ambition* (Ithaca: Cornell University Press, 1991).

[199] Gideon Rose, "Neoclassical Realism and Theories of Foreign Policy", *World Politics*, vol. 51, no. 1 (October 1998), pp. 144-172. *See also*, Kathleen Thelen and Sven Steinmo, "'Historical Institutionalism in Comparative Politics'", in, Sven Steinmo, et al. (eds.), *Structuring Politics: Historical Institutionalism in Comparative Analysis* (Cambridge: Cambridge University Press, 1992), p. 11.

The main link to the mercantilist political economy is external trade through foreign exchange and economic development. Hence state power is able to increase levels of economic development through the supply of foreign exchange by increasing the volume and types of trade and policies. Thomas Callaghy observed that the mercantilist political economy is situated in development projects that "foster the well-being of the ruling group, designed primarily to expand the control capabilities of the state, increase exports, regulate imports and promote economic autarky".[200] Therefore, what offensive realism postulates, is that domestic factors do not carry much weight in influencing foreign policy, since offensive realism is often offset by international pressures. For example, member states of COMESA and SADC regional blocs are largely aspirational developing states; they therefore may at times have to consider their domestic situation in relation to how they engage in liberal trade agreements regionally and globally, which may or may not be based on their domestic situation. Similarly, this will affect how they engage with regional and external actors. These issues becomes more complicated for states when faced with complicated security concerns like some of the COMESA and SADC member states and are discussed in chapter (6) of the thesis.

In building on the Melian dialogue, neoclassical realists argue that relative material power establishes the basic parameters of a country's foreign policy as noted by Thucydides: "The strong do what they can and the weak suffer what they must."[201] As Rose points out, there is no immediate or perfect transmission belt linking material capabilities to foreign policy behaviour. "Foreign policy behaviour and foreign policy choices are made by political leaders and elites, and so it is their perceptions of relative power that matter, not simply relative quantities of physical resources or forces in being."[202] Attempts made by SADC and COMESA in building a security community were hampered by several obstacles. Agostinho Zacarias[203] outlines these obstacles in his literature on defining a security community like Southern Africa, and draws on various constraining factors that impeded earlier attempts at building a security community. These impediments Zacarias defines as: "regional instability, political fragmentation, economic imbalances, and fears which weakened the security system, particularly in relation to

[200] Thomas M. Callaghy, "The State and the Development of Capitalism in Africa: Theoretical, Historical, and Comparative Reflections", in, Donald Rothchild and Naomi Chazan (eds.), *The Precarious Balance: State and Society in Africa* (Boulder: Westview Press, 1988), pp. 67-99.
[201] Robert B. Strassler (ed.), *The Landmark Thucydides: A Comprehensive Guide to the Polepennesian War* (New York: Free Press, 1996).
[202] Rose, "Neoclassical Realism and Theories of Foreign Policy", 1998, p. 147.
[203] Agostinho Zacarias, "SADC: From a System to Community of Security?" *African Security Review*, vol.7, no.6 (1998).

SADCC".[204] The thesis finds the literature by Zacarias relevant in comprehending the security evolution of the divergence of SADCC and PTA during their rationalisation processes. The literature also provides greater insight in respect of how security relations unfolded between COMESA and SADC.

What drives states in conflict regions, and why do states play one region off against another, or one state against another? In the realist debate, the region has been seen as the instrument to gain power and wealth. As asserted by Edward Mansfield, in unstable regions, the effects of political–military factors affect bilateral trade and regional integration. In examining how state conflicts and security conditions can affect trade relations, alliances can help to minimise the damages of state conflict to the benefit of the regional integration process through trade and spillover into wealth generation.[205]

Zartman's view of regional security is seen as a perennial problem that is still embroiled in past roles of former colonies in Africa's post-colonial government security apparatus and structures. Zartman notes that Africa's security development is therefore still hampered by and indicative of past internal systems that have infiltrated the existing (new government system) internal workings of the state. External relations of the formative years (such as colonial links) have continued into the new state, with linkages in the history of the new state, which makes understanding regional security quite complex.[206]

Therefore, Zartman defines regional security as a complex phenomenon that has various dimensions involving not only neatly defined "military and security dimensions", but which also involves economic, military, political, and social and international actors and factors. Zartman suggests that stable states with legitimate regimes have often faced territorial insecurity within the first few decade of independence, such as border conflicts. In the 1990s, for instance, regional

[204] Zacarias, "SADC: From a System to Community of Security?" (1998).
[205] Edward Mansfield, "Effects of International Politics on Regionalism in International Trade", in, Kym Anderson and Richard Blackhurst (eds.), *Regional Integration and the Global Trading System* (New York: Harvester Wheatsheaf, 1993), pp. 199-217. *See also*, Edward Mansfield and Helen V. Milner, "The Domestic Politics of Preferential Trade Agreements in Hard Times", *Department of Political Science* (Philadelphia: University of Pennsylvania, 2014), pp. 1-40 < http://web.stanford.edu/group/sssl/cgi-bin/wordpress/wp-content/uploads/2014/03/Mansfield-and-Milner-PTAhard-times-03292014.pdf>.
[206] I. William Zartman, "African Regional Security and Changing Patterns of Relations", in, Edmond J. Keller and Donald Rothchild (eds.), *Africa in the New International Order: Rethinking State Sovereignty and Regional Security*, (London; and Boulder: Lynne Rienner, 1996), pp. 52-70.

security evolved into secessions, and regions disengaged from weak and oppressive state systems.[207] Moreover, regional security became interwoven, given the lack of security mechanisms within the new state, with states having to "borrow power" from outside, providing an opportunity for external powers to become embroiled in African conflicts.[208] This borrowed power allowed external powers and former colonial regimes access to newly independent states, contributing to the complexity of Africa's security architecture.

Similarly, Ajulu makes a key observation that regional conflicts in Africa have been generated by ruling elites, therefore any emerging security architecture ought to address the issue of political power and political will. A question that is necessary, then, and ought to be considered, is to analyse whether there is sufficient political will from the main players to address regional conflicts, and if not, then what kind of institutional arrangement will assist or force conflicting parties to reconsider their adversarial stance?[209]

Defining regional security through the integration lens has elicited a multi-dimensional approach that also centres on the Responsibility to Protect (R2P) framework that encompasses potential actors under three pillars: prevent, react, and rebuild. Africa's regional economic communities, like the Intergovernmental Authority on Development (IGAD), are participating in an emerging African R2P-oriented security culture, but not all its members appeal to the R2P doctrine like Sudan does. John Siebert notes that: "the striking characteristics of the R2P security model shift emphasis from state sovereignty to state responsibility for the wellbeing of citizens, with an obligation placed on the international community to intervene in specific humanitarian interventions like genocide, where a country is unwilling to protect its citizens".[210] RECs are seen to be making concerted efforts, like SADC and ECOWAS, to include R2P in their frameworks for securing regions.[211] Hany Besada, Ariane Goetz and Karolina Werner, however, view the concept of R2P as a security intervention that has undermined the state's sovereignty and strengthened the role of the international community. R2P, in their view, is largely a top-down approach and not an inclusive one where all parties are significant to the conflict. The framework

[207] Zartman, "African Regional Security and Changing Patterns of Relations", 1996, p.55.
[208] Zartman, "African Regional Security and Changing Patterns of Relations", 1996, p.57.
[209] Rok Ajulu, "African Security: Can Regional Organisations Play a Role?", in, Shannon Field (ed.), *Peace in Africa: Towards a Collaborative Security Regime* (Johannesburg: Institute for Global Dialogue, 2004), pp. 265-280.
[210] John Siebert, "R2P and the IGAD Sub-region: IGAD's Contribution to Africa's Emerging R2P-oriented Security Culture", in, Hany Besada (ed.), *Crafting an African Security Architecture* (Burlington: Ashgate, 2010), pp. 89-108.
[211] Siebert, "R2P and the IGAD Sub-region: IGAD's Contribution to Africa's Emerging R2P-oriented Security Culture", 2010.

seems to lean more towards peace enforcement ideals, and does not take into account the wars and violence in regional conflicts associated with economic and resource disputes which involve both internal and external actors and militia groups.[212]

Peter Vale's analysis of security and sovereignty premises that the core understanding of the security discourse cannot be built on representations of sovereignty alone. Vale expands his views on the 1980s security conditions in Southern Africa and posits that regional security in the case of Southern Africa has been too easily dismissed as a "security community". According to Vale, security and sovereignty are both unstable concepts, since both are socially constructed. Vale notes that security should not be too loosely associated with community building in regional frameworks to resolve regional conflicts. Such a view would be problematic and would offer a false perspective of the reality of the past when dealing with present and future security dynamics. Security studies should therefore be conceptualised in terms of a realist security framework that can accurately reflect the regional nomenclature framework. Vale notes: "The epistemology offered by realist security studies genuflects toward the statist taxonomy that gave Southern Africa its current form." This "powerful ensemble of science, the bureaucratic state, individualism and continuous advancement"[213] offers no place for people, only for power.[214] With reference to Deutsch,[215] Naison Ngoma outlines a security community as a belief in common institutions and practices to resolve social problems through peaceful change.

Barry Buzan and Ole Wæver view regional security as a situation when both sides in a conflict are dependent on the same power, and it is consequently possible for such a power to pressurise the conflicting parties to peace processes.[216] Therefore, Buzan and Wæver suggest a clearer description of a regional security system to be "the possibility of systematically linking the study of internal conditions, relations among units in the region, relations between regions, and the

[212] Hany Besada, Ariane Goetz and Karolina Werner, "African Solutions for African Problems and Shared R2P", in, Besada (ed.), *Crafting an African Security Architecture*, 2010, pp. 1-14.
[213] Peter Vale, *Security and Politics in South Africa: The Regional Dimension* (Cape Town: Cape Town University Press, 2003) p. 175.
[214] Vale, *Security and Politics in South Africa*, 2003, p. 175.
[215] Karl W Detusch, et.al, *Political Community and the North Atlantic Area: International Organisation in light of Historical Experience* (Princeton: Princeton University Press, 1957). *Cited in*, Naison Ngoma, *Prospects for a Security Community in Southern Africa: An Analysis of Regional Security in the Southern African Development Community*, (Tshwane (Pretoria): Institute for Security Studies [ISS], 2005), pp. 7-8.
[216] Barry Buzan and Ole Wæver, *Regions and Powers, The Structure of International Security* (London: Cambridge University Press, 2003).

interplay of regional dynamics with globally acting powers".[217] These factors further determine the structural logic of the region, as regional security operating at four levels of a security constellation simultaneously: the international world, domestic factors, regional factors, and global factors.

States in regions are to some extent linked to security interdependence and may join regions for security reasons. For the Frontline States, security objectives were largely driven by "the structure, distribution of power, and the state of relations among nations in the international system".[218] In assessing the literature by Khadiagala,[219] a key observation is made central to the role of the FLS; as small states their behaviour evolved within an asymmetrical and a hierarchical system of power relations. These behaviours are defined in the theory of alliances and describe how "subordinate states in these systems augment their power capabilities to confront the interests of dominant actors". The thesis will further explore the literature on "alliances", which provides an understanding of the historical relations of COMESA and SADC member states and the various intricacies and dynamics in state behaviour of PTA and the FLS as highlighted by Khadiagala.

While Buzan and Wæver's theory should assist the thesis, based on the conceptual literature review, the theory on RSC will not be able to explain the convergence of COMESA and SADC in managing regional security which the literature review identifies as a gap. Hence, in support of the literature review and to help the thesis' analysis, the thesis deploys a new theory defined as: neorealist security convergence. This theory of neorealist security convergence will be deployed and will expand on Buzan and Wæver's regional security complex theory to better understand the complexity of regional security. This complex nature of regional security have moved beyond conflicts between states, to wars within states, poor governance, corruption and greed for economic wealth through the plundering of natural resources within a country. The discussion in the thesis in chapter (6) will also further expand the discussion how COMESA and SADC manage security in their respective regions, by providing specific case studies confined to the period 2008–2015. This analysis also includes the presence of a hegemonic power (South Africa) with a strong military presence assisting managing regional conflicts. The neorealist security

[217] Buzan and Ole Wæver, 2003, p. 52.
[218] Khadiagala, *Allies in Adversity*, 1994, p. 8.
[219] Khadiagala, *Allies in Adversity*, 1994.

convergence theory deployed alongside the literature review in chapter (6) will strengthen the analysis in assessing the main conflict drivers and conflict-prone and problem countries in the two RECs within the convergence years of COMESA and SADC since 2008.

2.6 New concepts and definitions

2.6.1 Neoclassical economic regional integration

The assumption of the **new theory of neoclassical economic regional integration** is that owing to free trade being promoted and conducted and within the logic of trade creation and diversion, empirically it is envisaged that regional economic groupings, when opening their markets, should yield positive results in increased levels of trade. However, the divergence and convergence of such regional groupings cannot be adequately explained through a single lens without considering neoclassical economics. Since, neoclassical economics is largely premised on open markets and free trade concerned with economic growth and an approach used by a regional grouping/s the research study must take this into account when discussing divergence and convergence of regional integration of such blocs. A further assumption is that while neoclassical economics has a primary focus of growing poorer economies through open markets, there may also be unequal growth that occurs during such a process due to bilateral agreements that are tied to regional blocs, hence polarisation of trade will occur for the bloc/s. The divergence and convergence of regional integration literature is not able to adequately support the research arguments of trade and the extent of trade divergence as a stand-alone theory.

A further assumption is that as globalisation dictates open markets and trade, a contradiction of the COMESA-EAC-SADC 20008 Tripartite Agreement's regional integration approaches of variable geometry further contradicts and does not adequately support the neoclassical economic approach theory as a stand-alone as well.

Therefore, under the neoclassical economics debate and in discussing multiple membership of divergence and convergence theories in the literature reviewed further above, this thesis underscores that globalisation of open markets and trade as defined in neoclassical economics contradicts the Tripartite Agreement's regional integration approaches of a market-led strategy (neoclassical economic approach) of free trade and relaxing tariffs, amidst the acceptance of

multilateral international agreements of its member states within the Tripartite bloc and are further contradictory to the principles of variable geometry of protecting member states against discriminatory free trade.

On the one hand COMESA and SADC and the EAC have converged (joined forces and have come together) to trade and to promote regional integration; but on the other hand they are also faced with open markets and free trade as neoclassical economics outline. The thesis identifies this as a gap in relation to the theories on regional integration, divergence and convergence and as here discussed and to support the literature review and to also adequately support and explain the findings of the thesis, the **new theory of neoclassical economic regional integration** will be able to assist the thesis' findings applied in chapter (5) of this thesis.

2.6.2 Neorealist security convergence

The assumption of the new theory of **neorealist security convergence** underscores that owing to the presence of a hegemonic power within a regional bloc that has both a strong economy and has military strength[220] with geopolitical interests will intervene in regional security issues that are linked to its own national interests of both security and economic concerns. In-so-doing, the hegemon has the ability to converge the security apparatuses of other member states within a regional bloc.

Regional security is important in securing the region for enhancing economic growth. Hence, in support of the RSC, the thesis deploys and defines a **new theory: neorealist security convergence**.This theory of **neorealist security convergence** will support and better equip the thesis in its discussions on regional security and also to further support the literature review on security as discussed in the literature reviewed above. Khadiagala's theory on alliance provides a good basis for the historical study in Chapter 3. This includes the FLS and sets the stage for the convergence debate in Chapter 4. Buzan and Wæver's regional security complex, as well as Amitav Acharya's observations on regional security within regionalism, provides a further lens for examining how COMESA and SADC are dealing with the issue of regional security within a regional security complex framework. However, as indicated in the literature review under

[220] *See also discussion paper by* Chris Alden and Maxi Schoeman, "South Africa's symbolic hegemony in Africa", *London School of Economics, London;* and *University of Pretoria, South Africa*, (2015), < http://repository.up.ac.za/dspace/bitstream/handle/2263/51617/Alden_South_2015.pdf?sequence=1&isAllowed=y>.

security that the theory on RSC will not be able to adequately explain the convergence of COMESA, EAC and SADC member states in managing regional security, which the literature review and conceptual framework identifies as a gap. This theory of **neorealist security convergence** is expanded in chapter (6) of the thesis.

In concluding chapter (2), the analysis of the regional transformation processes of eastern and Southern Africa, the literature review, and theoretical and conceptual framework provided a focused review of general and specific literature on the concepts of regional integration, divergence, and convergence. In this context, the chapter located regional integration within the larger divergence and convergence debate. The discussion provided an understanding of the politics and economics surrounding the two concepts. This further laid the foundation for the examination of the different meanings, goals and specific approaches employed in regional integration in contemporary divergence and convergence discourse. The literature reviewed on regional integration also provided a broad scope within which multiple memberships and regional security were discussed. The thesis articulated two analytical frameworks, the neoclassical economics approach that conceptualised the literature review and in support of the review, deployed a new theory defined as: neoclassical economic regional integration and its assumptions was outlined above under new concepts and definitions. Under the neoclassical realist approach the thesis conceptualised the literature review and deployed a new theory defined as: neorealist security convergence, which will also serve as principal indicators for understanding and interpreting economics and security respectively in the research findings also defined above and its assumptions explained under new concepts and definitions above.

This turns the discussion to the next chapter (3) that assesses COMESA and SADC's integration models and provides a historical account of its divergence and convergence before and during its rationalisation process, which leads the thesis' expanding on evolving integration processes and frameworks of the two RECs: COMESA and SADC towards convergence (coming together and joining forces to conduct trade) in chapter (4).

Chapter 3
Historical Overview: SADC and COMESA

3.1 Introduction

This chapter provides a historical account of SADC and COMESA. The FLS was created in 1975, and SADCC was formed in 1980; both were precursors of SADC. The PTA, created in 1981, was a precursor of COMESA, formed in 1993. In discussing the formation of SADC and COMESA, the literature reviewed (in Chapter 2) on divergence and convergence will help provide an understanding of the evolving regional integration processes of these two regional communities, and their awkward relations with apartheid South Africa. The chapter further outline the formations of the two blocs and leading up to their rationalisation process.

3.2 Pan-Africanism

Both the PTA and SADCC have their roots in pan-Africanism. Born out of this pan-African ideology, Ghana's Kwame Nkrumah noted the importance of seeking a political union for the continent, though he was a solitary figure among the leaders of Africa's newly independent states. All the rest of Africa's independent states sought functional regionalism through regional organisations that were to become economically and politically independent through freer trade and interlinking customs unions in order to build strong economies. The Maghreb Federation in May 1945 included three independent states in that grouping - Algeria, Tunisia, and Morocco. This was a region until April 1958, when Algeria's National Liberation Front (FLN) joined the Federation. More states joined the Federation as they gained independence, including Libya, Mauritania, the French Sahara, and Spanish North Africa.

It was against the background of pan-Africanism that the East and Central African states formed the Pan-African Movement for East and Central Africa (PAFMECA) in Tanganyika in 1958. The PAFMECA grouping, which later included the Horn of Africa states, Somalia and Ethiopia, fought white supremacy in South Africa and Southern Rhodesia by supporting the liberation movements of South Africa, as well as those of South West Africa, Northern and Southern Rhodesia, and Mozambique.[221] FRELIMO in 1962 replaced the rival nationalist groups - the

[221] Colin Legum, *Pan-Africanism: Short Political Guide,* rev. ed. (London: Pall Mall, 1965), pp. 146-147.

National African Union of Independent Mozambique (UNAMI), the National Democratic Union of Mozambique (UDENAMO), and the Mozambican African National Union (MANU).[222]

3.3 The front line states and the making of an alliance

The main goals of the founding leaders of the FLS - Tanzania's Julius Nyerere, Zambia's Kenneth Kaunda, and Botswana's Seretse Khama - were to create political cohesion and a stronger security regime to support the region's national liberation movements, gain political freedom from colonial rule, and overthrow white minority rule.[223] Zambia (formerly known as Northern Rhodesia), and Malawi (formerly known as Nyasaland) were colonised in the late nineteenth century by the British South Africa Company; they both gained independence in 1964.[224] In response to South Africa's apartheid government and in support of liberation movements, the Front Line States were created in 1975, comprising the governments of Angola, Botswana, Mozambique, Tanzania, and Zambia. These were formed in support of the national liberation movements, South Africa's African National Congress (ANC), Namibia's SWAPO, the Popular Movement for the Liberation of Angola (MPLA), the Mozambique Liberation Front, the Zimbabwe African National Union (ZANU), and the Zimbabwe African People's Union (ZAPU) (the latter two attempted to unite, but failed).[225] The Southern Africa states that were directly affected by apartheid South Africa's destabilisation policies, and those states that gained independence and vociferously fought for the liberation movements included Angola, Botswana, Lesotho, Malawi, Mozambique, Tanzania, Swaziland, Zambia, and Zimbabwe.

In forming the Front Line States, the major socio-economic constraints that confronted Southern Africa were weak states and fragmented domestic political situations. A security society, to some scholars like Zacarias, is seen as "the first stage in building a security community".[226] Headley

[222] Assis Malaquias, "Dysfunctional Foreign Policy: Angola's Unsuccessful Quest for Security Since Independence", in, Korwa Gombe Adar and Rok Ajulu (eds.), *Globalization and Emerging Trends in African States' Foreign Policy-Making Process: A Comparative Perspective of Southern Africa* (Aldershot: Ashgate, 2002), p. 118.
[223] Khabele Matlosa and Kebapetse Lotshwao, *Political Integration and Democratisation in Southern Africa: Progress, Problems, and Prospects* (Gaborone: University of Botswana Press, December 2009). *See also*, Gabriël H. Oosthuizen, *The Southern African Development Community: The Organisation, Its Policies, and Prospects* (Midrand: Institute for Global Dialogue, 2006).
[224] Jonathan C. Momba and Fay Gadsden, "Zambia: Nonviolent Strategies Against Colonialism, 1900s-1960s", in, Maciej J. Bartkowski (ed.), *Recovering Non-Violent History: Civil Resistance in Liberation Struggles* (Boulder: Lynne Rienner, 2013).
[225] Oosthuizen, *The Southern African Development Community*, 2006, pp. 55-56.
[226] Agostinho Zacarias, "SADC: From a System to community of security?", *African Security Review*, vol. 7, no. 6 (1998).

Bull,[227] identified a security society as a group of states "where states are in regular contact with one another, and where ... there is interaction between them [that is] sufficient to make the behaviour of each a necessary element in the calculations of the other"[228], and a society of states "where a group of states, conscious of certain common interests and common values, form a society in the sense that they conceive themselves to be bound by a common set of rules in their relations with one another".[229]

The FLS was carefully designed, which was primarily directed at coordinating political, economic, diplomatic, and security objectives. The objectives of the FLS were defined by the hierarchical systems of power relationships among the group of states. But the alliance could only be as strong as its members. The FLS was formed when members of its group were already involved in economic ties with the state (South Africa) that they fought against. As suggested by Khadiagala: "In addition to geographical contiguity and economic interdependence, political interaction in the subsystem led to increased organizational expression of common and also conflicting interests."[230] Khadiagala contends that the member states of the Southern African system were conscious of their own relations, and their relations and behaviours within the subsystem, which was critical for its demise or success.

When the FLS was formed, Angola and Mozambique were still under Portuguese colonial control. The independence of Angola and Mozambique brought about regional violent conflict and war that provoked a regional nervousness for the South African government as it feared that a Marxist power could be unleashed to dominate the entire region, jeopardising the apartheid ideology.[231] Radical members of Angola's MPLA supported Zaire's secessionist forces by invading Zaire twice, in 1977 and again in 1978, which effectively destroyed relations between the leaders of the two countries. Zaire's Mobutu Sese Seko responded with support from his Western allies, the United States, France, Belgium, and his African counterpart, Morocco.[232] The

[227] Hedley Bull, *An Anarchical Society: A Study of Order in World Politics* (London: Macmillan, 1977).
[228] Bull, *An Anarchical Society*, 1977, p. 10.
[229] Bull, *An Anarchical Society*, 1977, p. 13. *See also review by*, Geoffrey Goodwin, *Royal Institute of International Affairs*, vol. 54, no. 1 (January 1978), pp. 92-94.
[230] Khadiagala, *Allies in Adversity*, 1994, p. 3.
[231] Abillah H. Omari and Paulino Macaringue, "Southern African Security in Historical Perspective", in, Gavin Cawthra, Andre du Pisani and Abillah Omari (eds.), *Security and Democracy in Southern Africa* (Johannesburg: Wits University Press, 2007), pp. 50-51. *See also*, Malaquias, "Dysfunctional Foreign Policy", 2002, p. 20.
[232] Omari and Macaringue, "Southern African Security in Historical Perspective", 2007, pp. 50-51. *See also*, William A. Lindeke, "From confrontation to pragmatic cooperation: United States of America-Namibia relations", in, Anton

United States provided $5 million in funding towards upgrading the Beira port and railway line in Mozambique, while also openly supporting UNITA to overthrow the government of Angola.

The earlier moves in the formation of the FLS during the1970s were "non-confrontation" and "non-aggression", which evolved out of interactions with the former South African President Vorster, and former Zambian President Kaunda, the former whom Kaunda called the "voice of reason for which Africa and the rest of the world have been waiting".[233] Portugal's precipitous departure from Mozambique, which was brought about by the April 1974 Portuguese coup, created a security vacuum that left both Rhodesia and apartheid South Africa vulnerable and exposed to regional and international politics. Kaunda capitalised on Rhodesia's impasse with Mozambique. Rhodesia's situation was two-fold: a security vacuum and the importance of the transport trade routes. Rhodesia shared a 700-mile eastern border with Mozambique, which provided access for 80 percent of land-locked Rhodesia's trade exports through the transport network of Mozambique's port facilities of Beira and Lourenço Marques. On the South African side, Vorster was left unshielded and exposed by the removed buffer zone between the belligerent armed forces of Mozambique's nationalist movement, FRELIMO, which had collaborated closely with ZANU and operated from Mozambique's Tete province, and which also showed solidarity with the black Rhodesian majority by militarily rebelling against Ian Smith's white regime in Rhodesia. From the Namibian side, Nujoma led SWAPO in the years of struggle for Namibia's independence. From 1975, SWAPO worked closely with the MPLA,[234] as well as with FRELIMO, and later in the same year moved its headquarters from Lusaka, Zambia to Luanda, Angola.[235] On the Rhodesian side, the Rhodesians had previously relied heavily on the Portuguese military support in fighting FRELIMO, and in trying to fill the military vacuum, called on the support of Vorster.[236] Through a calculated move, and having weighed up the costs of war with Mozambique, Vorster refrained from conceding to Rhodesia's request, and instead Vorster pushed for a non-aggression pact of non-intervention and non-interference with offers of economic incentives for the regional states of Southern Africa.

Bösl, André du Pisani and Dennis U Zaire (eds.), *Namibia's Foreign Relations: Historic contexts, Current Dimensions, and Perspectives for the 21st Century* (Windhoek: Macmillan Education Namibia, 2014), pp. 181-210.

[233] Khadiagala, *Allies in Adversity*, 1994, p. 23.

[234] Angola Briefings, *Review of African Political Economy*, no. 5 (October 1981), p. 85.

[235] Chris Saunders, "Namibian diplomacy before Independence", in, Bösl, du Pisani and U Zaire (eds.), *Namibia's Foreign Relations*, 2014, pp. 27-36.

[236] Khadiagala, *Allies in Adversity*, 1994.

Zambia furthered its regional support strategy to include Botswana, Mozambique and Tanzania in the region's diplomatic quest, as Zambia's first line of defence was engagement with racist minorities and in so doing supported the liberation movements to achieve the region's goal. Aside from Lesotho, and Swaziland's close economic affiliation with South Africa, which was linked to the SACU 1969 agreement,[237] the FLS sought to wean Lesotho and Swaziland from deeper economic relations with South Africa. Pretoria's strong opposition did not deter the FLS, and Lesotho nevertheless diversified its political and economic relations by establishing diplomatic relations with Cuba in 1979 and with the Soviet Union in 1980.[238]

During the early years of the formation of the FLS, the roles between alliance members and the apartheid government of South Africa became one of dual dependence. South Africa was dependent on the Southern African region to export its trade. For example, in 1973, SACU was listed as one of the 22 top exporters for 41 commodities in the Standard International Trade Classification (SITC) categories 5-8 for Eastern and Southern African markets. These trade commodities were exports such as paper and board, glass and metal-working machinery, diamonds, basic inorganic chemicals, unworked metals and the least advanced iron and steel products, which found access to major international markets.[239] Similarly, Zambia was listed as one of the 20 largest importers, since Zambia received 39 percent of South Africa's exports in 1973.[240] SACU member states saw South Africa as the means of extracting benefits from cooperation through the SACU agreement on trade.

3.3.1 Political and economic courtship - Policy of détente

This section outlines the awkward co-dependence and balancing roles of the FLS' governments with the apartheid government of South Africa. The alliance was a regional subsystem with distinctive units that assumed a pivotal role in international relations. The primary emphasis of a regional subsystem, according to Khadiagala, is one that embraces geographic regions and is characterised by patterns of relations of levels of cohesions, types of communications, and a

[237] Gerhard Erasmus, "Namibia and the Southern African Development Community", in, Bösl, du Pisani and U Zaire (eds.), *Namibia's Foreign Relations*, 2014, pp. 211-230.
[238] Khadiagala, *Allies in Adversity*, 1994, p. 227.
[239] United Nations (UN)Yearbook of International Trade Statistics 1974, vol. III, *cited in*, Manfield Bienefield and Duncan Innes, "Capital Accumulation and South Africa", *Review of African Political Economy*, no. 7 (1976), pp. 48-49.
[240] UN Yearbook of International Trade Statistics, 1974, pp. 48-49.

configuration of power structures that are divided by boundaries and constrained by behaviour. In building on the concept of the subsystem, the preponderance of race and class conflict subsumed the formation of the regional cluster of states and economic linkages that bound the subsystem together, and which had no outer limits. Mel Grutov similarly suggested that Southern Africa's governments did not speak with one voice, nor did they act in unison, which allowed South Africa, and the West, easy entry into the region. Gurtov suggested that "for realists, power is the essential ingredient of politics ... the instinctive goal of persons ... A paradigm of the philosophy, strategy, and objectives that define the national security state, that complex of institutions, special interests, and powerful bureaucracies that govern all societies".[241]

The interaction between South Africa and some of the FLS leaders like Kaunda and Banda was meaningful for the Southern African states, and a farce for the South African government as Mugabe recognised when he said: "The coincidence of interests between Zambia and South Africa of avoiding confrontation in Southern Africa set the stage for new attempts as a peaceful resolution through meaningful accommodation".[242] These attempts became popularly known as regional détente. Khadiagala noted " … Southern Africa's political lexicon was a logical corollary to Pretoria's reassessment of her relationship with Rhodesia for the explicit purpose of establishing a different kind of relationship with neighbouring states".[243] According to Khadiagala, secret negotiations between Zambian and South African officials emerged in mid-1974 as a détente scenario. A Zambian official noted the engagements as an undertaking to use the détente exercise to buy Vorster's confidence in resolving the Rhodesian conflict.[244] This position - détente - later became the basis for the Organisation of African Unity's Dar es Salaam Declaration on Southern Africa.

Détente also came under fire when South Africa used it to make diplomatic inroads throughout Africa, and the OAU member states became disgruntled by this move, criticising Kaunda for spearheading the policy. Furthermore, Kaunda did not envisage the problems that détente could engender, like the conflict division that erupted when a militant wing of ZANU, led by Mugabe (prior to his becoming Zimbabwe's president), rejected Muzorewa's leadership and resumed

[241] Mel Gurtov, "Realism and Corporate Globalism in theory and practice", in, Mel Gurtov, *Global Politics in the Human Interest* fifth edition (Boulder, Colorado: Lynne Rienner, 2007), pp. 33-34.
[242] Khadiagala, *Allies in Adversity*, 1994, p. 23.
[243] Khadiagala, *Allies in Adversity*, 1994, p. 23.
[244] Khadiagala, *Allies in Adversity*, 1994, p. 27.

guerrilla infiltration in north-eastern Rhodesia. Mugabe too criticised the FLS for having used détente, which he viewed as "political chicanery", which "stampeded the Zimbabweans in a false unity.[245] The détente engagements made varied political and economic inroads. Kaunda and former president Houphouët-Boigny of the Ivory Coast were at the forefront to assist Jonas Savimbi, the UNITA leader in Angola's fight against the MPLA in Luanda.[246] While Zambia indicated strong calls for a government of national unity in Angola, President Kaunda was also siding with the UNITA radicals. For Zambia, what mattered most was to secure export routes and trade from South Africa, given the major obstacles that the Zambian government faced with its economy during 1975. For instance, Lusaka's balance of payments deficit was Kwacha 180 million and its foreign exchange reserves dropped from £370 million to £12.4 million. Zambia therefore turned to South Africa for assistance and negotiated was an export credit agreement of one quarter of Zambia's import oil bill.[247]

Many other complexities also arose through the regional détente policy of making inroads through concessionary practices. Vorster provided loans to Malawi of R14 million for building a new capital in the centre of the country, at Lilongwe (the capital city was not completed until much later, largely by international donors). Vorster also gave Malawi R11 million for a railway line to connect Mozambique with the port of Nacala to facilitate the transport of Malawian migrant workers to South Africa. These numbers increased from 50,000 in 1966, to 100,000 in 1971.[248] Malawi's behaviour also appeared contradictory, with a despondent civil service on its doorstep and government technocrats backing Southern Africa's liberation leaders, while its president was backing South Africa. As Douglas Anglin[249] pointed out, the FLS presidents' motives were to extend the hand of friendship to their less resolute comrades in the hope that they thereby be weaned from their errant ways. Other controversial roles were seen in the issues dealt with by the international community. The IMF and World Bank forced Malawi to work with South Africans and the heads of Malawi Railways and Press Holdings were both South Africans. Malawi went as far as allowing the Mozambican National Resistance (Resistência Nacional

[245] Khadiagala, *Allies in Adversity*, 1994, p. 27.
[246] Angola Briefings, 1981.
[247] Lionel Cliffe and Peter Lawrence, "The Struggle for the State in Southern Africa", *Review of African Political Economy* no. 5 (October 1981), pp. 10-11.
[248] Joseph Hanlon, *Beggar Your Neighbours: Apartheid Power in South Africa* (London: Currey, 1986), pp. 235-238.
[249] Anglin, "Economic Liberation and Regional Cooperation in Southern Africa: SADCC and PTA", 1983, pp. 681-711.

Moçambicana) (RENAMO) to use the country as a rear base to launch invasions, even though the same militant group had destroyed Malawi's second rail link to the sea, Nacala.[250]

As noted by Khadiagala, the FLS welcomed Malawi into their circle and suggested that Malawi cultivate cordial relations with its neighbour Mozambique for its trade outlets (ports). The suggestion was, " … rather than treating him as an outcast, we showed our goodwill ... Like the prodigal son, we [FLS leaders] told him: [Banda] 'Come back home'".[251] Various contradictions similarly prevailed in the region, as was seen in Mozambique's 1976 support of US sanctions against the Ian Smith regime and closure of its borders, while also allowing Soviet assistance and a military presence in the country to thwart South Africa's regional destabilisation. Between 1976 and 1979, Mozambique paid a heavy price for backing South African and Zimbabwean liberation movements, when it experienced attacks from Ian Smith's Rhodesian regime and from RENAMO.[252] Paradoxically, the United States, while enforcing sanctions against Southern Rhodesia, supported proxy wars backing the South African-led UNITA army in Angola.[253] The US/South Africa relationship was further concretised when Fidel Castro (former Cuban leader) sent thousands of its troops to assist Angola.[254] As described by William Lindeke, economic interests in Africa were deep entrenched in mining and petroleum and "coexisted with security ones, sometimes in complex ways such as in Angola".[255] Mobutu Sese Seko, through fuelling rebels in Angola, too had reaped huge profits through UNITA in diamond-smuggling trade deals with the United States that were conducted via the Kamina airbase in Southern Zaire and amounted to $5 billion per year.[256] This powerful backing allowed UNITA to control the diamond fields of Angola and mine $3.7 billion worth of diamonds during the 1990s.[257]

The FLS alliance had a number of awkward relations among its members and with South Africa. Victor Olorunsola and Dan Muhwezi noted that varying degrees of state power and mercantilist policies were used as "pretence" for bottom-up integration. These subterfuges entailed a degree

[250] Jonathan Mayuyuka Kaunda, "Continuity and Change in Malawi's Foreign Policy-Making", in, Adar and Ajulu, *Globalisation and Emerging Trends*, 2002, p. 79. *See also*, Hanlon, *Beggar Your Neighbours*, 1986, pp. 238-240.
[251] Khadiagala, *Allies in Adversity*, 1994, p. 228.
[252] Khadiagala, *Allies in Adversity*, 1994, p. 177.
[253] Khadiagala, *Allies in Adversity*, 1994, pp. 150-151.
[254] Lindeke, "From confrontation to pragmatic cooperation: United States of America-Namibia relations", 2014, p. 185.
[255] Lindeke, "From confrontation to pragmatic cooperation: United States of America-Namibia relations", 2014, p. 185.
[256] Gurtov, "Realism and Corporate Globalism in theory and practice", 2007, p. 26.
[257] Gurtov, "Realism and Corporate Globalism in theory and practice", 2007, p. 21.

of government corruption of unaccounted government funds. In the case of Tanzania, unaccounted funds stood at 327,000 shillings in 1967-1968, this amount increased to 43 million shillings from 1977-1978. These figures further advanced to a total of 437 million shillings in 1980 to 1981.[258] African governments were also faced with economic realities of under-development, of race and class formations, and ethnic divisions that spilled over into the political economy of the state. These complexities gave rise to new pressures, with governments trying to maintain political officialdom combined with high living standards in Africa's post-independence era.[259] Therefore, the African state was absorbed in maintaining political power, and also maintaining exorbitant lifestyles at the expense of its people. Ruth First noted in 1970, " …the resources of the new states were being devoured by a tiny group whose demands distorted the budgets and economies of the states they governed ... "[260] Owing to the regional environment, and in forming an alliance, at times its members could be challenged by resources, as Khadiagala noted in his work on FLS history, that an alliance " ... might have to pay the price of a drain on domestic resources and some significant loss of national autonomy". It was inevitable therefore, that alliance members would pursue certain foreign-policy goals that could assist them, as small vulnerable states, when the costs became too high for their domestic situations.[261] Zacarias also noted that the divergent political interests were a mere expression of survival, rather than an expression of cooperation among states with similar values. Khadiagala also highlighted that when the costs and benefits became too large for the alliance members, states pursued other interests.[262]

3.3.2 The FLS and external actors

This section expands on the weaknesses of the state and the exploitative roles of external actors on the resources of fragile states. Extra-regional actors contributed to the weakness of the region's economies. The FLS constituted a group of states eager to create adequate mechanisms for addressing violent conflict without the initial intervention of great powers, but their weakness

[258] Victor A. Olorunsola, and Dan Muhwezi, "State Responses to Disintegration and Withdrawal: Adjustments in the Political Economy", in, Donald Rothchild (eds.), *Africa in the New International Order: Rethinking State Sovereignty and Regional Security* (London; and Boulder: Lynne Rienner, 1996), pp. 189-207.
[259] Stephan, Power, Hervey and Fonseca, *The Scramble for Africa in the 21st Century: A View from the South*", 2006, pp. 320-321.
[260] Ruth First, *Power in Africa* (New York: Pantheon, 1970), p. 110. *Cited in*, Stephan, Power, Hervey and Fonseca, *The Scramble for Africa in the 21st Century*, 2006, pp. 320-321.
[261] Khadiagala, *Allies in Adversity*, 1994, p. 9.
[262] Khadiagala, *Allies in Adversity*, 1994.

forced them to draw on external powers to fulfil and realise their goals.[263] There was also the self-interest of external actors, and which too was involved for their own needs and not so much for wanting to assist regional states. Instead of assisting the region after the end of the Rhodesia/Nyasaland Federation in 1963,[264] the World Bank approved an investment of 80 million British pounds to develop Rhodesia's railways for Britain to have access to the region's resources, given British interests elsewhere in Southern Africa.

With the World Bank's refusal to complete the Tazara railway, Chinese funds of $450 million helped fund its completion.[265] British investments and capital were enormous in Rhodesia, like the Rhodesian Iron and Steel Corporation (RISCO), with proceeds of £24 million. Other British firms in Rhodesia were Salisbury Portland Cement; Marley; Tate and Lyle; Brooke Bond; Unilever; Cadbury-Schweppes; and Lonhro and BP Industries. The United States had a chrome mining plant, Union Carbide and Foote Minerals at £20 million. Other countries with interests in Rhodesia were France, Germany, Switzerland, Austria and Japan.[266] Namibia was also a contested state because of its wealth in diamonds, and was managed by the South African government when its Union was formed in 1910.[267] The US's relations with Southern Africa did not only concern security issues; America had over one percent of foreign investments and bank loans in South Africa and a $7.6 billion share ownership.[268] Currently (2014), approximately 60 percent of Namibia's diamond exports go to Japanese and US markets.[269]

South Africa's Anglo American Corporation was the key mining conglomerate extracting diamonds in Namibia's mines. In order to gain international purchasing power, Anglo American Corporation made large offshore investments through its Minorco company, based in the US, with mining interests in South Africa.[270] In terms of oil exports, before Angola's independence in 1975, the country produced 135,000 barrels of oil daily. By 1985, Angola's oil production had

[263] Khadiagala, *Allies in Adversity*, 1994.
[264] Hanlon, *Beggar Your Neighbours*, 1986, p. 246.
[265] Hanlon, *Beggar Your Neighbours*, 1986, p. 246. *See also,* Centre for Conflict Resolution report, *South Africa in Southern Africa* (November 2012), <http://www.ccr.org.za>.
[266] Colin Stoneman, "Foreign Capital and Zimbabwe", *Review of African Political Economy*, no. 5 (October 1981), pp. 70-71.
[267] Bienefield and Innes, "Capital Accumulation and South Africa", 1976, pp. 40-46.
[268] Lindeke, "From confrontation to pragmatic cooperation: United States of America-Namibia relations", 2014, p. 185.
[269] Lindeke, "From confrontation to pragmatic cooperation: United States of America-Namibia relations", 2014, p. 191.
[270] Bienefield and Innes, "Capital Accumulation and South Africa", 1976, p. 44.

increased to 278,000 barrels per day, with oil trade that amounted to $2.5 million. Angola's major oil-trading partners and private businesses were the United States' Chevron, Texaco, and Mobil; Belgium's Petrofina; Italy's Agip; France's Total and Elf Aquitaine; Spain's Hispanoil; the United Kingdom's British Petroleum; Germany's Diminex; and Brazil's Petrobras.[271] With such huge investments it appeared that the US government and its private businesses had a lot to lose in Angola's conflict, since the US had a $600 million investment in Angola in its Chevron oil company between 1975 and 1985.[272]

The South Africa government was a contributing force towards the neighbouring states' foreign exchange budgets in mine wages.[273] As early as 1942, South Africa had 215,000 mineworkers from the region working in its own mines: in 1971 - 86,000, in 1970 - 100,000 Mozambican miners worked in South Africa, while Malawi had over 100,000 migrant miners in South Africa. These numbers decreased when President Banda required more labour for his own country's tobacco plantations in Malawi. Mozambique also reduced its number of miners to 60,000 after its independence. However, South Africa also crippled Southern Africa's manufacturing mining sector by taking labour away from the region's own mines, and therefore less gold and fewer diamonds were produced in those Southern African states. Even though Angola, Botswana and Namibia, as well as Zaire, were gold, diamond and other mineral and precious metal producers (as is still the case), South Africa for the period of 1984 exported to these states amounts totalling R11,684 million in gold; R2,387 million in diamonds and precious metals; and R5,515 million in other minerals and mineral products. In 1984, other exports from South Africa to the region included fruit, grain and vegetables (R480 million); other agricultural products (R833 million); and chemicals (R672 million).[274]

[271] Hanlon, *Beggar Your Neighbours*, 1986, p. 169.
[272] Hanlon, *Beggar Your Neighbours*, 1986, p. 170.
[273] Hanlon, *Beggar Your Neighbours*, 1986, p. 78. Mine workers in South Africa for the years 1974; 1980; and 1984 respectively were from neighbouring countries to South Africa and totalled: Angola - 108; 291; and 48; Botswana - 333,57; 23,200; and 26,433; Lesotho - 134,667; 140,746; and 138,443; Malawi - 137,676; 32,319; and 29,268; Mozambique - 139,993; 56,424; and 60,407; Swaziland - 9,984; 19,853; and 16,823; Zambia - 703; 918; and 1,274; and Zimbabwe - 5,691; 10,377, and 7,492. Remittances paid by South Africa to Southern African member states for the periods 1980; and 1983: Angola - Zero remittances paid; Botswana - R32 million; and R47.6 million; Lesotho - R153.3 million and R280.6 million; Malawi - R30.7 million and R51.3 million; Mozambique - R66.6 million and R116.8 million; Swaziland - R13.2 million and R32.1 million; Zambia - R600,000 and R1 million; and Zimbabwe R15.4 million; and R8.7 million.
[274] Hanlon, *Beggar Your Neighbours*, 1986, p. 281.

On its part, Southern African states benefited from labour migration and this trend continued, since it provided worker remittances to an amount of $350 million due to labour migration, which comprised 40 percent of the non-South African mining force.[275] While South Africa was befriending Banda, it also crippled Malawi's economy. South Africa also came to Malawi's rescue by giving the Malawian government 5 million kwacha worth of fertiliser. Yet, South Africa destroyed a 600-kilometre Beira railway line that resulted in additional transport costs for the government of Malawi of 16 million kwacha on imports. Malawi was then faced with stockpiling of 130,000 metric tonnes of sugar and shortages of fuel and fertiliser.[276]

As Keohane and Nye[277] observed, in complex interdependence the role of a military can exert substantial power and authority through other means:

> If there are no constraints on one's choice of instruments … the state with superior military force will prevail. If the security dilemma for all states were extremely acute, military force, supported by economic and other resources, would clearly be the dominant source of power. Survival is the primary goal of all states, and in the worst situations, force is ultimately necessary to guarantee survival. Thus military force is always a central component of national power.[278]

Keohane and Nye also observed that besides using state military to gain power, other multiple issues in their foreign policy agenda would be used to force control over weaker states, such as energy, resources, environment, population, and territorial rivalry. Adebayo Adedeji believed that the trade routes of Southern Africa would not be ideal for economic development for SADCC states and they would be subjected to a problematic South Africa. At the time of setting up the PTA, the Southerners were not interested. He patiently sought to get the states of Southern Africa to join the PTA and tried to secure funding through the European Commission with which he had had several meetings while he was setting up the PTA. He had worked on a plan for ten years as well as a framework for Eastern and Southern Africa's states.[279]

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[275] Khadiagala, *Allies in Adversity*, 1994.
[276] Hanlon, *Beggar Your Neighbours*, 1986, p. 238.
[277] Keohane and Nye, *Power and Interdependence*, 2001.
[278] Keohane and Nye, *Power and Interdependence*, 2001. *See also*, James Zaffiro, "Exceptionality in External Affairs: Botswana in the African and Global Arenas", in, Stephen Wright (ed.), *African Foreign Policies* (Boulder: Westview Press, 1999).
[279] *Personal interview* with Adebayo Adedeji, Ijebu-Ode, Ogun State, Nigeria, (19 December 2010); and Somerset West, South Africa (13-15 December 2011).

3.4 The formation of SADCC

This section discusses the formation of SADCC and its determination of coordinating trade and infrastructure linkages for its member states. As aptly described by Zacarias when he observed that SADCC was a strategy to create economic relations in the region that were not driven by market forces; it was a deliberate choice of incorporating the majority of the Southern African states into its organisation to reduce dependence on South Africa. The political values of its member states were heterogeneous, and Zacarias outlined: "liberal democracies of Botswana coexisted with Malawian dictatorship, and the monarchies of Lesotho and Swaziland, Marxist regimes of Angola and Mozambique, and single-party states with mixed economies such as Tanzania and Zimbabwe, all coexisted alongside one another".[280] This coexistence of heterogeneity of different political values was a sensitive point that could jeopardise the SADCC configuration, and these dynamics also demonstrated the inability of the Southern African states to develop a supranational functional institution.[281] Kaire Mbuende, a former executive secretary of SADC, outlined the phases of regional integration that had characterised the process of Southern Africa.[282] These phases of integration entailed a phase of political solidarity when the FLS joined in the liberation struggle against colonialism. It was this sense of a common cause that led the first members to meet initially in Lusaka and form SADCC. The Organisation allowed for a strong tradition of solidarity among members, enabling a cohesive organisation. The second phase of regional integration was coordinating and consolidating programmes in transport and communications. Critical sectors for regional development were introduced, including agriculture, energy, and human resources, and which constituted programmes for regional development coordinated by SADCC.

The independence of Africa's states represented the beginning of Southern Africa's opportunity to boost the performance of its economies. The Democratic Republic of the Congo (DRC) and Madagascar[283] were the first to gain independence, in 1960.[284] The momentum of independence subsequently increased, with Tanganyika gaining independence in 1961 and Zanzibar in 1963,

[280] Zacarias, "SADC: From a System to community of security?", 1998.
[281] Zacarias, "SADC: From a System to community of security?", 1998.
[282] European Union and Southern African Development Community seminar on, "The Regional Integration Process" (in collaboration with the Centre d'Etude d'Afrique Noire, Institut d' Eudes Politiques of Bordeaux), Brussels and Paris (12-15 June 1995), p. 11.
[283] Oosthuizen, *The Southern African Development Community*, 2006.
[284] Oosthuizen, *The Southern African Development Community*, 2006, pp. 53-54.

which then together formed Tanzania in 1964; Malawi and Zambia both gained independence in 1964, followed by Botswana and Lesotho in 1966. As a successor to the FLS, in April 1980, the leaders of Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia, and Zimbabwe met in Lusaka, Zambia, to adopt the "Southern Africa: Toward Economic Liberation" declaration and formed SADCC in 1980.[285] In July 1981, the SADCC structure was ratified at a summit of Heads of State meeting. SADCC adopted the SADCC Memorandum of Understanding (MOU)[286] that provided members states with an institutional framework. The headquarters were established in Gaborone, where they are still located.

The SADCC Summit of Heads of State and government oversaw policy-making and met on an annual basis.[287] The SADCC Council consisted of ministers tasked to oversee the economic affairs of the region. Sectoral Commissions comprising the Southern African Centre for Cooperation in Agricultural Research (SACCAR), the Standing Committee of Officials (SATCC), and the Secretariat were the other structures completing SADCC.[288] In 1987, SADCC states had a total gross domestic product of nearly $20 billion, 68.7 million compared to South Africa's GDP of $54.4 billion and a population size of 32.3 million.[289]

While SADCC was formed to promote cohesion among its members and wanted to assist its economies in becoming less economically dependent on South Africa, various views and opinions existed concerning its creation. Anglin, for example, noted that the EEC and certain of its officials served as the midwife to SADCC, discreetly promoting the birth of SADCC.[290] External actors and international donors also provided 90 percent of SADCC's budget; however sometimes these funders played ambiguous roles. For example, between 1980 and 1986, the US government indicated that it did not see the Southern African region developing without apartheid South Africa's participation, owing to its strong economy.[291] For example, funding from the United States during the 1980s for SADCC's regional transport and communications

[285] Jan Isacsen, *Restructuring SADC - Progress and Problems* (Bergen, Norway: Chr Michelsen Institute, 2002), pp. 1-102.
[286] SADC Summit Communiqué, Salisbury, Zimbabwe, 20 July 1981.
[287] Matlosa and Lotshwao, *Political Integration and Democratisation in Southern Africa*, 2009.
[288] Garth le Pere and Elling N. Tjønneland, "Which Way SADC? Advancing Cooperation and Integration in Southern Africa", *Institute for Global Dialogue Occasional Paper*, no. 50 (2005). *See also,* Oosthuizen, *The Southern African Development Community*, 2006, pp. 61-63.
[289]Overseas Development Institute (ODI) Briefing Paper, "Sanctions and South Africa's Neighbours", (May 1987).
[290] Anglin, "Economic Liberation and Regional Cooperation in Southern Africa: SADCC and PTA", 1983.
[291] le Pere and Tjønneland, "Which Way SADC? Advancing Cooperation and Integration in Southern Africa", 2005.

sector, which was overseen by Mozambique, was limited. The US refused funding as Mozambique was a Marxist-led country at that time and the US was averse to Marxism.[292]

As noted by Mbuende, in 1980 an economic dimension was added to political cooperation through a different entity, which allowed for broader membership within SADCC.[293] SADCC's member states had always envisaged a democratic South Africa as eventually being part of its organisation. Both the ANC and the Pan-Africanist Congress had observer status at SADCC's annual Summits and annual Consultative Conferences. Although SADCC was formed to build confidence among its member states, SADCC member states were unable to provide one another with sufficient goods and services. Members were also not at the stage of converging trade policies. Trade encompassed transport; agricultural goods such as animals and animal products; animal and vegetable fats; vegetable products; foodstuffs and beverages; mineral products; chemical products; plastics and rubber; hides, skins and leather; wood; pulp and paper; textiles; footwear; stone; jewellery; base metals; machinery and appliances; vehicles; and optical equipment, among other items[294] necessary to support independence.

Key to SADCC's regional integration efforts was the adoption of its action programme, which was seen as an important vehicle to promote and obtain regional cooperation. SADCC member states were tasked to oversee sectoral and sub-sectoral activities, at both national and regional levels.[295] The SADC Programme of Action (SPA) was viewed as a means to achieve the participation and involvement of all SADCC members. In mid-1993, the SPA had 464 projects requiring funding of $8.8 billion, with only 22 percent of those projects truly regional (also as is later discussed in this chapter under the rationalisation period). By the late 1990s there were 19 sectors and the SPA had 380 projects. Although the main goal was to retain regional projects

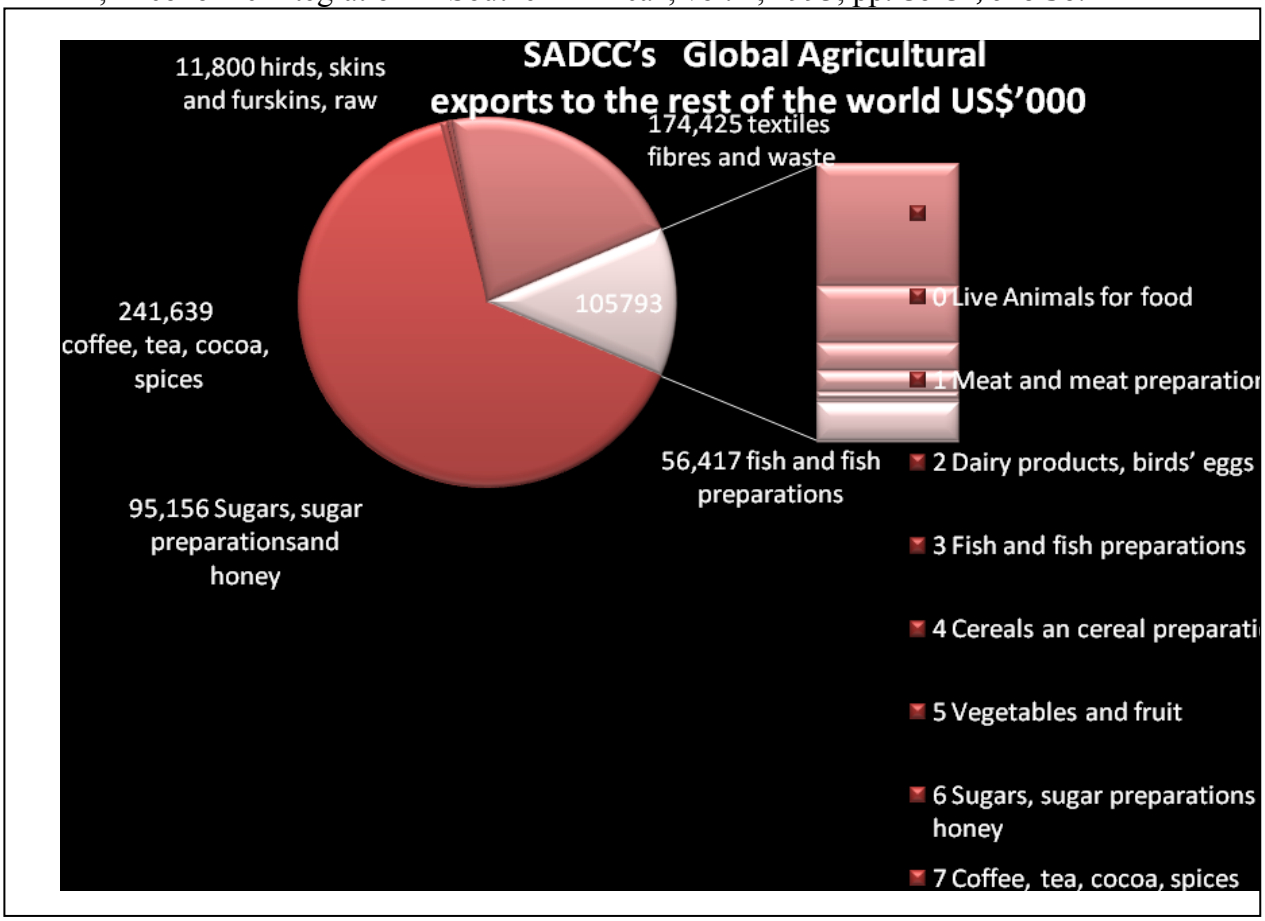
[292] le Pere and Tjønneland, "Which Way SADC? Advancing Cooperation and Integration in Southern Africa", 2005.
[293]Kaire Mbuende, "Namibia and the Southern African Development Community", in, Bösl, du Pisani and U Zaire (eds.), *Namibia's Foreign Relations*, 2014, pp. 231-252.
[294] Chinyamata Chipeta and Robert Davies, *Regional Relations and Cooperation Post-Apartheid* (Gaborone: SADC, 1993), pp. 129-130.
[295] SADCC's sectoral activities and responsibilities as overseen by its member states comprised the following: Angola - energy; Botswana - agriculture research, livestock production, and animal disease control; Lesotho - environment and land management, and water; Malawi - inland fisheries, forestry, and wildlife; Mauritius - tourism; Mozambique - culture, information, and sports, and transport and communications; Namibia - marine fisheries and resources, and legal sector; Swaziland - human resources development; Tanzania - industry and trade; Zambia - employment and labour, and mining; Zimbabwe - crop sector, and food, agriculture, and natural resources; and later, South Africa (which joined SADC in 1994) - finance and investment, and health. *See also the typology provided in*, Lee, *The Political Economy of Regionalism in Southern Africa*, 2002, p. 51.

with adequate funding, only 49 percent of funds were secured. Similarly, members failed to provide the required resources for the adequate functioning of the SADCC Secretariat.

The lack of sufficient funds, coupled with insufficient staffing of the Secretariat, made it difficult for SADCC, and later also for SADC, to fulfil its regional role adequately. SADCC soon realised that financing was difficult to manage, and even more difficult to coordinate through its Secretariat. Only 20 sector co-ordinating units were truly regional, and the rest lacked a regional focus. This led to the adoption of a new strategy beginning in 1985,[296] focusing on coordination through a more robust emphasis on sectoral regional activities. Sectoral activities were very important to SADCC's efforts in fostering security for the region through political and economic stability. The sectoral activities were coordinated nationally through member states' national ministries.[297] The decentralised approach adopted by the SADCC action programme became problematic for the region, negatively affecting the integration process. These problems faced by SADCC member states varied. For example, donors preferred to fund the sectoral activities and projects that they deemed most important, while failing to fund sectoral activities that SADCC member states deemed equally important for the region. Levels of competence also varied among SADCC member states, with some states being more effective than others in executing sectoral responsibilities. Lobbying for sectoral funding also occurred in advance, with member states seeking donor support unilaterally and not adhering to SADC procedures. Therefore, SADCC's annual consultative conference, held with its international partners, was described by Garth le Pere and Elling Tjønneland as a dress rehearsal for discussions on donor support.[298] While SADCC was faced with regional instability, it was conducting more trade with the rest of the world and divergence in intra-regional trade was hampered at these early stages of SADCC owing to the damaged infrastructure of roads and railway lines. Figure 3.1 highlights SADCC's trade with global markets, as seen in the exports of agricultural trade from SADCC to the rest of the world for the period 1985 to 1989. While, this trade with external markets demonstrates the ability for SADCC to produce agricultural exports, and trade externally, it also shows the inability for regional integration and for trade convergence between member states during this period in its history.

[296] Oosthuizen, *The Southern African Development Community*, 2006, p. 64.
[297] Oosthuizen, *The Southern African Development Community*, 2006. *See also*, Matlosa, and Lotshwao, "Political Integration and Democratisation in Southern Africa", 2009.
[298] le Pere and Tjønneland, "Which Way SADC? Advancing Cooperation and Integration in Southern Africa", 2005; *see also*, Isaksen, *Restructuring SADC - Progress and Problems*, 2002.

Figure 3.1: SADCC's agricultural exports to the rest of the world 1985 to 1989.
Source: Data provided by the African Development Bank (AfDB) on SADCC's regional growth indicators for trade, GNP, GDP versus regional trade and overall economic growth based on, AfDB, "Economic Integration in Southern Africa", vol. 2, 1993, pp. 80-84, and 90.



These are all primary products as per the Standard International Trade Classification (SITC) 7 - export amounts from SADCC to the rest of the world for the period 1985-1989 totalled: coffees and teas - $241,639 million; sugars - $95,156 million; fish and fish preparations - $56,417 million; textiles - $174,425 million; skins and fur skins raw - $11,800 million; and smaller agricultural commodities for the same period - $105,793 million. Besides the sectoral coordinating structures, SADCC also faced internal organisational problems and in its security and secretariat structures as is next discussed.

3.5 SADC institutional architecture[299]

This section outlines the main factors in the institutional journey of SADCC which became SADC and the restructuring of it Secretariat. SADCC's evolving security architecture embarked on a difficult journey. Defence and security issues were initially a sub-structure under the FLS. The Inter-State Defence and Security Committee (ISDSC), the security leg of the FLS formed in 1976, was operating with no formal charter or institutional framework. Zimbabwe held the chair of the FLS and played an integral role in the ISDSC. SADCC's key hegemonic player between 1975 and 1990 was Zimbabwe, and was viewed as the economic and military giant. With South Africa joining the Southern African fraternity in 1994, SADC had new battles to fight that did not encompass a political agenda of racism and colonialism, but was instead a battle over a clash of personalities,[300] evident in Zimbabwe's Robert Mugabe and South Africa's Nelson Mandela's relations. Robert Mugabe was the longest serving head of state in Southern African as well as chairperson of the FLS, with Zimbabwe therefore having significant regional status. The issues between these two presidents varied. Mugabe remained wary of South Africa's new political transformation; Mandela, on his part, had misgivings about human rights and democracy issues in Zimbabwe.

Robert Mugabe and Nelson Mandela's disagreements and discontent further divided the region and issues pertinent to regional security became problematic. Issues arose where SADC member states were left choosing between South Africa's (Mandela) advocating for an Organ on Politics, Defence, and Security (OPDS) integrated regional security approach, incorporated into SADC and reporting to the Summit. Mugabe, on the other hand, strongly opposed South Africa's idea and felt that the Organ should be autonomous and have its own Summit, while security should not be integrated into the SADC structures. Overall, member states felt that security needed to be part of the SADC agenda.[301]

Member states were generally unhappy with the role that the Secretariat played, particularly with the inadequate staffing structure. By 1996 the Secretariat had 10 professional staff and 20 administrative staff. SADC's security architecture was further challenged by Zimbabwe when it

[299] Dawn Nagar, "Towards A Pax-Africana: Southern African Development Community's Architecture and Evolving Peacekeeping Efforts, 1996-2009", Master's Thesis, University of Cape Town, 2010.
[300] Chris Alden and Garth le Pere, "South Africa's Post-Apartheid Foreign Policy - from Reconciliation to Revival?", *Adelphi Paper*, no. 362, (2003), pp. 58-59.
[301] Alden and le Pere, South Africa's Post-Apartheid Foreign Policy, 2003.

sent troops to the DRC with Angola and Namibia and signed its own Mutual Defence Pact with all three states.[302] To pull the region's member states together and attempt to converge SADC's security policies, in June 1996, at a SADC summit meeting in Gaborone, Botswana, the SADC Organ on Politics, Defence and Security was established.[303] Since the establishment of SADC's OPDS in 1996, the Organ's mandate has been to oversee conflict prevention; establish a regional peacekeeping force; coordinate foreign and security policy of member states; strengthen democracy and human rights; and establish a mutual defence pact. The establishment of the OPDS showed a tentative commitment by member states to consolidate SADC's regional security policies. Even with the establishment of the Organ, it too had no clarity how it would relate to the wider SADC structures and how it would report to the Executive Secretary or under SADC.[304] In August 1999 (three years later, and after the SADC 1996 Summit), at a Heads of State meeting in Maputo, Mozambique, SADC's foreign and defence ministers met to develop the sub-region's collective security system.[305] In an attempt to further consolidate cooperation and trust among SADC member states, two bodies were established: the Inter-State Politics and Diplomacy Committee (ISPDC) of sub-regional foreign ministers, and an ISDSC from the FLS, comprising ministers of foreign affairs, defence, public security and state security.

SADC experienced many difficulties in the operationalisation of the OPDS mandate.[306] While the objectives of SADC were stipulated in its founding treaty of 1992, these objectives define the economic and political values of the institution and include the promotion of defence and security. Issues arose also with the manner in which the executive secretary executed his duties and the infighting within the Secretariat led to the public dismissal at an SADC Summit of its independent-minded executive secretary, Namibia's Kaire Mbuende, in 1999. A substantive

[302] Omari and Macaringue, "Southern African Security in Historical Perspective", 2007, pp. 51-59. *See also,* Nagar,"Towards A Pax-Africana: Southern African Development Community's Architecture and Evolving Peacekeeping Efforts, 1996-2009". Master's Thesis, University of Cape Town (2010).
[303] Ngoma, *Prospects for a Security Community in Southern Africa*, in, Naison Ngoma, *Prospects for a Security Community in Southern Africa: An Analysis of Regional Security in the Southern African Development Community*, (Pretoria: Institute for Security Studies [ISS], 2005).
[304] Ngoma, "The Organ on Politics, Defence and Security: The rise and fall of a security model?", 2005. *See also,* Nagar,"Towards A Pax-Africana: Southern African Development Community's Architecture and Evolving Peacekeeping Efforts, 1996-2009".
[305] Ngoma, "The Organ on Politics, Defence and Security: The rise and fall of a security model?", 2005.
[306] Nagar,"Towards A Pax-Africana: Southern African Development Community's Architecture and Evolving Peacekeeping Efforts, 1996-2009".

executive secretary, Mauritius's Prega Ramsamy, was appointed only in 2001 (and served in this capacity until 2005).[307]

Further concerns were raised concerning the vague work programme and lack of focus that could not be reconciled with SADC's overall objectives.[308] In 2000, at an Annual SADC Consultative Conference held in Ezulwini, Swaziland, the meeting highlighted that the defence and security committee, in comparison with the foreign affairs committee, appeared to be more effective.[309] In 2001, SADC's organisational structure still appeared inadequate in terms of resources and staffing. In addition, the political tensions and divisions that emerged between Zimbabwe and South Africa threatened the Organisation's security work. As a regional economic community, SADC is able to legally address security functions.[310]

Hence, in August 2001 at a summit of heads of state in Blantyre, Malawi, the OPDS was restructured into the Organ on Politics, Defence and Security Cooperation (OPDSC) providing SADC members with an institutional framework to coordinate policies and activities in the areas of politics, defence, and security.[311] The 2001 Summit also recommended improvements and changes to SADC's institutional framework for it to execute its original 1992 mandate and SADC staff increased to 384, comprising 194 professional and 190 support staff.[312] The OPDSC comprises the chairperson and the office of the chairperson, the troika, the ministerial committee (MC), the ISPDC, and ISDSC. Together the MC, ISDSC, and the ISPDC are the SADC Organ's

[307] SADC Extraordinary Summits and Communiqués, Namibia, Windhoek, 9 March, 2001; and, Gaborone, Botswana, 17-18 August 2005.
[308] Adekeye Adebajo, "Security, Governance, and Economic Issues in the SADC Region", *Presentation made to the Swiss Agency for Development and Cooperation (SIDA)*, Tshwane, (25 June 2014).
[309] See the discussion on SADCC's Sectoral Activities in, Lee, *The Political Economy of Regionalism in Southern Africa*, 2003, p. 50. *See also*, Oosthuizen, *The Southern African Development Community*, 2006.
[310] Adekeye Adebajo, "The Peacekeeping Travails of the AU and the Regional Economic Communities", in, Akokpari, Ndinga-Muvumba and Murithi (eds.), *The African Union and Its Institutions*, 2008, pp. 131-161.
[311] Paul-Henri Bischoff, "How Far, Where To? Regionalism, the Southern African Development Community and Decision-Making into the Millenium", in, Adar and Ajulu, *Globalisation and Emerging Trends in African States' Foreign Policy-Making Process*, 2002. *See also*, Elling TjØnneland N., "SADC Restructuring, Pioritisation and Donors, 2006-2008", in, Jonathan Mayuyuka Kaunda and Farai Zizhou (eds.), *Furthering Southern African Integration: Proceedings of the 2008 FOPRISA Annual Conference* (Botswana: Lightbooks a division of Lentswe la Lesedi, 2009). *See also*, Nagar,"Towards A Pax-Africana: Southern African Development Community's Architecture and Evolving Peacekeeping Efforts, 1996-2009".
[312] Adekeye Adebajo, "Southern Africa's Fledgling Security Architecture", 2008. *See also*, SADC website, <http://www.sadc.int/opds>. *See also*, Bischoff, "How Far, Where To? Regionalism, the Southern African Development Community and Decision-Making into the Millennium", 2002, pp. 295-299.

MC.[313] The Organ was also brought under the authority of the SADC Summit and chairmanship and became rotational from being solely chaired by one country, Zimbabwe.[314]

A further SADC extraordinary meeting in January 2002 in Blantyre mandated the Organ on Politics and Defence Cooperation to provide guidelines for its Protocol on Politics, Defence and Security Cooperation. Hence, the Strategic Indicative Plan of the Organ (SIPO) was created by SADC focusing on four main areas: the political, defence, state security, and public security sectors.[315] Also approved were the Terms of Reference (TOR) for the development of SIPO, and a Task Force comprising the Troika of members was established, with a one-year rotating chair to coordinate SADC's security policy.[316] SIPO provided a five-year strategic and activity guideline for implementing the OPDS Protocol. It covered a range of objectives and activities. SIPO also developed additional policy documents such as the Mutual Defence Pact signed at the August 2003 SADC Summit. SIPO still had to operationalise and develop an implementation apparatus and business plan to engage with its politics, defence and security remits effectively. In August 2003, the Mutual Defence Pact was signed, committing member states to develop both individual and collective defence capabilities and to cooperate on defence training, research and intelligence issues.[317]

SIPO[318] had a broad understanding of security through its governance and democratisation objectives as well as its defence and security issues, but with divergent opinions and approaches. Hence, some member states in the region placed more emphasis on state security issues, while others placed more emphasis on human security.[319] SADC's security convergence of its member states' various protocols took five years since the establishment of the security Organ in 1996 - the Organ received guidelines only in 2004 through SIPO.

[313] "SADC's Main Institutions and Office-Bearers", in, Oosthuizen, *The Southern African Development Community*, 2006, pp. 217-225.
[314] Omari and Macaringue, "Southern African Security in Historical Perspective", 2007, p. 54. *See also,* Nagar,"Towards A Pax-Africana: Southern African Development Community's Architecture and Evolving Peacekeeping Efforts, 1996-2009".
[315] Adebajo, "Southern Africa's Fledgling Security Architecture", 2008.
[316] Adebajo, "Southern Africa's Fledgling Security Architecture", 2008.
[317] Ngoma, *Prospects for a Security Community in Southern Africa*, 2005, pp. 147-150.
[318] SADC, Strategic Indicative Plan for the Organ on Politics, Defence and Security Cooperation (OPDSC), <http://www.sadc.int/>.
[319] Elling N Tjønneland, Jan Isaksen and Garth le Pere, "SADC's Restructuring and Emerging Policies: Options for Norwegian Support", *Report of the Norwegian Embassy,* 2005, p. 21.

SADC's security convergence gained support with the availability of donor funding, "which always got SADC member states to respond" (as a SADC Secretariat official indicated).[320] By the end of 2004, the Secretariat managed to appoint the heads of its four directorates and staffing for each directorate to the extent of ten officials per cluster. Previously, the most basic administrative resources such as adequate access to email and communications had been hampered at the Secretariat. A relationship gap between the Secretariat and member states remains a challenge, since the mandate of the Secretariat is mainly administrative, with no political decision-making powers. An additional secondment was made from South Africa to the Organ's Chair in 2005. Persistent problems still existed with the relations between the Organ and the Secretariat. This remains a major challenge, with both the Organ and the Secretariat sharing the same support staff, but having entirely different governing structures.[321]

SADC social and economic areas are supported by the Integrated Committee of Ministers (ICM), the Council of Ministers, the Troika (past, current and incoming Chairs of SADC) and the Summit. The ICM lacked the ability to provide direction on programmes and activities for the various sectors and similarly lacked the ability to provide strong policies and a coherent flow of information between government departments at the national level.[322] According to Tjønneland, Isaksen, and le Pere, the Council of Ministers spent much of their time and capacity on administrative detail and seemed to lack overall leadership.[323] The Troika system had also failed to provide strong political leadership between the meetings of the ICM and the Council of Ministers.

To narrow this gap between rhetoric and implementation, SADC established a Committee of Ambassadors in February 2005 in Gaborone, Botswana. The Organ has its own Troika.[324] The Organ operates at the level of heads of state, consisting of three heads of state with its own Troika, and it reports to the SADC Summit. How this works in practice, is through the ministerial committee, which in turn reports to the Troika and makes the key decisions. The ministerial committee consists of ministers of defence, police, and intelligence from SADC's 15 member

[320] *Personal Interviews*. Conducted at SADC Secretariat, 2009, 2011, and 2013.
[321] Matlosa, and Lotshwao, *Political Integration and Democratisation in Southern Africa*, 2009, p. 13.
[322] Tjønneland, Isaksen and le Pere, "SADC's Restructuring and Emerging Policies: Options for Norwegian Support", 2005.
[323] Tjønneland, Isaksen and le Pere, "SADC's Restructuring and Emerging Policies: Options for Norwegian Support", 2005.
[324] SADC Summit of the Troika of the Organ on Politics, Defence and Security Cooperation of the Southern African Development Community, Maseru, Kingdom of Lesotho (21- 22 February 2010), < http://www.sadc.int/>.

states. The Organ's operational work is carried out through the two committees of senior officials, the ISPDC and ISDSC. The main responsibility of the Organ is security cooperation for member states, based on principles of common and collective security and mutual defence, and it provides a framework for operationalising the SADC Brigade. The protocol for the OPDSC empowers the Organ to deal with both inter-state and intra-state conflict such as civil wars, military coups, or gross human rights violations. The SADC OPDSC was put firmly under the control of SADC and a small Secretariat of the Organ was established at the SADC Secretariat in Gaborone.[325]

The SADC Troika system - sometimes referred to as the Double Troika - has an incumbent chairperson, an incoming chairperson who also serves as the deputy chairperson for one year, and an immediate or previous chairperson who can take quick decisions on behalf of SADC that are not taken at SADC's regular policy meetings. The Summit of Heads of State and Government Summit meet annually, while the Council of Ministers meets biannually. These meetings occur in February to approve SADC annual budgets, and also in August to prepare the Summit agenda. Provision is also made for extraordinary Summit and Council meetings if and when the need arises. The Troika is also applicable at the level of the Standing Committee of Senior Officials comprising the permanent or principal secretaries accounting for government offices and ministries. These rules of engagement also apply to the Troika of the OPDSC. The chairperson of the Organ does not hold the chair of the Summit simultaneously.

SADC's National Committees (SNCs) were established according to its Treaty of 1992, to coordinate programmes and policies for its government, civil society organisations, and the private sector. The SNCs are mandated to ensure that SADC programmes are implemented at a national level. The reporting line for state-directed SNCs is to the SADC Secretariat. This posed a problem for the Secretariat, since the SNCs are state directed at national level and therefore accountability to the Secretariat became a challenge. The Secretariat's lack of power and authority could not hold SNCs accountable at national level. Furthermore, the SNCs do not exist in all SADC member states (this is still the case)[326] and those that do exist are largely

[325] Nagar,"Towards A Pax-Africana: Southern African Development Community's Architecture and Evolving Peacekeeping Efforts, 1996-2009". *See also*, CCR, "Governance and Security Challenges in Post-Apartheid Southern Africa", *CCR Report* (2012).
[326] *Personal Meeting*, held on the poor performance of SADC SNCs and attempts to remedy the structures, meeting held with GIZ, Germany, 20 February 2015, Cape Town, South Africa.

dysfunctional, lack technical capacity, and have ineffective coordinating mechanisms and inadequate resources.[327]

SADC officials noted that as soon as funding was imminent from the EU, it would be linked to restructuring of the Secretariat.[328] At a SADC Summit in Maseru, Lesotho, in August 2006, two important decisions were made: first, to establish a task force on regional economic integration; and second, to strengthen the role of the Secretariat, and to review the role of the Integrated Committee of Ministers.

At a further consultative meeting in April 2008, in Port Louis, Mauritius, SADC's role was re-examined to address the organisation's capacity and performance issues against the commitments made at its 1992 Windhoek Declaration. Furthermore, the Council of Ministers instructed the Secretariat to participate in an evaluation of all its staffing positions with an attempt to realign the Secretariat's organisational structure with SADC's priorities. Evaluations were conducted by KPMG, and also by the Ernst and Young auditing firm, which undertook an institutional assessment of the Secretariat, which focused on operational policies and procedures. Germany financed a similar evaluation through GTZ and inWent (Germany's capacity-building international organisation), focusing on SADC's capacity needs.[329]

The evaluation findings observed that the need to address capacity constraints of the organisation was critical. The findings of the evaluators also noted that SADC's Secretariat remained weak, lacked human and financial management capacity, and was not able to facilitate strategy development and policy harmonisation within the region.[330] The February 2008 SADC Council of Ministers' meeting proposed a number of changes to the internal structures of the Secretariat. The main purpose of the meeting was to clarify the lines of authority and to improve the coordinating activities of the Secretariat's senior management. Hence, the vacant post of chief director was to be eliminated and replaced by positions of two deputy executive secretaries.[331] The deputy executive secretary for regional integration was made responsible for regional integration within the technical directorates: Trade and Industry; Finance and Investment; Food,

[327] Matlosa and Lotshwao, "*Political Integration and Democratisation in Southern Africa*", 2009, p. 14. *See also*, Tjønneland, "SADC Restructuring, Prioritisation and Donors, 2006-2008", (2009).
[328] *Personal Interview*, Confidential, 2013 and 2014.
[329] Tjønneland, "SADC Restructuring, Prioritisation and Donors, 2006-2008", 2009, p. 19.
[330] Tjønneland, "SADC Restructuring, Prioritisation and Donors, 2006-2008", 2009, p. 19.
[331] Tjønneland, "SADC Restructuring, Prioritisation and Donors, 2006-2008", 2009, pp. 22-23.

Agriculture and Natural Resources; Infrastructure and Services; Health; Labour and Skills Development; and Policy, Planning and Resource Mobilisation. In addition, the deputy executive secretary for regional integration also provides direction to the Secretariat by recommending regional policies, and by providing strategic impetus and coordination with other RECs. The role of the second deputy executive secretary for finance and administration oversees two directorates and is responsible for the Human Resources and Administration, and Budget and Finance clusters.

The August 2008 Mauritius conference also proposed a Capacity Development Framework for SIPO. The assumption was that should the Secretariat embrace the priorities of the Framework encompassing both the Regional Indicative Strategic Development Plan (RISDP) of 2003, and the 2004 SIPO. The priorities should therefore also include functions such as i) a think tank to guide members on the implementation of SADC's common agenda; ii) a principal regional coordinator of policies, strategies and programmes for regional integration; iii) a provider of support services to the technical directorates and convenor of annual consultative conferences for SADC's decision-making structures; and, iv) a professional programme manager to facilitate, implement and systematically prioritise programmes within a business plan and budget. Furthermore, the SADC Capacity Development Framework included ten intervention areas to strengthen the SADC Secretariat's capacities and for a bridging facility through which donor funding could be channelled. The Bridging Fund Facility was to address the needs of the Secretariat, other SADC treaty-established institutions such as the SADC Tribunal (but this institution was cancelled in 2011), SADC subsidiary institutions such as the Regional Peacekeeping Training Centre (RPTC) and the Development Finance Resource Centre.[332]

SIPO was revised into SIPO II in 2012 - a detailed programme of activities against key political, defence, public security sector (policing), and state security objectives. The current structure of the SADC Secretariat had been revamped to a staff capacity of 400 personnel.

[332] Tjønneland, "SADC Restructuring, Prioritisation and Donors, 2006-2008", 2009, pp. 21-32. *See also*, CCR, "Governance and Security Challenges in Post-Apartheid Southern Africa", *CCR Report* (2012).

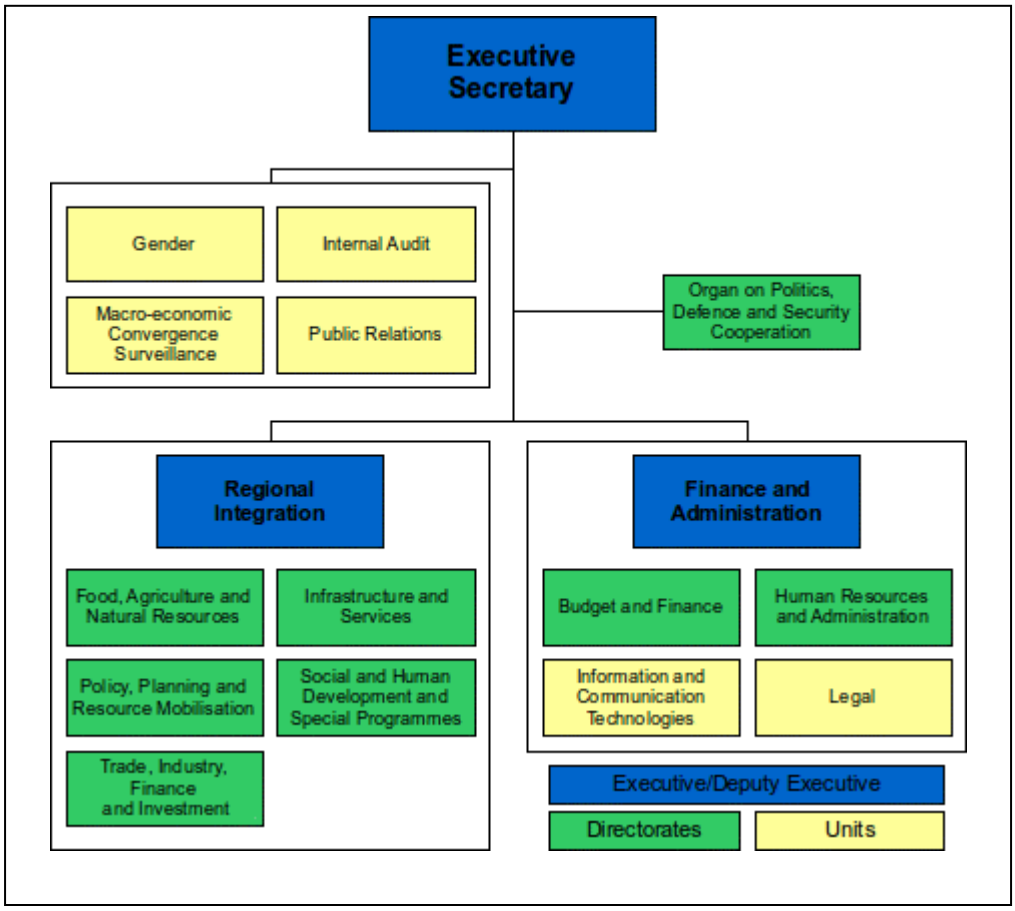


Figure 3.2: SADC's restructuring and organogram.
Source: SADC Secretariat, < http://www.sadc.int/english/sadc-institutions/sadc-Secretariat />

A special Project Preparation Facility Fund was established and funded by South Africa's DBSA. The purpose of the Project Preparation Facility Fund was to assist SADC member states, in an intermediary capacity, to develop projects, up to the point that they were at a "bankable stage".[333] The EU commissioned an institutional assessment of SADC that strongly recommended that SADC bring its financial management up to international standards.

[333] The SADC Capacity Development Framework lists ten intervention areas. These are: leadership skills development and review of management processes; policy and strategy development; programme management; implementation of Secretariat performance management and appraisal system; internalisation of the Secretariat vision, mission and values; human resource development; development of administrative management competencies; financial management development; accounting and procurement of services; and implementation of the SADC/ICP partnership framework.

3.5.1 Funding SADCC and SADC

This section discusses the involvement of donors through funding that was provided for the functioning of the Secretariat (which still is the case). SADCC members relied heavily on the support of external actors for funding; this was seen as a continuation of the FLS to reduce economic dependence on South Africa. Transport and infrastructure were vital to the survival of the SADCC economies. In 1984, which was four years after the donor conference, SADCC had generated 250 projects, an estimated $5 000 million, but had obtained only 20.8 percent of required funds.[334] SADCC had its origins in the diplomatic initiatives of African and Western states, and envisaged a huge programme of reconstruction in Southern Africa after the years of war, with a sort of Marshall Plan for the region.[335] As suggested by Øostergaard;[336] Anglin;[337] and Leys and Tostensen,[338] donors remained involved in SADCC and also in SADC.

The funding for SADCC was a two-pronged approach: SADCC's dependence on foreign aid and the Nordic countries' political and economic interests in Southern Africa. Previous instances had been during the post-Cold War era, when Southern African states received US aid of $53.7 million between 1975 and 1979; and $154.4 million between 1980 and 1984.[339] Global events such as the fall of the Berlin Wall in 1989 resulted in a further increase in aid by the US, which played a supportive role to promote countries evolving into democratic regimes, such as Malawi ($58.4 million) and Zambia ($41.7 million), and assisting with the resolution of civil wars in Angola ($29.4 million) and Mozambique ($102 million).[340]

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[334] Elaine Friedland, "The Southern African Development Coordination Conference and the West: Cooperation or Conflict?", *The Journal of Modern African Studies*, vol. 23, no. 2 (June 1985), pp. 287-314.
[335] Roger Leys and Arne Tostensen, "Regional Cooperation in Southern Africa: The Southern African Development Co-ordination Conference", *Scandinavian Perspectives on Africa, Review of African Political Economy*, vol. 23 (January-April 1982), pp. 55-71.
[336] Tom Øostergaard, "Aiming Beyond Conventional Development Assistance: An Analysis of Nordic Aid to the SADCC Region", in, Bertil Odén and Haroub Othman, *Regional Cooperation in Southern Africa: A Post-Apartheid Perspective* (Uppsala: The Scandinavian Institute of African Studies, 1989), pp. 127-180. *See also*, Moeletsi Mbeki, *Profile of Political Conflicts in Southern Africa* (Harare: Nehanda Publishers, 1987), pp. 87.
[337] Anglin, "Economic Liberation and Regional Cooperation in Southern Africa: SADCC and PTA", 1983.
[338] Leys and Tostensen, "Regional Cooperation in Southern Africa: The Southern African Development Co-ordination Conference".
[339] Peter J. Schraeder, "Continuity and Change in the United States' Foreign Policy Towards Southern Africa", in, Adar and Ajulu (eds.), *Globalization and Emerging Trends in African States' Foreign Policy-Making Process*, 2002, pp. 332-333.
[340] Schraeder, "Continuity and Change in the United States' Foreign Policy Towards Southern Africa", 2002, pp. 332-333.

SADCC formed the SATCC, which was to integrate all transport systems with the four regional ports of Dar es Salaam in Tanzania, Lobito in Angola, Beira in Maputo, and Nacala in Mozambique, for which the donor community pledged $650 million.[341] In 1988, estimated costs for 188 main projects were $4.6 billion; 42 percent ($1.9 billion) was fully secured, with $241 million under negotiation. Such challenges increased for SADCC when national policies conflicted with regional policies, as in its regional food security projects proposed by Zimbabwe. In 1986, SADCC had to abandon its agrarian programme when it shifted focus from transport to production of goods and services in the industrial, mining, and trade sectors under the 1987 SADCC theme, Investment in Production, which also conflicted with regional as opposed to national policies.[342]

As noted by Øostergaard, Friedland, Anglin, and Meyns, OECD governments of Britain, France, Canada, West Germany, and Japan funded only 21.2 percent of SADCC's total sectoral distribution and contributed in the transportation and the communications sectors.[343] SADCC required funds to establish plants to produce cement, paper and packaging, natural and synthetic textiles, and salt, as well as farming requisites such as tractors, chemical fertilisers, and pesticides/insecticides for enhancing food production, which would have led to stronger economies and seen an increase in its per capita income.[344] At the 1985 SADCC Summit held in Arusha, the report on the SADCC Programme of Action was tabled, covering the period July 1984-July 1985, which provided results for five years of cooperation for economic liberation in Southern Africa. Of the nearly $2.3 billion, over fifty percent was secured by donors.[345] The Council of Ministers on the Nordic/SADCC initiative provided a report that detailed expanding and deepening relations between the two regions in the areas of development assistance, trade, industry, investment, finance, and culture. The Joint Declaration on Expanded Economic and Cultural Cooperation between the Nordic countries and the SADCC member states was signed in

[341] Khadiagala, *Allies in Adversity*, 1994, p. 237.
[342] *See also*, SADC Summit Communiques, <http://www.sadc.int/files/3913/5292/8384/SADC_SUMMIT_COMMUNIQUES_1980-2006.pdf>.
[343] Øostergaard, "Aiming Beyond Conventional Development Assistance", 1989; Friedland, "The Southern African Development Coordination Conference and the West", 1985; Anglin, "Economic Liberation and Regional Cooperation in Southern Africa", 1983; and, Peter Meyns, "Present Structures and Future Challenges of Regional Cooperation and Integration in Southern Africa", *Africana Studia, Edição da Fundação Eng. Antõnio de Almeida*, no. 1 (1999), pp. 85-107.
[344] Anglin, "Economic Liberation and Regional Cooperation in Southern Africa: SADCC and PTA", 1983; and, Meyns, "Present Structures and Future Challenges of Regional Cooperation and Integration in Southern Africa", 1999. *See also*, SADC Summit Communiques, <http://www.sadc.int/files/3913/5292/8384/SADC_SUMMIT_COMMUNIQUES_1980-2006.pdf>.
[345] SADCC Communiqué, Arusha, Tanzania, 9 August 1985, <http://www.sadc.int>.

January 1986,[346] as well as the Memorandum of Understanding for the Programming of Regional Cooperation Funds under the Third Lomé Convention for the African Caribbean and Pacific (ACP) Group of States of Southern Africa that provided for the joint programming of regional resources, including food security, transport and communications. These two agreements were important for SADCC member states, and the funding and joint venture programmes assisted the Southern African states to withstand the attacks by the South African apartheid government on their trade transport routes.

Total Nordic (Denmark, Sweden, Finland and Norway) funding support received in 1985 for SADCC projects was $369 million. While funding was provided, there was also trade conducted. For example, trade from Nordic countries to SADCC for 1986 totalled $4,328 million and total exports from SADCC to Nordic countries totalled $4,267. The trade amounts between Nordic and SADCC countries during the 1980s did not reflect a major difference.[347] Trade with SADCC was only to ensure that Nordic countries' motives for funding SADCC served as a form of cushioning for Nordic markets in instances of vulnerability, owing to the Nordic countries' relatively high ratios of foreign trade to their gross national product (GNP).

On the part of SADCC, the items traded from SADCC to Nordic countries had potential for specialisation within the region to boost trade prospects. Exports from SADCC to Nordic countries were: Angola (coffee); Botswana (live animals); Lesotho (mohair, textiles); Malawi, and Zimbabwe (tobacco); Zambia and Tanzania (coffee and tea); and Mozambique and Swaziland (sugar). Also suggested at the SADCC Summit of Heads of State meeting held in Luanda, Angola, on 22 August 1986, was for member states to consider the intra-SADCC trade programme that incorporated a system to direct trade and bilateral trade agreements, multi-annual purchase agreements, and counter purchase preferential import licensing.[348] The SADCC Summit in 1986 also addressed the exchange trade preferences among member states that needed to take

[346] The Joint Declaration on Expanded Economic and Cultural Cooperation between the Nordic Countries and the SADCC member states were signed in January 1986, in Luanda, *see the*, SADCC/SADC Heads of State and Government Summit Communiqués 1980-2000; and, SADCC Summit Communiqué, Luanda, Angola, 22 August 1986, <http://www.sadc.int>. *See also*, SADC Summit Communiques, <http://www.sadc.int/files/3913/5292/8384/SADC_SUMMIT_COMMUNIQUES_1980-2006.pdf>.

[347] Øostergaard,1989, pp. 137 and 149. *See also*, Rasul Ahmed Minja, "Security Architecture in Sub-Saharan Africa and Collective Security Challenges: The EAC and SADC in Comparative Perspective", *DuEpublico, University of Duisburg-Essen*, (December, 2012), < http://duepublico.uni-duisburg-essen.de/servlets/DerivateServlet/Derivate-32068/Minja_Diss.pdf>.

[348] SADCC Summit Communiqué, Luanda, Angola, 22August 1986, <http://www.sadc.int>.

into account their existing obligations and a supplementary financial mechanism for intra-SADCC trade to ease the constraints arising from foreign exchange difficulties. Therefore, the Summit meeting of August 1986 considered the establishment of a regional export credit facility and a national export refinancing revolving fund to promote trade.[349] SADCC's Nordic agreement in 1986 expanded to include both economic and cultural cooperation, which was as a result of the stalemate in the UN programme for a New International Economic Order (NIEO).

Denmark's trade to SADCC in 1986 amounted to 506 million Danish krone and consisted of machines, metal goods, transport equipment, and chemicals. SADCC's exports to Nordic countries met none of the real funding objectives of SADCC, which were to enhance trade conducted within the region and to obtain meaningful integration.[350] Such real objectives lacked a reduction of economic dependence, mainly on South Africa; mobilisation of resources that reflected promotion and implementation of national, interstate and regional policies; and a lack of effort to secure international cooperation within the framework of its strategy for economic liberation. Nordic funding commitments also moved to bilateral funding later on in 1987 and 1988. For example, Nordic countries' commitment to the Beira system amounted to $37.4 million; and $575 million for the transportation development plan for Angola's Lobito corridor and for the critical food shortages programme. The Nordic countries' move in providing the funds allowed SADCC to accept and make quick decisions in embracing a developmental integration approach, which called for a regional industrial strategy.[351]

As indicated in the literature on regional integration, Bremmer argued that growing economies through an integration strategy had been equally daunting for regions when governments used state assets to regulate the markets, and used the markets to bolster domestic and political positions.[352] Regional integration becomes affected by state capitalism and state inter-relations, places a damper on regions, and stifles trade liberalisation, in particular that of weak markets. Tanzania's private sector development accompanied massive privatisation, as was the case in most other African economies alongside deregulated import-export regimes.[353] African markets in SADCC were very weak and opening of its markets led to a massive export sector with a weak

[349] SADCC Summit Communiqué, Luanda, Angola, 22August 1986, <http://www.sadc.int>.
[350] Østergaard, "Aiming Beyond Conventional Development Assistance", 1989.
[351] Østergaard, "Aiming Beyond Conventional Development Assistance", 1989.
[352] Bremmer, "State Capitalism Comes of Age: The End of the Free Market?", 2009, pp. 40-55.
[353] Kwame A. Ninsin, "Three Levels of State Reordering: The Structural Aspects", in, Donald Rothchild and Naomi Chazan (eds.), *The Precarious Balance: State and Society in Africa* (Boulder: Westview Press, 1988), pp. 265-281.

local manufacturing sector that invariably provided a link for external trade. Furthermore, these economies experienced dumping from capitalist countries, and a meagre surplus was made available for implementing development programmes.[354] Crawford Young notes that a declining state loses its credibility when "its ability to transform allocated public resources into intended policy aims"[355] fails.

Not all Nordic funding was directed purely to commitments in SADCC's sectoral programmes. Tanzania received the lion's share of total Nordic donor funds for its national projects, which were listed and categorised as SADCC projects. A case in point was the Mufinidi Project that received $187 million in 1987. SADCC's industrial projects received only $66 million, which was the balance of the total SADCC industrial projects' amount of $253 million of Nordic funds.[356] SADCC needed to improve its industrialisation base,[357] which required not only funding and resources, but also the willingness of member states to industrialise. However, as observed by Elaine Friedland, since the world-wide supply of most raw materials exceeded demand, it was not possible for SADCC member states to export on a sufficient scale and to simultaneously fund industrialisation projects. SADCC's member states, Angola, Malawi, Mozambique, Tanzania, Zambia, and Zimbabwe had trade with the EEC in 1987 that amounted to $4,267 million, while exports from the EEC to SADCC totalled $4,328 million.[358]

At the Lusaka SADCC Summit in 1984, the Canadian International Development Assistance (CIDA) noted that they were evaluating progress before funding SADCC to determine whether it would go the same way as the EAC had done, which had failed owing to a heavy centralised bureaucracy. The funding received from donors for SADCC sectoral projects was an apt opportunity for the region to develop its technology and skills, with spillovers that could have enhanced economic growth as well as improved trade opportunities. For example, Malawi was considered an important source in technology transfer in the fishing industry.[359] During 1989 and 1990, SADCC faced huge food shortages in the Southern African region. At the 1990 and 1991

[354] Rothchild and Chazan, *The Precarious Balance: State and Society in Africa*, 1988.
[355] Crawford Young, "The African Colonial State and Its Political Legacy", in, Rothchild and Chazan, *The Precarious Balance: State and Society in Africa*, 1988, pp. 25-66.
[356] Østergaard, "Aiming Beyond Conventional Development Assistance", 1989, p. 153.
[357] Østergaard, "Aiming Beyond Conventional Development Assistance", 1989, p. 153.
[358] Friedland, "The Southern African Development Coordination Conference and the West: Cooperation or Conflict?", 1985, pp. 287-314.
[359] African Development Bank (AfDB), *Economic Integration in Southern Africa, vol. 2* (Tunisia: AfDB, 1993), p. 271.

SADCC Summits, particular concern was expressed by governments at the extreme low levels of regional food shortages, with food deficits of an estimated 2.8 million tonnes for cereal and grain.[360] Therefore, the use of donor funds to develop comprehensive regional approaches for agricultural production and food security programmes could have advanced the expansion of production given the complementary, comparative advantage in Southern African states. SADCC states declined a US offer to fund an $18 million dollar regional sorghum and millet research project, which had the potential for the coordination of field tests and applied research. However, the agreement did not sit well with SADCC leaders, since the US had a proviso attached that excluded project components from Angola, Mozambique and Tanzania.[361]

The US also showed little interest in initially funding SADCC and contributed only $50 million to SADCC programmes between 1980 and 1985; only much later during the late 1980s did the US provide funding as mentioned earlier.[362] Besides the objections of SADCC in relation to the US and its $18 million offer, such agreements could have been beneficial to regional economic growth in the long run, as highlighted by economists like Robert Baldwin.[363]

Neoclassical economic models have succeeded amid the growth of massive privatisation schemes and alongside import-export regimes that resulted in perpetual underdevelopment of Africa's economies. The model de-emphasises the role of the state in economic development. The importance for SADCC members to boost intra-SADCC trade promotion programmes in 1986, was to assist with low levels of production in the region.[364] But, as noted by Khadiagala, Southern Africa's regionalism had also been largely tied to external intervention from the West that was mainly linked to interventions via Bretton Woods institutions, the World Bank, and the IMF.[365]

Controversial aid from donors also funded South Africa during the apartheid regime as well as post 1994. South Africa received an annual amount of aid from the US of $112 million for the

[360] SADCC Summit Communiqué, 26 August 1990, Gaborone, Botswana; and SADCC Summit Communiqué, 26 August 1991, Arusha, Tanzania.
[361] Khadiagala, *Allies in Adversity*, 1994.
[362] Khadiagala, *Allies in Adversity*, 1994, p. 243.
[363] Baldwin, "Openness and Growth: What's the Empirical Relationship?" 2004, pp. 499-525.
[364] SADCC Summit Communiqué", Luanda, Angola, 22 August 1986.
[365] Khadiagala, *Allies in Adversity*, 1994, p. 262.

period 1995-1996 that made it the largest American aid recipient in Southern Africa.[366] Also, between 1989 and 1994, South Africa received $75.3 million in annual funding from the US to work with the African National Congress regime towards a multiracial democratic society.[367]

At a two-day conference held in Windhoek in September 1993, the focus was on development issues and the future role of aid in the Southern African region. Government actors promoted the conference with a view to economic reforms through donor commitments and aid and trade packages. In attendance at the Windhoek September 1993 meeting were the OECD and the Development Assistance Committee (DAC) Chairman, Alexander R. Love, and Swedish Ambassador to Namibia, Sten Rylander, among 20 leading experts from the Southern African region. These included Z. Ngavirue, Director-General of the National Planning Commission; Attorney-General Hartmut Ruppel, Minister of Agriculture, Rural Development and Water Affairs; and Kaire Mbuende. Also included were representatives from SADC and PTA. SADC officials were trying to lobby for financial assistance for SADC's sectoral action programme. Love noted: "It will be important that the donor community reconfirms its long-term commitment to provide aid to Africa, both timely and commensurate with the needs of the countries moving towards political reform and economic liberalisation."[368]

Funding allocations were therefore determined and done by the donors. For example, if the funding for governance and security were not provided, the Secretariat would cancel its regional security and governance programmes, and project implementation would be delayed and hampered at national and regional levels. Similarly, funding of Millennium Development Goal (MDG) projects at the regional level was delayed because of the embargo on funds.[369] Furthermore, if the donors, upon evaluation, were not satisfied with the outcomes of the programmes funded and rolled out at the Secretariat level, funding would be stalled, and the integration programmes would not be rolled out.[370]

[366] Bischoff, "How Far, Where To?", 2002, p. 288. *See also*, Schraeder, "Continuity and Change in the United States' Foreign Policy Towards Southern Africa", 2002, pp. 332-333.
[367] Nagar, "Towards a Pax-Africana", 2010.
[368] OECD/DAC Meeting on Development Challenges and the Role of Aid in Southern Africa, Windhoek, Namibia, 7-8 September 1993 (SG/NR (93) 33, <http://www.oecd.org>.
[369] *Personal Interview, confidential* 2013.
[370] *Personal Interview, confidential* 2013.

The discussion now proceeds to provide a historical account of the formation of the PTA which became COMESA and was a very different history to that of SADCC as outlined and discussed below.

3.6 Formation of the PTA

Africa had prioritised regional cooperation efforts through the pursuit of several strategies with the assistance of UNECA and through the creation of its regional economic communities within its five sub-regions: Western, Central, Northern, Eastern, and Southern Africa. Regional integration efforts also stemmed from historical development ideologies, largely prioritising "good governance" principles and structures, as well as stable economies. One of the main reasons for creating the RECs in Africa was to promote such structures with sustainable economic schemes to address the imbalance of weaker economies against stronger ones within regional clusters. As Anglin noted, UNECA was designed to "force the pace of cooperation among African states in trade, transport, and industry through the mechanism of sub-regional coordinating bodies".[371] In 1965, at a Lusaka meeting, Eastern African states met to harmonise industrial development and establish an Economic Community for East and Central Africa with a Secretariat based in Lusaka. However, within two years it dissolved. The next attempt to create the EAC was in 1967, comprising Kenya, Tanzania, and Uganda, but collapsed in 1977.[372] The next attempts at regionalism were the joining of the Eastern and Southern African states. The cooperation framework was designed by the Economic Commission for Africa, which sought to promote regional economic cooperation that could eventually evolve into common markets through the establishment of multi-national programming and operational centres (MULPOCs) in Africa's five sub-regions. The funding for MULPOCs was extensive and consumed an annual budget of $7,045,393 over four years in financing projects in statistics, industry, national accounts, transport and communications, and integration of women in development.[373]

The PTA member states had relatively stable economies, aside from the impact of regional conflicts, such as the intra-state conflicts in Ethiopia and Somalia's Ogaden War, fought from 1977 to 1978; the intra-state conflict in Rwanda from 1993 to 1994, which led to the genocide in

[371] Anglin, "Economic Liberation and Regional Cooperation in Southern Africa", 1983, p. 684.
[372] Anglin, "Economic Liberation and Regional Cooperation in Southern Africa", 1983.
[373] UNECA "Annual Report 29 May 1984-29 April 1985", Economic and Social Council Official Records, 1985, Supplement no.15, E/1985/36, E/ECA/CM.11/81, p. 28.

which 800 000 people were killed through "ethnic cleansing"; the border dispute between Eritrea and Ethiopia from 1998 to 2000; and the military coup in Sudan in 1985, which brought General Omar Hassan Ahmad al-Bashir to power.[374] But these conflicts did not affect the PTA's vision of forming an economic community and a free trade area. As shown in Table 3.1 below, PTA member, Kenya had the highest per capita GNP of $7,500 with its average growth 3.8 percent of GDP between 1980 and 1987 and its population in 1987 was 22,097,000 million and almost half of that of Ethiopia's, which had a population of population in 1987 of 44,788,000 million people. Ethiopia had the second highest GNP of $5,537 and its annual growth rate for the period 1980-1987 was 3.8 percent of GDP.

Table 3.1: PTA: Countries: Main Economic Indicators, 1987

Country	**Population (000)**	**GNP Million US$**	**Average[375] Annual Growth Rate of GDP %**	**GNP per capita**
	Mid-1987	**1987**	**1980-1987**	**1987**
Burundi	4978	1205	6.6	250
Comoros	424	160		380
Djibouti	-	-	-	-
Ethiopia	44788	5537	3.8	130
Kenya	22097	7500	4.3	340
Lesotho	1629	270	12.9	370
Malawi	7629	1233		160
Mauritius	1042	1524	10.9	1490
Rwanda	6454	2008	2.5	310
Somalia	5712	1656	-0.5	290
Swaziland	713	496		700
Tanzania	23884	5202	-3.5	220
Uganda	15655	3550	-0.9	260
Zambia	7196	1696	0.8	250
Zimbabwe	9001	5265	1.8	590

Source: German Institute of Global and Area Studies: Institute of African Studies (GIGA). "The Preferential Trade Area (PTA) for Eastern and Southern Africa: Achievements, Problems and Prospects" *Spectrum*, vol. 24, no. 2 (1989), pp. 157-171.

[374] Edmond J. Keller, "Understanding Conflicts in the Horn of Africa", in Chandra Lekha Sriram and Zoe Nielsen (eds.), *Exploring Subregional Conflict Opportunities for Conflict Prevention* (Boulder: Lynne Rienner, 2004), p. 44.
[375] The results for the average annual growth rate of GDP percentage for the period 1980-1987 were obtained from the World Development Report, *World Bank* (1989), pp. 164-169; and pp. 174-175.

PTA members and observers also pledged towards MULPOCs: Botswana pledged $12,000 towards the ECA MULPOC, as well as Tanzania, while also informing the ECA during that time, that the country would be settling the arrears of $298,000 in 1985 and in addition would contribute in 1985-1986 an additional Tanzanian shillings of 1,800,000 to the fund. Angolan and Zimbabwean representatives also promised contributions to the MULPOC fund after consultation with their governments during that period.[376] However, some slight success was achieved through the MULPOC programme, namely the establishment of the Intergovernmental Authority for Drought and Development (IGADD) and the Eastern and Southern African Management Institute (ESAMI). It also evolved into four years (1977-1981) of negotiations among leaders of Eastern and Southern Africa that culminated in the establishment of the Preferential Trade Area in 1981, one year after the formation of SADCC in 1980.

Focusing on regional and sub-regional cooperation in industrial policy and programming, the PTA became the cornerstone for rapid industrial development in Africa. With relatively stable economies, ten member states (Ethiopia, Kenya, Lesotho, Malawi, Mauritius, Somalia, Swaziland, Uganda, Zambia and Zimbabwe) of the 20 potential members of the PTA signed up on 21 December 1981. (Zimbabwe ratified the COMESA treaty in 1998 when the PTA became COMESA; Mauritius left the Treaty and joined again much later.)[377] The PTA was also formed on the basis of increasing intra-regional trade for the states of Southern and Eastern African. Opportunities to join PTA were important for some SADCC member states since SADCC did not have a trade protocol and the ideologies of SADCC were different from those of the PTA. Eligibility for PTA membership was defined by UNECA's geographical scope outlined for Eastern and Southern African states, with Comoros, Djibouti, Mauritius, Lesotho, Swaziland and Zimbabwe receiving temporary exemption from the full application of certain provisions to the Treaty. Zambia and Malawi joined the PTA when it was established in June 1981.[378] Tanzania was an active participant in the establishment of the PTA but in the end did not join the PTA and instead asked for an abstention. According to Anglin, Tanzania was averse to sharing trade

[376] UNECA Annual Report 29 May 1984-29 April 1985, p. 70.
[377] Bax Nomvete, "The PTA, a historical perspective and objectives (PTA/PUB/11/4, 4 March 1987), c*ited in*, GIGA,"The Preferential Trade Area (PTA) for Eastern and Southern Africa: Achievements, Problems and Prospects" *Spectrum*, vol. 24, no. 2 (1989). *See also*, Lee, *The Political Economy of Regionalism in Southern Africa*, 2003, p.86; and, Kwaku, "The African Economic Community: problems and prospects: the Politics of Economic Integration in Africa", 1995.
[378] GIGA,"The PTA for Eastern and Southern Africa: Achievements, Problems and Prospects", 1989.

relations with Kenya, owing to the breakdown of their relations during the collapsed EAC and the trade difficulties it had had with Kenya.[379]

During the preparation years of 1981-1984, the PTA experienced various obstacles. SACU members were still linked to South Africa through the SACU 1969 agreement (as still is the case), and the BLS states were hesitant to sign the PTA, while Botswana refused to sign the Treaty. Comoros was reluctant to be part of the PTA because of its trade relations with France. The Marxist-Leninst countries, Angola, Madagascar, Mozambique and Seychelles also refrained from signing the PTA treaty.[380] Mozambique did not join PTA because of the civil strife, adverse climatic conditions and continuing destabilisation by MNR and South Africa. The major critique of the PTA, as noted by Nomvete,[381] was that the PTA was seen as a misnomer and not synchronised with one of its major objectives - that of promoting cooperation and development through trade liberalisation. The PTA's regional integration approach was similar to the neoclassical economic approach of trade liberalisation through growth, which was associated with regionalism of open markets and north-south trade liberalisation.

The PTA took a functional approach which entailed a step-by-step mechanism designed sectorally and inter-sectorally. As Nomvete also noted, the PTA, "combined the careful balancing of the project-by-project approach within each sector, with inter-project and inter-sectoral programmes of trade promotion mechanisms that [were] aimed at gradual integration of all sectors in all countries". Furthermore, as suggested by Nomvete in 1983, "it is not trade promotion or trade liberalisation measures that will increase the volume of intra-PTA trade, but self-reliant, and self-sustaining development through agricultural [and] industrial production, and transport and communications".[382]

Intended to be one of Africa's main regional institutions, the PTA had seven main objectives:
(i) Simplifying trade liberalisation and customs procedures and regulations; collection and dissemination of trade data.
(ii) Providing local currencies for intra-PTA business transactions; a clearing and payments system to formulate and implement measures to harmonise monetary policies and programmes.

[379] Anglin, "Economic Liberation and Regional Cooperation in Southern Africa", 1983, p. 688.
[380] Anglin, "Economic Liberation and Regional Cooperation in Southern Africa", 1983, p. 688.
[381] Nomvete, "The PTA, a historical perspective and objectives", 1987, pp. 9-10.
[382] Nomvete, "The PTA, a historical perspective and objectives", 1987.

(iii) Having complementary transport and communications policies and systems for cross-border movement of goods, capital, labour, and services.
(iv) Improving on enterprise efficiency and product quality through specialised research development and training facilities designed to complement the PTA's productive sectors.
(v) Increasing standards of living within PTA member states in order to promote intra-PTA trade and growth.
(vi) Establishing a common market by the year 2000.
(vii) Contributing to the progress and development of other African states.

At the end of 1992, the PTA had established 17 legal instruments pending ratification by its member states. Angola, Comoros, Djibouti, Mozambique, Somalia, and Sudan ratified some instruments. The other member states ratified none. The PTA clearinghouse was established alongside the PTA to create a set of accounts in the unit of account of the Preferential Trade Area (UAPTA) (equal to one standard depository receipt), mainly used as travellers cheques enabling credit and debit balances between members' central banks and in turn reflecting imports and exports financed by their national commercial banks. Debit limits were set at 25 percent of the average value of a country's total trade. Other finance arrangements included a traveller cheque facility, from 1992 to 1996; limited currency convertibility and an informal exchange-rate union;[383] and fully fixed exchange rates, between 2000 and 2024. National fiscal and monetary policy was to be coordinated by a PTA monetary institution. By 1996 a 50 percent tariff reduction was envisaged, which by 2000 was to be further reduced to zero tariffs. Another important factor was rules of origin of goods in trade, which were to ensure that the maximum advantage was to be afforded to those exporting companies owned and managed by member states. Furthermore, multi-national corporations had to be managed through majority national ownership, with a percentage of equity owned by foreign nationals that was not to exceed 40 percent; neither could foreign nationals account for more than 60 percent of the cost of materials. Because of external relations with foreign companies, this arrangement did not work for the PTA, as it meant a loss for businesses and new business partnerships; this arrangement was revised in the 1992 COMESA treaty and later the 40/60 national ownership and foreign national model was completely abolished.

[383] Kenneth Kaoma Mwenda, *The Dynamics of Market Integration: African Stock Exchanges In the New Millennium* (Florida: Brown Walker Press, 2000).

Open general import licences had been a major problem for the region since the 1970s. With exchange rates over-valued, Africa's states resorted to implementing import permits and quotas as a principal means of importation.[384] Transport had remained an important regional infrastructure issue, as moving goods around in the region was expensive owing to inadequate infrastructure. Access to finance for foreign exchange remained an enormous problem for the states of Africa, though the clearinghouse put in place by the PTA eased this burden considerably. But PTA member states became disgruntled, complaining that the contribution was not reflective of the actual economic strengths of member states. Mozambique noted on its part that it would only join PTA if the Treaty provided derogations with regard to member states' contribution to its budget, which PTA acceded to, adopting a resolution granting these derogations. This resolution paved the way for Mozambique's accession to the PTA in 1989.[385] From 1980-1989, total intra-PTA exports were $641 million, but declined to $579 million. Throughout the PTA, trade was significantly less than at its formation in 1978. While Kenya was the stronger economic state, it too experienced declining trade and between the periods 1980-1989, exports to other member states within PTA declined from $340 million to $218 million. Similarly, Tanzania's exports dropped from $56 million to $9.4 million. During the 1980s total PTA trade with the rest of the world was 93 to 95 percent and in 1989 totalled $25 billion.[386]

Like SADCC and other regions, the weak versus strong economies diverted trade for smaller infant industries against the more industrialised member states. Djibouti complained that reducing the tariffs had drastically reduced their revenue, given its dependence on revenue. For the period 1986, the total value added for manufacturing in Kenya was $709 million; Zimbabwe, $1,444 million; Mauritius, $284 million; Tanzania, $227 million; Uganda, $152 million; Burundi, $102 million; and in Lesotho, $26 million. Exports from Kenya to PTA countries for the period 1982-1987 totalled $1,236.2 million and imports from PTA to Kenya for the same period totalled $129.4 million.[387] Hence dissatisfaction with PTA intra-regional trade signalled Mauritius

[384] Susan Hall, "The Preferential Trade Area (PTA) for Eastern and Southern African States: Strategy, Progress, and Problems", *Working paper Institute for Development Studies* (1987).
[385] Anglin, "Economic Liberation and Regional Cooperation in Southern Africa", 1983. *See also*, GIGA,"The Preferential Trade Area (PTA)for Eastern and Southern Africa: Achievements, Problems and Prospects" 1989, p. 168.
[386] AfDB, "*Economic Integration in Southern Africa*", 1993, p. 19. *See also*, Tichaona Zindoga, "Sadc and the politics of regional integration", *The Herald* (28 April, 2015), <http://www.herald.co.zw/sadc-and-the-politics-of-regional-integration/>.
[387] International Monetary Fund (IMF): Direction of Trade Statistics: Year-book 1988, pp. 248-429. *Cited in*, GIGA, "The Preferential Trade Area for Eastern and Southern Africahttp://www.herald.co.zw/wp-content/uploads/2015/04/sadc.jpg: Achievements, Problems and Prospects" 1989, p. 165.

withdrawing at the beginning of 1986. Contributions by member states to the PTA organisation were based on the strength of member states' economies, defined in PTA Article 36 as well as member states' national budgets of GDP - 30 percent; per capita national income - 40 percent; and intra-PTA exports - 30 percent. The PTA gave SACU member states (Lesotho and Swaziland) a ten-year exemption from any tariff cuts undertaken by the PTA (which was for the period from 1982, when the PTA treaty was signed, until 1992, when the PTA treaty was to be revamped into COMESA).[388] The starting range for these tariffs was to be from 30 percent for food items to 70 percent for capital goods (and manufactured and consumer goods), with particular emphasis placed on development.

3.7. COMESA's institutional architecture

COMESA was formed in 1993 as the successor to the PTA. At this time the bloc consisted of 17 member states: Angola, Burundi, Comoros, Djibouti, Ethiopia, Kenya, Lesotho, Malawi, Mozambique, Namibia, Rwanda, Sudan, Swaziland, Uganda, Tanzania, Zambia and Zimbabwe. Not much progress to trade liberalisation was made. COMESA was seen as a fulfilment of the PTA treaty to have a common market by 2000. By 1993, the COMESA bloc had 19 member states: Burundi, Comoros, DRC, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, and Zimbabwe. COMESA had a vast geography of 4 million square kilometres, with 220 million people, and a GDP of US$66 billion.

COMESA and SADC aimed to achieve a free trade zone for its members to facilitate specialisation, elimination of barriers and non-discriminatory practices among its members. As Viner points out in his customs theory of trade diversion and trade creation, free trade agreements and arrangements are made to remove all tariff and non-tariff barriers to trade among member states within a regional grouping. With SADC member states having to implement tariffs according to SADC FTA protocols, this impacted on COMESA member states by either diverting trade or creating trade. Furthermore, international agreements allowing access to Africa's markets, such as the Lomé Convention, had already been signed by COMESA member states,

[388] Anglin, "Economic Liberation and Regional Cooperation in Southern Africa: SADCC and PTA", 1983.

and began affecting trade for the small, vulnerable economies within the COMESA and SADC blocs.[389]

COMESA member states pursued a state-led market strategy with high tariff walls erected and supported by state subsidies, grants and protection from foreign competition. But COMESA's industries were not able to gain economies of scale, lacked competition, and produced goods of poor quality with low levels of foreign direct investment.[390] The apartheid South African government also affected and contributed to the low levels of growth in the COMESA region, notably within the member states Angola, Malawi, Mozambique, Namibia, Zambia, and Zimbabwe. High levels of borrowing ensued, with a lack of foreign direct investment to back it up.[391]

By 1993, COMESA member states negotiated a list of common goods and agreed to reduce and eventually eliminate customs duties and non-trade barriers. Initially the common list was effective from 1 October 1986 to 29 September 1992, with a 25 percent reduction in tariffs every two years, but not all member states could meet this target. So in 1987 the 25 percent reduction target was decreased to 10 percent, meaning that tariffs on the list of common goods would be reduced by 50 percent by 1996. The remaining 50 percent was to be eliminated in two steps: 20 percent in 1998 and 30 percent in 2000. Non-tariff barriers pertaining only to the goods on the common list included quantitative restrictions, export and import licensing, foreign exchange licensing, and stipulation of import services.[392] Each state had the liberty to negotiate and maintain its own regime of barriers against non-members, which meant that member states had their own set of tariff rates together with a built-in MFN rate, softening the blow for the small member states with infant industries. COMESA had to implement a common external tariff in 2004 of 0.5, 15 and 30, but was held back by the EAC common external tariff agreed between Kenya and Uganda of 0, 10, and 25 percent.[393]

[389] AfDB, "Southern Africa Regional Integration Strategy Paper 2011-2015", <www.afdb.org>.
[390] Peter Anyang' Nyong'o (ed.), *Regional Integration in Africa Unfinished Agenda* (Nairobi: African Academy of Sciences, 1990), p. 151.
[391] Nyong'o, *Regional Integration in Africa Unfinished Agenda*, 1990.
[392] Yasmin Carrim, *The Preferential Trade Area for Eastern and Southern Africa and COMESA: Call for Suspension* (Cape Town: University of the Western Cape, 1994), p. 4.
[393] Padamja Khandelwal, "COMESA and SADC: Prospects and Challenges for Regional Trade Integration", *International Monetary Fund*, Working Paper no. WP/04/227 (2004), p. 5.

COMESA has institutionalised concrete steps to remove non-tariff barriers and to increase trade performance. Major remaining challenges include rent seeking by customs personnel, illegal roadblocks, and harassment of cross-border traders, activities that are not regularly reported by COMESA member states.[394] Important COMESA trade facilitation programmes that have been implemented include harmonisation of road traffic charges, introduced in 1991, and implemented in 15 member states; final axle load limits are operational in sixteen member states; carrier licence and transit plates have been required in most member states since 1998; road transit declaration documents have been required since 1986; an advanced tracking system has been implemented to monitor the movement of cargo and equipment through ports, railways, roads, and lakes; a yellow-card vehicle insurance plan, covering third-party liability and medical expenses, is used by twelve member states; a customs-bond guarantee scheme has been developed to eliminate unnecessary administrative and financial costs associated with national customs-bond guarantees for transit traffic; and an automated data management system (ASYCUDA) has been implemented to record statistics on customs declarations, customs accounting procedures, examination controls, warehousing, import and export licences and permits, and foreign trade processing procedures. As a result of this timely generation of trade and customs revenue statistics, goods are now cleared more quickly, more accurately, and more reliably.

In addition to the harmonisation of trade standards among its member states, COMESA had also implemented a uniform system for classification of goods; customs declaration documents used for clearance, transit, and warehousing of exports and imports have been simplified and standardised, replacing all declaration documents previously used by member states. A stance on common competition rules has been taken, and technical norms and certification procedures have been streamlined. In addition, business relations through strengthening of the Eastern and Southern African Business Organisation, chambers of commerce, and other trade promotion and business advisory groups have been enhanced.

COMESA's Regional Payment and Settlement System (REPSS) links member states' national payment systems to regional central banks to effect payment and settlement of trade, and includes banks in Asia and Europe as well as Africa. REPSS is a complete and innovative online system

[394] UNECA, "Assessing Regional Integration in Africa, IV", p. 231.

with standards based on those of the Society for Worldwide Interbank Financial Telecommunication (SWIFT). The COMESA clearinghouse serves as the agent of the central banks in formulating bilateral agreements. All COMESA central banks are expected to facilitate payments for goods and services traded by transferring payments under the REPSS system. The dependence of COMESA and SADC member states on trade taxes is substantial and could be a major hurdle for liberalising tariff structures, since the majority of COMESA and SADC countries, aside from South Africa, are completely dependent on trade taxes to generate revenue. Eight countries are dependent on trade taxes for over 20 percent of their revenue; only Rwanda, Uganda, South Africa, and Tanzania generate less than 2 percent of their GDP through trade taxes. Given COMESA and SADC's substantial dependence on trade-tax revenue, together with the 6 percent decline in total revenue anticipated from the SADC free trade area - liberalisation of tariffs requires sound macroeconomic policies.[395] The regional payment mechanism would therefore benefit the region and serve as a support to those member states dependent on trade revenue, and contribute to their fiscus.

3.8 Rationalisation of SADCC and PTA

This discussion now turns to the rationalisation process of SADCC and PTA and the main circumstances that led to these two organisations to remain apart. The section also discusses the dominant role of South Africa in both regions. In particular, the region's manufacturing sector was dominated by South Africa, whose manufactured exports totalled $4 583 million in 1988 - nearly twice the value of manufactured exports from the whole of sub-Saharan Africa, at $2 505 million that same year. Moreover, the thesis also provides an expanded discussion on South Africa's manufacturing base in chapter 4 and this discussion will outline the relevance of the region to South Africa in a post-apartheid period beyond 1994, and what this means to the convergence debate (discussed in chapter 4).

In terms of the rationalisation process and for the purpose of this discussion, in February 1991, when South Africa announced its decision to renounce apartheid governance and to embrace democracy, regionalism became centred on three regional schemes of the Southern African Customs Union, the Front Line States, and the Preferential Trade Area for Eastern and Southern African States. The SADCC and PTA regional blocs were very closely linked to geography and

[395] Khandelwal, "COMESA and SADC: Prospects and Challenges for Regional Trade Integration", 2004.

colonial heritage.[396] South Africa's role became a major question for both PTA and SADCC, given the uncertainty about how it would conduct itself regionally and as a new player in the post-apartheid era. SADCC was grappling with the form and shape of a new South Africa and regional pressure concerned recent memories of the devastation of past disruption of regional trade routes.[397]

Fear played a role in the policy formulation and in the interactions of Southern African states, which were previously subject to military and economic domination by South Africa. Divergence and convergence literature on economic growth models suggests that for poorer countries to grow their economies, industrialisation as well as trade liberalisation policies should be implemented simultaneously to allow for advancing technology and development among other endogenous growth factors such as skills development, which are equally important for economic growth.[398]

Table 3.2: Composition of Manufacturing Value Added (MVA), 1987.
Source: African Development Bank, *Economic Integration in Southern Africa*, vol. 2 (Oxford: Oxprint, 1993), pp. 249-271.

Country	Percentage of Composition of Manufactured Products per ISIC Category (MVA), 1987									
	1 & 2 Foodstuffs; beverages and tobacco	**3** - textiles and clothing	**4** - leather and footwear	**5** - wood, wooden products, and furniture	**6** - paper, printing, and publishing	**7** - non-metallic minerals	**8** - chemicals, rubber, and pharma-ceuticals	**9** - metals and metal products	**10** - machinery and transport equipment	**11** - other or not classified
Angola	30	18	—	7	4	12	6*	6	16	1
Botswana	54	9	—	—	2	6	—	4	2	23
Lesotho	71	12	1	2	1	6	2	3	—	2
Malawi	34	14	3	2	7	24	7	3	3	3
Mozam-bique	41	23	**	8	**	11	4	11	**	2
Namibia	65	6	3	4	4	7	6	2	1	2
Swaziland	58	2	**	2	12	10	4	1	9	1
Tanzania	34	17	4	3	8	13	1	7	11	2
Zambia	35	18	3	4	4	15	8	12	10	1
Zimbabwe	33	12	3	3	6	14	4	18	5	1
South Africa	14	7	2	3	9	22	5	18	19	1
Kenya	40	9	2	3	7	16	4	6	6	7
Mauritius	27	51	8	1	1	5	1	3	2	1

Notes: International Standard Industrial Classification (ISIC) categories: 1 = foodstuffs; 2 = beverages and tobacco; 3 = textiles and clothing; 4 = leather and footwear; 5 = wood, wooden products, and furniture; 6 = paper, printing, and publishing; 7 = non-metallic minerals; 8 = chemicals, rubber, and pharmaceuticals; 9 = metals and metal products; 10 = machinery and transport equipment; and 11 = other or not classified. * Excludes petro-chemicals accounting for almost 50 percent of MVA.

[396] Meyns, "Present Structures and Future Challenges of Regional Cooperation and Integration in Southern Africa", 1999.
[397] *Personal Interview*, conducted with Simba Makoni, Kariba Lake, June 2011.
[398] Romer, "Increasing Returns and Long-Run Growth", 1986.

While manufacturing in Southern Africa was dominated by South Africa during the 1980s,[399] South Africa's manufacturing sector was not as developed as seen in Table 3.2 below, and had little value added to its manufactured products. Zambia had to rely on wire and cabling from South Africa for inputs into its copper manufacturing and electrical cabling. South Africa only scored the highest in percentage of manufacturing valued added composition as seen in ISIC Category 7 (non-metallic minerals) and was on par with Zimbabwe in ISIC Category 9 (metals and metal products). Most of the other remaining categories, as shown in Table 3.2, demonstrate that Southern African states scored higher than South Africa in value added to manufacturing goods. South Africa's MVA was much lower than that of its neighbours, and comparatively its industrial base lacked sophistication and complexity.[400]

South Africa's reliance on manufactured exports had been much higher than that of its SADCC neighbours. This heavy reliance on the region, including the SACU member states, was a base from which to export its manufactured goods in extensively serving the needs of the domestic market. This had caused a decrease in the quality of South Africa's manufactured goods, unlike the higher-quality goods of its neighbours (foodstuffs and beverages; tobacco; textiles and clothing) as shown in Table 3.2. The following statistics should be considered in future relations between COMESA and SADC in order to strengthen the trade framework and regional integration. According to the World Bank[401], the combined total manufacturing value-added (MVA) of SADCC and South Africa was $23 billion in 1989 - one-third that of Brazil and Spain, and less than half that of South Korea. Moreover, in 1988, SADCC and South Africa's manufactured exports constituted only 4.5 percent of total production in SADCC and South Africa - compared with 11 percent for all developing countries in the world, ranging from 16 percent for all of Asia, and 8 percent for all of Latin America and the Caribbean. MVA levels for SADCC and South Africa were largely attributed to substantial labour, skill, and resource deficiencies. Also in 1988, 88 percent of total exports went from South Africa to SADCC. In the 1990s, Botswana, for example, lost to South Africa in a bid to host an auto assembly plant for

[399] AfDB, *Economic Integration in Southern Africa*, 1993, p. 249. *See also*, James J. Hentz, "The Southern African security order: regional economic integration and security among developing states", *Review of International Studies*, 35, (2009), pp. 189—213; and Theo Neethling, "Pursuing a Functional Security Community in Southern Africa: Is It Possible After All?", *Strategic Review for Southern Africa*, vol. 25, no. 1 (May 2003), <https://www.questia.com/library/journal/1G1-109504763/pursuing-a-functional-security-community-in-southern>.
[400] AfDB, *Economic Integration in Southern Africa*, 1993, pp. 250-255.
[401] World Bank, "Mozambique Industrial Sector Study: the development of industrial policy and reform of the business environment", *Industry and Energy Operations Division, Southern African Department*, 1999; *cited in*, AfDB, *Economic Integration in Southern Africa*, 1993, p. 249.

South Korea's Hyundai Corporation.[402] SADCC states have not yet had the opportunity to address economic policies that could alter low levels of development and technology, and these have not remedied the region's weak economies either.

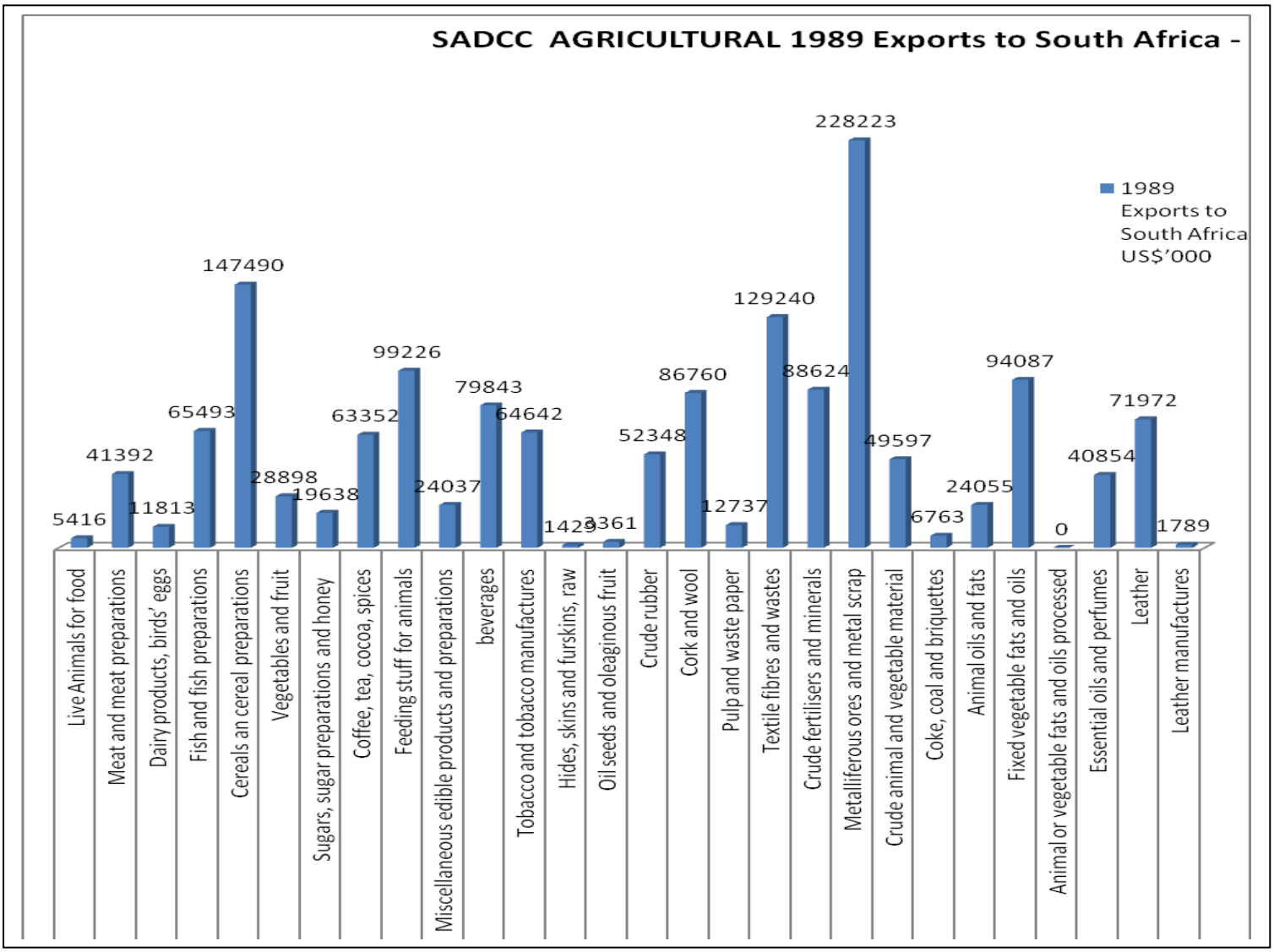

Figure 3.3: SADCC's agricultural exports to South Africa 1989
Source: African Development Bank, *Economic Integration in Southern Africa*, vol. 2 (Oxford: Oxprint, 1993), p. 90.

A SADCC review report on public and private sector cross-border investment projects observed that there was a huge skills deficit in technology and skills levels between SADCC and industrialised countries. Angola, Mozambique and Malawi had widespread skills shortages. The

[402] James Zaffiro, "Exceptionality in External Affairs: Botswana in the African and Global Arenas", in, Stephen Wright (ed.), *African Foreign Policies*, 1999, p. 72. *See also*, "SA attempting to Squeeze Hyundai Botswana-Built Cars out of the Market", *Daily News*, 5 May 1994, p. 2.

report also noted a general skills shortage observed in Botswana (with the exception of public administration, agricultural technology, and mining engineering), Lesotho (with the exception of agricultural and metallurgical engineering), Swaziland (with the exception of mining engineering and agricultural research), and Zambia (with the exception of senior management and the financial sector).[403] Figure 3.3 shows that SADCC member states conducted trade in agriculture in fish and fish preparations $65 493 million, (mainly Malawi and Angola) and in cereals and cereal preparations ($147 490 million), textiles and wastes ($129 240 million), and ores and scrap metal ($228 223 million), constituting opportunities for future manufacturing and trade agreements in the region.[404] South Africa's accession into SADCC and later SADC was to allow for integration and economic convergence. But convergence was commensurate with policy implementation at the national level of the state. Such policies included domestic trade and regional policies, to improve on movement of goods and services by rail, road and port, but these policies that could determine growth were not implemented. As outlined by David Dollar,[405] effective trade policies can promote convergence in trade openness. The implications for Africa's political economy have been due to monopolistic behaviours seen in the post-colonial era that was still linked to the African economy, which have been perpetuated and have opened avenues for exploitative practices and been exacerbated by the adoption of neoclassical economic approaches of liberal trade policies.[406]

[403] AfDB, *Economic Integration in Southern Africa*, 1993, p. 171.
[404] AfDB, *Economic Integration in Southern Africa*, 1993, p. 171.
[405] Dollar, "Outward-oriented Developing Economies Really Do Grow More Rapidly: Evidence from 95 LDCs, 1976-1985", 1992.
[406] *See also*, Victor Azarya, "Reordering State-Society Relations: Incorporation and Disengagement", pp. 3-24; and Young, "The African Colonial State and Its Political Legacy", pp. 25-66, both in, Rothchild and Chazan (eds.), *The Precarious Balance*, 1988.

Table 3.3: South Africa's regional trade, 1984 (million rand)
Source: Joseph Hanlon, Beggar Your Neighbours: Apartheid Power in South Africa (London: Currey, 1986), p. 281.

South Africa's regional trade	Exports	Imports
Machinery	**309**	**6,397**
Transport equipment	**169**	**2,653**
Chemicals	**672**	**1,785**
Gold	**11,684**	**—**
Diamonds and precious metals	**2,387**	**129**
Other minerals and mineral products	**5,515**	**1,721**
Textiles	**762**	**1,037**
Other manufactures	**808**	**2,980**
Fruits, grains, and vegetables	**480**	**996**
Other agricultural products	**833**	**801**
Other	**1,766**	**3,254**
Total	**25,395**	**21,717**

While African states have pursued various models of economic development, the progression of economic structural adjustment programmes of the 1980s exacerbated the political and economic weaknesses of the state.[407] Khadiagala observed that the weakness of the state is central to the wealth of power. In 1987 SADCC states had a total GDP of $23 billion, an area of over four million square kilometres and a population of about 25 million people.[408]

In 1984 South Africa dominated most of the sectors of the Southern African economy, for example, trade import and exports (see Table 3.3). SADCC was most dependent on the region's transport infrastructure, and as observed by Khadiagala, South Africa was dependent on the region's leading export markets in 1990 with bilateral trade that was conducted mainly with Zimbabwe for its exports (see Table 3.4).

[407] Ninsin, "Three Levels of State Reordering: The Structural Aspects", 1988.
[408] Khadiagala, *Allies in Adversity*, 1994, p. 231.

Table 3.4: South Africa's leading export markets in Africa, 1990
Source: African Development Bank (1993) "Economic Integration in Southern Africa" Volume 2.

Countries	1990 Exports (US$ m)	1990 Imports (US$ m)
Zimbabwe	**403.5**	**167.8**
Zambia	**187.8**	**2.5**
Zaire	**172.1**	**8.2**
Mozambique	**164.2**	**11.5**
Malawi	**143.7**	**30.1**
Mauritius	**114.5**	**5.4**

South Africa's trade to the rest of the world, shown in Table 3.5 below, was quite extensive in 1990, despite the imposition of Western sanctions because of its apartheid policies. A number of institutions in South Africa played an important role in its trade drive. Examples were the South African Foreign Trade Organisation (SAFTO) and its Chamber of Commerce.[409] During the rationalisation discussions and meetings there was a strong regional sentiment that was focused on the regional trade that a new South Africa could integrate into SADCC, with equitable agreements put in place in respect of trade, transport and investment.[410]

As a start to the run-up to the rationalisation process, the 1991 SADCC Summit meeting deemed it important to establish a Joint Planning Committee (JPC) comprising Botswana (Chairman), Mozambique, Zambia, and Zimbabwe, and the ANC and PAC.[411] The JPC commissioned two consultants,[412] and were tasked to identify, analyse and assess the interests and concerns of the SADCC member states. While the SADCC member states were contemplating how to incorporate South Africa into a new SADC, member states were also urged to refrain from contact with South Africa. The international community had placed sanctions on the South African government until a new political dispensation could be formed in the country.

[409] AfDB, *Economic Integration in Southern Africa*, 1993, p. 26.
[410] SADC, *Regional Relations and Cooperation Post-Apartheid*, (1993).
[411] SADC Summit Communiqué 1991, Arusha, Tanzania, 26 August 1991. *See also*, SADC Summit Communiques, <http://www.sadc.int/files/3913/5292/8384/SADC_SUMMIT_COMMUNIQUES_1980-2006.pdf>.
[412] Simba Makoni, "Foreword", in, Chipeta and Davies, *Regional Relations and Cooperation Post-Apartheid*, 1993.

Table 3.5: South Africa's Trade To the Rest of the World, 1990 (US$ millions)
Source: African Development Bank, *Economic Integration in Southern Africa,* vol. 2 (Oxford: Oxprint, 1993), p. 29

Goods Imported	Value 1990 (US$ millions)	Goods Exported	Value 1990 (US$ millions)
Machinery and equipment	**5,196.35**	**Machinery and equipment**	**542.88**
Unclassified goods, mainly oil and arms	**2,291.31**	**Unclassified (mainly gold, platinum, uranium, and arms)**	**9,733.62**
Vehicles and transport equipment	**2,225.07**	**Vehicles and transport equipment**	**439.41**
Chemicals	**1,865.95**	**Chemicals**	**736.32**
Mining and quarrying (excluding precious stones and metals)	**1,329.74**	**Diamonds and other**	**2,253.73**
Agricultural products	**939.94**	**Agricultural products**	**1,742.21**
Textiles	**781.68**	**Textiles (including wool)**	**628.68**
Rubber and plastic	**740.77**	**Base metal**	**3,538.47**
Professional and scientific equipment	**710.50**	**Machinery and equipment**	**542.88**
Pulp and paper	**486.88**	**Pulp and paper**	**642.95**
Intermediate manufacturing materials	**236.42**	**Intermediate manufacturing materials**	**443.00**
Miscellaneous manufacturing articles	**190.28**	**Other**	**231.70**
Other	**271.60**		
Total	**17,266.49**	**Total**	**21,475.85**

With varying economic strengths among the SADCC members, the main concern was to provide an integration process that considered economic integration that encouraged development, while taking into account the differences in size of member states' economies. South Africa was in a different and much higher economic structure than the other member states in SADCC. Simba Makoni, executive secretary of SADCC, expressed his position clearly, that "a democratic South Africa, free of apartheid and the dream of economic and military hegemony over its neighbours

would be welcome to join the Organisation".[413] During the rationalisation period, SADCC was also faced with the challenge of huge food shortages of around 2.8 million tonnes recorded for the periods between 1991 and 1992. With the prospect of South Africa's joining post 1994, SADCC member states agreed that the current dominance of South Africa over the rest of the region would be both undesirable and unacceptable, and also undesirable even with a democratic South Africa as a member. During these deliberations, there was also uncertainty with regard to Namibia's ports and offshore islands. Namibia had gained its independence in 1990, and was still battling to retrieve Walvis Bay and the offshore islands from South Africa, and which were integral to Namibia's economic development. SADCC stressed the need for the international community to pressure South Africa to restore sovereignty over Walvis Bay and the offshore islands to Namibia.[414]

With a new South African dispensation after 1994, the SADCC JPC recommended that the restructuring of SADCC's existing arrangements should be negotiated in "baskets or calabashes of issues" with a strong coordinating mechanism to facilitate trade-offs across the different baskets (calabashes) and that ensured overall growth and development for the region as a whole.[415] The SADCC JPC's Macro-Framework Study Report was a broad policy and strategy document, which was seen as an important instrument to facilitate the smooth engagement of incorporating South Africa into future regional relations.

Makoni reiterated the importance of the Macro-Framework Study Report as a regional instrument to be taken into account and incorporated into future protocols or agreements envisaged by SADCC and its successor organisation, SADC. The importance of having a partner state was significant for the SADCC leaders. In 1989 for example, the average per capita GNP was $647 among SADCC states.[416] Local industries in several SADC member states were not well placed to compete against the increasing imports from South Africa's industries. A more comprehensive study conducted on income convergence that focused on 28 regional integration agreements (RIAs) since the notification of the GATT/WTO, analysed the effects on trade liberalisation in South-South and North-North trade cooperation. This was conducted by Fabrizio Carmignami

[413] *Personal Interview,* Simba Makoni, Kariba Lake, 10 June, 2011.
[414] Makoni, "Foreword", 1993.
[415] *Personal Interview,* Simba Makoni, Kariba Lake, 10 June 2011.
[416] Chipeta and Davies, *Regional Relations and Cooperation Post-Apartheid*, 1993. *See also*, *The Courier*, "A Fresh Look At Africa", no. 134, (July/August 1992), < http://aei.pitt.edu/39179/1/Courier.134.pdf>.

and also included SADC, COMESA, and SACU RIAs. The results indicated no evidence for income convergence among COMESA countries, and weak convergence in the case of the SACU and the SADC blocs.[417] Lesotho, Malawi, Mozambique, Tanzania and Zambia had extremely low levels of per capita income in contrast with South Africa's $2 530.[418]

Besides integration of a democratic South Africa into SADC, there were also discussions centred on the PTA and SADCC's restructuring role and how South Africa would impact on these two organisations. Open regionalism can be broadly defined as trade liberalisation that has easy market access in trade of goods and services, with a few exceptions for sensitive products. Open regionalism also has proponents of commitment to the most-favoured nation clause and principle as per the WTO rules for regional trade arrangements. Within the region, open regionalism, which signifies liberal trade, had reduced not only tariffs in trade, but also transaction costs at the borders. Deep integration goes beyond the mere issue of multilateral agreements. It means first and foremost an attempt at and willingness by Africa's leaders to integrate and to conduct trade. According to Nomvete,[419] implementation guidelines for deeper integration were already in force and agreed to by African leaders when UNECA was established. At the May 1963 meeting that inaugurated the OAU, leaders had viewed economic cooperation as a critical development strategy for addressing Africa's weak economies. Furthermore, at four OAU Summits in 1970, 1973, 1977, and 1979, it was decided that to establish an African Economic Community, five successive stages would be necessary: a Preferential Free Trade Area, Free Trade Area, Customs Union, Common Market, and Economic Community; these would begin at the regional level of western, eastern, southern, central and northern Africa.[420] The European Union integrationists did not adopt the strict linear progression model of region building that SADC and PTA embarked on in terms of trade liberalisation at the regional level. Europe embarked on three phases:

> "Firstly a customs union was formed which eliminated tariffs and established a common external tariff between 1958 and 1968; then came a period of relative stagnation in the 1970s, when a number of non-tariff barriers prevented further progress; and thirdly, only much later in the 1980s, the single European market programme of 1992 was created."[421]

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[417] Fabrizio Carmignami, "A note on income converge effects in regional integration agreements", *Economic Analysis Division, United Nations Economic Commission for Europe* (*UNECE*) (2007).
[418] Chipeta and Davies, *Regional Relations and Cooperation Post-Apartheid*, 1993.
[419] Bax D. Nomvete, "Regional Integration in Africa, a path strewn with obstacles", *The Courier* (*EC Courier)*, no. 142 (November-December 1993).
[420] Nomvete, "Regional Integration in Africa, a path strewn with obstacles", 1993.
[421] European Union and Southern African Development Community seminar on "The Regional Integration Process", 1995, pp. 3-215. Opening addresses by: Peter Pooley, Deputy Director General for Development - EC; Alain

Africa's integration journey started in April 1980 at the first extraordinary OAU Economic Summit that was held in Lagos. At this summit, African leaders agreed to implement the guidelines adopted at the various OAU meetings during the 1970s and to incorporate a sound plan of action - the Lagos Plan of Action where all African governments had to belong to regional economic communities by 1990. This would later be followed by an African Continental Community. For the PTA bloc, it meant that SADCC would naturally join the PTA organisation.[422] The decision to merge these two organisations was discussed in January 1992, at a PTA Summit meeting in Lusaka. PTA considered itself a "better organised grouping". PTA covered a geographic territory with a larger market and opportunities for economies of scale, and felt superior to SADCC in this regard. Previously, SADCC had been concerned about regional sectoral coordination; PTA, on the other hand, had concerns regarding regional trade liberalisation, and the two organisations' roles differed. But with SADCC taking on a trade role when it created SADC, major rivalries of competition and competing conflicts of interest in trade and investment were unleashed.

According to Meyns, the SADC August 1992 Summit appeared to be a rushed decision, with the change of an old SADCC to a new SADC organisation, and from a 10-member state to a formal regional grouping. The old SADCC was largely concerned about how it would justify its existence and manage its donor agenda; it had concerns regarding donor fatigue in competing against the Eastern bloc countries of the PTA. As suggested by Meyns,[423] the erstwhile SADCC hastily formed SADC and believed to have happened to forestall PTA (and the planned establishment of COMESA). Also noted by Meyns, was that an added factor to the precipitous transformation was the view that there had been no prior discussion of the SADC draft agreement among a broader public in the member states and hence it was believed that SADCC had decided to form the organisation without gauging public opinion.[424] There was also a major concern in an old SADCC to be seen competing for funds from donors and justifying its existence, programmes

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Azouaou, Deputy Head of Southern Africa and Indian Ocean Department, MAE, France; Kaire Mbuende, Executive Secretary, SADC; M.C. Lekaukau, Chairman, SADC Standing Committee of Officials; and Jacques Delors, Former President of the European Commission.

[422] Meyns, "Present Structures and Future Challenges of Regional Cooperation and Integration in Southern Africa", 1999.

[423] *See also,* Agreed Minutes of the Meeting between the SADCC Secretariat and the PTA Secretariat, Gaborone (mimeo), 9 March 1991. *Cited in* Meyns (1999). *See also*, SADC Summit Communiques, <http://www.sadc.int/files/3913/5292/8384/SADC_SUMMIT_COMMUNIQUES_1980-2006.pdf>.

[424] Meyns, "Present Structures and Future Challenges of Regional Cooperation and Integration in Southern Africa", 1999.

and goals in a new dispensation, since SADCC was no longer fighting for the liberation movements and against the apartheid regime in a post-apartheid South Africa. SADCC therefore needed a new *raison d'être* within a new SADC.

However, Makoni contended[425] that the transformation of SADCC to SADC occurred during the rationalisation process that considered two major issues (PTA and SADCC's merging, and South Africa's joining either organisation). It had less to do with donor funds, but rather wished to address how South Africa would fit into Southern Africa after its democratic elections. SADCC was largely concerned with the huge shortage of food in the region during this time.[426] At the SADCC Summit of 17 August 1992, the member states accepted the report of the Joint Council of Ministers on the re-formalisation of SADCC and agreed that the report adequately addressed the issues and concerns of the region with regard to South Africa's admission. The Summit agreed that the JPC report formed a sufficient basis to strengthen SADCC and provided the new SADC with appropriate legal status and other necessary instruments to create a regional economic community of Southern African states. Hence the 17 August 1992 Windhoek Summit immediately approved and signed a new Declaration, a Treaty, and a Protocol committing member states to more formal arrangements for cooperation and integration under the framework of a new organisation, SADC. The SADC Treaty specified six important factors and considerations.[427] The importance of South Africa's joining the organisation was reaffirmed at the August 1992 Windhoek Summit. The Summit "agreed that it was necessary to clarify that relations between SADCC and South Africa will be normalised only when a democratically elected government was in place".[428]

The August 1992 Windhoek Summit also approved a 1993 SADC Annual Consultative Conference, namely, "SADC: A Framework and Strategy for Building a Community in Southern Africa", which articulated regional issues and proposed a timetable as well as the necessary steps required to build an economic community for Southern Africa. The August Windhoek Summit in 1992 outlined clear objectives for the region's future engagements. It acknowledged: i) that the SADC Treaty should provide an agreement on protocols on specific areas of integration, which

[425] *Personal Interview*, Simba Makoni, Kariba Lake, 10 June, 2011.
[426] SADCC Summit Communiqué, Windhoek, Namibia, 17 August 1992. *See also*, SADC Summit Communiques, <http://www.sadc.int/files/3913/5292/8384/SADC_SUMMIT_COMMUNIQUES_1980-2006.pdf>.
[427] SADCC Summit Communiqué, Windhoek, Namibia, 17 August 1992.
[428] SADCC Summit Communiqué, Windhoek, Namibia, 17 August 1992.

should set out principles and objectives for integration, and determine the rules under which member states were to conduct relations; ii) member states were required to sign the follow-up plan of the Treaty, which provided a timetable for negotiations and protocols; iii) priority had to be provided by member states for popular participation in ensuring that SADC citizens formed part of the regional integration process and were informed of the direction of the SADC integration process; iv) movement of people within the region was to be facilitated and encouraged; v) member states had to work toward progressively removing all barriers to the flow of capital, goods and services; and, vi) regional peace and security processes were to be prioritised by member states. These principles of engagement set the tone for member states for future engagement in regional integration. Also expressed at the August Windhoek 1992 Summit was the hope that a democratic South Africa would join SADC in order to build a new economic order based on balance, equity and mutual benefit.[429]

Furthermore, the August Windhoek 1992 Summit acknowledged the proposal of the Authority of the PTA for Eastern and Southern African states that requested SADCC and PTA merge into COMESA. The SADCC member states at the August Windhoek 1992 Summit objected to this proposal of PTA's calling for a merger, and reaffirmed their position that the two organisations, SADCC and PTA, had different objectives and mandates and should therefore continue to exist as autonomous but complementary entities.[430] In the end, and as documented in SADC's Windhoek Declaration of 1992, there was consensus that SADCC and the PTA conduct an independent commission to study SADCC and the PTA, and advise on how best to harmonise relations between the two regional communities, and also to address in the process and in going forward, how to establish the African Economic Community.[431] Also, avoidance of duplication of efforts in the activities of the two organisations was to be an important consideration in the joint independent commission study.[432]

At the 5 September 1993 SADC Summit in Mbabane, Swaziland, acknowledgment of the macro-framework study, namely: the JPC on Regional Relations Post-Apartheid,[433] and acceptance thereof by the SADC member states were made in agreeing to South Africa as the 11th member

[429] SADCC Summit Communiqué, Windhoek, Namibia, 17 August 1992. *See also*, SADC Summit Communiques, <http://www.sadc.int/files/3913/5292/8384/SADC_SUMMIT_COMMUNIQUES_1980-2006.pdf>.
[430] SADCC Summit Communiqué, Windhoek, Namibia, 17 August 1992.
[431] SADCC Summit Communiqué, Windhoek, Namibia, 17 August 1992.
[432] SADCC Summit Communiqué, Windhoek, Namibia, 17 August 1992.
[433] SADC Summit Communiqué, Swaziland, 1993.

state of SADC. The macro-framework study report was regarded as a broad policy and strategy document for future evolving arrangements for the smooth engagement of a democratic South Africa, and as an important input to planning for the integration of SADC member states, both for South Africa and the cooperating states and partners. The macro-framework study was seen as a resource to be used for future SADC discussion, analysis and policy formulation on future regional relations.[434]

Member states considered an SADC Resident Mission comprising diplomatic and trade missions of SADC countries in South Africa important, and this was established in Pretoria to monitor closely the events as they unfolded in achieving a democratic government in South Africa.[435] There were regional fears that donor sympathies would become lukewarm post 1994, when South Africa joined.[436] As noted by Fadzai Gwaradzimba, SADC faced three major options with the new South Africa: South Africa could join SADC and assume its economic leadership role; South Africa's hegemony could be appealing to the BLNS member states and as members of SACU; and SADC could also be faced with an FLS membership that might entail a redefinition of goals to address membership overlap with South Africa's bilateral deals.[437] At the SADC Swaziland Summit in 1993, member states expressed their concern at the lack of funding for the SADC programme of action that initially had 518 projects, but had dwindled to only 464 by July 1993, and that required a budget of more than $8.8 billion.[438] There were also growing concerns with regard to Angola, Botswana, Lesotho, and Swaziland's emergency drought relief strategies. In 1994 Malawi, Mozambique, Tanzania, and Zambia, were the worst hit by the adverse climatic conditions, with those regions experiencing huge food shortages and in particular a shortfall in cereal production.[439]

The rationalisation of SADCC and the PTA's existing regional mechanisms centred on "what programme and approach to be adopted in building cooperation and integration and how organisational activities were to guide a rationalised regional organisation that takes into account

[434] Makoni, "Foreword", 1993.
[435] SADC Summit Communiqué, Swaziland, 1993.
[436] *Personal Interview*, Simba Makoni, Kariba Lake, 10 June, 2011.
[437] Fadzai Gwaradzimba, "SADCC and the Future of Southern African Regionalism", *African Studies Association: A Journal of Opinion*, vol. 21, no.1/2 (1993), pp. 51-59.
[438] SADC Summit Communiqué, Swaziland, 1993.
[439] *Personal Interview*, Simba Makoni, Kariba Lake, 10 June, 2011.

different approaches of these two institutions".[440] At the meeting it was asked, "Should a rationalization/merger be undertaken in anticipation of the entry of a democratic South Africa or should it be something that occurs in the process of or after South Africa's admission?"[441] The timing of this debate was significant, happening just one year prior to both triumph and tragedy in April 1994 - the democratic elections in South Africa, the civil war in Burundi and the DRC that started in 1996 (involving seven African states: Angola, Burundi, Namibia, Rwanda, Uganda, and Zimbabwe; and also Chad), and the onset of the genocide in Rwanda. Angola and Mozambique were also emerging from domestic intra-state violent conflict and Angola from civil war. At the February 1993 meeting between SADC and the PTA, the PTA favoured a merger. As discussed earlier under the PTA, Zimbabwe and Mozambique had doubts about the usefulness of the PTA (but they later joined). Botswana refused to join the PTA. The JPC also adopted the Council of Ministers in January 1994 - a strategy and policy framework for regional relations and cooperation post-apartheid.[442] During the SADC/COMESA rationalisation process, South Africa was going through its own rationalisation processes of its SANDF, its police force, and foreign and trade ministries. Democratic and political transformation, and socio-economic issues and security, were more pressing issues for the country. The Southern African bank – and the Independent Development Trust (IDT) was also being transformed into the DBSA, to engage the region by helping address regional infrastructure development in particular.[443] South Africa had major setbacks in its socio-economic disparities in 1994 and these remained huge. Eighty percent of South Africa's economy was still owned by four conglomerates from the apartheid era (Anglo American, Rembrandt, Sanlam, and SA Mutual).[444]

South Africa was faced with domestic challenges and diverging interests in its own foreign policy - a dilemma that was confronted with a plethora of highly powerful business elite groups and conglomerates against a huge labour-intensive working class. South Africa was also simultaneously negotiating trade agreements with Europe. South Africa was eager to find the correct balance at the regional level to serve its national interests.[445] The post-apartheid government's national interests were dominant in its working class, who were strong supporters

[440] SADC, *Regional Relations and Cooperation Post-Apartheid*, 1993, p. 89.
[441] SADC, *Regional Relations and Cooperation Post-Apartheid*, 1993, p. 89.
[442] SADC Summit Communiqué, Gaborone, 29 August, 1994.
[443] *Personal Interview*, Ambassador Welile Nhlapo, Cape Town, South Africa, July 2013.
[444] *See also,* Adebayo Adedeji, *South Africa and Africa: Within or Apart* (London: Zed Books, 1996), p. 81.
[445] Ben Turok, "Building a progressive consensus", in, Ben Turok, *The Controversy About Economic Growth* (Johannesburg: Jacana, 2011), p. 184.

of its ANC party and trade union, Congress of South African Trade Unions (COSATU) that was formed in 1985.[446] South Africa also confirmed its standing and did not want to be saddled with a merger and focus on a joint COMESA and SADC when it was going through a difficult transition. It also had concerns around its military, police and security sector reform processes. During South Africa's deliberations, the government was presented with a political compromise in its regional role. It was also important to consider market cooperation as a regional approach that could benefit South Africa's business elite while also benefiting its own working class. These discussions were documented in Gavin Maasdorp's report on which way the pendulum swayed for South Africa's regionalism.[447] Rob Davies, South Africa's Minister of Trade and Industry, was previously part of the Macro-Economic Research Group (MERG) and held views in support of COSATU and labour unions during the 1990s.[448] The decision makers in South Africa's regional developmental cooperation comprised the ANC-dominated government, guided by its RDP;[449] COSATU, representing labour; South Africa's members of parliament, with the former chair of the trade and industrial policy group, Ben Turok; and Rob Davies, former chair of the portfolio committee on trade, also representing labour; also included were the Afrikaners, under the banner of the Afrikaanse Handelsinstituut (AHI) represented the Afrikaner business elite. The English business elite was represented by Anglo American, with Gavin Reilly as executive, and called for an ad-hoc regional integration approach as he noted that " ... political reform in South Africa has opened up further opportunities for cooperation in the fields of tourism, transport, electricity supply, and the development and use of scare water resources ... sinews that bind ... the region ... need progress [and not] castles in the air".[450] Trevor Manuel, former South African Finance Minister, advised that South Africa should steer away from joining any regional grouping.[451]

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[446] *See*, Congress of South African Trade Unions (COSATU), < http://www.cosatu.org.za/>.
[447] Gavin Maasdorp, "A Vision for Economic Integration and Cooperation in Southern Africa" report of the meeting of 21 January 1994 with South African departments: Finance and Foreign Affairs; Trade and Industry; Central Economic Advisory Centre; the Development Bank of Southern Africa (DBSA); the Industrial Development Corporation (IDC); and Chamber of Commerce [SACOB] (partially attended), in, James J. Hentz, "South Africa and the Political Economy of Regional Cooperation in Southern Africa", *Journal of Modern African Studies*, vol. 43, no. 1 (March, 2005), pp. 21-51. *See also*, Gavin A. Maasdorp, *Rethinking Economic Cooperation in Southern Africa: Trade and Investment* (Johannesburg: Konrad-Adenauer Stiftung, 1993).
[448] Hentz, "South Africa and the Political Economy of Regional Cooperation in Southern Africa", 2005.
[449] Landsberg, *The Quiet Diplomacy of Liberation*, 2004, pp. 196-198.
[450] Hentz, "South Africa and the Political Economy of Regional Cooperation in Southern Africa", 2005, p. 31.
[451] Hentz, "South Africa and the Political Economy of Regional Cooperation in Southern Africa", 2005, p. 29.

Furthermore, there were two parallel sets of trade negotiations happening simultaneously relating to SADC and the European Union. South Africa's Industrial Development Corporation (IDC), reinforced by the Development Bank of Southern Africa, both opted for a SADC free trade area, since South Africa stood to gain and increase its GDP through total exports and manufactured exports. SACU countries were to fall short and be negatively affected in de-industrialisation trade processes. The DTI also supported the regional developmental approach led by former DTI minister Alec Erwin, who noted, "there is an acknowledgment that there are unequal starting points and that in the long run the benefits are better for all if the economically weaker partner is assisted to develop in the early stages". Faizel Ismail, South African Deputy Director of the DIRCO and former Chief Director of Foreign Trade Relations, noted that the South African delegation to the EU should be "diplomats in service of development".[452] Maasdorp's 1993 study outlined several problems that South African farmers within a SADC FTA could face, which related to "sensitive agricultural subsidies and clothing imports from Zimbabwe specifically and for South Africa's textile and footwear industries that would be economically strained".[453] With regard to Europe, the trade negotiators also highlighted strain on South Africa's labour-intensive industry in areas linked to textiles, cars, television assembly and parts, oil production from coal, footwear, small arms and ammunition, dairy products, beef and veal, and sugar. South Africa's alignment of its regional developmental approach with its own trade deals with the European Union ultimately led to the Trade, Development and Cooperation Agreement (TDCA) in 1999. As one government official noted: "We are not in the Father Christmas business … surely, it is imperative that South Africa looks after its people who have suffered for centuries instead of bailing out corrupt bureaucrats who got freedom decades ago."[454]

A report of the Joint Study on Harmonisation, Coordination and Rationalisation of the activities of the two organisations was studied[455] at the Gaborone SADC Summit of 29 August 1994, the decision was unanimous that the current Preferential Trade Area should be divided into two

[452] Hentz, "South Africa and the Political Economy of Regional Cooperation in Southern Africa", 2005, p. 34. *Personal Interview*, conducted with AU ACP/EU Official, (Brussels), Cape Town, 2014. *See also*, Brendan Vickers, "South Africa's economic diplomacy in a changing global order", in, Landsberg and van Wyk (eds.), *South African Foreign Policy Review*, 2012, pp. 112-134. *See also*, David Monyae, "The evolving 'doctrine' of multilateralism in South Africa's Africa policy", in, Landsberg and van Wyk (eds.), *South African Foreign Policy Review*, 2012, pp. 139-151.
[453] *Personal Interview*s conducted at DIRCO, Pretoria, 2014; and with a DTI official in Pretoria, 2014.
[454] *Personal Interview* confidential, 2014.
[455] SADC Summit Communiqué, Botswana 29 August 1994. *See also*, SADC Summit Communiques, <http://www.sadc.int/files/3913/5292/8384/SADC_SUMMIT_COMMUNIQUES_1980-2006.pdf>.

regions: i) A Preferential Trade Area for the South comprising all SADC member states. Preferential trade arrangements in the South region were to be carried out under the auspices of SADC. The process of separating the two regions into North and South was to evolve over time, and the modalities regarding which area SADC member states would wish to belong to, had to be determined by individual member states as their sovereign right; and ii) a Preferential Trade Area for the North comprising non-SADC countries.[456]

A decision was taken that SADC and the PTA should be split into North and South. The region that covered the geographical area of COMESA should be split into PTA North and PTA South, the latter comprising the current SADC member states. At the August 1995 Summit, however, SADC agreed to the proposal of the COMESA Authority for a joint SADC/COMESA Summit meeting on the future of the two organisations. In 1995 the PTA sent yet another proposal requesting to merge SADC with COMESA. Again it was agreed at the August 1995 meeting that SADC reaffirmed its previous position and decision to remain as separate institutions. Instead, a joint committee of ministers was appointed - five from each organisation, assisted by an equal number of officials from each side to address and recommend appropriate terms of reference for approval by the two chairpersons.[457] SADC's main concerns with regard to the merger were

> "… the many countries the PTA encompassed, and the geographical spread of the organisation, which made the PTA too complex and unwieldy to manage. The size and geographical spread of the organisation also made coordination and harmonisation of its activities very difficult. The situation would be compounded if the SADC member states maintained dual membership of both organisations. … [The] Summit underlined … the political, economic and cultural diversity of the countries which constituted the PTA. This factor made cohesion difficult; and cohesion was essential for meaningful and sustainable regional cooperation and integration."[458]

Furthermore, the SADC Summit heads of state had concerns about trade promotion within the PTA. The programme had not made satisfactory progress because member states were granted derogations from compliance under the provisions of the Treaty, principally to protect arrangements with third parties. This practice cast doubt on the viability of the trade programme

[456] SADC Summit Communiqué, Botswana 29 August 1994. *See also*, SADC Summit Communiques, <http://www.sadc.int/files/3913/5292/8384/SADC_SUMMIT_COMMUNIQUES_1980-2006.pdf>.
[457] SADC Summit Communiqué, Johannesburg, 28 August 1995.
[458] SADC Summit Communiqué, Johannesburg, 28 August 1995.

in the PTA. SADC was equally concerned with dual membership, which was costly for member states in terms of time, human, material and financial resources. The international cooperating partners were also disillusioned because of uncertainty and lack of clarity on the future of the two organisations.[459] Members of SADC had to decide which organisation to join, and Seychelles and Mauritius (who attended their first SADC Summit with intentions of joining the organisation), were also given the option of which organisation to join.

The joint SADC/COMESA Ministerial Committee met in Harare from 31 July to 1 August 1996 to discuss and agree on an agenda and a programme for the Joint SADC/COMESA Summit. The SADC/COMESA Ministerial Committee was tasked to assess how best to harmonise relations between the two organisations and work towards the creation of an African Economic Community as was outlined in the Abuja 1991 Treaty.[460] At the SADC Summit in Maseru, an agreement was reached among member states to allow the Joint SADC/COMESA Ministerial Committee complete its work, and for its report to be discussed once the work had been completed.[461]

Within the new SADC of 1992, and as a legal organisation, South Africa was afforded a regional investment and financial coordinating role. Since May 1995, South Africa within SADC had exerted a coordinating responsibility for financial integration and investment. SADC was looking at working towards a well-coordinated approach to link its financial markets. For SADC, a macroeconomic policy to work effectively for a regional grouping that could promote trade through compatible financial systems was deemed important to increase trade; however this was too premature for the infant economies of SADC to implement.[462]

SADC was struggling to liberalise trade and address rules of engagement and equitable trade exchanges amidst infrastructure weaknesses, and was not yet at the stage of conforming to macro-economic convergence. The Tripartite Common Monetary Area (between South Africa, Lesotho, Swaziland, and Namibia) was seen as a means that could inform implementation of a unified exchange rate structure for SADC in the future. The CMA was viewed as a possible

[459] SADC Summit Communiqué, Johannesburg, 28 August 1995. *See also*, SADC Summit Communiques, <http://www.sadc.int/files/3913/5292/8384/SADC_SUMMIT_COMMUNIQUES_1980-2006.pdf>.
[460] SADC Summit Communiqué, Johannesburg, 28 August 1995.
[461] SADC Summit Communiqué, Maseru, 24 August 1996.
[462] Maria Ramos, discussion on SADC's regional macroeconomic convergence in the, *European Union and Southern African Development Community seminar on* "The Regional Integration Process", 1995.

vehicle to facilitate financial integration for SADC member states and alleviate the debt burden and fiscal deficits. According to Ramos, central to macro-economic convergence for SADC would be careful consideration of five broad areas integral to the financial integration process. These areas entailed financial reform and development that could stimulate the liquid financial markets, provide incentives for trade, attract surplus capital, and guarantee investments, with focused attention on both long- and short-term markets; increased supervisory powers to protect investors and consumers; a database to assist SADC in creating a regulatory framework; formal and informal mechanisms towards a coordination of fiscal policies; and greater investment in human resource capacity building as well as greater access to funds in international markets.[463] However, these processes appeared to be superficial for SADC member states as outlined by Ramos, given the huge disparity in economic size and varying trade ratios. Ramos suggested that for a monetary area to work, a re-distributional arrangement to facilitate and expand trade and industry should complement regional integration.

At the 1997 SADC Summit in Blantyre, the Summit provided a report on SADC/COMESA relations and expressed satisfaction that COMESA (the sister organisation) had amicably reached a common understanding on the need to co-exist, while ensuring maximum coordination and harmonisation of their respective programmes of action. At the 1997 SADC Summit it was also noted that the SADC Secretariat would liaise with the COMESA Secretariat on areas of mutual interest to avoid duplication of efforts.[464] The year 1997 was also an important period for SADC, since it was the first time that OAU's AEC had met in Harare. SADC in particular had made huge strides towards developing closer relations with the AEC as well as with the OAU and other economic groupings, as part of its contribution towards the establishment of a continental economic community.[465]

3.9 Conclusion

The literature on divergence and convergence covered in this chapter in respect of the history of the PTA and SADCC, confirmed that while trade was being conducted between these two blocs, the timing of the integration was not able to allow for convergence between the poorer and richer

[463] Ramos, 1995, p. 17.
[464] SADC Summit Communiqué, Blantyre, Malawi, 8 August 1997. *See also*, SADC Summit Communiques, <http://www.sadc.int/files/3913/5292/8384/SADC_SUMMIT_COMMUNIQUES_1980-2006.pdf>.
[465] SADC Summit Communiqué, Blantyre, Malawi, 8 August 1997.

economies. Southern Africa's destroyed infrastructure of roads and railways was repaired at a snail's pace because of high costs. While lower labour costs could lead to an increase in regional development, industries were producing similar products with very little diversity.

The beginning of the chapter provided a historical account, and discussed the evolving regional integration processes that were linked to pan-Africanism, which was seen as an ideology for achieving political solidarity and economic independence through the PTA of 1981 and the SADCC of 1980. These two organisations were formed at a time when their members belonged to SACU as well as to a Common Monetary Area. SADCC took on a sector-led coordination approach to regionalism and the PTA took on open trade and liberalised markets in a step-by-step approach.[466] As Khadiagala noted: "From the Mulungushi Club to the FLS and then SADCC, regionalism has been animated by the convergence of interests and decisions, among a core elite leadership."[467] SADCC further demonstrated that in liberalising markets, smaller economies confronted economic setbacks with cheaper goods flooding smaller markets; this was explained and expanded on in the literature on divergence and convergence.

The events throughout the chapter related to various approaches of power, state and wealth incorporated into Africa's states and economy. At times, external forces of trade liberalisation within the neoclassical economic framework of trade liberalisation policies of external actors like the Nordic countries with the aid for trade funding structures and in their relations with PTA and SADCC member states, did not strengthen these economies, but caused division among the members. The PTA's approach to regional integration was defined in the debate of the neoclassical economic approach of trade liberalisation, which is associated with open markets and north-south trade liberalisation. Also mentioned was the PTA's functional approach to regional integration in pursuing the self-interest of the state, as suggested by neoclassical realism. The functional cooperation approach of SADCC, defined in its sectoral coordination programme, and its developmental approach adopted when it became SADC, were also discussed. Also discussed were South Africa's mercantilist policies in the SADCC region, prior to South Africa's membership of SADC. Despite South Africa's huge dependence on the economies of SADCC, the research demonstrated that PTA and SADCC member states were conducting trade among

[466] Gilbert M. Khadiagala, "The SADCC and its approaches to African regionalism", in, Saunders, et.al. *Region-Building in Southern Africa; Progress, Problems and Prospects* (London, Zed Books, 2012), p. 25.
[467] Khadiagala, "The SADCC and its approaches to African regionalism", 2012.

themselves and with external world partners. The chapter outlined that eastern and Southern African states were converging with their respective newly formed institutions - SADC and COMESA - and were not at a stage to converge trade policy to improve their economies by capitalising on their own comparative and absolute advantages and uniqueness of trade that could further boost manufactured goods. The chapter also indicated that both PTA and SADCC member states had memberships in both communities when COMESA was formed in 1993, and, for example, three SADCC members (Malawi, Zambia, and Tanzania were active participants) before South Africa joined SADC in 1994. The chapter also noted that Zimbabwe later joined as a COMESA member in 1998.

As discussed, in 1997 the SADC region was not in a position to merge with COMESA or sign any trade agreements owing to various internal and external factors and actors. It was also discussed that SADC was an organisation that was born out of the FLS and was formed to fight for the liberation of the region and against apartheid practices, and was unlike COMESA, which was created to conduct trade among its member states. During the rationalisation processes of PTA and SADCC, questions emerged with regard to South Africa's potentially negative impact on COMESA, on SADC, and on SACU. Lesotho, Namibia, Mozambique, and Tanzania withdrew from COMESA because of the tariff settings of COMESA with which they could not conform. The position was that their economies were poorly equipped; this also led to SADCC's sectoral division of labour becoming more national than regional in order to support the poor economies of SADCC. Zacarias also noted that the lack of cooperation beyond meetings and summits was associated with the poor institutional capacity of SADCC, which lacked political cohesion among member states. Member states were given a choice to join either organisation as their sovereign right.[468] SADC made regional integration membership easy for member states in allowing those member states with bilateral trade agreements to continue with such trade agreements. South Africa was a newcomer to the region and brought its own sets of domestic problems into the fraternity of SADC. South Africa joined SADC in 1994 during a period of socio-economic domestic problems, which placed some pressure on South Africa and on the region.

[468] SADC Summit Communiqué, Botswana 29 August 1994.

This chapter also discussed the concept of power with powerful states such as South Africa and its democratic transformation processes, as well as its evolving regional position. The only stringent rule that SADC stipulated was to sanction member states that reneged on their membership fees.[469] Eight SADC member states belonging to COMESA, namely, Angola, Lesotho, Malawi, Mauritius, Mozambique, Tanzania, Zambia, and Zimbabwe, and management of multiple memberships, were raised by SADC (and discussed further in Chapter 5 of the thesis). The chapter outlined the importance of the donor community to the liberation struggle in funding SADCC's projects, although at times not all the projects had a regional focus. The example of Tanzania was provided in terms of regional policy diversion. Also noted was that SADC became a full, legally binding institution when it incorporated South Africa into its fold. The chapter outlined that South Africa took on a developmental approach that combined trade integration with infrastructural development to deepen regional integration and to derive benefits from such an integration process to assist its domestic socio-economic problems of poverty and under-development through its DBSA funding institution (which is further discussed in detail in the next chapter on COMESA and SADC's convergence process). Next discussed is Chapter 4 of the thesis which provides an analysis and discussion of COMESA and SADC's integration processes, in particular the convergence processes aligned with the convergence theory and debates.

[469] SADC Summit Meeting, Maseru, 24 August 1996. *See also*, Martha Belete Hailu, "Regional Economic Integration in Africa: Challenges and Prospects", *Mizan Law Review*, vol. 8, no. 2 (2014), <http://www.ajol.info/index.php/mlr/article/view/117543/107100>.

Chapter 4

The Era of Convergence: COMESA and SADC's 2008 Tripartite Partnership Agreement

4.1 Chapter overview

This chapter builds on the preceding chapter, which focused on the regional processes undertaken by SADCC that led to South Africa's inclusion in SADC post 1994, as well as the historical formations and rationalisation processes of COMESA and SADC in their decision to remain apart. This chapter first assesses the period 1998-2008, since the last decision to remain apart in 1997 was taken by COMESA and SADC. Assessed are the main actors and factors and the reasons that led to COMESA and SADC's decision to regroup in 2008, and sign a Tripartite partnership, which also included the EAC, namely, the COMESA-EAC-SADC 2008 partnership agreement, which was adopted at a summit heads of state meeting in Kampala, Uganda, in October 2008.[470] The intention among the three RECs was a joint effort to create a free trade area. Secondly, the chapter discusses the unfolding events between October 2008 (Tripartite Agreement), and June 2015 (the signing of the Tripartite FTA by 16 member states on 10 June 2015) to assess the extent of the convergence among the RECs: COMESA and SADC. EAC is also addressed in the chapter. To better assess the convergence period 2008-2015, the chapter poses the following questions with regard to COMESA and SADC: 1) What were the main events that occurred during the 10 years (1998-2008)? Who were the main actors, and what were the main factors that led to the decision to regroup in 2008 and sign a Tripartite agreement? What did this mean for the region, for the continent, and for the rest of the world? 2) What have these two blocs, COMESA and SADC, managed to achieve with regard to the agreements and protocols outlined in their 2008 Tripartite agreement for the periods 2008-2015, and how much trade was achieved in terms of intra- and inter-regional trade since the adoption of the 2008 COMESA-EAC-SADC Tripartite for the periods 2008-2015) Who were the main actors and what were the main factors that contributed to the progress?

[470] The Common Market for Eastern and Southern Africa's, *Final Communiqué of the COMESA–EAC–SADC Tripartite Summit of Heads of State and Government, "Vision: Towards a Single Market"*, "*Theme: Deepening COMESA–EAC–SADC Integration*", 22 October 2008, Kampala, Uganda.

The findings in this chapter illustrate the extent to which convergence had occurred in regional trade agreements in providing a detailed account of the progress of COMESA and SADC's Tripartite agreement in relation to their roadmap. This assessment of their trade protocols and timeframes allows for an adequate account of how much convergence had occurred within COMESA and SADC. These findings are presented and directly aligned with the theme: situating regional integration within the divergence and convergence debate.

Findings on regional integration, divergence and convergence are particularly relevant as they provide the contextual basis for understanding the issues prior to and after the formation of the 2008 Tripartite Agreement of COMESA and SADC. These are the principal issues throughout the thesis, and connect regional integration with liberalisation of regional trade arrangements that are linked to economic growth. Findings on this theme also cover several dimensions, including an examination of the regional policies of the 2008 Tripartite and their performance, as well as how regional integration can be exploited through micro-regionalism linked to infrastructure development, trade, and endogenous growth factors of technology and skills.

The findings in this chapter distil positive examples and carefully draw from the neoclassical economics approach that contends trade liberalisation is an important mechanism for convergence. Also considered is COMESA and SADC's competitive advantage in supporting endogenous growth factors of inputs of semi-skilled and unskilled labour in energy production, and unskilled labour in agriculture; these are considered potential opportunities for regional production chains and intra-regional trade that moves up the value chain. The findings are presented in narrative, tabular, and graphic format, and further evidence is supported by interviews conducted in the region in some instances, and relevant literature that further underpins the evidence. Various regional and extra-regional events occurred between COMESA and SADC in a move towards a free trade arrangement (as discussed in chapter 3) since the rationalisation processes of these two blocs between 1991 and 1997. Next discussed is the period 1998-2008.

4.2 The period: 1998-2008

The section discusses the major events between 1998 and 2008 and leading to the 2008 Tripartite Agreement are issues that mainly concerned the Southern African region and SADC's member states. During this period, COMESA's member states,[471] were trying to liberalise trade tariffs and form a free trade area, which was formed in 2000. Old intra- and inter-state conflicts emerged: the inter-state conflicts in Ethiopia and Somalia's Ogaden Wars fought between 1977 and 1978 re-erupted.[472] Other conflicts included the Rwandan intra-state conflict during 1993 and 1994 that led to the genocide in which 800,000 people were killed in ethnic rivalry; the 1993 civil war in Burundi and violent conflict in the DRC 1997/8, and the border dispute between Eritrea and Ethiopia from 1998 to 2000, among other.[473] However, these intra- and inter-state conflict-ridden states did not deter COMESA from realising its vision of forming an economic community towards a free trade area (discussed in Chapter 3 of the thesis). On the other hand, SADC signed its Trade Protocol in 1996, and it became effective only in January 2000 owing to the regional conflicts discussed below.[474] SADC was also immersed in a restructuring of its Secretariat, concluded in 2009. COMESA was engaged in its own regional processes concerning trade, infrastructure, international financial institutions, and migration. On SADC's part, member states were struggling with intra- and inter-state conflicts as well as an organisational security vacuum that was evident in its structures that lacked a security framework - the OPDSC[475] became fully operational only in 2004, 12 years after SADC's formation.

Various conflicts flared up among the SADC member states, which warranted mediation and peacekeeping efforts. The earliest conflict was the border dispute over the island of Kasikili (Shedu) on the Chobe river between Botswana and Namibia, which ended in 1999 (and had commenced in 1992), with a mediation intervention strategy by Zimbabwe's President Robert

[471] COMESA's 19 member states includes: Burundi, Comoros, DRC, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, and Zimbabwe.
[472] Edmond J. Keller, "Understanding Conflicts in the Horn of Africa", in, Chandra Lekha Sriram and Zoe Nielsen (eds.) *Exploring Subregional Conflict Opportunities for Conflict Prevention* (Boulder: Lynne Rienner, 2004), p. 44.
[473] Keller, "Understanding Conflicts in the Horn of Africa", 2004, p. 39.
[474] SADC Communiqué, Pretoria, 23 August 1998.
[475] SADC Strategic Indicative Plan for the Organ on Politics, Defence and Security Cooperation, <http://www.sadc.int/>.

Mugabe that eventually led to the signing of the 1999 agreement between the two countries and involved the International Court of Justice (ICJ) in the Hague.[476]

South Africa was eager in being seen as a good neighbour, given the apartheid past of regional destruction. But the controversial military intervention that led to the attack on the Lesotho Highlands Water Project by South Africa's National Defence Force (SANDF) undoubtedly left a bitter taste in the region. The attack resulted in the killing of 58[477] members of the Lesotho Defence Force (LDF) and approximately 47 civilians. Lesotho also served (which is currently still the situation) as a provider of water for the Gauteng (encompassing Johannesburg and Pretoria) province of South Africa, and it appeared that South Africa had a great deal to lose by the attempted military coup that was staged in Lesotho during that time.[478] This was the rationale for the push from South Africa to intervene militarily in Lesotho during 1998 with the assistance of Botswana.[479] The DRC conflict also erupted during the same period, which led to the formation of a Mutual Defence Pact between Angola, Namibia and Zimbabwe in 1998.[480] The DRC conflict came to be known as Africa's "First World War" in the Great Lakes region. The DRC was not yet a member state of SADC, but was a member state of COMESA, and turned to South Africa for military assistance. Civil war broke out in the DRC in 1996, and Tanzania was also involved in assisting to diffuse the conflict in the Great Lakes region, and worked with the Burundian government in attempting to restore peace.[481] SADC's restructuring and regional mayhem of conflict and violence emanated from the organisation's inadequate security structures.[482] As Khabele and Lotshwao have consistently argued: "In part as a result of the paralysis of SNCs and the inherent weaknesses of the Secretariat in Gaborone, SADC lacks visibility at national level of its member states. Thus, its relevance for the promotion of democratic governance, peace, security and political stability became flawed."[483]

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[476] *See the chapter,* "The Organ on Politics, Defence and Security: The Rise and Fall of a Security Model?", in, Ngoma, *Prospects for a Security Community in Southern Africa*, 2005.
[477] Vale, *Security and Politics in South Africa*, 2003.
[478] Landsberg, *The Quiet Diplomacy of Liberation*, 2004.
[479] Khabele and Lotshwao, "*Political Integration and Democratisation in Southern Africa: Progress, Problems and Prospects*", 2009.
[480] Ngoma "The Organ on Politics, Defence and Security: Rise and Fall of a Security Model?", 2005.
[481] Landsberg, *The Quiet Diplomacy of Liberation*, 2004, pp. 164-166. *See also*, Christopher Clapham, "The Changing World of Regional Integration in Africa", in, Clapham, Mills, Morner and Sidiropoulos (eds.), *Regional Integration in Southern Africa*, 2001, pp. 59-70.
[482] Landsberg, *The Quiet Diplomacy of Liberation*, 2004.
[483] Khabele and Lotshwao, "*Political Integration and Democratisation in Southern Africa: Progress, Problems and Prospects*", 2009, p. 14. *See also*, Tjønneland, "SADC Restructuring, Pioritisation and Donors, 2006-2008", 2009.

SADC's member states experienced governance issues as well, with political elites of SADC viewed as a club of ruling parties whose main pre-occupation was to provide political solidarity to one another, and who were not inclined to criticism in instances where authoritarian tendencies threatened democracy, constitutionalism, and human rights.[484] This was evident in how SADC dealt with the Zimbabwe experience that had massive political and economic crises of land invasions that were sanctioned by Robert Mugabe's government, termed as "fast track" land restitution.[485] The land programmes resulted in eviction of farm workers from farms that were predominantly white-owned. These events also brought about the collapse of the SADC Tribunal, since it became embroiled in the land disputes between Zimbabwe and the farmers. Former South African presidents, Mbeki and Mandela, opted to engage Zimbabwe through quiet diplomacy tactics, even though Zimbabwean activists called for stronger action to be taken against Mugabe.[486] In May 2000 Mandela (who had grown much closer to Mugabe since their difficult relationship in 1994) (discussed in Chapter 3 of the thesis), and spoke out in favour of Mugabe.

In defence of the quiet diplomacy approach adopted by South Africa, Mandela viewed this diplomatic stance as the best mechanism to resolve the violent political dispute over white land ownership in Zimbabwe.[487] Mugabe ignored the judgements handed down in favour of white farmers in Zimbabwe by SADC's Tribunal in 2008, which led to the effective dissolution of this body by the SADC heads of state in August 2011.[488] Nathan noted that the Tribunal's demise had weakened the regional body's authority, which raised serious questions about SADC's commitment to the rule of law. Nathan also argued that the Summit had little choice but to dissolve the court since its ruling for the farm owners fundamentally questioned the validity of a constitutional provision to confiscate land approved by Zimbabwe's Parliament and courts, because of sovereignty of a member state taking precedence over the cause of justice.[489]

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[484]Khabele and Lotshwao, "*Political Integration and Democratisation in Southern Africa: Progress, Problems and Prospects*", 2009.
[485] Landsberg, *The Quiet Diplomacy of Liberation*, 2004, p. 173.
[486] Landsberg, *The Quiet Diplomacy of Liberation*, 2004, p. 173.
[487] Landsberg, *The Quiet Diplomacy of Liberation*, 2004.
[488] Pierre De Vos, "UCT Law Faculty statement on suspension of SADC Tribunal" (19 September 2012), <http://constitutionallyspeaking.co.za/uct-law-faculty-statement-on-suspension-of-sadc-tribunal/>. *See also*, CCR, "Governance and Security Challenges in Post-Apartheid Southern Africa", *CCR Report* (2012).
[489] Laurie Nathan, "Solidarity trumps rule of law", *Mail and Guardian* (30 November 2012), p. 21. *See also*, Laurie Nathan, *The Disbanding of the SADC Tribunal: A Cautionary Tale* (Pretoria: Centre for Mediation in Africa, University of Pretoria, 2009).

Chris Landsberg quoted Mandela as stating:

> "It is no use standing on hilltops and shouting about such a highly sensitive matter. An approach through diplomatic channels without much publicity, is more likely to bring about a positive result … I would personally support President Mbeki when he says we have diplomatic relations with Zimbabwe. Everything should be done through diplomatic channels."[490]

SADC's double standards were evident in how it chose to execute its duties - different standards were adopted for Zimbabwe, as for the DRC and for Madagascar. With SADC leaders directly rejecting the new Malagasy leadership in Madagascar's case, when Andry Rajoelina, a former mayor of Antananarivo seized power through a military coup on 17 March 2009, which led to a military directive making him president of Madagascar and ousted President Marc Ravalomanana and forced him into exile. This gave the High Transitional Authority (*Haute Autorité de la Transition*, or HAT) a monopoly of the economy and command of the island.[491] On the other hand, SADC had adopted a more casual approach in its intervention in Zimbabwe's security challenges, when at that time five million Zimbabweans were estimated to have suffered food shortages, and in some cases starvation, and Zimbabwe's inflation rates were 619.5 percent in 2001.[492] Huge food shortages were reported in Zimbabwe's Matabeleland and Masvingo areas in 2001, when Zimbabwe reneged on payments to foreign debtors to the amount of $4 billion, and debt servicing fell behind by $690 million.[493]

Nelson Mandela also sought to facilitate a peace agreement and attempted to end Angola's 30-year civil war. Further mediation efforts in the SADC region were conducted by SADC member states, Botswana, Mozambique, Namibia, South Africa, and Zimbabwe, to assist in Lesotho's 2002 elections that turned violent.[494] Under Thabo Mbeki (former South African President after Mandela), South Africa negotiated the Sun City Agreement in Rustenburg in 2003, which cost

[490] Landsberg, *The Quiet Diplomacy of Liberation*, 2004, p. 174.
[491] Gilbert M. Khadiagala, "Forging Regional Foreign Policies in SADC: A Framework for Analysis", in, Charles Harvey (ed.), *Proceedings of the 2009 FOPRISA Annual Conference* (Botswana: Lightbooks Lentswe La Lesedi, 2010), p. 82. *See also*, CCR, "Governance and Security Challenges in Post-Apartheid Southern Africa", *CCR Report* (2012).
[492] Landsberg, *The Quiet Diplomacy of Liberation*, 2004.
[493] Landsberg, *The Quiet Diplomacy of* Liberation, 2004, p. 174.
[494] *See*, Vale "Ordering Southern Africa", 2003.

the South African taxpayer $20 million.[495] Zimbabwe's domestic disputes re-emerged in 2002, and SADC mandated Thabo Mbeki to mediate between the Zimbabwean government and the opposition, the Movement for Democratic Change (MDC), and a government of national unity was installed in 2009.[496] Although the revised 2001 SADC Treaty[497] provides non-military powers of enforcement, such as sanctions, these have rarely been employed. Southern African economies are estimated to have lost more than $36 billion in potential investments in Zimbabwe as a result of its economic crisis between 2000 and 2008, which saw living standards and life expectancy fall more rapidly than anywhere else in the world. In addition, SADC countries provided $200 million of credit to Zimbabwe in 2009. In June 2011, Botswana agreed a credit line of $76 million to assist struggling Zimbabwean companies. With an annual GDP of only $10.8 billion in 2012, and growth rates forecast at between 2.2 and 8 percent in 2013.[498]

During this era (1998-2008), having joined SADC in 1994, South Africa had its own domestic situation in reforming its police force - an-old guard force which presented many challenges for the South African government amidst challenges of socio-economic inequalities.[499] Adebayo Adedeji [500] indicated that within South Africa's own backyard, a huge disparity between rich and poor (between the white majority and black minority) still existed. In a report of the United Nations Development Programme (UNDP) he noted that under the Human Development Index (HDI), white South Africans averaged 0.878[501] (in the league equivalent to the 29 most industrialised countries globally, which according to OECD rankings, included countries like

[495] Khabele Matlosa, "Regional Security in Southern Africa"; and, Devon Curtis, "South Africa: 'Exporting Peace' to the Great Lakes Region?", both in, Adekeye Adebajo, Adebayo Adedeji and Chris Landsberg (eds.), *South Africa in Africa: The Post-Apartheid Era* (Scottsville: University of KwaZulu-Natal Press, 2007).
[495] *See the chapter on*, "Ordering Southern Africa", in, Peter Vale, *Security and Politics in South Africa*, 2003. *See also*, Soko, "The Political Economy of Regional Integration in Southern Africa", 2007.
[496] Brittany Kesselman, "African Peace and Security Agenda", *Pax-Africana*, vol. 5, no. 1 (March 2009). *See also*, CCR, "Governance and Security Challenges in Post-Apartheid Southern Africa", *CCR Report* (2012).
[497] SADC, "Agreement Amending the Treaty of the Southern African Development Community", Blantyre, Malawi, 2001.
[498] *See*, CCR, "Governance and Security Challenges in Post-Apartheid Southern Africa". Zimbabwe's Ministry of Finance, the International Monetary Fund, and the Economist Intelligence Unit have forecast growth rates of 8, 6, and 2.2 percent respectively for 2013. See Economist Intelligence Unit, "Country Report: Zimbabwe", 30 November 2012, p. 21.
[499] Peter Batchelor and Paul Dunne, "The Restructuring of South Africa's Defence Industry", *African Security Review*, vol. 7 no. 6 (1998).
[500] Adebayo Adedeji, architect of regional integration in Africa since the early 1970s. Established ECOWAS between 1971 and 1975. Minister of Economic Reconstruction and Development in Nigeria. Executive Secretary of the UN Economic Commission for Africa from 1975-1991, developed the PTA, which later became COMESA.
[501] *See*, "Within or Apart", in, Adebayo Adedeji (ed.), *South Africa in Africa: Within or Apart?* (London: Zed Books, 1996).

Italy, Spain, and Portugal); whereas blacks in South Africa rated 0.462[502] (equivalent to an OECD league ranking similar to that of countries such as Botswana, Gabon, Swaziland, Lesotho, and Zimbabwe).[503] With this mounting pressure, South Africa had to act swiftly in its efforts to deliver on social development and the South African Social Security Agency (SASSA) dedicated R66.6 billion[504] in 2007 and 2008, and, R78 billion in 2009 and 2010, to improve socio-economic issues.[505] During South Africa's land reform process, only 3.6 million hectares of the 6.6 million hectares of farmland were transferred to black South Africans, with an official target of 30 percent earmarked for land transfer by 2015.[506]

4.3 States, markets, developmental integration and convergence: 1998-2008

This section focuses on how states and markets performed regional integration within the arena of South Africa's tackling of domestic challenges, and assesses the impact that these challenges had on the region. The discussion concentrates on the major actors and factors up until the Tripartite Agreement by the three RECs - COMESA, EAC, and SADC - in 2008. The section is largely devoted to COMESA and SADC's performance, as two separate organisations during the 10 years under discussion, with varying regional roles.

This discussion on the importance of the region to South Africa, further notes that regional integration is also important for South Africa's New Growth Path (NGP) (2011) and its National Development Plan (NDP) (2030). These two policies outline an economic growth policy that includes infrastructure projects across Africa.[507] The National Industrial Policy Framework (NIPF) and the Industrial Policy Action Plan 2012/2013–2014/2015 sought to promote value-added trade and industrial production that build employment and promote job creation, while the Trade Policy and Strategy Framework (TPSF) is an industrial policy instrument to support trade in favour of local manufacturing as well as to diversify the economy so that is not so heavily dependent on commodities and non-tradable services. South Africa's approach was two-fold: firstly, a market-driven integration approach of bilateral trade agreements through SADC as a

[502] *See*, Adedeji, *South Africa in Africa: Within or Apart?*, 1996.
[503] *See*, Adedeji, *South Africa in Africa: Within or Apart?*, 1996.
[504] Adebayo Adedeji, "Political economy: Looking inside from the outside", in, Adebajo, Adedeji and Landsberg (eds.), *South Africa in Africa*, 2007.
[505] Adedeji, "Political economy: Looking inside from the outside", 2007.
[506] Sam Moyo and Ruth Hall, "Conflict and land reform in Southern Africa", in, Adebajo, Adedeji and Landsberg (eds.), *South Africa in Africa*, 2007.
[507] *The Economist*, "A Sad and Sorry Decline", Middle East and Africa, (29 June 2013).

vehicle,[508] and secondly a micro-regional development-led integration in using two of SADC's four Spatial Development Initiatives. These two approaches entailed enhancing transport projects in a micro-region with Mozambique through the formation of the Maputo Development Corridor, and electrical power generation through the creation of the Southern African Power Pool (SAPP) created in 1995, which linked 12 SADC power utilities.[509] South Africa was also using the region creatively to solve Eskom's financial difficulties, and improve its own domestic challenges of unemployment through SAPP, which became an important vehicle for the South African government.[510]

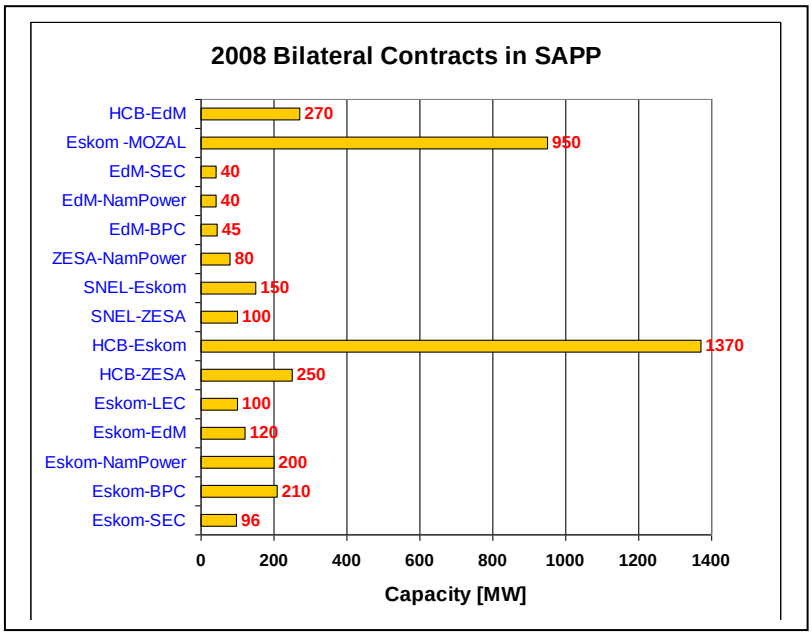


Figure 4.1: 2008 bilateral contracts in SAPP.
Source: Alison Chikova, "Power Generation and Projected Demand in Southern Africa beyond 2010", *The Southern African Power Pool (SAPP)*, <www.sapp.co.zw>.

King-Akerele and Asiedu assert that micro-regions in regional integration can enhance growth, and are innovative steps to grow the economies of least developing countries; they are also a

[508] Chris Alden and Mills Soko, "South Africa's economic relations with Africa: hegemony and its discontents", *Journal of Modern African Studies*, vol. 43, no. 3 (2005), pp. 367-392; and, Vickers, "South Africa's Economic Policy in a Changing Global Order", 2012.
[509] SADC's four Spatial Development Initiatives (SDIs) are: energy; oil and gas extraction; electrical power generation; and water and transport, *cited in*, Chris Saunders, Gwinyayi Dzinesa and Dawn Nagar (eds.), *Region-Building in Southern Africa: Progress, Problems, and Prospects* (London: Zed Books, 2012), p. 132.
[510] Tore Horvei, "Powering the region: South Africa in the Southern Africa Power Pool", in, David Simon (ed.), *South Africa in Southern Africa: Reconfiguring the Region* (Oxford: James Currey, 1998). *See also*, Stephan, Power, Hervey and Fonseca, *The Scramble for Africa in the 21st Century*, 2006.

mechanism to withstand global competition.[511] For example, the Johor-Singapore-Riau Growth Triangle within the ASEAN bloc took advantage of Singapore's skilled labour and developed infrastructure, Johor's land and semiskilled labour, and Riau's land and low-cost labour. Quebec's large industrialised economy was another form of a successful micro-region that became economically independent and technologically advanced.[512] The discussion now turns to South Africa's micro-regional approach adopted in building on SADC's Spatial Development Initiatives through SAPP, and the involvement of its parastatal, Eskom, which was providing power generation.

Scholars like Tore Horve, Harry Stephan, Michael Power, Angus Fane Hervey, and Raymond Steenkamp Fonseca noted that Eskom had financial difficulties, and South Africa was attempting to address these problems by investigating means to remedy these difficulties. Figure 4.1 shows how micro-regionalism through energy generation formed strategic partnerships and created regional convergence among SADC member states.

Table 4.1 SAPP's Planned regional generation projects commissioned and funded up until 2017
***Source*:** SAPP, Annual Report, 2014 <https:www.sapp.co.zw>.

No	Country	COMMITTED GENERATION CAPACITY, MW				
		2014	2015	2016	2017	TOTAL
1	Angola	220	0	1280	2271	3,771
2	Botswana	150	-	-	-	150
3	DRC	-	580	-	240	820
4	Lesotho	-	-	35	-	35
5	Malawi	-	-	-	34	34
6	Mozambique	175	-	40	300	515
7	Namibia	-	-	15	-	15
8	RSA	4,836	1,805	3,717	1,918	12,276
9	Swaziland	-	-	-	-	-
10	Tanzania	450	240	660	250	1,600
11	Zambia	195	735	40	126	1,096
12	Zimbabwe	-	15	-	1,140	1,155
TOTAL		6,026	3,375	5,787	6,279	21,467

[511] King-Akerele and Asiedu, *Accelerating Africa's Integration Through Micro-Regionalism*, 2013.
[512] Ravenhill, "The 'new East Asian regionalism': A political domino effect", 2010.

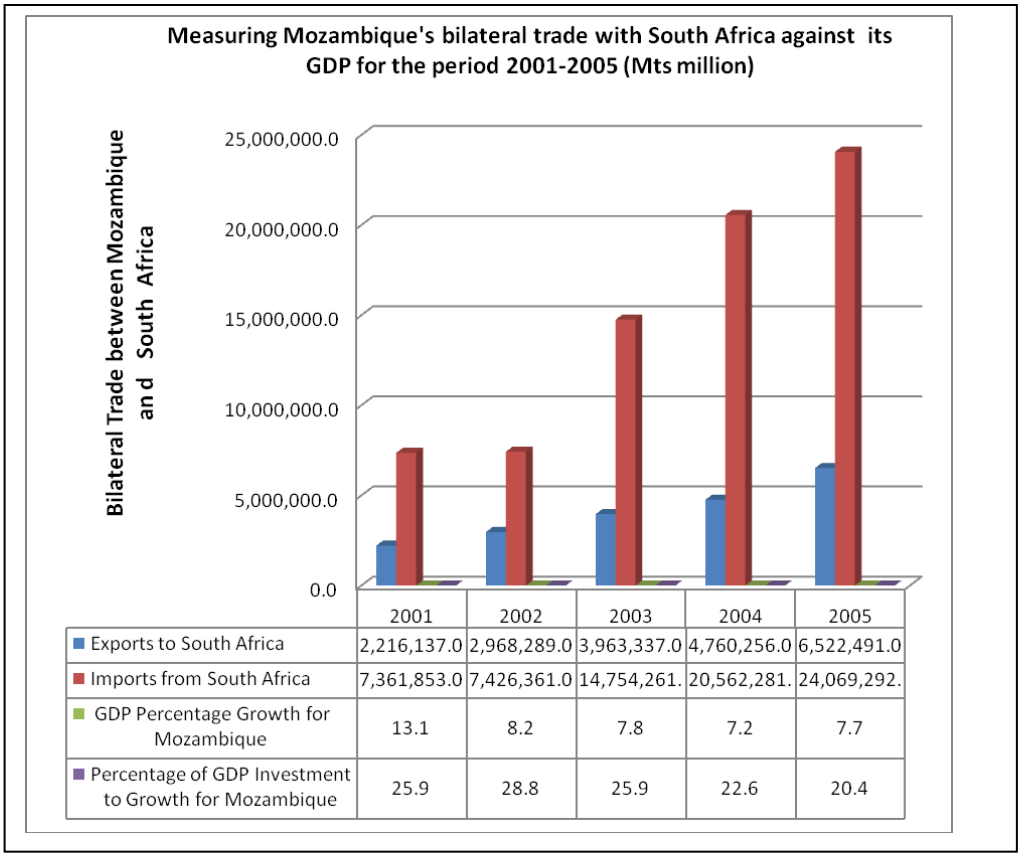
Statistics in 1998[513] revealed that Eskom, South Africa's power utility, was the fifth largest power utility globally and had annual sales of $4.8 billion, 40 000 employees, a net income of $800 million, total assets of $14.4 billion, and a research and development department that was equivalent in size of the annual budget of many other power utilities in the Southern African region. In 2003, Eskom had a net loss of R719 million on revenues of R3.3 billion, in comparison with a R9 million profit on R2.9 billion revenues in 2002. In addition, Eskom had falling cash flows in operations, which declined from R324 million in 2001 to R285 million in 2003.[514]

The partnership created among power facilities in the SADC region in electricity generation grew from 1995 into a trade market in 2001. The new market - a Short-Term Energy Market - is in the form of a day-ahead market (DAM).[515] South Africa was able to also use this initiative for a number of domestic problems such as improving Eskom's economic stability, and providing electricity for South African households. In the late 1980s, 85 percent of households in South Africa had no electricity; however by 2009, just about 85 percent households in South Africa had electricity.

The 1995 SAPP agreement revised in 2006 and 2007[516] pledged full recovery of costs and equal sharing of profits among SADC members, and also improved technology transfer in the region with the other power utilities. While there was convergence in the SAPP policy, it was not as equitable among its users. South Africa was the main consumer and consumed 78 percent of installed power-generating capacity, 84 percent of the regional peak load, and 85 percent of the electricity distributed, among only 23 percent of the overall Southern African population (1996).[517] Between 2007 and 2027, SAPP envisaged an increase in SADC's total electricity generated by 42 000 megawatts (MW).[518] In 2007, SADC's combined electricity capacity was at 52 742 MW, of which 41 000 MW secured capacity was for consumer demand.[519] Table 4.1

[513] Horvei, "Powering the Region: South Africa in the Southern Africa Power Pool", 1998. *See also*, Dawn Nagar, "Economic Integration", in, Saunders, Dzinesa and Nagar (eds.), *Region-Building in Southern Africa: Progress, Problems, and Prospects*, 2012, p. 132. *See also*, SADC *Today*, vol. 10, no. 2 (August 2007).
[514] Horvei, "Powering the Region: South Africa in the Southern Africa Power Pool", 1998. *See also*, Nagar, "Economic Integration", 2012, p. 132.
[515] SAPP, *Annual Report*, 2014, <https:www.sapp.co.zw>. *See also*, Alison Chikova, "Energy Trading in the Southern African Power Pool", *SAPP* (March 2009).
[516] Agathe Maupin, "Building a Regional Electricity Market: SAPP Challenges", *South African Institute of International Affairs*, Case Study 4 (2013).
[517] Saunders, et al. (eds.), *Region-Building in Southern Africa*, p. 133.
[518] SADC *Today*, vol.10, no. 2 (August 2007).
[519] SADC *Today*, vol.10, no. 2 (August 2007).

outlines the progress that SAPP had made in the region's 12 committed and commissioned power utilities and the types of resources for electricity production and funding that were secured. SAPP, on the whole, had positive spinoffs for the region's economy and South Africa's viable market created a pull factor for outside investment interests in the region. Eskom had 34 regional networks in 2006, it was the leading driver of SAPP, and had technical and development expertise, as well as regional transmission systems and investments.[520]



	2001	2002	2003	2004	2005
Exports to South Africa	2,216,137.0	2,968,289.0	3,963,337.0	4,760,256.0	6,522,491.0
Imports from South Africa	7,361,853.0	7,426,361.0	14,754,261.	20,562,281.	24,069,292.
GDP Percentage Growth for Mozambique	13.1	8.2	7.8	7.2	7.7
Percentage of GDP Investment to Growth for Mozambique	25.9	28.8	25.9	22.6	20.4

Figure 4.2: Growth in micro-regions: Mozambique and South Africa.
Source: SADC Mozambique report, < http://www.sadctrade.org/files/Intra-SADC-trade-performance-review-2006-4-mozambique.pdf>, pp.86-87.[521]

Another example of the convergence leading to the Tripartite agreement was the success of the Maputo Development Corridor that was also spearheaded by South Africa through the Development Bank of Southern Africa and to which the government contributed $8 billion.[522] The MDC was able to facilitate trade between South Africa and Mozambique. Maputo became

[520] Saunders, et al. (eds.), *Region-Building in Southern Africa*, p. 133. *See* also, Horvei, "Powering the Region: South Africa in the Southern Africa Power Pool", 1998.
[521] SADC, "Structure and Patterns of Trade" *report* (the statistics are adopted from the World Bank database).
[522] Monyae, "The evolving 'doctrine' of multilateralism in South Africa's Africa policy", 2012, p. 149. *See also*, Vickers, "South Africa's Economic Policy in a Changing Global Order", 2012, pp. 112-134.

South Africa's largest trading partner in the region after Angola. Total trade increased from R899.5 million in 1992 to R7.4 billion in 2002, resulting in an exceptional regional spill-over that increased Mozambique's economic growth from R47 million to R403 million over the same period.[523]

Figure 4.2 highlights South Africa's investment in the MDC and shows how the corridor was able to benefit Mozambique's economic growth through the bilateral trade from South Africa to Mozambique. This enhanced economic growth for Mozambique, and increased investment, which further contributed to its GDP growth. Jenkins and Thomas argued that Southern Africa lacked a market for addressing factors for endogenous growth like technology and observed: "For the smaller SADC economies, the domestic market is too limited to generate significant endogenous development."[524] South Africa is a large economy compared with that of Mozambique, which allowed for economic growth for Mozambique as seen in Figure 4.2, through not only investments, but via a specific approach, which was to build a micro-region defined in the MDC. As shown in Figure 4.2, the exports of Mozambique had grown at an average of 20 percent per annum for the period 2001-2005.

Mozambique's trade had played a major role in Mozambique's gross earnings from exports.[525] Over the last five years Mozambique has experienced gross earnings from exports of MZN15 330 billion to MZN40 239 billion and these earnings could have been higher. However, during this period, Mozambique also faced sharp increases in world market prices for unprocessed cashew nuts, sugar and tobacco (the primary products of Mozambique). Also, since 2000 there have been a number of reforms introduced to Mozambique's trading patterns, where approximately 12 tariff lines, with an average weighted tariff rate of 18.4 percent and a maximum tariff rate of 35 percent; and a 40 percent tax exemption on cashew exports, were introduced.[526] Despite these challenges, SDIs show how micro-regions could be corrective measures to address market exploitation. As the neoclassical economics approach of open market-driven trade and trade liberalisation suggests, countries can grow in economic strength; however, as discussed here,

[523] Judi Hudson, "Economic Expansion into Africa", in, Adebajo, Adedeji and Landsberg (eds.), *South Africa in Africa*, 2007.
[524] Jenkins and Thomas, "The Macro-economic Frameworks", 2000, p. 55.
[525] SADC Mozambique report, <http://www.sadc.int/>; < http://www.sadctrade.org/files/Intra-SADC-trade-performance-review-2006-4-mozambique.pdf>, pp. 86-87.
[526] SADC *Today*, vol.10, no. 2 (August 2007).

public partnerships introduced in the formation of micro-regions have assisted in that economic growth.

How market economies generate wealth is also dependent on effective trade policies, as noted by Hazelwood,[527] and countries should consider the benefits of integration associated with open trade. Economic integration has largely been driven through free trade. Besides reductions in tariffs between states, there are other methods of lowering transaction costs, such as common currencies and lowering restrictions on labour and capital mobility. The MDC further expanded into the Maputo Corridor and Logistics Initiative (MCLI) and required funds of R1.9 billion for upgrades, which have been shelved until 2030 when funding becomes available.[528] (This is further discussed under infrastructure, later in the chapter.)

COMESA and SADC's regional integration processes have both adopted a market-led strategy of free trade and have made efforts to converge policy and implementation, with a functional coordinated approach (an incremental approach) adopted to execute trade liberalisation.[529] It was therefore a challenge to increase growth that could support projects for endogenous factors of technological spill-overs and knowledge production, for example, in agricultural research that could affect economic growth and support the negative effects of trade within liberalised tariff settings. The timing of the step-by-step functional approach of incrementally reducing tariffs worked against the rapid speed of the market of free trade and trade liberalisation policies. While open trade was considered a regional benefit by COMESA and SADC in their individual approaches in converging their policies at their own organisational level, trade diversion was experienced owing to the external trade partnerships, with agreements between South Africa and Europe leaving member states with little control over the market, and with goods flooding their markets through openness of trade. These experiences of trade diversion for weaker economies in COMESA and SADC made convergence and future deliberations between the two organisations difficult and created future challenges as discussed later. In 1999 South Africa as the strongest economy in the region, also signed an agreement with Europe, the EU-SA TDCA. This happened after four years of negotiations in an attempt to be accepted by Europe as a developmental

[527] Hazelwood, "The End of the East African Community: What are the Lessons for Regional Integration Schemes?", 1985.
[528] Peter Draper, "Implementing Development Corridors: Lessons from the Maputo Corridor", *Policy Briefing*, 54, (2012). *See also*, Maputo Corridor Logistics Initiative, <http://www.mcli.co.za/mcli-web/mdc/mdc-timeline.htm>.
[529] Nomvete, "Regional Integration in Africa, a path strewn with obstacles", 1993.

country under the Lomé Convention.[530] South Africa was also a signatory to the SADC FTA in 1996.[531]

South Africa was conducting open trade with both SADC and Europe and with Europe being much wealthier than SADC states, consequently flooded the Southern African markets.[532] Southern Africa was no match to Europe, since half of the EEC's budget[533] of 126 billion euros was for subsidising and supporting a farming sector that employed only five percent of the working population of 70 percent of farm workers in Africa's regions. Moreover, the Organisation for Economic Co-operation and Development spent $265 billion on farm subsidies in 2008 and only $4 billion on aid for agriculture in developing countries.[534] Europe's Common Agriculture Policy (CAP) was 55 billion euros (31 percent of the EU's total budget) in 2013.[535] Hence, the EU-SA TDCA 1999 agreement created divergence in trade for COMESA and SADC blocs in the clothing and textile sectors and in the agricultural sectors such as beef and sugar.[536] COMESA warned South Africa that it would take action and prevent South Africa from trading in the region if trade were distorted by the South African market.[537] Zimbabwe's calculation was that it had a better competitive advantage over its regional COMESA partners than it had in SADC, which also led to the Zimbabwe government's decision to align itself with COMESA.[538] The EU-SA FTA rules of origin for apparel had a two-stage conversion rule that required garments in South Africa to be manufactured from only South African or EU-produced fabric.[539] South Africa's FTA offer to SADC evoked concern from the clothing and textile sectors that had a labour working force of 215,000.[540] South Africa's textile market was not spared by its own experiences of similar negative trade patterns with the AGOA trade agreement that it signed in

[530] Soko, "The Political Economy of Regional Integration in Southern Africa", 2007.
[531] Lee, *The Political Economy of Regionalism in Southern Africa*, 2003; Alden and Soko, "South Africa's economic relations with Africa: hegemony and its discontents", 2005.
[532] ODI Briefing Paper, "Sanctions and South Africa's Neighbours", May 1987.
[533] Pinder and Usherwood, *The European Union: A very short introduction*, 2007, pp. 82-83.
[534] Charles Mutasa, "A Critique of the EU's Common Agricultural Policy", in, Adekeye Adebajo and Kaye Whiteman (eds.), *The EU and Africa From Eurafrique to Afro-Europa* (Johannesburg: Wits University Press, 2013), p. 249.
[535] Mutasa, "A Critique of the EU's Common Agricultural Policy", 2013, pp. 237-256.
[536] Lee, *The Political Economy of Regionalism in Southern Africa*, 2003, p. 218.
[537] Lee, *The Political Economy of Regionalism in Southern Africa*, 2003, p. 90.
[538] Soko, "The Political Economy of Regional Integration in Southern Africa", 2007.
[539] "Impact of regional trade deals on clothing and textile sector: a global assessment: Management briefing: South Africa", *Just Style* (ProQuest Information and Learning Company) (Journal-Code: JSYL) (22 April, 2008).
[540] James Hentz, "South Africa and the Political Economy of Regional Cooperation in Southern Africa", *Journal of Modern African Studies*, vol. 43, no.1 (March, 2005), pp. 21-51.

2000.[541] South African Textile Federation spokesman, Brian Brink, noted that the South African textile industry was also affected by Europe's free trade agreement with South Africa, as well as by the AGOA trade agreement with the US, seen in the negative growth and drop in textiles, from $562 million in 2000 compared with $392 million in 2001, and which dropped further to $95.6 million in 2007.[542] Ron Sundry at the Trade Law Centre also noted that although exports of apparel from South Africa to the US grew 38 percent in the first year after the AGOA agreement was introduced in 2001, export growth was limited owing to the barriers of restrictive rules of origin introduced by neighbouring countries in COMESA and SADC, like the DRC, and once buyers diminished, interest declined.

As was noted in chapter 3, that when South Africa joined SADC, the South African government was invited by SADC to oversee its infrastructure, and financial and investment regional clusters as it was thought it had the expertise to do so. South Africa had promoted SADC not only economically, but had also sought to provide a peacekeeping environment (discussed under security in Chapter 6 of the thesis) regionally, and allow for a stable market that was attractive to foreign investors.[543] Since South Africa joined SADC, it had invested regionally with its own foreign direct investments. In 2001 and 2002 the South African investments entailed: $20 million (South African Airways); $6 billion (Eskom for the Inga project in the DRC, and in November 2011 the governments of South Africa and the DRC signed an MOU that led to an October 2013 treaty under which South Africa agreed to buy 2 500 megawatts of the Grand Inga III's expected 4 800 megawatts of hydroelectric output);[544] $56 million (Sun International Hotel in Zambia); $142 million (Vodacom in Tanzania); and $53 million (Portland Cement in Zimbabwe, which was a merger business investment activity). These investments did not bode too well with the region since South Africa's MNCs favoured their businesses and not the region entirely.
As Soko suggests,

> "that regional integration in Southern Africa will not succeed unless South Africa, [which is] by far the largest and most diversified economy in the region, discharges its responsibilities in accordance with its hegemonic status. Whether South Africa can assume a hegemonic role will depend on three considerations: first, the extent to which the political elites are able to balance the

[541] Alden and Soko, "South Africa's economic relations with Africa: hegemony and its discontents", 2005.
[542] "Impact of regional trade deals on clothing and textile sector, 2008.
[543] Vickers, "South Africa's Economic Policy in a Changing Global Order", 2012.
[544] *See also*, Daniel H. Levine and Dawn Nagar, "Security and Governance in the Great Lakes Region", *Centre for Conflict Resolution Seminar Report*, vol. 51 (August 2015).

> country's regional obligations against domestic pressures; second, the manner in which the country deals with the legacy of apartheid South Africa's historical destabilisation of the region, and third, the degree to which the country's leadership credentials are accepted by other regional states."[545]

South Africa was also placed in a precarious position, which was to fill a regional security role, since its joining SADC. The South Africa government wanted to show its commitment towards "changing hearts and minds" towards South Africa so that it was seen in a positive light in the region.[546] Christopher Clapham corroborated such views:

> "The conversion of organisations for economic integration into providers of some kind of regional diplomatic framework for military intervention is not, however, as bizarre as it may seem. It is rather mirrored by changing orthodoxies in the analysis of the reasons for African economic failure. Whereas analysts once concentrated on the rival merits of capitalist as against socialist development strategies, and subsequently went on to argue over the advantages as against the defects of structural adjustment schemes, they are now virtually united in emphasising the importance of *political* developments in accounting for Africa's economic malaise."[547]

South Africa was an important actor in the convergence of COMESA and SADC in 2008 in signing the Tripartite agreement. The country had the largest economy regionally in terms of total GDP of $128 billion in 2000; by 2010 it had reached a total GDP of $228 billion.[548] South Africa's market approach was to remedy its domestic issues, as South Africa's new government had major setbacks in terms of its socio-economic disparities.[549] South Africa's outward market approach with trade to Europe was extensive. In 2004, South Africa's exports to the European Union were R20.50 billion, and total imports were R26.82 billion. The total South African exports to Africa were R7.01 billion and the total imports from Africa were only R2.43 billion.[550]

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[545] Soko, "The Political Economy of Regional Integration in Southern Africa", 2007, p.2.
[546] Formal conversations with former South African Foreign Affairs Minister, Aziz Pahad, Lagos, Nigeria 9 June 2012; and at a CCR Public Dialogue, "The Diplomacy of Transformation: South African Foreign Policy and Statecraft", Cape Town, South Africa (3 May 2011), <http://www.ccr.org.za/index.php/events/public-dialogues/item/652-no-154>.
[547] Clapham, "The Changing World of Regional Integration in Africa", 2001, p. 62.
[548] *See*, World Bank Indicators reported on South Africa's total GDP for the periods 2000-2010, <http://data.worldbank.org/indicator/NY.GDP.MKTP.CD?page=2>.
[549] Adedeji, *South Africa and Africa: Within or Apart*, 1996, p. 81.
[550] Judi Hudson, "Economic expansion into Africa", 2007.

To benefit from trade and diversification, the UNCTAD 2012 report[551] noted that global trade inequality warrants that developing countries are encouraged to diversify more, and produce final products as exports instead of exporting raw materials. What UNCTAD also noted, was that offshore finished goods require particular attention. Countries should therefore consider the increase in oil prices, which translates into increased costs in logistics and transportation. Therefore, developing countries should assess the supply chain risks and management costs, and reconsider manufacturing goods. This chapter suggests that agriculture could be equally beneficial to small economies. One such an approach is the sugar industry in the region. For example, smaller economies could benefit from South Africa's agriculture market, which was $209.7 billion in 2011.[552]

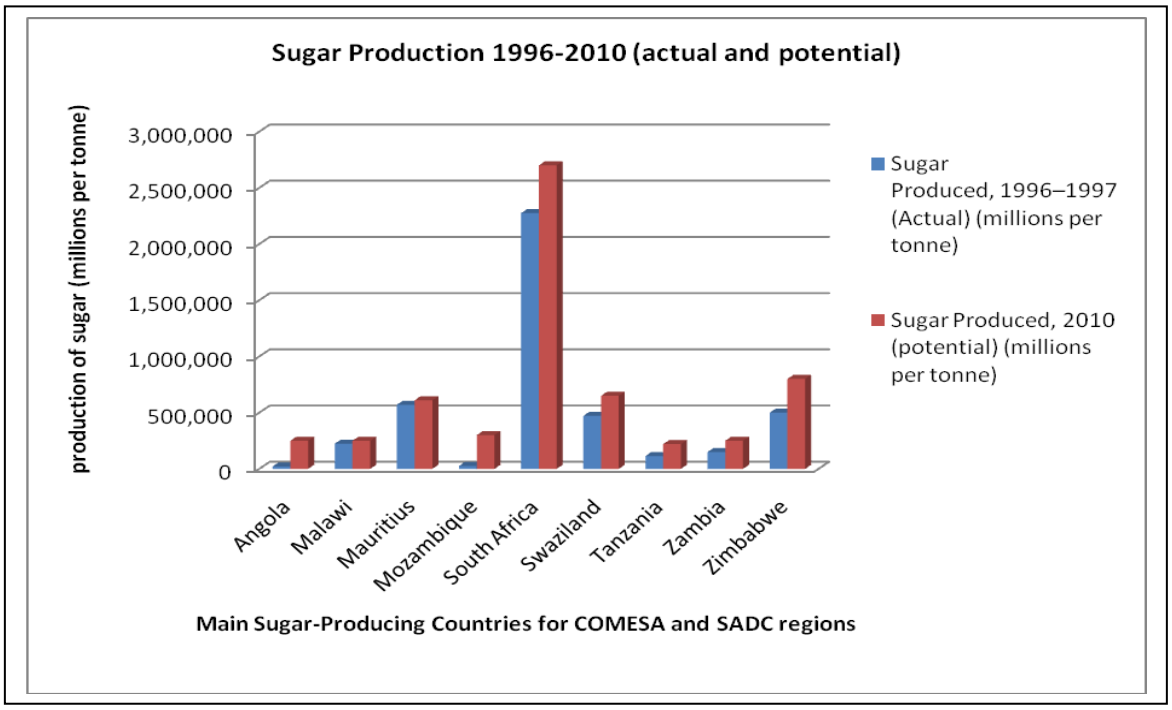


Figure 4.3: Major sugar producers in COMESA and SADC
***Source*:** Adopted from Margaret C. Lee, *The Political Economy of Regionalism in Southern Africa* (Boulder: Lynne Rienner, 2003), p. 122.

[551] United Nations Conference on Trade and Development (UNCTAD), "Trade and Development Report" (2012), pp. 1-34, < http://unctad.org/en/PublicationsLibrary/tdr2012overview_en.pdf>.
[552] EU GFA consulting and GTZ, SADC 2008, "Free Trade Area, Growth, Development and Wealth Creation". *See also*, AfDB, *Southern Africa Regional Integration Strategy Paper, 2011–2015*, <http://www.afdb.org/en/news-and-events/article/afdb-approves-regional-integration-strategy-for-Southern-africa-7883/>.

Figure 4.3 shows the quantity of sugar produced for the major countries over the period 1996-2010. Production involved several rounds of negotiations to agree on a sugar protocol and rectify the impact of outside external trade agreements (trade between the EU and South Africa).[553] The cheapest and most efficient producer of sugar is Zimbabwe, but South Africa is the largest producer. Simply having Zimbabwe refine the sugar will not be beneficial to South Africa, since in South Africa 130 000 people are directly employed in the sugar industry and in related production factories as shown in Figure 4.4.

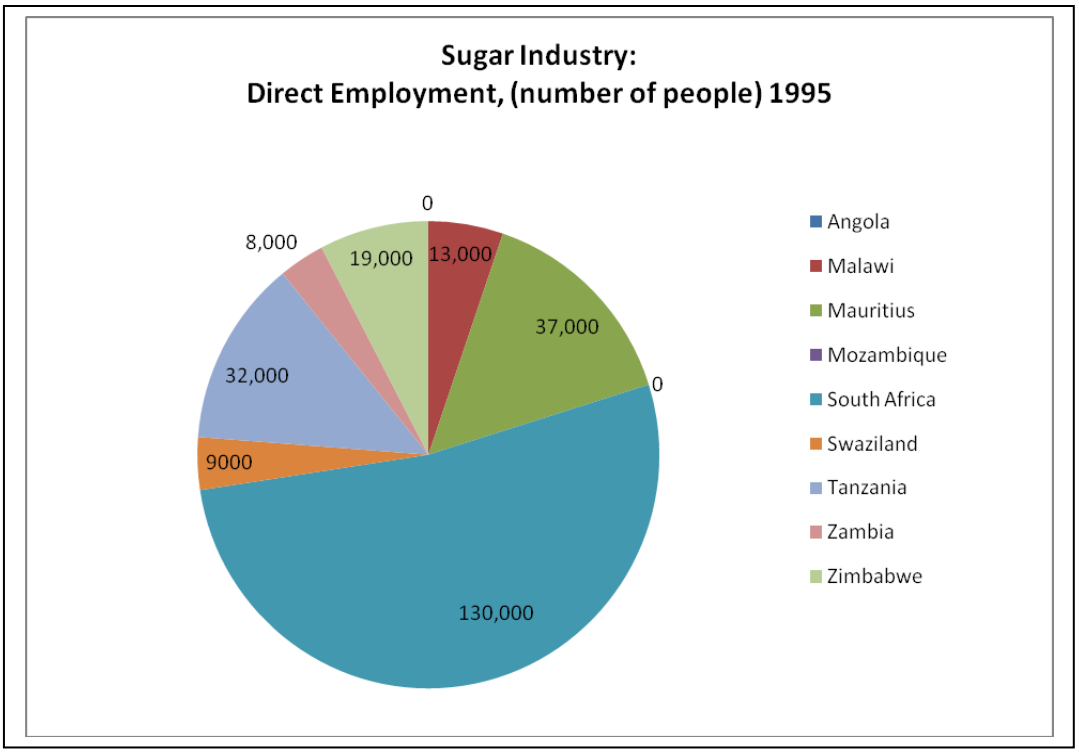


Figure 4.4: Sugar industry of direct employment (both COMESA and SADC member states)
Source: Adopted from Margaret C. Lee, *The Political Economy of Regionalism in Southern Africa* (Boulder: Lynne Rienner, 2003), p. 122.

Member states could benefit from a regional sugar protocol that benefits the region instead of exporting raw sugar to Europe's sugar refineries. Since SADC and COMESA member states with the EAC are concentrating on a framework to liberalise tariffs, a sugar agreement should be ratified that is able to contribute to economic growth regionally.[554] While Southern Africa has the potential to industrialise and enhance its comparative position in production, agriculture could be

[553] Lee, *The Political Economy of Regionalism in Southern Africa*, 2003, pp. 122-126. *See also*, AfDB, "Economic Integration in Southern Africa", 1993, p. 38.
[554] Lee, *The Political Economy of Regionalism in Southern Africa*, 2003, pp. 198-199.

a significant convergence point for regional trade. Agriculture accounts for 18 percent of Africa's GDP (compared with 7 percent for Asia and Latin America, 2 percent for Europe, and 1 percent for the United States), but Africa produces only 3.5 percent of the world's food exports.[555]
Regional agreements have not worked in favour of trade opportunities. For example, the impact of external trade agreements on sugar producers also affected and distorted trade in the region with both COMESA and SADC member states from 1998 to 2008. Economists like Krugman[556] and, MacMillan and Rodrik[557] proposed that economic growth convergence in trade liberalisation has to consider production structures that first assess the risk and mitigating costs associated with labour, manufacture, high-productivity and low-productivity jobs and the impact of outputs versus inputs[558]. Sugar is the cheapest commodity to produce in the SADC region for nine SADC member states, some of which are COMESA member states as well. Sugar producers in the SADC and COMESA blocs should capitalise on and benefit from the agricultural products in future agreements with Europe in particular. At a continental level, the continent receives 1.8 percent of global imports (an annual average of $174 billion from 2000 to 2010), and 3.6 percent of global exports (an annual average of $418 billion between 2000 and 2010).

On the whole, intra-COMESA trade remains very low. For example, in 2011, Angola's main trade exports (crude oil, diamonds, refined oil, gas, and coffee) to its main export trading partners (the United States, China, France, India, and Taiwan) amounted to $66 million. Angola had no trade that year with COMESA member states.[559] While sugar is one example of how the Tripartite alliance members can converge agricultural policies that could lead to economic growth and that can derive benefits, other examples should also be considered, for example, in textiles and electricity. Aside from the role that trade has had in the convergence debate, the Secretariats of COMESA and SADC and their executives similarly had a significant influence in the events leading up to the 2008 Tripartite Agreement which the chapter next focuses on.

[555] Liam Halligan, "Global Africa: The Last Investment Frontier?", in, Adebajo and Whiteman (eds.), *The EU and Africa*, 2013, p. 183.
[556] Paul R. Krugman, "Growing world trade: Causes and consequences", *Brookings Papers on Economic Activity* (1), 1995, pp. 327-377.
[557] Margaret MacMillan and Dani Rodrik, "Globalization, Structural Change and Productivity Growth", in, Marc Bacchetta and Marion Jansen (eds.), *Making Globalisation Socially Sustainable* (Geneva: World Trade Organization [WTO] and International Labour Organization [ILO], 2011).
[558] MacMillan and Rodrik, "Globalization, Structural Change and Productivity Growth", 2011.
[559] 2014 February COMESA Update, http://www.comesa.int/attachments/article/1062/final%20communique_27feb_2014_1435_final_clean%20copy.pdf.

4.4 Diplomatic efforts of the main summits and meetings during the period 1998-2008

This section of the chapter covers the major summits and meetings, as well as the major diplomatic efforts between the period 1998 and 2008. To spearhead the process of cooperation and harmonisation, the Chairpersons of the COMESA Authority and SADC Executive played a significant role in those efforts that led to the 2008 Tripartite Agreement and the signing of the Tripartite FTA in 2015.

The regrouping of COMESA and SADC was sparked by the drive made by the OAU's decision to revive the Yamoussoukro Declaration (YD),[560] which was reinstated in 1999 and signed in 2000 with a view to fully liberalising Africa's airspace market by 2002.[561] The harmonisation of regional policies is guided by the Abuja Treaty created in 1991, which outlines the need for a fully integrated internationally competitive regional economic community through an airspace-driven liberalised market strategy, for free movement of people, goods and services and for RECs to harmonise regional policies.[562] COMESA and SADC were invited to join the YD arrangement in 1999, and the EAC joined six years later, in 2005. To comply with the Yamoussoukro Decision, COMESA and SADC had to form a joint legal protocol and harmonise implementation of guidelines for a liberalised regional airspace, as well as harmonise their provisions and procedures for regulating airline competition. The harmonised policies were based on their own individual air transport liberalisation programme treaties: article 87 of COMESA'S Treaty;[563] article 9 of the SADC Protocol on Transport, Communications and Meteorology;[564] and article 92 of the EAC Treaty.[565] The harmonisation process involved several meetings between 2001 and 2005. The fact that a number of states were members of both COMESA and SADC presented a

[560] African Union, Yamoussoukro Declaration 1999 < http://au.int/ar/sites/default/files/Yamoussoukro%20Decision%20-%20Regulatory%20Framework-EN.pdf>.
[561] *Personal Interview*, September, 2014. COMESA Document. Amos Marawa, Infrastructure Development, *Infrastructure Development Directorate*, (2010, 2014). *See also*, InterVistas Consulting, "Transforming Intra-African Air Connectivity: The Economic Benefits of Implementing the Yamoussoukro Decision" (July, 2014).
[562] Abuja Treaty 1991< http://www.au.int/en/sites/default/files/TREATY_ESTABLISHING_THE_AFRICAN_ECONOMIC_COMMUNITY.pdf>.
[563] COMESA, *Treaty Establishing the Common Market for Eastern and Southern Africa*, adopted 5 November 1993, entered into force 8 December 1994, <http://www.comesa.int/attachments/article/28/COMESA_Treaty.pdf>, art. 87.
[564] SADC, *Protocol on Transport, Communications and Meteorology in the Southern African Development Community (SADC) Region*, adopted 24 August 1996, entered into force 1 July 1998, <http://www.sadc.int/files/7613/5292/8370/Protocol_on_Transport_Communications_and_Meteorology_1996.pdf>, art. 9.
[565] EAC, *Treaty for the Establishment of the East African Community*, adopted 30 November 1999, entered into force 7 July 2000, <http://www.eac.int/legal/index.php?option=com_docman&task=doc_details&gid=166&Itemid=28>, art. 92.

challenge for the harmonisation of policies in the Yamoussoukro Decision process. To spearhead the process of cooperation and harmonisation, the Chairpersons of the COMESA Authority and SADC Executive met in Egypt in 2004 and agreed to set up a joint COMESA-SADC Bilateral Task Force at Secretariat level to discuss and agree on the harmonisation of programmes for an airspace market, initially for the two organisations, COMESA and SADC.[566]

The COMESA-EAC-SADC 2008 Tripartite Agreement was further propelled by funding provided by the African Development Bank of $3.5 billion, and also with funding by the United States due to the events that occurred in implementing an African airspace. COMESA received $443 000 from the US Trade and Development Agency (USTDA) for a market-driven airspace.[567] The offer to the two RECs was an attractive one because of the poor road and transport conditions in the COMESA and SADC regions.

Inefficient and inadequate transportation in Africa impedes trade logistics, and poor infrastructure services have impeded both inter-regional and inter-continental trade. COMESA and SADC rely excessively on international trade, which constitutes up to 80 percent of their total trade, because of poor infrastructure. At the continental level, for the period 2000-2010, intra-African imports averaged 14.2 percent of total annual African imports, and intra-African exports averaged 10.4 percent of total annual African exports.[568] These low levels of continental and regional trade are directly linked to the costs associated with conducting trade in the region. For example, as of 2014, the cost to ship a standard 20-foot container from Durban, South Africa to Lusaka, Zambia was $5000, compared with $1 500 from Japan to Durban. For a trader in Juba, Sudan, it costs $9 500 to import a standard container through the port of Mombasa, Kenya, in addition to a two-month wait for the goods to reach Juba.[569] To comply with the Yamoussoukro Declaration, COMESA and SADC had to form a joint legal protocol and harmonise implementation

[566] COMESA document. Marawa, Infrastructure Development, *Infrastructure Development Directorate*, 2010, 2014.
[567] COMESA Secretariat, September, 2014. *See also*, US Trade and Development Agency (USTDA) Supports COMESA Regional Airspace Management Project. The $443,300 were conferred during a signing ceremony at the COMESA Forum that took place in Nairobi. US Ambassador to Zambia, Carmen Martinez and COMESA and former Assistant Secretary General, Sindiso N. Ngwenya (currently COMESA Secretary General) signed the agreement on behalf of the US government and COMESA, 22 May 2007.
[568] UNECA, "Movement of Goods and Services in Africa" (2011). *See also*, AfDB, "Statistics on Africa Report, 2013" (2013).
[569] UNECA, "Assessing Regional Integration in Africa, V: Harmonizing Policies to Transform the Trading Environment" (2012), p. 11.

guidelines for a regional airspace, as well as harmonise their provisions and procedures for regulating airline competition.

These harmonised policies involved several meetings over a period of time between 2001 and 2005. During the meetings, the two organisations were confronted with multiple membership difficulties and the fact that a number of states were members of both COMESA and SADC, which presented a challenge in harmonising policies and working towards the Yamoussoukro Declaration process. In an attempt to address those challenges of multiple memberships, the Secretary-General of the COMESA Authority and the Executive Secretary of the SADC Summit met in Cairo, Egypt in 2004 and agreed to set up a joint COMESA and SADC Task Force at the Secretariat levels to discuss and agree on how to harmonise the programmes of the two organisations.[570] EAC, which had a competitive airline, Kenyan Airways, showed interest in being part of the YD processes and was invited to the meetings with COMESA and SADC; this became significant to the COMESA-SADC integration process in 2005, when EAC joined, as it paved the way as a first step towards convergence of regional policies of COMESA, the EAC and SADC blocs. The Joint Commission and Task Force eventually led to the 2008 COMESA-EAC-SADC Tripartite Agreement.[571] This cooperation led to the emergence of the full-fledged COMESA-EAC-SADC Tripartite Task Force (TTF), which focused on harmonisation of programmes for the Yamoussoukro Declaration process. The Task Force met several times under the guidance of the Chief Executive Officers (CEOs), to address how to collaborate and harmonise regional programmes.[572] To address the issue of multiple memberships, the COMESA-EAC-SADC CEOs also tasked the COMESA-EAC-SADC TTF overseeing the Yamoussoukro Declaration, to additionally oversee the harmonisation of programmes and establishment of an institutional framework for cooperation that could move into deeper integration. Such deeper integration measures entailed creating an FTA and later creating a customs union, as it was hoped that this would also deal with the issue of multiple memberships.[573] The three RECs commissioned a study in 2005, undertaken by an independent consultant from Leiden University, which helped COMESA, EAC, and SADC to jointly develop

[570] COMESA documents: Marawa, Infrastructure Development, *Infrastructure Development Directorate*, 2010, 2014; and COMESA-EAC-SADC Tripartite Framework State of Play; Report of the Chair of the Tripartite Task Force, February 2011.
[571] COMESA documents: Marawa, "Infrastructure Development", *Infrastructure Development Directorate*, 2010, 2014; and COMESA-EAC-SADC Tripartite Framework State of Play; Report of the Chair of the Tripartite Task Force, February 2011.
[572] COMESA document. COMESA-EAC-SADC Tripartite Framework: State of Play, February 2011.
[573] COMESA document. COMESA-EAC-SADC Tripartite Framework: State of Play, February 2011.

terms of reference and guidelines for implementing provisions and rules of procedure for external relations for consumer protection.[574] To discuss the Leiden report and recommendations therein, a joint COMESA-EAC-SADC aviation and legal experts meetings was convened in 2006 in Lusaka, Zambia; in Johannesburg, South Africa; and in Zimbabwe at Victoria Falls. The Joint Competition Authority (JCA) for a liberalised airspace was formed for the three RECs. The JCA was to oversee the full implementation of the Yamoussoukro Declaration for air transport in the three RECs, as well as for the harmonisation of programmes in the areas of trade, customs, free movement of people, and infrastructure development.[575]

In November 2006, the TTF CEOs called a meeting with the COMESA, EAC, and SADC ministers of transport to adopt the guidelines, provisions, and procedures for the implementation of the competition regulations and to discuss how to launch the JCA for a liberalised airspace. These regulations were circulated to the member states through their respective Secretariats. Regional integration programmes for trade and economic development were also adopted, which received political endorsement and direction for the process of cooperation and harmonisation. The JCA guidelines were adopted in 2007 by the policy organs of COMESA, EAC, and SADC, and at individual Secretariat level. The recommendations were accepted by the COMESA Secretariat in May 2007, by the EAC Secretariat in June 2008, and by the SADC Secretariat in August 2008. Thereafter, the JCA was formalised at the first COMESA-EAC-SADC Tripartite Summit of Heads of State and Government meeting in October 2008 in Kampala, Uganda to which the discussion now turns.

4.5 Diplomatic Efforts: At and after the 2008 Tripartite Summit, 20 October 2008, Kampala, Uganda: Towards a Grand FTA

This section outlines the progress that was made by COMESA and SADC in converging its regional policies since the signing of the 2008 Tripartite Agreement. The landmark meeting of 20 October 2008 was the first Tripartite Summit with COMESA, EAC, and SADC heads of state. The COMESA-EAC-SADC Tripartite 2008 Summit binds the Tripartite group with a Memorandum of Understanding and outlines the harmonisation of trade and investment regimes. Article 2 of the MOU includes the following:

[574] COMESA document. Marawa, Infrastructure Development, *Infrastructure Development Directorate*, 2010, 2014.
[575] COMESA document. Marawa, Infrastructure Development, *Infrastructure Development Directorate*, 2010, 2014.

1) Establishment of an FTA among COMESA, EAC, and SADC.
2) Enhancement of inter-REC economic cooperation.
3) Enhancement of cooperation with multilateral and bilateral partners.
4) Coordination of negotiations on multilateral issues.
5) Promotion of industrialisation.
6) Enablement of intra-regional investment.[576]

COMESA, the EAC, and SADC include 26 of Africa's 55 countries, with a combined population of approximately 632 million people (which is 57 percent of Africa's population); and a GDP of $1.3 trillion as of 2014 (contributes 58 percent of Africa's GDP).[577] All three RECs were identified by the African Union's 2000 Constitutive Act, and the Abuja Treaty, as the building blocks of the African Economic Community. The RECs are also key elements with the aim of integrating Africa's trade and promoting African economic development, and with the goals of establishing a continental FTA by 2017, a continental customs union by 2019, a continental common market by 2023, and a continental economic and monetary union and pan-African parliament by 2028.[578] Decisions of the COMESA-EAC-SADC Tripartite are made at Summit level. The Tripartite MOU was tabled at the second Tripartite Summit on 12 June 2011 and came into force on 19 January 2011.[579] The MOU defines the free trade process and membership agreements. Article 1 of the MOU outlines: i) approval and expeditious establishment of an FTA encompassing the member/partner states of the three RECS (COMESA, EAC, and SADC) and an ultimate goal of establishing a single customs union (though no timeframe had been outlined); ii) that the three RECs (COMESA, EAC, and SADC) undertake a study incorporating among others: a) a roadmap for establishing an FTA which would take into account the principle of variable geometry; and b) a legal and institutional framework to underpin the FTA.

A Tripartite Summit of Heads of State and/or Government must sit once every two years, as an interim measure of the pending MOU (the MOU came into force on 19 January 2011 and was

[576] Memorandum of Understanding on Inter Regional Cooperation and Integration Amongst COMESA, EAC and SADC, p. 3. Document obtained from COMESA Secretariat, August 2014. *See also*, Tralac website, <http://www.tralac.org/wp-content/blogs.dir/12/files/2011/uploads/FinalCommuniqueKampala_20081022.pdf>.
[577] UNECA, "Assessing Regional Integration in Africa, V: Harmonizing Policies to Transform the Trading Environment" (2012).
[578] UNECA, "Assessing Regional Integration in Africa, V", 2012, pp. 13-16.
[579] COMESA-EAC-SADC Second Tripartite Summit Communique, 12 June 2011, Sandton, Johannesburg, Document obtained from COMESA Secretariat, August 2014, p. 4.

tabled at the second Tripartite Summit on 12 June 2011. The Tripartite 2008 Summit established: a) a Tripartite Council of Ministers to meet at least once every two years; b) a Tripartite Sectoral Ministerial Committee on Trade, Finance, Customs, Economic Matters, and Home/Internal Affairs; c) a Tripartite Sectoral Ministerial Committee on Infrastructure; and d) a Tripartite Sectoral Ministerial Committee on Legal Affairs. It also made provision for any other ministerial committees as established by the Tripartite Council of Ministers, which must meet at least once a year. Furthermore:

i) The Tripartite 2008 Summit approved extraordinary meetings of the Tripartite Summit and Tripartite Council of Ministers to be held as and when necessary.

ii) The Tripartite 2008 Summit established a Tripartite Committee of senior officials and of experts, which must meet at least once a year.

iii) The Tripartite Summit 2008 finalised and ratified the TTF of the Secretariats of the three RECs that meet at least twice a year.

4.5.1 Progress of the Tripartite MOU

In 2008, the TTF finalised a regional integration strategy paper (RISP) and held several consultative meetings.[580] These meetings included discussions with Britain's Department for International Development (DFID) in London in January 2010, where an MOU was signed between the TTF and DFID in support of transport corridors and trade facilitation towards the Tripartite FTA. Funding had been secured for programmes including £400 000 for administrative and logistical support for Tripartite meetings.[581] Furthermore, DFID announced continued funding for the COMESA-EAC-SADC Tripartite initiative over a period of an additional three years, from 2011 to 2014.[582]

4.5.2 Regional infrastructure development

The 2008 Tripartite Summit officially ratified the JCA on Air Transport Liberalisation to oversee the full implementation of the Yamoussoukro Decision on Air Transport in the three RECs, commencing in January 2009 as was discussed above.

[580] *See also*, Tralac website, <http://www.tralac.org/wp-content/blogs.dir/12/files/2011/uploads/FinalCommuniqueKampala_20081022.pdf>.
[581] COMESA-EAC-SADC Tripartite Framework: State of Play, 2011.
[582] COMESA-EAC-SADC Tripartite Framework: State of Play, 2011.

The JCA comprises seven members: two members each from participating RECs and a rotating chairperson. To promote air transport liberalisation, the 2008 Tripartite Summit directed the RECs to put in place a joint programme for the implementation of a single seamless upper airspace within one year.

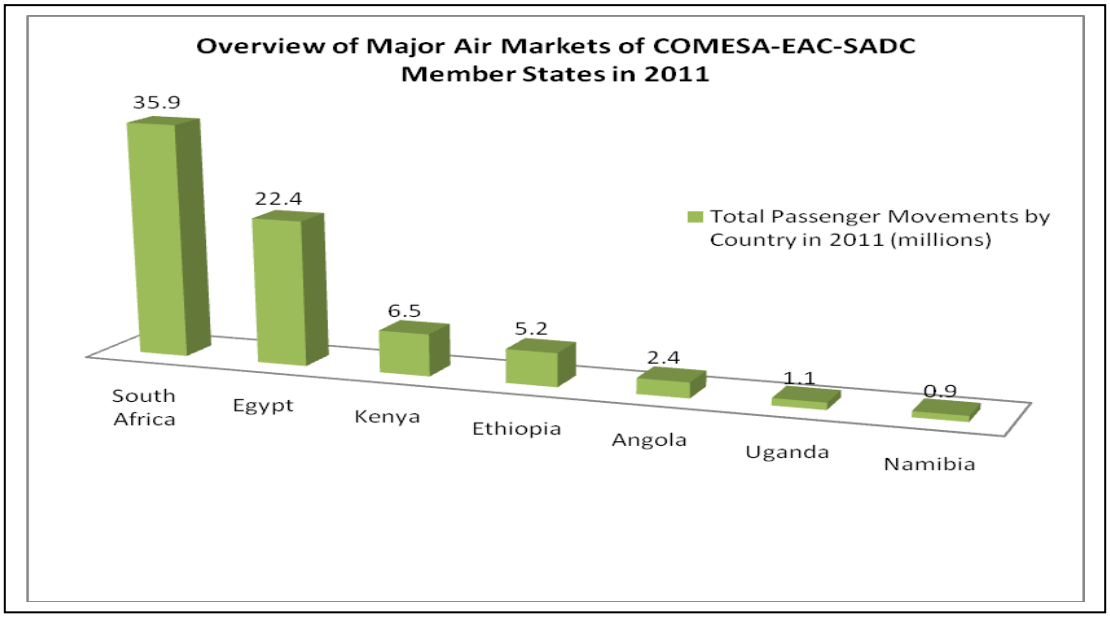
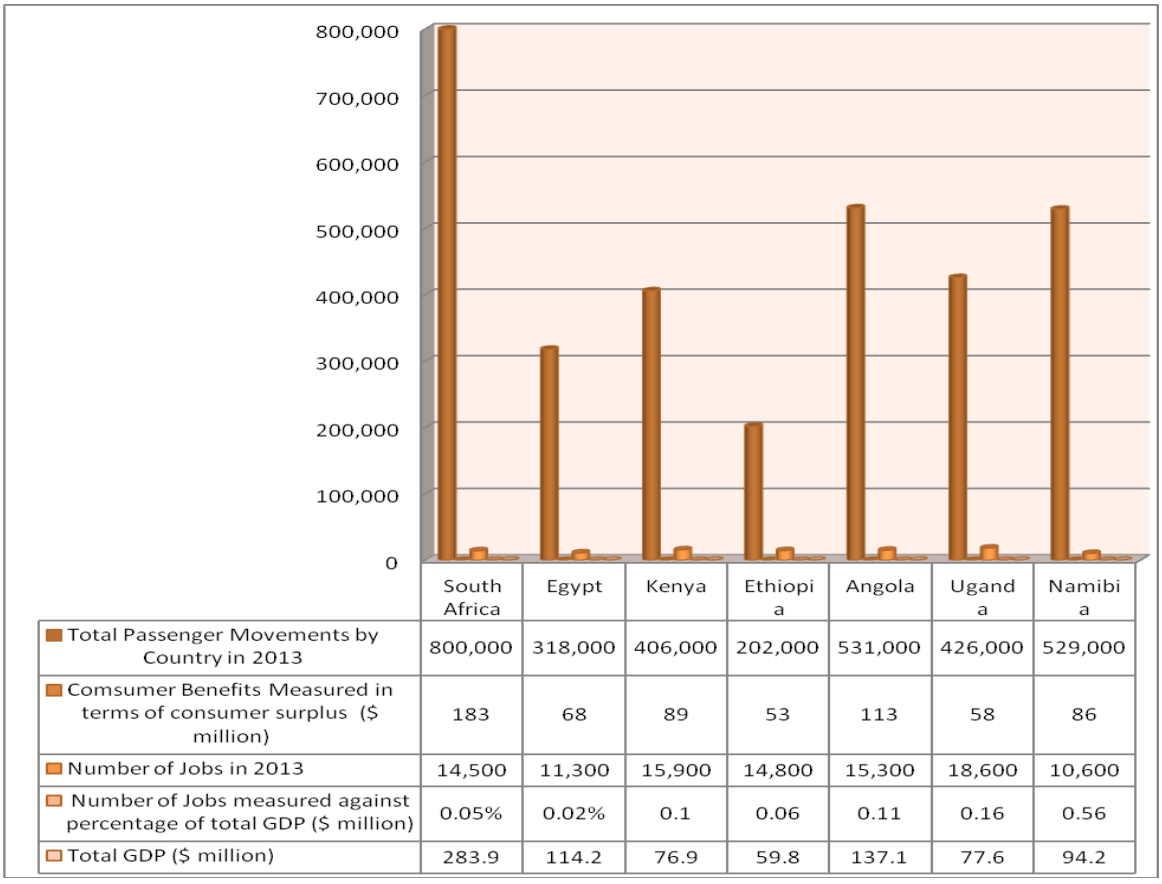


Figure 4.5: Overview of air markets of member states of COMESA, EAC, and SADC (2011).
Source: Inter*Vistas* Consulting, "Transforming Intra-African Air Connectivity: The Economic Benefits of implementing the Yamoussoukro Decision" (July, 2014), pp.vi; 54. (Data adopted from source to provide table data.)

Transport barriers are one of major impediments to regional trade, and rectifying infrastructure problems could considerably boost intra-regional and intra-continental trade. For example, South Africa's Richards Bay port, which primarily concentrates on coal shipments, had been experiencing huge problems in handling shipment volumes.[583] Figure 4.5 provides an overview of the major air markets for COMESA, the EAC, and SADC, and their total passengers in 2011. Traffic statistics are drawn from the "2011 World Airport Traffic Report".[584] An airspace market in Africa has the potential to develop 7 million jobs, including 257 000 direct jobs, which are worth about $67.8 billion of the continent's GDP. Progress made on the Yamoussoukro

[583] The International Bank for Reconstruction and Development/the World Bank, "South Africa Economic Update Focus on Export Competitiveness" (2014), p. 36.
[584] *Sourced from*, InterVistas Consulting, "Transforming Intra-African Air Connectivity", 2014, p. 27.

Declaration was discussed at the 2011 Tripartite Summit, and the JCA reported that it had finalised its main study on the unification of the Upper Flight Information Region (UFIR).[585]



	South Africa	Egypt	Kenya	Ethiopia	Angola	Uganda	Namibia
Total Passenger Movements by Country in 2013	800,000	318,000	406,000	202,000	531,000	426,000	529,000
Comsumer Benefits Measured in terms of consumer surplus ($ million)	183	68	89	53	113	58	86
Number of Jobs in 2013	14,500	11,300	15,900	14,800	15,300	18,600	10,600
Number of Jobs measured against percentage of total GDP ($ million)	0.05%	0.02%	0.1	0.06	0.11	0.16	0.56
Total GDP ($ million)	283.9	114.2	76.9	59.8	137.1	77.6	94.2

Figure 4.6: COMESA-EAC-SADC 2013 Total economic impact stimulated by airspace market liberalisation.
Source: Inter*Vistas* Consulting, "Transforming Intra-African Air Connectivity: The Economic Benefits of implementing the Yamoussoukro Decision", (July, 2014), pp.vi; 54. (Data adopted from source to provide table data.)

[585] COMESA–EAC–SADC Second Tripartite Summit Communiqué, 12 June 2011. Upper Airspace is a controlled airspace that is below the division level and outside the terminal or airport airspace. It includes airways linking the airport with upper airspace. Usually, air traffic is channelled along specified air routes and each air route is part of a network of generally fixed air routes within a flight information region (FIR). In terms of airspace control: a) control zone (CTR) has a local air traffic control (ATC) and usually a circular area around the airport; b) terminal control area (TMA) is your local ATC area reporting on incoming and outgoing flights between CTR and the Control Area (CTA); c) the CTA is the general ATC within FIR below certain flight levels (lower airspace); and d) the upper airspace control area is general ATC across FIRS. Upper airspace heights differ according to countries. *See*, International Civil Aviation Organization (ICAO), <www.icao.int/>.

Although low-cost carriers have begun operating in Africa, intra-African airline service growth has been stifled because of a lack of liberalisation policy formulation between Africa's member states. Figure 4.6 shows the total economic impact from air operations for 2013 of COMESA, EAC, and SADC member states and the benefits accrued in terms of consumer surplus, job creation, and number of passengers against percentage of GDP. Amidst the benefits of job creation, technology transfer, and skills development, infrastructure bottlenecks such as roads, ports, railways and borders the YD process has not been finalised. This is due to South Africa's fear that its national carrier, South African Airways, would marginalise weaker carriers in a liberalised market.[586]

The EAC had set the lead in establishing a civil aviation safety and security oversight agency and exchanged protocols with COMESA and SADC that could help to establish similar agencies for COMESA and SADC. Progress on an accelerated seamless inter-regional ICT broadband infrastructure network, a joint programme for implementation of a harmonised policy and regulatory framework that will govern ICT, and infrastructural development in the three RECs, has also been slow, owing to pledged funding initiatives that were not received.[587]

4.5.3 Merger of one REC and progress of the roadmap

The Tripartite Summit in October 2008 directed the Tripartite Task Force of the three Secretariats to develop a roadmap for the implementation of this merger for consideration at the June 2011 Summit meeting.[588] The Tripartite free trade area had incorporated an approval process and a roadmap towards the operationalisation and implementation of the FTA within the bloc. The roadmap entailed four stages. First came a preparatory period for consultations at the national, regional, and Tripartite levels that began early in 2010. Secondly, member states would discuss how to incorporate the legal and institutional frameworks from the draft roadmap as a basis for creating a single FTA. Thirdly, each REC would submit concrete recommendations for discussion. Finally, on signing the agreement, member states would have six to twelve months to

[586] "Open Skies: Transforming Intra-African Air Connectivity: The Economic Benefits of Implementing the Yamoussoukro Decision, IATA in partnership with AFCAC and AFRAA", *InterVISTAS Consulting* (July 2014), pp. 110.
[587] *See*, COMESA Document, *Annual Report*, <http://www.comesa.int/attachments/article/21/comesa_annualReport%202011_12_final.pdf>.
[588] *See also*, Tralac website, <http://www.tralac.org/wp-content/blogs.dir/12/files/2011/uploads/FinalCommuniqueKampala_20081022.pdf>.

finalise national processes for ratifying the agreement as well as establish the required support institutions and adopt customs procedures and instruments.[589] The Tripartite alliance is also examining how to incorporate a customs union for its member states at a much deeper level of regional integration. Within the customs union, member states will define a common process of abolishing tariff and non-tariff barriers among themselves, and in addition agree on a common external tariff for non-members.

Each REC must also address its individual macroeconomic policies, since a monetary union for the Tripartite bloc requires macroeconomic convergence criteria to be considered that entail a number of processes. Such processes include: the formation of one FTA; harmonising of policy instruments and trade policies, processes and procedures, internal and external tariffs, rules of origin and customs documents for exporters and importers; consideration of phytosanitary health measures and safety; and elimination of tariff barriers. COMESA addressed macroeconomic convergence for its bloc. COMESA's criteria entail consolidation of existing instruments of monetary cooperation and implementation of policy measures; an overall budget deficit against total GDP of not more than five percent; an annual inflation rate not exceeding five percent; minimising central bank financing of a budget deficit of zero percent; and external reserves of not less than four months of imports of goods and non-factor services. COMESA's member states have to achieve and maintain stable real exchange rates, market-based real interest rates, and growth rates of real GDP that are not less than seven percent; a full monetary union by 2018 is envisaged at the regional level.[590] The EAC is at a more advanced stage than COMESA and SADC in moving towards a monetary union as a bloc. For the EAC, fiscal discipline is one of most important elements as outlined in the EAC Treaty, the "Development Strategy 2006-2010", and its "Common Market Protocol". The EAC's most fundamental principle entails implementing continued cooperation in a monetary exchange rate field during the period ahead of a monetary union.

The East African Central Bank (EACB) has been implementing an institutional framework for an East African Monetary Union (EAMU). The East African Monetary Institute has been established

[589] Trade Law Centre for Southern Africa, "Monitoring Regional Integration in Southern Africa". *See also, Draft TFTA;* and Ambassador A.J.V. Mwapachu, "Report by the Chair of the Tripartite Task Force, Secretary-General of the EAC" (2011), <http://www.eac.int/Tripartite-summit.html?showall=1>.
[590] COMESA Monetary Union, <www.comesa.int>.

as the preparatory stage and framework for an EAMU.[591] On its part, diversification of SADC member states' economies to make them more resilient would require coherent policies and reforms aimed at how best to diversify their economies. The challenge of regional trade liberalisation that calls for harmonisation of a common external tariff should also be addressed. In 2011 the SADC region recorded an average real GDP growth of 4.7 percent; in 2010 it was 5.5 per cent. The current account deficit of the balance of payments improved marginally from 8.8 percent of GDP in 2010 to 8.3 percent of GDP in 2011; the average fiscal deficit deteriorated to 4.8 of GDP in 2011 while it was 3.2 percent in 2010. SADC's member states' debt remained at the level of 39 percent to GDP.[592]

However, Jenkins and Thomas note in their discussion on macroeconomic convergence that emphasis should be placed on economic and trade policy reforms at national level first before considering regional efforts. At the regional level, medium-term coordination should be underpinned by the direct effects of cross-border transactions.[593] On the other hand, other regional groupings, such as in Europe, had huge problems with smaller economies pegged to its monetary union during the global financial crises and the EU could not support the market shocks. As Fingleton, Garretsen and Martin have observed (as was noted in the conceptual framework in chapter 2), within the Eurozone, regions of the core closely connected with the economic powerhouse of German regions suffered less in terms of employment loss in contrast with those states of the peripheral regions (Ireland, Spain, the Baltic states, and Greece), fared worse during the great recession of 2008 and 2009, and experienced greater divergence. A monetary union could lead to regional divergence and greater disparity in regional vulnerability. Such underlying aspects are also informed by the theory on optimum currency areas, which Fingleton, Garretsen and Martin observed were not part of the European Union's monetary framework. The OCA theory highlights the importance of incorporating symmetry, flexibility, and integration as key variables that ought to be considered in a monetary union.[594]

[591] European Central Bank, Eurosystem, "Study of the establishment of a monetary union among the Partner States of the East African Community" (2010). *See also*, Janusz Rosiek and Robert W. Wlodarczyk, "Comparative Analysis of the EU-27 Countries Labour Markets' Convergence", *Economics and Management, Cracow University of Economics*, Poland, 17, 1 (2012), < http://www.ecoman.ktu.lt/index.php/Ekv/article/view/2270/1752>.
[592] SADC Macroeconomic Policies and Convergence, TIFI Directorate (February 2012).
[593] Jenkins and Thomas, "The Macro-economic Frameworks", 2000, p. 7.
[594] Fingleton, Garretsen and Martin, "Shocking Aspects of Monetary Union: The Vulnerability of Regions in Euroland", 2014, p. 5. "The symmetry condition means that economies should be roughly similar and synchronised so that shocks are symmetrical where all countries are roughly affected the same ..."

COMESA-EAC-SADC member states are still at the stage of harmonising trade policies. SADC member states have been very slow in moving towards reducing tariffs. Attempting to converge regional economic interests conforming to one trade treaty within a free trade area has been difficult. This is outlined in key objectives of trade in services, free movement of businesses, free movement of people, free movement of goods in trade, and removal of all tariff barriers and non-tariff barriers in trade between COMESA and SADC member states. Under this framework, member states are also able to negotiate and maintain their own tariffs in trade against non-members. Each member state is also at liberty to apply its preferred regime of tariff rates to third countries, customarily referred to as the MFN rate, and also involving complicated international agreements with external partners.

The 12 June 2011 Summit noted while the FTA negotiations were underway, efforts were being made to complete the negotiations for a free trade area by June 2014 (that was within six months of the roadmap, but transpired a year later discussed below). The COMESA Executive Secretary, Sifiso Ngwenya, noted that the FTA roadmap presupposed that the 26 countries would need to engage in negotiations; it was also recognised that these countries already had preferential trade and free trade agreements in place. The COMESA-EAC-SADC Tripartite FTA is guided by a variable geometry approach: incremental liberalisation, and MFN treatment.[595]

4.5.4 Efforts towards the establishment of a Grand Free Trade Area

On 9 February 2015, the Tripartite Trade and Customs Committee (TTCM) held its third meeting in Lusaka and provided a progress report on the movement of business people.[596] The Tripartite Technical Committee on Industrial Development (TTCID), established in accordance with the directive handed down by the second Tripartite Summit in June 2011, noted that it had developed a work programme and a Tripartite Industrial Development Roadmap. The TTCID also developed a draft modalities framework on cooperation in industrial development, which would foster value addition and improve production capacity. These issues were tabled and discussed at the Third Tripartite Summit in June 2015 in Egypt. Negotiations for the FTA were launched in

[595] COMESA Secretariat, "Regional Integration", vol. 2 (2013). *See also*, Munetsi Madakufamba, "Region takes giant step toward African Economic Community", *Southern African News Features*, SANF 09, no. 1 (January 2009), < http://www.sardc.net/en/southern-african-news-features/region-takes-giant-step-toward-african-economic-community/>.

[596] Previous meetings of the TTCM were held in November 2014 and January 2015.

June 2011 after the second Tripartite Summit, and in December 2011 negotiations on Phase 1 (the Market Integration Pillar) began, focused on trade in goods.[597] Five out of seven meetings of the Tripartite Committee of Senior Officials (TCSO) were held. Ten meetings of the Tripartite Trade Negotiating Forum (TTNF) and 18 meetings of the Tripartite Technical Working Groups (TTWGs) established by the TTNF to assist in clarifying specific technical negotiating issues were held.

In October 2014, the draft Tripartite FTA Agreement was agreed to but not finalised by all member states, and only 16 member states signed on 10 June 1015. The preamble and two articles - Article 1 on interpretations, and Article 28 on dispute settlement - was finalised at the TTNF extraordinary meeting in Egypt and at the Third Tripartite Summit by half of its members.[598] Since the signing of the 2008 Tripartite Agreement, annexures have been concluded on non-tariff barriers (Annexure 3), customs cooperation (Annexure 5), trade facilitation (Annexure 6), transit (Annexure 7), technical barriers to trade (Annexure 8), and sanitary and phytosanitary measures (Annexure 9). Annexures on tariff schedules (Annexure 1), trade remedies (Annexure 2) and rules of origin (Annexure 4) are still under negotiation. Tariff officers had been prepared by 16 of the 26 countries as of the tenth meeting of the TTNF, in Bujumbura, Burundi in 2014. Since then, the SACU bloc has offered to open up 60 percent of tariff lines on which duties will be reduced to zero, while 15 percent of tariff lines will be reduced gradually over a period of five years. The 2015 meeting of the TTCM also noted that all the trade offers for a Tripartite FTA had involved 14 out of 15 COMESA member states only; thus launching the Tripartite FTA with only these members would not yield a true Tripartite FTA, but that a COMESA plus is what is required (since the member states were mainly from the COMESA bloc).[599]

Fostering cooperation through establishing institutional arrangements and harmonisation of programmes is important to the member states of the three RECs and the 2008 Tripartite Summit

[597] COMESA document. Tripartite Update, Trade and Customs Committee Meeting (9 February 2015).
[598] COMESA-EAC-SADC Tripartite Summit, "Communique of the third Tripartite Summit, Vision: Towards A Single Market, Theme: Deepening COMESA-EAC-SADC Integration", Sharm El Sheikh, Arab Republic of Egypt, 10 June 2015, <http://www.tralac.org/images/Resources/Tripartite_FTA/Third_Tripartite_Summit_Communique_10062015.pdf>.
[599] COMESA document. Tripartite Update, 2015. *See also*, Edward Kafeero, "Customs law of the East African Community in light of WTO Law and the Revised Kyoto Convention", *Westfälische, Wilhelms University,* Münster (2009), <http://www.wwu-customs.de/research-activities/completed-projects/customs-law-of-the-east-african-community-in-light-of-wto-law-and-the-revised-kyoto-convention/>.

also directed the Chairpersons of the Councils of Ministers of the RECs to ensure that Secretariats participate in, coordinate, and harmonise positions on the Economic Partnership Agreement negotiations with the European Union, the World Trade Organization, Doha Development Round, and other multilateral negotiations. There was no movement at the Summit and Councils of Ministers levels, but only at the member state level. Member states are negotiating on their own terms, as seen in South Africa's negotiations within SACU, and the EPA Mozambique concluded with Brussels that will be finalised in October 2016.[600]

While maintaining their own regional protocols, mandates, and time frames for free trade areas and customs unions, COMESA, the EAC, and SADC in October 2008 signed an important memorandum of understanding on inter-regional cooperation and integration to accelerate their efforts as underpinned by a legal and institutional framework for this Tripartite body.[601] However, national interests of member states override regional interest. Power and resources, have determined economic policy of member states, and such economic policies are historically linked to African states associated with sovereignty.[602] South Africa refused to sign the free trade agreement for the Tripartite bloc and felt that it was not ready to commit to such an agreement of zero tariff settings.[603]

At the February 2015 TTCM meeting, an analysis of rules of origin was tabled that demonstrated that Tripartite imports in 2012 were worth $323 billion, of which $42 billion were intra-Tripartite imports and $280 billion extra-Tripartite imports. After revising the agreed chapters to 18 and headings to 39, the total Tripartite imports for the 18 chapters in 2012 were $27.52 billion, accounting for eight percent of Tripartite imports. The intra-Tripartite imports were $4.04 billion and accounted for nine percent of the total intra-Tripartite trade, while the extra-Tripartite imports were $23.5 billion, accounting for eight percent. Furthermore, the 39 headings for total Tripartite imports were $6.5 billion, accounting for two percent of the total Tripartite imports. The intra-Tripartite imports were $1.7 billion, which accounted for four percent of the total intra-Tripartite imports, and the extra-Tripartite imports were $4.7 billion, accounting for two percent of the total extra-Tripartite imports. This analysis showed that the intra-Tripartite trade for the

[600] *Personal interviews*, August and September 2014.
[601] COMESA-EAC-SADC February 2011 Summit Report of the Chair of the TTF. *See also*, SADC *Today*, May 2012.
[602] Carlos Lopes, "Mega Trade Agreement a Step Forward for the Continent", *UNECA* (12 June 2015), <http://www.uneca.org/stories/mega-trade-agreement-step-forward-continent-%E2%80%93-carlos-lopes>.
[603] *Personal Interview*, Lusaka, August 2014.

agreed chapters were still low and accounts for nine percent and four percent respectively of the total intra-Tripartite imports.[604]

Therefore, an interim arrangement was discussed at the TTCC February 2015 meeting to address rules of origin for the COMESA-EAC-SADC bloc and recommendations included: a) to use agreed common rules and the value addition rule of 35 percent ex-works cost as an interim measure to be launched at the Third Tripartite Summit in Egypt; and b) to use the agreed common rules for the launch of a partial Tripartite FTA, which was recommended for adoption at the Third Tripartite Summit in Egypt. The TTCC prepared their recommendations (which was tabled at the Third Tripartite Summit and Heads of States meeting), and it was envisaged that the Tripartite member states will sign the Tripartite FTA Agreement, adopt the Post-Signature TFTA Implementation Roadmap, and launch Phase 2 negotiations that concern, Trade in Services, Competition Policy, Intellectual Property Rights, and Cross-border Investment. The following recommendations were also prepared ahead of the Egypt Summit of the Third Tripartite and included: a) The Tripartite Free Trade Area to be launched in 2015 based on the principles of variable geometry; b) On rules of origin, a general value addition rule of 35 percent ex-works cost to be used when the Tripartite FTA is launched while the work on the Customs Union to be negotiated under the built in Agenda; c) On Part Five (Trade Remedies) of the Draft Tripartite FTA Agreement, the following approach would be endorsed by COMESA: i) Detailed procedures on Trade Remedies to be discussed as part of the Built in Agenda, that is Annexure 2; ii) Existing REC provisions to apply within RECs and World Trade Organisation provisions will apply across RECs in the interim; and iii) The feasibility of developing a preferential safeguard as part of the current negotiations will be considered. d) On dispute settlement that the Annexure 10 be adopted as finalised by the fourth (4th) technical working group on Trade Remedies and Dispute settlement; e) that the Phase II negotiations (Built in Agenda) be launched by the end of 2015, and the TTNF be allowed to begin preparatory processes and convene a meeting to launch the negotiations; f) that, the industrial pillar Work Programme and Roadmap, as well as the draft Modalities on Cooperation on Industrial Development be adopted by the senior Tripartite Organs; g) that the COMESA Member States that have made tariff offers under the Tripartite FTA are urged to do so; and, h) that the Secretariat organise a consultative meeting for Member States to

[604] COMESA document. Tripartite Update, 2015.

determine a common COMESA position prior to the First Extraordinary Meeting of the TTNF, on 21-24 February 2015 in Lilongwe, Malawi. [605]

The February TTCC further reaffirmed their commitment to launch the Tripartite FTA during the Third Tripartite Summit in Egypt in 2015 on the principle of variable geometry. The Ministers also agreed that Phase 1 issues that were not exhaustively negotiated over the last two years would be concluded after the launch of the Tripartite FTA Agreement. To this end the TTCM had prepared a provision that was included into the draft Tripartite FTA Agreement for continued negotiation. The TTCM also reaffirmed that because of Zimbabwe's non-availability and the presiding Chair at the Third Tripartite Summit that was supposed to have been held in December 2014, there was a need for further consultations with SADC before the rescheduled Third Tripartite Summit that took place in June 2015 (an expanded discussion on variable geometry is provided in more detail in chapter 5).

4.6 Regional transport master plan

This section discusses the progress that the Tripartite bloc had made in regional infrastructure projects besides the regional airspace market discussed above. The most important aim in building Africa's regional infrastructure is to exploit regional growth for larger markets, particularly for Africa's landlocked states, through better-managed water resources and electricity production, and by establishing linkages for goods to reach both markets and people.[606] Such initiatives inevitably lead to job creation and poverty eradication; effective transport lowers transport costs; and effectively generated energy facilitates agricultural production, industry, mining, and communications, and is therefore conducive to intra-regional trade.[607]

Specialisation and infrastructure linkages have been viewed as important factors in economic integration. COMESA and SADC, through their Tripartite agreement, and with the EAC, held a conference that addressed regional infrastructure for the Tripartite bloc, in Lusaka, Zambia, in April 2009, and focused on the North-South Corridor. A second conference on the topic of development corridors was held in Nairobi, Kenya, in October 2010. The Tripartite Summit of

[605] COMESA document. Tripartite Update, 2015.
[606] *See* South Africa's Department of International Relations and Cooperation (DIRCO), "Remarks by President Jacob Zuma, during the South Africa/Zimbabwe Business Forum Meeting on the occasion of President Mugabe's State Visit to South Africa, Pretoria, 9 April 2015, < http://www.dirco.gov.za/docs/speeches/2015/jzum0409.htm>.
[607] UNECA, "Status of Integration in Africa (SIA IV)", 2012, p. 10.

Heads of State is to meet every two years. These governments, with their Secretariats, met again in Johannesburg, South Africa, on 12 June 2011 to assess achievements since the 2008 Tripartite Summit. Progress made with regard to the objectives has been very slow. Therefore, the 2011 Tripartite Summit urged the donor community to support the Aid for Trade Programme that was developed for the major corridors in the region. This support was further promoted at the Tripartite's infrastructural development programmes and has been implemented at the Nairobi, Kenya, Tripartite and IGAD Infrastructure Investment Conference on 29-30 September 2011.

The African Regional Transport Infrastructure Network (ARTIN) is also addressing trade corridors to expand Africa's overall trade from 13 percent of total trade in 2009 to 18 percent by 2040.[608] Africa's transport costs are the highest globally. The African Union's heads of state and government launched the Programme for Infrastructure Development in Africa (PIDA) in Kampala in July 2010, followed by the NEPAD Priority Action Plan (PAP), adopted by Africa's states in January 2012.[609] PIDA is projected to cost $360 billion by 2040. PIDA projects would create 37,300 kilometres of modern highways; 30,200 kilometres of modern railways; 1.3 billion tons of added port capacity; 61,099 megawatts of hydroelectric production; 16,500 kilometres of interconnecting power lines; 21,101 cubic hectametres of new water storage capacity; and six terabits of broadband internet capacity.[610] Short-term policy frameworks have also been implemented by NEPAD, largely to promote intra-African trade, reduce transaction costs, and improve regional competitiveness. NEPAD contributed $2.27 billion in 2007 to multi-national projects in Africa, $2.46 billion in 2006, and $2.78 billion in 2007.

As of 2011, the World Bank ranked Southern Africa in 149th place out of 183 regions in terms of cross-border trade.[611] On average, cargo takes 35 days to be exported from Southern Africa, and 42 days to be imported. The estimated cost to import a 20-foot container of non-sensitive goods ranges from $1899 to $2410. On average, eight documents are required for export, and nine for

[608] AU Programme for Infrastructure Development in Africa (PIDA), "Interconnecting, Integrating, and Transforming a Continent: The Regional Infrastructure that Africa Needs to Integrate and Grow through 2020", (SOFRECO-Led Consortium [SOFRECO, MWH, Nathan, SOFRECOM, SYSTRA, ASCON, and CABIRA]), p. 18.
[609] UNECA, "Movement of Goods and Services in Africa", p. 95.
[610] AU, *Programme for Infrastructure Development in Africa: Addressing the Infrastructure Gap in Africa, to Speed Up Regional Integration*, Seventh Conference of African Ministers in Charge of Integration1(4–18 July 2014), <http://ea.au.int/en/sites/default/files/PIDA-%20addressing%20the%20infrastructure%20gap%20in%20Africa%20to%20speed%20up%20regional%20integration.pdf>.
[611] UNECA, "Assessing Regional Integration in Africa, IV", p. 105.

import. Therefore, AfDB had committed $52 billion to regional development in transport, energy, and information and communications technology.[612]

Convergence in infrastructure is evident in the North-South Corridor, jointly owned by COMESA, the EAC, and SADC, which is also Africa's busiest and most congested corridor for freight under a single umbrella, boosting and revamping reforms to customs, border management, infrastructure, and transport regulation. Eight countries are benefitting from this initiative: Tanzania, the DRC, Zambia, Malawi, Botswana, Zimbabwe, Mozambique, and South Africa.

In August 2011 the SADC summit launched its Regional Infrastructure Master Plan in Luanda, Zambia. At the individual REC level, the EAC has prioritised plans to develop roads, ports, railways, transmission lines, and oil and gas infrastructure over the next decade in its 2015–2025 strategy paper. The EAC is improving handling capacity and efficiency at the ports of Dar es Salaam and Mombasa. In SADC, the Regional Infrastructure Development Master Plan is a major component of the Regional Indicative Strategic Development Plan.[613] The master plan has synergies with PIDA and the Tripartite free trade area among the three RECs: COMESA, EAC, and SADC. This Plan was signed by member states at the SADC Summit in August 2012, and will be implemented over three five-year intervals: short-term (2012–2017), medium-term (2017–2022), and long-term (2022–2027).

Funding from external donors will greatly assist regional infrastructure and the Tripartite bloc is awaiting earmarked funds from Europe totalling 110 billion euros pledged for infrastructure development. While funding is a challenge, there are other creative ways in which to address infrastructure challenges. For example, the Deloitte and Touche auditing firm offers a creative project funding methodology, which can support governments in major infrastructure projects by including new pools of infrastructure investors and financiers to deliver the required infrastructure needs.[614] SADC was looking at $100 billion to finance its projects by 2015. Investment in the energy sector will require $47 billion over a period of five years; road projects

[612] UNECA, "Assessing Regional Integration in Africa, IV", p.105.
[613] An executive summary of the Regional Infrastructure Development Master Plan, as well as sectoral documents, can be found at SADC, "Infrastructure", <http://www.sadc.int/themes/infrastructure/>.
[614] *See article by*, Deloitte and Touche, "Partnering for Future Prosperity Delivering Successful Globally Competitive South African Cities" (2012), <http://deloitteblog.co.za.www102.cpt1.host-h.net/wp-content/uploads/2012/08/How-do-SA-cities-increase-global-competitiveness-by-improving-their-physical-infrastructure.pdf>.

up to $26 billion; ports and inland waterways $18 billion; and information and communications technology, postal systems, and meteorology and water projects $9 billion.[615] South Africa contributed $6.2 billion in 2012 towards investment through the Industrial Development Corporation in 41 projects across 17 African countries in mining, industrial infrastructure, agro-processing, and tourism.[616]

The Maputo Corridor was further developed in 2014 by South Africa's Transnet for port and rail operators in Swaziland and Mozambique. The aim of the Maputo Corridor Joint Operating Centre (JOC) is to increase the MDC rail freight capacity. The JOC is a major milestone among the three countries: Swaziland, Mozambique, and South Africa. The rail freight corridor runs from Mpumalanga in South Africa through Swaziland to the Port of Richards Bay (South Africa) and the Port of Maputo in Mozambique. In operation since 2013, turnaround time for trade was reduced from 118 hours on road to 62 hours with an average of 10 to 18 trains running per week on this corridor. As discussed earlier, the Maputo Corridor and Logistics Initiative required funds of R1.9 billion for upgrades and road freight has been costly - with on average rail is 75 percent cheaper than road transport.[617] South Africa's Transnet's Market Demand Strategy (MDS), is moving cargo from road to rail and includes a R312 billion seven-year infrastructure investment programme since 2013.[618]

Throughout Africa, exploitable energy resources like hydropower, coal, gas, oil, uranium - both new and renewable resources - are in abundance. While both northern and western Africa have an abundance of oil and gas reserves, Southern Africa has large coal deposits. The SAPP grid, and the East African Power Pool (EAPP) grid, as well as planned power interconnections for five corridors and planned power-generation projects in Ethiopia, Sudan, the DRC, Kenya, Uganda, and Tanzania, are positive developments. In Southern Africa, challenges for power generation in the 2012-2016 period include development of cleaner energy sources (such as solar, hydro, wind,

[615] Deloitte and Touche, "Partnering for Future Prosperity Delivering Successful Globally Competitive South African Cities", 2012.
[616] Budget speech of South African finance minister, Pravin Gordhan (27 February 2013), <http://www.info.gov.za/speeches/docs/2013/budget2013.pdf>, p. 16.
[617] *See article*, Tamsin Oxford, "Signs of new era for SA rail", *Mail and Guardian* (17 July 2015), <http://mg.co.za/article/2015-07-17-signs-of-new-era-for-sa-rail>.
[618] *See discussion by*, Transport World Africa, "Smooth flow of cargo" (25 September 2014), <http://www.transportworldafrica.co.za/2014/09/25/smooth-flow-of-cargo/>.

and nuclear) compared to fossil fuels such as coal, as identified in the Renewable Energy Strategy and Action Plan.[619]

Hydropower potential is evident in the Nile, Congo, Niger, Senegal, Volta, Orange, and Zambezi river systems. Geothermal resources are found in the Red Sea Valley and Rift Valley, and solar energy enterprises can be harnessed in Southern Africa (such as through South Africa's coastal wind farms). Public private partnerships have been one mechanism used to bridge the funding gap in infrastructure, as was discussed in the micro-regionalism section further above in the assessment of the MDC. South Africa had proposed a plan through Eskom to have independent power producers within 28 projects between 2012 and 2025 to secure procurements under the Renewable Energy Independent Power Producer Programme (REIPPP).[620] The REIPPP project assumes the following: a baseload capacity of 2 500 megawatts of coal-fired generation by 2024; 2 652 megawatts of gas power by 2025; 2 609 megawatts of hydroelectric power imports by 2024; 9 200 megawatts of wind generation; 1 200 megawatts of concentrated solar power; 8 400 megawatts of solar photovoltaic production; 9 600 megawatts of nuclear capacity; 4 930 megawatts of open-cycle gas-turbine peaking plant capacity; 2 370 megawatts of combined-cycle gas-turbine capacity; 11 332 megawatts of pumped-storage scheme; 2 659 megawatts of imported hydropower; and 465 megawatts of renewable technology.

South Africa's Integrated Resource Plan (IRP) of 2010-2013 further confirms a rolling renewable and procurement programme with 3 200 megawatts added to projects for development by 2020; as well as 3 725 megawatts in renewable capacity projects, valued at R100 billion.[621] Such agreements could bring about significant convergence among the Tripartite bloc member states. The integration partnership between COMESA, EAC, and SADC requires further development of the infrastructural policies and institutional capacities of both of these regional economic communities for viable economic growth.[622]

[619] AfDB, *Southern Africa Regional Integration Strategy Paper, 2011–2015.*
[620] *See*, Deloitte and Touche, "Partnering for Future Prosperity Delivering Successful Globally Competitive South African Cities", 2012, p. 8. *See also,* Terence Creamer, "SA Moves to Procure 7761 MW of Baseload IPP Power by 2025" (29 October 2012), < http://www.polity.org.za>.
[621] Creamer, "SA Moves to Procure 7761 MW of Baseload IPP Power by 2025", 2012.
[622] *See*, TradeMark SA, <http://www.trademarsa.org/news/regional-perspective-sadcs-infrastructure>.

4.7 Conclusion

The findings in this chapter examined the extent to which convergence had occurred in regional trade agreements in providing a detailed account of the progress of COMESA and SADC's Tripartite Agreement in relation to its roadmap, by assessing their trade protocols and timeframes. This provides an adequate account of how much convergence had occurred within COMESA and SADC. These findings were presented and directly aligned with the theme: situating regional integration in the divergence and convergence debate. The findings on regional integration and convergence were particularly relevant to this chapter as they provided the contextual basis for understanding the major issues before and after the formation of the 2008 Tripartite Agreement of COMESA and SADC, adequately assessed and discussed in this chapter. These major factors constituted the principal issue in the thesis, to connect regional integration with liberalisation of regional trade arrangements linked to economic growth. Findings on this theme also revealed that while COMESA and SADC were faced with open markets of trade, regional integration could be exploited positively through micro-regionalism able to support weaker economies, as in Mozambique. The importance of building infrastructure to conduct effective regional trade was discussed. The chapter also considered COMESA and SADC's competitive advantage to support endogenous growth factors of inputs of semi-skilled and unskilled labour in energy production. SAPP is an example of how electricity in trade had assisted the Southern African region. Also discussed was how South Africa as a stronger economy and most advanced parastal, Eskom, was able to contribute to the region's infrastructure development and electricity generation, while also creatively managing to address some of its own socio-economic domestic challenges. Competition and competitive trade in agriculture was expanded on in examining how convergence could be improved among the three RECs through agriculture. An example of a COMESA-EAC-SADC sugar protocol in agriculture was provided to address several challenges of trade competition, skills enhancement, and technology development. The findings were presented in narrative form, and in tables, and graphs, and supported by evidence that was at times based on interviews conducted in the region. In most instances relevant literature was used to support such evidence.

The chapter also fully assessed the major events that occurred during 10 years (1998-2008), and expanded on the main actors and factors that led to the 2008 Tripartite Agreement.[623] The chapter outlined how it happened that these three RECs, COMESA, EAC, and SADC, met again and merged in 2008, since their last gathering in 1997, which had been directly linked to facilitating infrastructure to enhance trade through the Yamoussoukro Declaration for air travel. The chapter interrogated what COMESA and SADC have managed to achieve with regard to their agreements and protocols outlined in the 2008 Tripartite Agreement for the period 2008-2015, as well as the actors and factors that retarded their progress. The chapter highlighted that in 1998, the SADC region was not in a position to merge with COMESA or sign any trade agreements, owing to various reasons such as political and security developments.

This chapter noted that open trade with the EU and US caused divergence for smaller economies and infant industries. It also noted that the hegemonic role of South Africa was important to the integration process of the Tripartite bloc, but, it was also viewed negatively by regional states for example in its investments in the region. This discussion was further supported by Soko's regional analysis of South Africa's role in the region. However, the thesis provides a flipside to the debate of divergence and convergence that is outlined in the neoclassical economics approach of open trade. This contrasting view is expanded in chapter 5 of the thesis, which defines convergence of economic growth, as outlined by Venables, who notes that North-South trade has a more positive outcome for growing economies with the presence of a stronger economy in a regional scheme. Venables' theory is tested in chapter 5 to assess whether multiple memberships hinder or promote integration and how COMESA and SADC (as both institutions and member states) are managing multiple memberships. Therefore, the role of hegemony is taken into account, which assesses South Africa's trade relations within the Southern African Customs Union.

[623] Africa/World News, "COMESA at twenty: of the successes, challenges and promises", *Addis Standard* (7 April 2015), < http://addisstandard.com/comesa-at-twenty-of-the-successes-challenges-and-promises/>.

Chapter 5

Management of Multiple Memberships of COMESA and SADC

5.1 Introduction

The focus of this chapter is on the management of multiple memberships of COMESA and SADC member states, including the EAC member states, which belong to various regional economic communities.Two main questions are posed in this chapter: 1) How are COMESA, the EAC, and SADC (as both institution and member states) managing the issue of multiple memberships? 2) Do multiple memberships hinder or promote integration?

Firstly, the discussions in this chapter will contribute to the core focus of the thesis, that is, the convergence of COMESA, and SADC, which evolved into a Tripartite Agreement in 2008, together with the East African Community. Further efforts were made to promote regional integration and a Tripartite FTA was formed in 2015 by just more than half of the members. This chapter will discuss the management of multiple memberships by both RECs and member states that have hindered convergence for the bloc and will expand the discussion on South Africa and SACU's relations.

As a starting point the chapter posits that the success of convergence of the Tripartite FTA is linked to the achievement of real economic gains and benefits for all member states and these benefits may not be equal. Moreover, convergence of the Tripartite bloc can only occur with a hegemonic presence - a strong member state/s with a strong economy/ies, and the hegemonic state must achieve real economic gains.

In order to contextualise the discussion, on the management of multiple memberships, the chapter notes firstly that, the genesis of multiple memberships are linked to the rationalisation processes of COMESA and SADC of 1997. As was explained in Chapter 3 under the rationalisation process of the two blocs, COMESA and SADC agreed to divide the two regions into a Preferential Trade Area for the South that comprised all SADC member states. Preferential trade arrangements in

the Southern region were to be carried out under the auspices of SADC.[624] The process of separating the two regions into North and South was to evolve over time, and the modalities regarding which area COMESA and SADC member states would want to belong to, had to be determined by individual member states as their sovereign right. Also agreed was that there should be a Preferential Trade Area for the North, which comprised non-SADC countries, and member states from both blocs could choose which REC they wished to join.

Secondly, and as was indicated in Chapter 4, that the 2008 Tripartite Agreement allow member states to liberalise tariffs according to their individual preparedness, namely, the variable geometry approach that had been adopted by the Tripartite bloc. Furthermore, the variable geometry approach was also adopted by individual RECs of SADC, COMESA, and the EAC, where member states were given considerable flexibility in terms of timing and liberalisation of tariffs. The chapter notes that the dilemma for the Tripartite bloc is that its decision to implement a variable geometry approach – allowing for member states of a regional grouping to cooperate in separation from other members, as well as for flexible progression in cooperation in a variety of areas and at different speeds – was an attempt to help manage the multiple memberships of member states.[625] But this approach has hampered regional integration.

Thirdly, when the 2008 Tripartite Agreement was formed (see Chapter 4), member states were allowed to continue bilateral agreements, for example, with Europe and the US. The findings in this chapter will demonstrate that due to rules of origin specified in trade commodities in external trade agreements such as in AGOA agreements – that these arrangements have further complicated the management of multiple memberships for the Tripartite bloc. The chapter therefore shows that given the fact that the Tripartite bloc has not finalised its own policies concerning Rules of Origin, trade liberalisation that is reflective of open markets, is causing polarisation of smaller markets and industries.[626]

The bilateral agreements of AGOA are examples of the polarisation nature of trade and the chapter shows the extent of trade between AGOA schemes and the Tripartite bloc member states

[624] *See also*, SADC Summit Communiques, <http://www.sadc.int/files/3913/5292/8384/SADC_SUMMIT_COMMUNIQUES_1980-2006.pdf>.
[625] COMESA, EAC, and SADC, *Final Communiqué*, p. 3. *See also*, Gathii, "African Regional Trade Agreements", 2010, p. 573.
[626] COMESA, EAC, and SADC, *Memorandum of Understanding on Inter-Regional Cooperation and Integration Amongst COMESA, EAC and SADC*, unpublished official document, COMESA Secretariat August 2014, p. 3.

and the extent of trade divergence. Moreover, this chapter notes that globalisation dictates open markets and trade which creates a contradiction for the Tripartite Agreement's regional integration approaches. These contradictions are not adequately supported within the neoclassical economic approach theory of open trade and regional integration divergence and convergence debates as was discussed in the literature reviewed in chapter 2.

The thesis identifies this as a gap in relation to the theories discussed in chapter 2 and deploys a new theory in support of this discussion in this chapter, defined as: neoclassical economic regional integration which will help in supporting the findings provided here in Chapter 5.

5.2 Management of multiple memberships

This section of the chapter shows as indicated in Table 5.1 the multiple memberships held by members of the Tripartite bloc. This section of the chapter also expands on the economic and political effects on multiple memberships, and provides an understanding why some states join some blocs and not others. The purpose of the discussion is to contribute to the core focus of the thesis: convergence and divergence of the Tripartite bloc. Fourteen of COMESA's 19 member states participated in the FTA it established in 2000. The exceptions are Ethiopia, which has liberalised only 10 percent of its trade; the DRC, which has liberalised none of its trade and is still charging duty on all goods entering the country; Uganda, which has liberalised 80 percent of trade; and Eritrea, which has liberalised only 10 percent of trade. Swaziland, as a SACU member state, is under derogation and not liberalising tariffs.[627] The EAC, besides being member states of COMESA and Tanzania in SADC, is creating its own zone of free trade and has achieved 100 percent liberalisation of trade, as well as forming its own customs union.[628] Under Article 31 of the SACU Agreement (revised in 1969 and 2002), "Swaziland as a COMESA member sought derogations from granting trade preferences to its COMESA trade partners due to its SACU membership."[629] South Africa, as the largest economy in the Tripartite bloc, belongs to one free

[627]Raimo Väyrynen, "Regionalism: Old and New" *International Studies Review*, vol. 5, no.1 (March, 2003), pp.25-51

[628]Trade has been fully liberalised in the EAC, however the community is still faced with extensive non-tariff barriers. *See*,EAC, *Status of Elimination of Non-Tariff Barriers in the East African Community*, vol. 8 (December 2014), <http://www.eac.int/trade/index.php?option=com_docman&task=doc_download&gid=56&Itemid=132>; European Commission, "The Eastern African Community (EAC)", Fact Sheet on the Economic Partnership Agreements (October 2014), <http://trade.ec.europa.eu/doclib/docs/2009/january/tradoc_142194.pdf>.

[629]*See*, Trade Law Centre for Southern Africa (Tralac), *Cape to Cairo: Making the Tripartite Free Trade Area Work* (Tralac: Stellenbosch, 2011), p. 5: "Swaziland has continuously benefited from a derogation to participate in COMESA as a non-reciprocal member of the FTA…. [Its] exporters enjoy non-reciprocal favourable access in COMESA markets while COMESA exporters face trade barriers in Swaziland".

trade area (SADC's) and one customs union (SACU's). Of the AU's 54 member states, 26 are members of two RECs and 20 are members of three RECs. The DRC belongs to four RECs. Of the 14 regional integration groupings in Africa, there are two or more groupings in other sub-regions (for example, both in SADC and COMESA).[630]

Table 5.1: Membership in RECs and FTAs in the Tripartite bloc

COMESA	EAC	SADC	COMESA FTA	EAC FTA	SADC FTA	States belonging to no FTA	Membership in Other RECs	Tripartite Grand FTA (10 June 2015)[631]
Burundi	Djibouti	Angola	Burundi	Djibouti	Botswana	Eritrea	Angola (ECCAS)	Angola
Comoros	Kenya	Botswana	Comoros	Kenya	Lesotho	Ethiopia	Burundi (CEPGL)	Burundi
Djibouti	Rwanda	DRC	Djibouti	Rwanda	Madagascar		Djibouti (CEN-SAD)	Comoros
DRC	Tanzania	Lesotho	Egypt	Tanzania	Malawi		DRC (CEPGL)	the DRC
Egypt	Uganda	Madagascar	Kenya	Uganda	Mauritius		Egypt (CEN-SAD	Djibouti
Eritrea		Malawi	Libya		Mozambique		Eritrea (CEN-SAD)	Egypt
Ethiopia		Mauritius	Mauritius		Namibia		Eritrea (CEN-SAD)	Kenya
Kenya		Mozambique	Rwanda		Seychelles		Libya (CEN-SAD)	Malawi
Libya		Namibia	Seychelles		South Africa		Rwanda (CEPGL)	Namibia
Madagascar		Seychelles	Zambia		Swaziland		Somalia (CEN-SAD) Sudan (CEN-SAD)	Rwanda
Malawi		South Africa	Zimbabwe		Tanzania			Seychelles
Mauritius		Swaziland			Zambia			Sudan
Rwanda		Tanzania			Zimbabwe			Tanzania
Seychelles		Zambia						Uganda
Sudan		Zimbabwe						Swaziland
Tanzania								Zimbabwe
Uganda								
Zambia								
Zimbabwe								

Note*: ECCAS is the Economic Community of Central African States; CEPGL is the Economic Community of the Great Lakes Countries; CEN-SAD is the Community of Sahel-Saharan States.*

Source: United Nations Economic Commission for Africa (UNECA), *Study On the Establishment of Inter-RECs' Free Trade Areas in Africa Drawing on Lessons from the COMESA-SADC-EAC FTA Experience*, 2 May 2011, <http://www.uneca.org/sites/default/files/uploaded-documents/CTRCI-VII/Tripartite_comesa_eac_sadc_fta-study-final-report.pdf>, pp. 14–20.

[630] Väyrynen, "Regionalism: Old and New", 2003, pp. 25-51.

[631] Lopes, "Mega Trade Agreement a Step Forward for the Continent", 2015. *See also*, Gerhard Erasmus, "The Tripartite FTA: Technical Features, Potential and Implementation", *Tralac*(18 June 2015), <http://www.tralac.org/discussions/article/7568-the-Tripartite-fta-technical-features-potential-and-implementation.html>.

The Grand Ethiopian Renaissance Dam (GERD) has also exacerbated tensions with Ethiopia's government remaining wary of Egypt's moves.[632] The Ethiopian government has had several disputes with Egypt, such as that over the Nile River dam (as discussed in Chapter 6). Egypt's deployment of troops in South Sudan and its signing of a bilateral cooperation agreement with South Sudan have further estranged Ethiopia from South Sudan.[633] Hence, when assessing Table 5.1 above, it is clear that Ethiopia has neither reached a position of trust nor the ability to conduct and liberalise tariffs when security and political tensions have been looming large over the region.

In SADC, 13 of 15 member states are in the SADC FTA, excluding Angola and the DRC. There are also tensions that relate to historical relations among the Tripartite bloc's member states. The DRC conflict flared up again in 2011, with the Rwandan-backed March 23 rebel group movement occupying some of the territory in the DRC (discussed in detail in Chapter 6). Porous borders and poor governance have also contributed to the Tripartite's bloc's own set of challenges in obtaining regional convergence.[634] As indicated in Table 5.1, there is extensive overlap, with most member states belonging to more than one REC. Political and economic tensions and examples of divergence are evident. Rwanda and Uganda's conflicts in the DRC have kept the DRC from joining or sharing a zone of trade initially with these member states. Rebel groups supported by Rwandan and Uganda in the DRC[635] have been the centre of an intermittent but long-standing conflict since 1998. However, while the conflict situation in the Great Lakes Region has caused regional divergence, since the move of South Africa, Malawi and Tanzania in coordinating military efforts, in assisting the Great Lakes Region militarily deploying a 3,000-strong Force Intervention Brigade (FIB) in eastern Congo, the regional dynamics changed.

The tense political situation in the Great Lakes region did initially create divergence among the member states of the EAC, but as discussed above, have also caused the convergence of these members' economic policies in trade due to the FIB and its success in combating the M23 rebel

[632] Neamin Ashenafi, "Ethiopia admonishes Eritrea over South Sudan",*The Reporter*, vol. XVIII, no. 916 (29 March 2014), <http://thereporterethiopia.com/issues/Reporter-Issue-916.pdf>.
[633] Neamin Ashenafi, "Ethiopia admonishes Eritrea over South Sudan",*The Reporter*, vol. XVIII, no. 916 (29 March 2014), <http://thereporterethiopia.com/issues/Reporter-Issue-916.pdf>.
[634]*See discussion by*, Tewodros Makonnen and Halellujah Lulie, "Ethiopia, Regional Integration and the COMESA Free Trade Area", *South African International Affairs*, Occasional Paper 198 (August 2014), pp. 1-28.
[635]*See*, International Coalition For The Responsibility To Protect (ICRtoP),<http://icrtopblog.org/2015/01/16/an-indispensable-protection-tool-assessing-the-force-intervention-brigade-in-the-drc/>.

movement. Evidently, on 10 June 2015, the DRC, Tanzania, Rwanda, Uganda, and Burundi were all part of those who signed the Tripartite Grand Free Trade Agreement. This meeting took place in Egypt and only was signed by 16 member states, mainly of the COMESA bloc, based on variable geometry.[636] The 16 member states and signatory to the Tripartite FTA included: Angola; Burundi (EAC); Comoros; the DRC; Djibouti; Egypt; Kenya (EAC); Malawi; Namibia; Rwanda (EAC); Seychelles; Sudan; Tanzania (EAC); Uganda (EAC); Swaziland; and Zimbabwe.[637] Most of SADC's member states (Botswana, Lesotho, Madagascar, Mauritius, Mozambique, South Africa and Zambia); and COMESA's member states (Ethiopia, Eritrea, and Libya), did not sign the Tripartite FTA in June 2015. Though the SACU Secretariat pointed out that it had no intentions of joining the Tripartite FTA,[638] however, two of its member states signed the Tripartite FTA: Namibia and Swaziland. Namibia was among the countries that complained bitterly about South Africa's relationship with the European Union. There were major losses in agricultural produce due to quota-free market access for fish, beef, and grapes.[639] Namibia also complained that South Africa's stringent rules of origin have been a further impediment to intra-regional trade for Southern Africa and that South Africa has prohibited the importation of live animals from Namibia; as a result, costs to the Windhoek government were estimated at R30 billion in establishing agro-processing schemes such as feed-loads and abattoirs to create an environment conducive to trade.[640] Namibia, became signatory to the Tripartite FTA on 10 June 2015.[641] On its part, Swaziland, is hoping to benefit from the AGOA trade within a larger Tripartite FTA and also signed the Tripartite FTA, since the US stopped its trade relations with Swaziland and is discussed later on in this chapter. Eritrea, and Ethiopia, have remained wary of joining the COMESA FTA and fear revenue losses, trade divergence on sensitive products, and loss of protection of their key industries. Ethiopia's fears also concern mainly the country's manufacturing sector and it envisages substantial job losses since it lacks competitive advantages.[642]

[636]Lopes, "Mega Trade Agreement a Step Forward for the Continent", 2015.
[637]Lopes, "Mega Trade Agreement a Step Forward for the Continent", 2015. *See also*, Gerhard Erasmus, "The Tripartite FTA: Technical Features, Potential and Implementation", *Tralac*(18 June 2015), <http://www.tralac.org/discussions/article/7568-the-Tripartite-fta-technical-features-potential-and-implementation.html>.
[638]*Personal Interview*, Windhoek, August 2014.
[639] Mirjam van Riesen, "The Old Man and the Seas: the future of the ACP/EU Relationship", *The Broker*, (June 23, 2011). *See also,* ODI Briefing Paper, "Sanctions and South Africa's Neighbours", 1987.
[640]*Personal Interview*, confidential, 22 August 2014.
[641]Erasmus, "The Tripartite FTA: Technical Features, Potential and Implementation", 2015.
[642] Makonnen and Lulie, "Ethiopia, Regional Integration and the COMESA Free Trade Area", 2014.

Cordial relations also started to exist among Sudan, Ethiopia,[643] and Kenya in particular, with the 4 March 2012 official opening of Lamu Port in Kenya by the former Kenyan President, Mwai Kibaki, and the successful completion of the Lamu Port for Southern Sudan–Ethiopia Transport (LAPSSET) corridor. In July 2013, at the 12th Annual Ethiopian–Djibouti Joint Commission Ministerial Meeting, agreements on trade investment and infrastructure, as well as security and other issues, were reached. These two countries were already executing joint mega-projects, including rail and road infrastructural development and new ports, power and water services. Ethiopia exports 65 megawatt electricity and clean water to Djibouti, in a multimillion-dollar new railway project between Addis Ababa and Djibouti.[644]

In the case of SADC, trade liberalisation takes on an asymmetrical structure in SADC, which means that the 15 countries are classified into three groups: SACU; least developed countries (Angola, DRC, Madagascar, Malawi, Mozambique, Tanzania, Zambia, and Zimbabwe); and developed countries (Seychelles, and Mauritius). With the adoption of the SADC trade protocol and moving towards an FTA, SADC like COMESA also took on a variable geometry approach. SADC's non-SACU members decided to frontload its tariffs within five years of adoption of the trade protocol and bring its tariffs to zero with the exception of a few sensitive products. The Developing Countries agreed to start their tariff reductions earlier than other non-SACU members, while LDCs were allowed to back-load their reduction commitments.[645]

5.3 Variable Geometry and the Tripartite bloc

This section provides a brief account of how COMESA, EAC and SADC (as both institutions and member states) manage multiple memberships. In the area of trade, customs and economic integration, the Tripartite Summit at Kampala, Uganda on 22 October 2008[646] and the Tripartite MOU that came into force on 19 January 2011[647] defined the free trade process and membership agreements (as was discussed in chapter 4). In Article 1 of the MOU, the 2008 Tripartite Summit

[643] *See discussion by*, Makonnen and Lulie, "Ethiopia, Regional Integration and the COMESA Free Trade Area", 2014, pp. 1-28.
[644] Makonnen and Lulie, "Ethiopia, Regional Integration and the COMESA Free Trade Area", 2014, p.13.
[645] *See*,"SACU", SAIIA, January 2007.
[646] COMESA-EAC-SADC Tripartite Summit of Heads of State and Government, Final Communiqué, Kampala, Uganda, 22 October 2008, p.3; *see also*, Article 1 of the Memorandum of Understanding on Inter-Regional Cooperation and Integration Amongst COMESA, EAC, and SADC. Document obtained from COMESA Secretariat, August 2014, p.3.
[647] COMESA-EAC-SADC Second Tripartite Summit Communiqué, 12 June 2011, p.4.

agreed that in establishing the FTA it would take into account the principle of variable geometry, and provide a legal and institutional framework to underpin the FTA. Since the signing of the June 2015 Tripartite FTA, these legal instruments are still being negotiated and are still to be concluded.[648]

The Tripartite bloc's decision to implement variable geometry, which is a principle that allows member states of a regional grouping to cooperate in separation from other members as well as flexibility for progression in cooperation in a variety of areas and at different speeds, was an attempt to help manage the overlapping REC memberships of member states.[649] The Tripartite bloc has also adopted a trade liberalisation framework that is reflective of open markets.[650] Trade liberalisation through bilateral trade agreements further hampers the principle of variable geometry, and appears to contrast with trade protection and incremental integration, since the pace of integration varies between these two approaches: trade liberalisation and variable geometry.

As Gathii[651] contends, variable geometry is a time-tabled approach committing member states to different speeds of economic ability to serve the interests of members belonging to a regional bloc, which provides them with the flexibility to trade. The Tripartite bloc is attempting to harmonise regional policies in trade undertaken for regional economic convergence. Krugman, and Martin[652] note that regional economies dependent on export clusters held together by local Marshallian-type[653] external economies, allow states to reap benefits from specialised labour of

[648]COMESA-EAC-SADC Tripartite Summit, "Communique of the third Tripartite Summit, 2015.
[649]Final Communiqué of the COMESA-EAC-SADC Tripartite Summit of Heads State and Government, *"Vision: Towards a Single Market, Theme: Deepening COMESA-EAC-SADC Integration*", Kampala, Uganda (22 October, 2008), p.3. Document obtained from COMESA Secretariat, August 2014. "Variable geometry is a principle that allows for member states of a regional grouping to cooperate separately from other members as well as flexibility for progression in cooperation in a variety of areas and at different speeds."*See also*, Gathii, "Neo-Liberal Turn in Regional Trade Agreements", 2011.
[650]COMESA-EAC-SADC Tripartite Summit of Heads of State and Government, Final Communiqué, 2008.
[651] Gathii, "African Regional Trade Agreements as Flexible Legal Regimes", *North Carolina Journal of International Law and Commercial Regulation* 35, no. 3 (2010), pp. 666-667. *See also*, Jagdish Bhagwati, *The World Trading System at Risk* (Princeton: Princeton University Press, 1991).
[652]Krugman, "What's New about the 'New Economic Geography'?", 1998, pp.7-17. *See also*, Martin, European Monetary Union Versus the Regions? 2000, pp. 23-24.
[653]Marshall, *Principles of Economics* (London: Macmillan, 1920), cited in, Nattrass, Wakeford and Muradzikwa, *Macro Economics Theory and Policy in South Africa*, 2003, p. 15. "Marshallian-type economies refer to many of the assumptions that are similar to the foundational models for macro-economic and neoclassical models. These are: price adjustment in individual markets to ensure that no surpluses or gluts prevail; wage adjustment to ensure full employment; and the interest rate fluctuates to bring savings into line with investment. Typically it is assumed that under conditions of perfect competition, the operation of market forces will ensure that all resources are optimally allocated. Markets are assumed to be perfectly competitive and characterised by many buyers and sellers,

technological spillover, which also lead to increasing economic returns that further benefit those member states within a regional grouping and place such states in a competitive advantage. States should therefore consider how to build on total factor productivity to boost jobs and skills.

Furthermore, Krugman suggests that "regional trade can benefit in technology and skills transfer in those export clusters (poorer economies) that conduct trade with more advanced economies. Such benefits include a shift in the production of goods to countries which can produce them most competitively and efficiently; improvement in socio-economic welfare due to consumer surplus resulting from lower prices from competitively produced goods; an increase in employment and job creation; and more importantly, comparative advantages and being able to produce and manufacture goods that reflect these advantages, which in turn have the potential to create economies of scale."[654] What this means is that for the Tripartite bloc to become more technologically advanced and competitive, it should not only focus on internal inter-regional trade and value-added and industrialisation-driven policy, but also consider conducting trade outside of the bloc with external partners that benefit its own integration. Competing and becoming competitive have been lacking for the Tripartite bloc, which stifles economic growth with industries not advancing as outlined by both Krugman and Martin.[655]

This chapter purports that the Tripartite member states are conducting trade with external partners like AGOA trade schemes that have challenged the rules of origin associated with similar trade as with the Tripartite bloc, hence the chapter provides a consideration based on the analysis. Gathii contents that trade liberalisation policies have complicated rules of origin that are attached to goods linked to external trade agreements and, conflict with internal settings of rules of origin.[656] Gathii notes:

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homogeneous products, perfect knowledge and perfect factor mobility. The value of the economy is therefore measured by nominal and real values (the equilibrium values of real [real values are obtained by deflating nominal values by a price index] variables (employment, output) are determined in the labour and goods markets, whereas nominal [nominal values are e.g. wages, and output] variables (current prices) are determined in the money market). Given that real variables are not affected by changes in the money supply in such a model, money is then neutral. Hence this generates two parts of the theory: i) a theory of how equilibrium output and employment are determined, and, ii) a theory of how the aggregate price level is determined."

[654] Krugman, "What's New about the 'New Economic Geography'?", 1998, pp.7-17. *See also*, Martin, European Monetary Union Versus the Regions?" 2000, pp.23-24

[655]Krugman, "What's New about the 'New Economic Geography'?", 1998, pp.7-17. *See also*, Martin, European Monetary Union Versus the Regions?" 2000, pp.23-24.

[656] Gathii, "African Regional Trade Agreements as Flexible Legal Regimes", 2010, p. 653.

> "African RTAs [regional trade arrangements] are trade-plus regimes that reflect a broad set of goals and are not simply trade treaties. Seeing African RTAs as regimes adds to the argument that countries that are members of more than one RTA may well regard treaties establishing RTAs as providing a framework for cooperation, but not necessarily as treaties creating binding obligations."[657]

Africa's states have the liberty to form multiple memberships, which states see as offering them the flexibility to retain their sovereignty and accrue benefits.[658] COMESA and SADC's economic integration practices allow further openness of their markets.[659] Prior to the signing of the Grand FTA on 10 June 2015, in a January 2015 report by the COMESA Secretary-General, Sindiso Ngwenya, he provided a detailed account of the failed negotiations towards a free trade area (leading up to the FTA being concluded; and the legal binding treaties that have not been concluded as noted earlier above):

> "Some of the main challenges and pitfalls on the Tripartite FTA have been ambitious tariff liberalisation threshold. The 60 percent to 85 percent liberalisation threshold is less than trade liberalisation thresholds attained under the three REC FTAs, and the failure to respect the principle of *acquis* fully in this respect. The apparent contradiction between some principles, notably between variable geometry, which would allow countries that are ready to make progress while allowing slower countries to join later ... the principle of decision-making by consensus ...resulted in slow progress as countries that were not ready could not allow others to proceed."[660]

According to Trade and legal expert, Gerhard Erasmus he highlighted that:

> "The signing of the FTA Agreement [10 June 2015] is indeed an important development... it will take time before this Agreement will enter into force. The remainder of the negotiations [also discussed in more detail in chapter 4] include Phase 1 (the built-in-agenda); Annex 1 – the Elimination of Customs Duties; Annex II on Trade Remedies and Annex IV on Rules of Origin."[661]

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[657] Gathii, "African Regional Trade Agreements as Flexible Legal Regimes", 2010, p. 653.
[658] Gathii, "African Regional Trade Agreements as Flexible Legal Regimes", 2010, p. 653.
[659] Gathii, "Neo-Liberal Turn in Regional Trade Agreements",2011. *See also*, Panagariya, "The Regionalism Debate", 1999, p. 36.
[660]Sindiso Ngwenya, "Great Strides in Africa's Unity", *The Habari Network:Proposals for a More Effective African Growth and Opportunity Act.* Zambia: the Common Market for Eastern and Southern African States COMESA) (February, 2015), p. 21.
[661]Erasmus, "The Tripartite FTA", 2015.

Nyong'o[662] posits that it would not be possible for COMESA and SADC FTAs to accommodate multiple memberships within a common external tariff and within a customs union. This is not a norm and would be in violation of the GATT article XXIV.[663] All preferential agreements covering trade in services must also be reported under Article 5 of the WTO, regardless of membership. However, Article 5 is less relevant for Africa's RECs, since their trading arrangements generally focus on trade in goods. Africa's RECs experience great difficulty with the wide-open nature of the Enabling Clause. COMESA, for example, is considering reporting under Article 24 to protect itself from complaints concerning displacement of imports. Sri Lanka, for instance, has contended that its tea exports into Egypt have been displaced by Kenyan exports benefiting from COMESA preferences. Hence, under the enabling clause, Sri Lanka can claim that it is entitled to compensation since Egypt has a tariff agreement on tea that was undermined by the preferences.[664] This means that African governments, through their RECs, have designed compensatory mechanisms to ensure losses that arise from liberalisation commitments are recovered and given to the disadvantaged parties. As Gatthi posits that "by foregrounding variable geometry and distributional equity concerns, African RTAs have correspondingly distanced themselves from non-discriminatory free trade".[665] As Panagariya notes, the complexity of regional integration is daunting even in the absence of trade barriers and "crisscrossing FTAs lead to a replacement of non-discriminatory MFN tariffs by a spaghetti bowl whereby tariffs vary according to ostensible origin of the product".[666] The increase in the number of bilateral and regional trade agreements, Bhagwati coined as the "spaghetti bowl".[667] Jenkins, Leape and Thomas define the generally poor regional frameworks that have been created as regional trade initiatives that have achieved very little.

> "… in spite of their political appeal ... [m]any schemes were designed without taking into account members' divergent interests and the conflicting obligations stemming from overlapping [multiple] membership of different regional arrangements; without considering the feasibility of implementation for participating countries; and without assessing members' incentives to comply and their scope for substituting non-tariff barriers for tariffs."[668]

[662]Peter Nyong'o. *Regional Integration in Africa: Unfinished Agenda*, 1990, pp.280-281.
[663]Peter Nyong'o. *Regional Integration in Africa: Unfinished Agenda*, 1990, pp.280-281.
[664]UNECA, "Subnational blocs as Regional Building Blocs", p. 53, <http://www.mcli.co.za/mcli-web/downloads/ARIA4/aria1/Chap3.pdf>.
[665] Gathii, "Neo-Liberal Turn in Regional Trade Agreements", *Albany Law School Legal Studies, Research Paper Series,* no. 40 (2010-2011). *See also*, Gathii, *African Regional Trade Agreements As Legal Regimes* (London: Cambridge University Press, 2011).
[666] Panagariya, "The Regionalism Debate", 1999,pp. 1-60.
[667]Jagdish Bhagwati, *The World Trading System at Risk* (Princeton: Princeton University Press, 1991).
[668]Jenkins, Leape and Thomas (eds.), *Gaining from Trade in Southern Africa*, 2000, pp. 2-3.

On the other hand, Europe is replacing its EU–SA TDCA 1999 agreement with South Africa and is negotiating under the SADC EPA with Southern African countries, in the main, Botswana, Lesotho, Namibia, Swaziland, Mozambique, and South Africa. On 22 July 2014 the first round of negotiations with Europe addressed key trade areas, which had negatively impacted BLNS markets in the past during the 2000s. The renegotiated agreement was scheduled for conclusion by October 2016.[669] The SADC EPA, as the EU's largest trading partner, consists of 6 out of 15 members of SADC (SACU plus 1 [Mozambique]). Europe's exports have dwindled somewhat since South Africa joined BRICS. The 2013 EU exports to Southern Africa totalled 33 billion euros and Southern Africa's main trade to the EU in 2013 totalled 31 billion euros and comprised chiefly: Botswana (diamonds); South Africa (diamonds; platinum; agri-food sector, including wine, sugar, citrus and other fruit; precious stones; metals, uranium, table grapes); Namibia (fish); Swaziland (sugar, fruit and nuts).

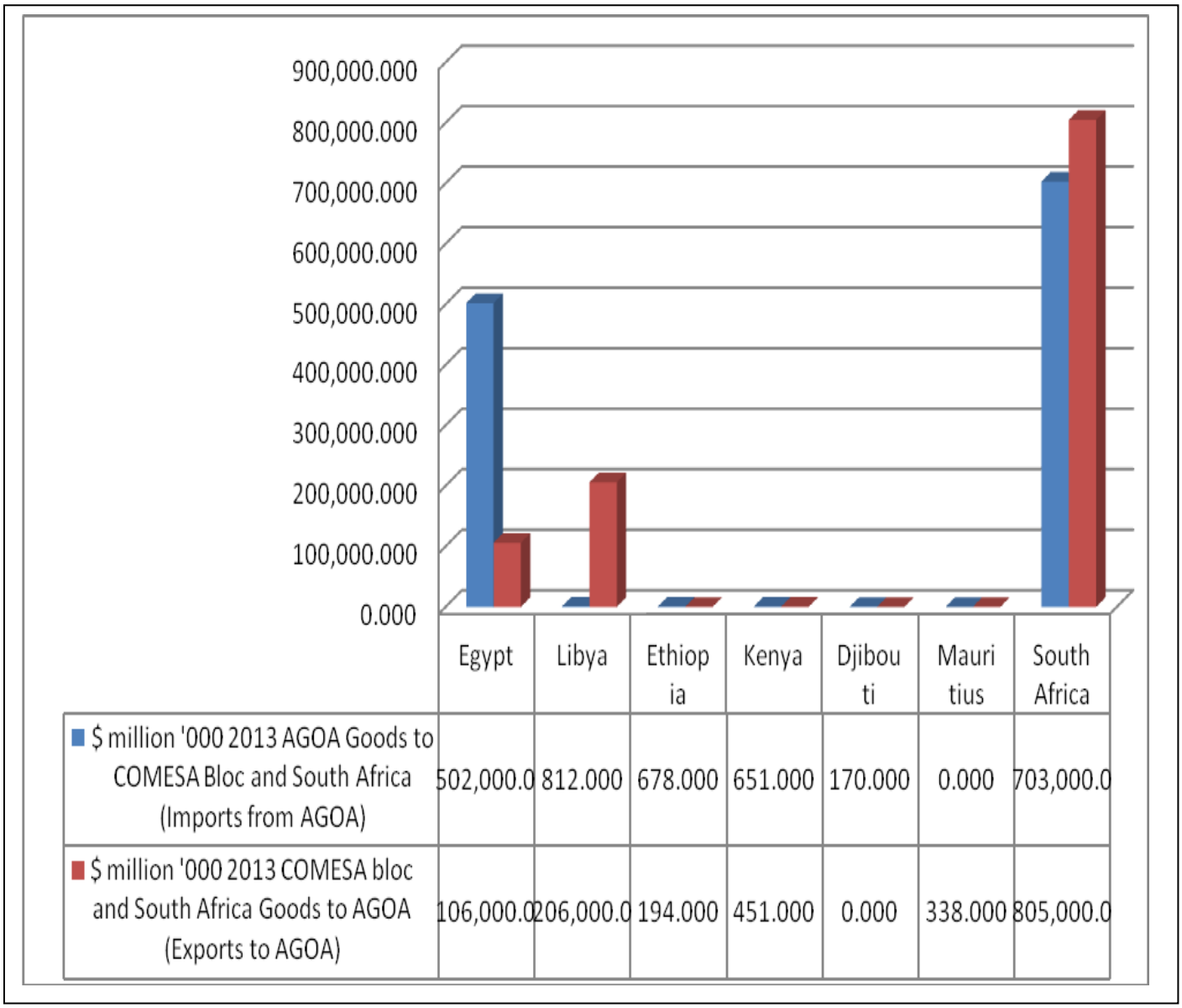
The new SADC EPA agreement includes shielding sensitive sectors from European competitors in their domestic market. In the new negotiations, the EU had to make a commitment and refrain from subsidising its agricultural exports to the region. This the South African negotiators have enforced, or there will be no EPA agreement signed in 2016. A list of 251 EU geographical indications and 105 South Africa geographical indications has been agreed to.[670] Trade can only be to the benefit of the Tripartite bloc economies when the lists of the SADC EPA, the trade lists of the AGOA scheme, and the trade list of the Tripartite FTA are taken into consideration jointly and carefully balanced so that the Tripartite FTA benefits the most. The Tripartite FTA must conclude its own rules of origin trade policy in order to derive maximum benefit. As outlined in chapter four of the thesis, a pilot study should be considered in trade that considers the comparative advantage of the Tripartite bloc in sugar, and leather; and steel.

5.4 Rules of Origin and external trade agreements: AGOA and EPAs

In building on the overall divergence and convergence debate of the thesis, this section of the chapter expands on how external bilateral agreements with the EU and the US, impact on multiple memberships of the Tripartite bloc member states. Trade with the EU's EPAs and the

[669] European Union, Southern African region and the EU complete negotiations for an Economic Partnership Agreement, 22 July 2014, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=940>.
[670] European Union, Southern African region and the EU complete negotiations for an Economic Partnership Agreement, 2014.

United States' AGOA liberalisation policies have complicated rules of origin attached to their goods.[671] The goal of non-discriminatory trade under the GATT/WTO rules of origin, a ten-year assessment known as the Sutherland report is inconsistent with regards to rules of origin in multiple regional trade agreements, which hamper trade flows.[672]



	Egypt	Libya	Ethiopia	Kenya	Djibouti	Mauritius	South Africa
$ million '000 2013 AGOA Goods to COMESA Bloc and South Africa (Imports from AGOA)	502,000.0	812.000	678.000	651.000	170.000	0.000	703,000.0
$ million '000 2013 COMESA bloc and South Africa Goods to AGOA (Exports to AGOA)	106,000.0	206,000.0	194.000	451.000	0.000	338.000	805,000.0

Figure 5.1: Major partners of COMESA and South Africa with AGOA market in 2013
Source: Adopted from <https://ustr.gov/countries-regions/africa/regional-economic-communities-rec/common-market-eastern-and-Southern-africa-comesa>

[671] Ngwenya, "Great Strides in Africa's Unity", 2015.
[672] Gathii, "African Regional Trade Agreements as Flexible Legal Regimes", 2010, p. 658. *See also* Panagariya, "The Regionalism Debate", 1998.

In the case of COMESA–EAC–SADC, each REC, namely, COMESA's FTA, EAC's FTA, and SADC's FTA, has its own rules of origin, which vary across products and transition phases; hence there are several different tariff rates complying with the tariff rates assigned to the products. The lists of sensitive products in SADC for example, came to the fore when South Africa signed the Trade Development and Corporation Agreement in 1999 with the European Union.[673]

The requirements in SADC are for example, that garments must be produced from regionally produced textiles; fabric must be made from regionally produced yarn; yarn must be made from un-carded, uncombed fibre or from chemical products.[674] Multiple memberships diminish trade capacity, since the Tripartite bloc has to conform to various ROOs under various regional economic communities' requirements. Rules of origin are to protect trade and therefore restrict trade within a liberalised trade regime of the Tripartite bloc. These rules have become major obstacles to convergence and the COMESA–EAC–SADC bloc has not completed the negotiating process, which has been a continuous one since the Tripartite FTA was only signed by 16 member states and Annex IV of the Tripartite FTA on Rules of Origin has not been finalised.[675] SADC's own trade protocol objectives were particularly strained during the slow progress in ratifying the rules of origin for clothing, textiles and cane sugar. South Africa had excluded a list of sensitive products from duty-free entry into its market, including, dairy; wheat and wheat products; sugar and sugar confectionary; cotton, knitted or crocheted fabrics, and knitted or crocheted clothing; leather footwear; and motor vehicles. These were classified under Category C of sensitive products. Moreover, multilateral and international trade agreements offer the MFN tariff to only one trade partner, and to date such clauses have benefited European agreements in the main, leaving regional arrangements vulnerable.[676] Brenton, Flanders, and Kalenga[677] note:

> "Rather than facilitating development through trade, the Trade Protocol will replace transparent and declining tariff barriers in important sectors with complex and more restrictive input sourcing

[673]Friedrich Ebert Stiftung (FES), "Deepening Integration in SADC",*Regional Integration in Southern Africa*, vol. 6 (December 2006).
[674]Friedrich Ebert Stiftung, "Deepening Integration in SADC", 2006.
[675]Erasmus, "The Tripartite FTA", 2015. *See also*, COMESA-EAC-SADC Tripartite Trade and Customs Committee Meeting, 9 February 2015.
[676]Brendan Vickers, "SADC's International Trade Relations", in, Harvey (ed.), *Proceedings of the 2009 the Formative Process Research on Integration in Southern Africa [FOPRISA] Annual Conference*, 2010, pp.129-149.
[677]Paul Brenton, Frank Flatters and Paul Kalenga, "Rules of Origin and SADC: The Case for Change in the Mid Term Review of the Trade Protocol", *Africa Region Working Paper Series*, no. 8 (June 2005).

requirements that will diminish trade, increase transactions costs, reduce flexibility of producers and make the region a less attractive place to invest. Restrictive rules of origin might be in the interests of particular producers that wish to avoid new competition in their domestic markets. By the same token, however, such rules will make it impossible for them to compete in other regional markets, make it difficult if not impossible to benefit from attractive sourcing opportunities in the region and elsewhere, and will deprive downstream users, both producers and final consumers of the benefits of preferential tariff reductions."[678]

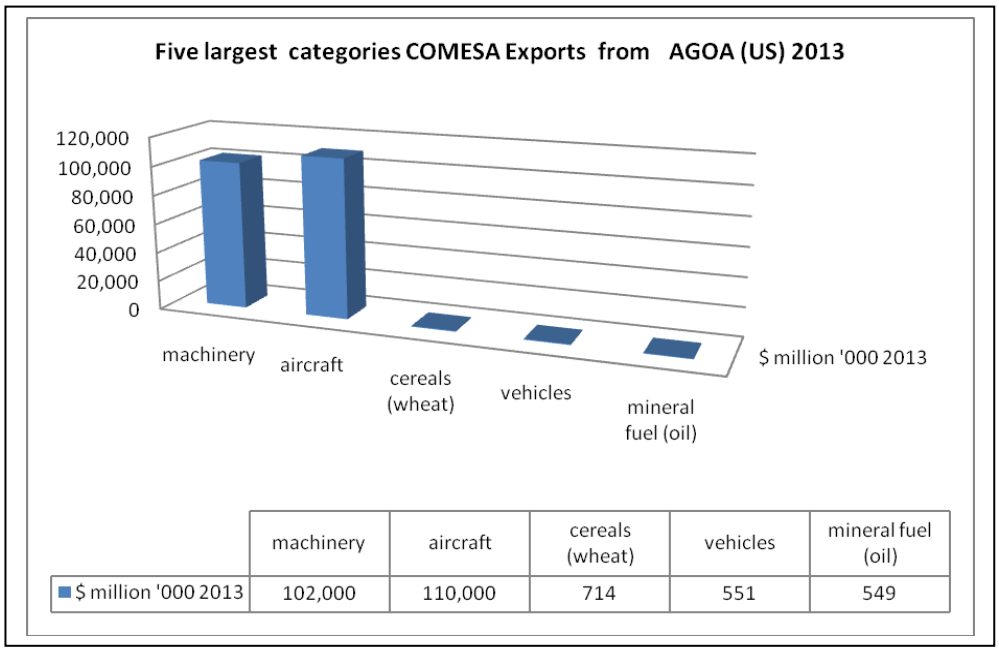


Figure 5.2: Five top export commodities from AGOA to COMESA in 2013
Source: Adopted from <https://ustr.gov/countries-regions/africa/regional-economic-communities-rec/common-market-eastern-and-Southern-africa-comesa>

To demonstrate the levels of trade with AGOA markets as an example of how trade with various rules of origin is causing difficulties in the management of multiple memberships for the Tripartite bloc, this is shown in Figure 5.1. COMESA and South Africa's trade with AGOA in Figure 5.1, also outlines AGOA's main export markets. The table also shows South Africa in the top category alongside those of Egypt and Libya. Top US export markets with COMESA member states and South Africa in 2013 were: Egypt – $5.2 billion; Libya – $812 million; Ethiopia – $678 million; Kenya – $651 million; and Djibouti – $170 million. South Africa was the United States' 39th largest supplier of imported goods, with total imports from South Africa

[678]Brenton, Flatters and Kalenga, "Rules of Origin and SADC: The Case for Change in the Mid Term Review of the Trade Protocol", 2005, p, iv. *See also*, Gathii, "Neo-Liberal Turn in Regional Trade Agreements", (2010-2011); and, Gathii, *African Regional Trade Agreements As Legal Regimes*, 2011.

at $8.5 billion in 2013, and AGOA's exports to South Africa totalled $7.3 billion in 2013. The major economies like South Africa, Kenya, and Egypt have continued to conduct more trade with external partners like the US and the EU than with its regional partners, and external trade with external businesses and trading partners is progressively pursued as seen in the AGOA trade imports and exports.[679] Flatters have also noted that trade agreements conducted outside of the blocs, as in the case of the Tripartite bloc, distort trade. Rules of origin specify when a product qualifies for duty-free movement within a regional trade agreement and the proportion of value to be added if it originates within the trade bloc, or whether it is required that a product undergo a substantial amount of transformation to allow it as a product for trade as per the stipulated requirements.[680]

Figure 5.2 shows the top export commodities from AGOA markets to COMESA: machinery ($1.2 billion), aircraft ($1.1 billion),wheat($714 million), vehicles ($551 million), and oil ($549 million).

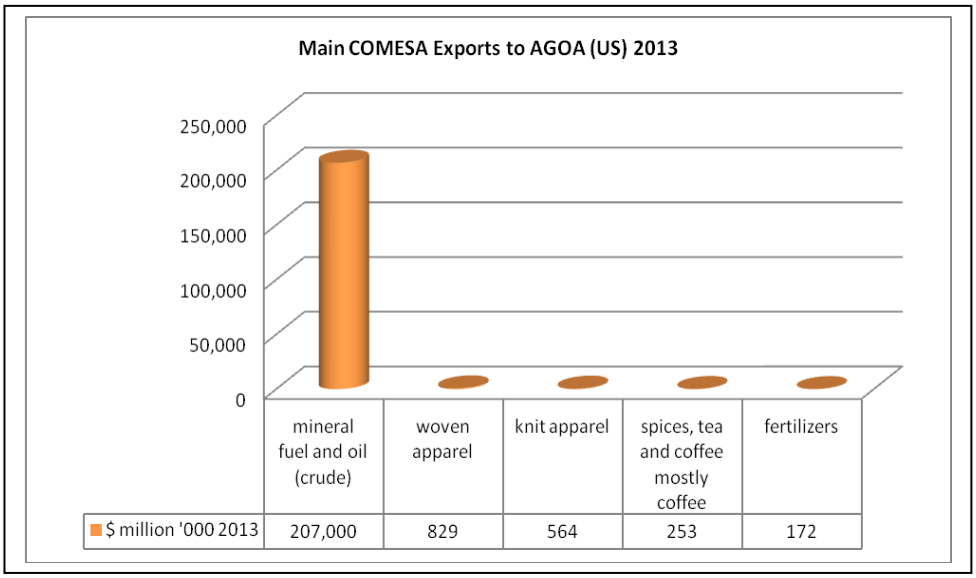


Figure 5.3: Major export goods in 2013 from COMESA to AGOA
Source: Adopted from <https://ustr.gov/countries-regions/africa/regional-economic-communities-rec/common-market-eastern-and-Southern-africa-comesa>

[679] US AGOA trade with COMESA,<https://ustr.gov/countries-regions/africa/regional-economic-communities-rec/common-market-eastern-and-Southern-africa-comesa>.
[680] Brenton, Flatters and Kalenga, "Rules of Origin and SADC: The Case for Change in the Mid Term Review of the Trade Protocol", 2005.

Figure 5.3 shows the major export goods in 2013 from COMESA to AGOA: mineral fuel and crude oil ($2.7 billion), woven apparel ($829 million), knitted apparel ($564 million), spices, tea and coffee ($253 million), and fertilizers ($172 million).[681]

The primary products exported through the AGOA agreement, besides the extensive list of 316 tariff lines, are also based on the primary products of COMESA–EAC–SADC Tripartite members' trade with the US, and directly impact on the fabric origin rule for apparel. The third country fabric provision had changed, with textiles in Lesotho decreasing from 21 percent in 2006 to 12 percent of total textile trade with AGOA.[682] The AGOA Committee on Ways and Means and trade committees focus largely on US preference programmes. US imports of private commercial services (excluding military and government) were $1.9 billion in 2012 for travel, while the other private services (business, professional, and technical) accounted for most of US services imports from South Africa.[683] US President, Barrack Obama, had extended his private sector budget proposal and AGOA trade fund for another 15 years from September 2015 to September 2030. The extended AGOA agreement, according to Lande, President of Manchester Trade, and commonly known as the "father of the Generalized System of Preferences of GATT",[684] indicates that although AGOA provides duty-free access for 97.5 percent of all tariff lines, there are still 316 tariff lines, mostly in agriculture, that are not currently included under the second AGOA.

With the EAC, the United States had $1.8 billion in total goods during 2013. Exports totalled $1.2 billion and imports totalled $597 million. US trade exports to the EAC in 2013 were $1.2 billion, with Kenya ($651 million); Tanzania ($420 million); Uganda ($125 million); Rwanda ($25 million); and Burundi ($17 million). US exports of agricultural goods to EAC countries totalled $127 million in 2013. These included: pulses ($23 million) and coarse grains ($22 million).

[681] US AGOA trade with COMESA, <https://ustr.gov/countries-regions/africa/regional-economic-communities-rec/common-market-eastern-and-Southern-africa-comesa>.*See also*, Nomfundo Xenia Ngwenya, "The United States", in, Saunders, et al. *Region-building in Southern Africa*, 2012, pp. 264-281.
[682]Heto, "An AGOA with Uneven Teeth", 2015, p. 8.
[683]AGOA trade with Southern Africa, <http://www.ustr.gov/countries-regions/africa/Southern-africa/south-africa>.
[684] Stephen Lande, "The Lande Opus on a Transformational AGOA", "Great Strides in Africa's Unity", *The Habari Network*, 2015, pp. 4-6.

US goods imported from the EAC countries totalled $597 million in 2013 with partners Kenya who is also a major trading partner of the US as noted earlier in figure 5.1 ($451 million); Tanzania ($70 million); Uganda ($47 million); Rwanda ($24 million); and Burundi ($4 million). Goods exported from EAC to US were knitted apparel ($171 million); woven apparel ($148 million); spices, coffee, and tea ($119 million); edible fruit and nuts ($31 million); and precious stones ($22 million). EAC agricultural exports to US markets in 2013 comprised unroasted coffee ($111 million) and tree nuts ($31 million).[685]

Panagariya provides an illustration of the spaghetti-bowl concept in FTAs as opposed to customs unions:

> "Member countries fear that imports from outside countries destined to a high-tariff member may enter through a low-tariff member … or entrepreneurs in the low-tariff country may import a product in almost finished form, add a small value to it and export it to the high tariff country free of duty."[686]

Therefore to avoid trade diversion, FTA agreements need to take into account the rules of origin and specify such rules "according to which products receive the duty-free status and only if a pre-specified proportion of value added in the product originates within the union."[687]

5.5 Regional arrangements in multiple memberships: Hindrance or promotion?

The first purpose of the discussion in this section will show that multiple memberships are linked to real economic gains for all parties irrespective of economic strength. If there are real economic benefits derived in another regional trade agreement/scheme there will be divergence in the Tripartite FTA. The second purpose of this section is to demonstrate economic benefits derived over a long-run convergence period in a regional trade agreement, and states can come on par with the stronger economy. In this instance SACU is expanded on. These findings further show that if real economic growth is derived in a regional scheme, relations among member states will be strengthened in such a scheme. SACU member states will therefore be at liberty to choose which regional scheme they wish to join based on real economic growth. Hence, greater economic benefits experienced in one scheme, will diverge integration in another – and in this

[685] US trade with EAC, <http://www.ustr.gov/countries-regions/africa/regional-economic-communities-rec>; <https://ustr.gov/countries-regions/africa/regional-economic-communities-rec/east-african-community>.
[686] Panagariya, "The Regionalism Debate: An Overview", 1999, p. 36.
[687] Panagariya, "The Regionalism Debate: An Overview", 1999, p.36.

instance divergence will be seen in the Tripartite FTA. The section also shows that greater economic benefits in a regional scheme can only be achieved with the presence of a strong partner or hegemonic state in a regional scheme and the willingness for the hegemon to be a "paymaster". The discussion further outlines that in order for the integration process to work the hegemonic state, which is incentivising the regional group, must therefore too experience real economic gains and derive real economic benefits. This section will also provide effective ways and means of how the Tripartite bloc could better manage multiple memberships and guard over the member states as South Africa has been doing in SACU.

Multiple memberships have been compounded at the individual REC levels of COMESA, EAC, and SADC. Member states are still faced with the difficulties of negotiating with stronger member states like South Africa. According to Vickers, former official in the Policy Research Unit at the South African Department of Trade and Industry, that South Africa is enlarging its market to place it in a position to deal effectively with domestic challenges, which is a key objective of its regional developmental approach.[688] However, South Africa also protects its markets and productive firms through implementing high domestic entry barriers in the various sectors and protecting imports, which preserves market shares of less productive and less innovative firms in some sectors, this is believed to place regional firms at risk.[689] These policies are also viewed negatively by regional partners and seen as impacting on trade that is becoming a challenge and hurdle to trade competition policies as well as a high regional trade barrier. For example, at the 34th SADC Heads of State and Government Summit in August 2014, Zimbabwe's President Robert Mugabe noted:

> "... we appeal to South Africa, which is highly industrialised, to lead us in this [industrialisation] and work with us, and cooperate with us and not just regard the whole continent as an open market for products from South Africa. We want a reciprocal relationship where we sell to each other [and] not just receiving products from one source."[690]

[688]Brendan Vickers, "South Africa's Trade Strategy and the BRICS", 2012. *See also*, South African Government News Agency, "SADC Ministers discuss integration, industrialisation", *SA News Agency*, 28 April 2015, <http://www.sanews.gov.za/africa/sadc-ministers-discuss-integration-industrialisation>.
[689] World Bank, "South Africa Economic Update: Focus on Export Competitiveness", 2014, p. 31.
[690]*Personal Interview* conducted in Zambia, August 2014 with key COMESA officials who attended this Summit. *See important press release*, Everson Mushava and Owen Gagare, "Red Faces as SA, Namibia, Refuse to Sign SADC Trade Protocol" *News Day* (19 August 2014),<https://www.newsday.co.zw/2014/08/19/red-faces-sa-namibia-refuse-sign-sadc-trade-protocol/>.

At the same SADC August 2014 Summit, South Africa was not in a position to sign the SADC Trade Protocol Services Agreement, and Namibia similarly refused. At the SADC level, Robert Mugabe, presiding in the Chair, expressed his disappointment at South Africa's one-sided trade practices at the SADC summit at Victoria Falls in August 2014.[691] Zimbabwe went on to sign a $533 million power project with China and a further $3 billion deal with Russia to jointly mine platinum in Zimbabwe, with Moscow providing the investment funds. This move was a counter-move by Mugabe, based on South Africa's one-sided deals in excluding Zimbabwe from the platinum deal.[692] Hence, from the Tripartite bloc perspective, SACU/South Africa have been changing the negotiating mood in the Tripartite bloc. As the SACU Secretariat officials have pointed out,[693] they are looking at how to attract "swing countries"[694] in widening their negotiation reach for strategic reasons such as population size, which provides a larger market, GDP, and natural resources.

In considering economic growth linked to benefits of regional schemes, this section focuses on the theory of Venables that suggests that trade liberalisation with external partners in north–south regional trade agreements can bring about economic development and growth in per capita gross national income for poorer economies in a regional trade agreement. Venables observes that in an FTA that has a member with a high income relative to that of the rest of the world, the lower-income members are likely to converge with the high-income partner and benefit from the FTA. Venables therefore suggests that developing countries are likely to be better served by north–south than by south–south FTAs. This discussion takes into account economic convergence over a long run of nine years (2005–2013).[695] A neo-classical economic approach should predict that open trade will produce convergence.

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[691] *Personal Interview* conducted at COMESA Secretariat, 22 August 2014. *See also*, Everson Mushava and Owen Gagare, "Red faces as South Africa, Namibia refuse to sign SADC Trade Protocol", *News Day* (19 August 2014), <https://www.newsday.co.zw/2014/08/19/red-faces-sa-namibia-refuse-sign-sadc-trade-protocol/>.

[692] *See*, "Zim starts $533 million power project with China", <http://www.fin24.com/Economy/Zimbabwe-Russia-sign-3bn-platinum-deal-20140916>. *Personal Interview*, Confidential, 2014.

[693] *Personal Interview* conducted at SACU Secretariat, August 2014.

[694] *See description of* "swing countries" *by*,Peter Draper, Durrel Halleson and Philip Alves, "SACU Regional Integration and the Overlap Issue in Southern Africa: From Spaghetti to Cannelloni?"*South African Institute of International Affairs*, Trade Policy Report no. 15 (January 2007), p. 21. A swing country is defined in the region by SACU as a country whose decisions will have significant bearing on SACU's trade significantly with South Africa/SACU fall into this category. These countries are Zimbabwe, Zambia, Malawi, Angola, the DRC and Kenya because of their population size, GDP and access to natural resources.

[695] The range 2005-2013 has been chosen as the assessment period because it is the period for which the most accurate relevant data are available from the World Bank Economic Indicators.

Barro and Sala-i-Martin provide a further understanding of economic growth convergence as a result of trade liberalisation by describing two levels of convergence in their model: beta-convergence, or absolute convergence (also called the "catch-up" process), and sigma-convergence, when the dispersion among a group of countries decreases over time.[696]

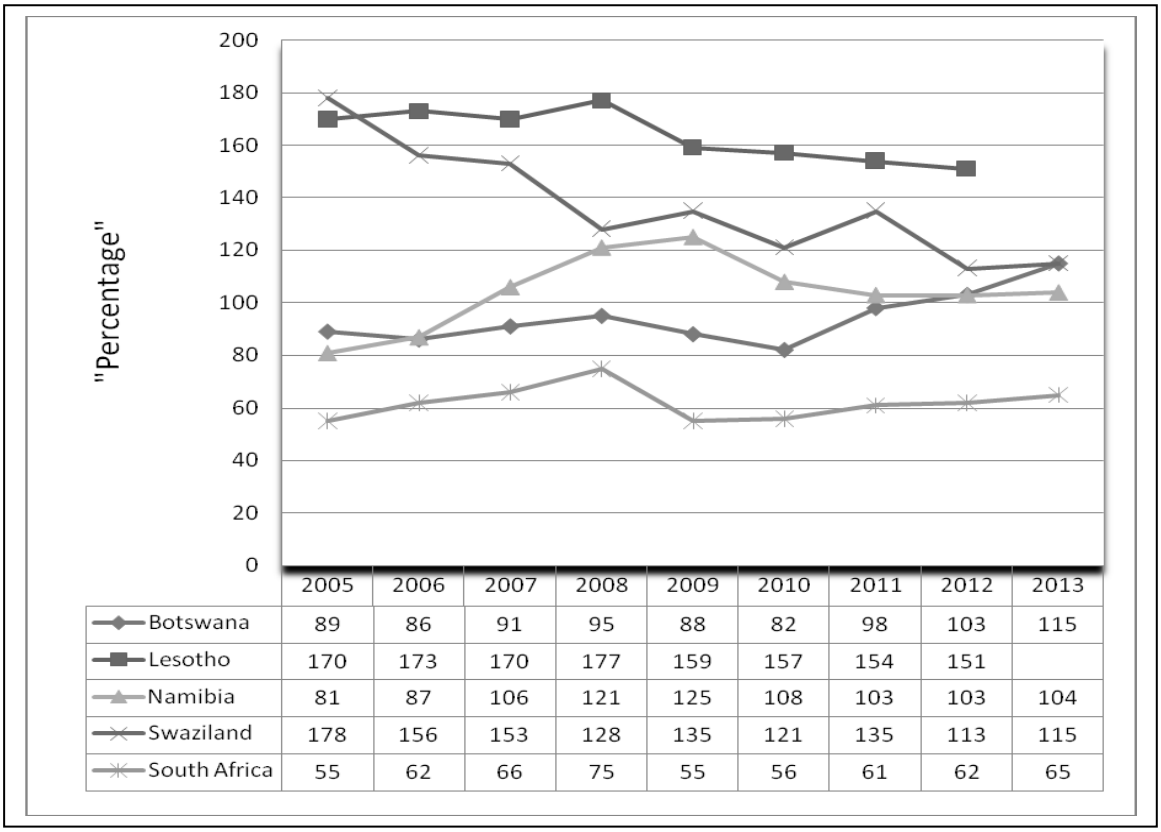
States' preservation of their membership in SACU, while also being member states of the Tripartite bloc, exacerbates the problem of managing multiple memberships.[697] The SACU Secretariat has already stated that the region has no intention of joining a COMESA–EAC–SADC FTA, because of the extensive tariff adjustments required.[698] But as we can see that Swaziland and Namibia both signed the Tripartite FTA on 10 June 2015.

South Africa was also trading more with BRICS and slowly reducing trade with Europe because of the severity of the trade agricultural subsidies of Europe's farmers on the Southern African market as was discussed. Though Europe's trade with South Africa is still more than China's it is declining. Hence, from 2000 to 2012, South Africa's exports to other BRIC members (Brazil, Russia, India, China) rose from 5 to 19 percent of its total exports. Over the same period, the EU's share of South African exports declined from 60 percent to 21 percent. South Africa's exports to East Asia were R10.96 billion and total imports were R12.16 billion.[699] During the financial crises of 2009 and 2010, South Africa formalised its relationship with China, mainly through BRIC.[700] South Africa attempted to take advantage of the industrialised markets; its exports exploded and did exceedingly well, as was noted by the World Bank in their economic update report on South Africa.[701] The report noted that South Africa should adopt an inward-looking trade strategy. Its finding was that the lower competitiveness in Africa's markets and regional export markets was ineffective and could not compete against an outside market. South African firms stood a better chance in the region, since African markets are less likely to demand high standards and superior quality of exports from South African firms than European markets would demand.[702] South Africa, is also determined to remain attached to SACU because of the awkward position it was put in when listed as a "developed" country during the Uruguay Round

[696] Barro and Sala-i-Martin, "Convergence Across States and Regions", 1991, pp. 112-113.
[697] "COMESA-EAC-SADC Tripartite Trade and Customs Committee Meeting", Update, 9 February 2015.
[698] *Personal interview*, Windhoek, August 2014.
[699] Hudson, 2007.
[700] World Bank, "South Africa Economic Update Focus on Export Competitiveness", 2014, pp.24-29.
[701] World Bank, "South Africa Economic Update Focus on Export Competitiveness", 2014, p. 24.
[702] World Bank, "South Africa Economic Update Focus on Export Competitiveness", 2014, p. 29.

of WTO negotiations (1986–1994).[703] Since then, South Africa has been negotiating at the WTO to be recognised as a special case requiring additional flexibility related to its membership of SACU.[704]

Venables addresses income convergence in trade liberalisation in free trade agreements with a high-income member.[705] This chapter is concerned with trade growth, which will have spillover effects and benefits for smaller economies and poorer countries over the long-run. If countries discern benefits over time, they will remain in a regional grouping and thus economic convergence in the grouping will occur, as it did in the case of SACU.



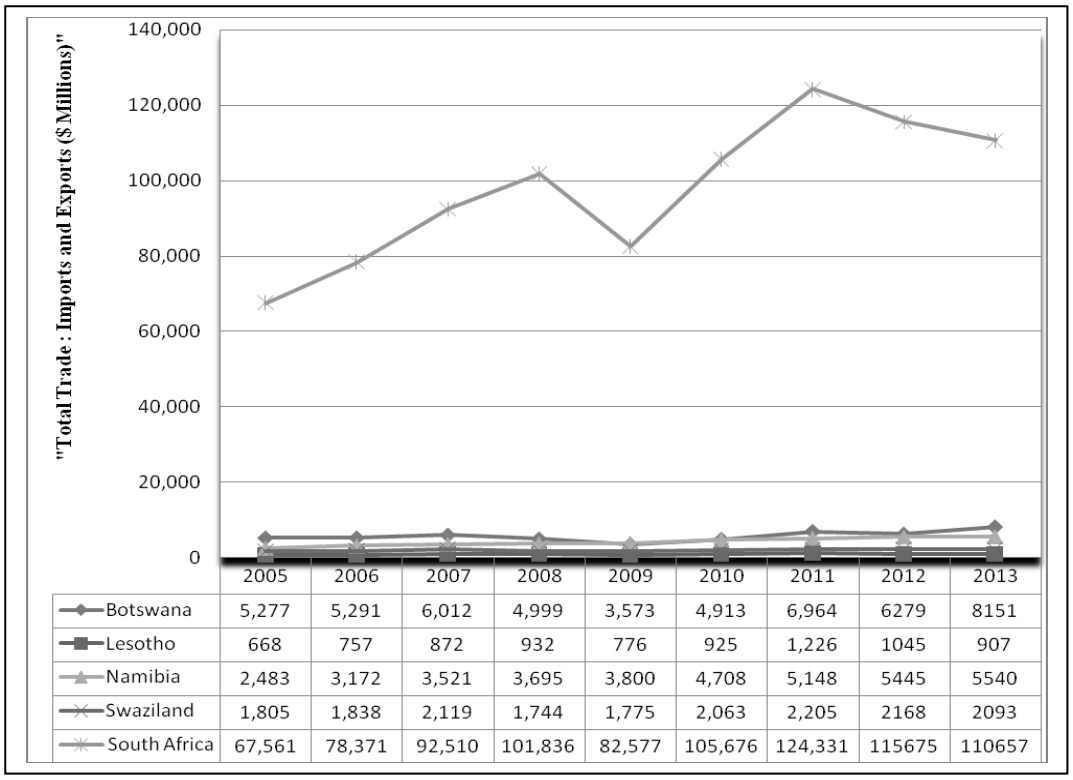
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Botswana	89	86	91	95	88	82	98	103	115
Lesotho	170	173	170	177	159	157	154	151	
Namibia	81	87	106	121	125	108	103	103	104
Swaziland	178	156	153	128	135	121	135	113	115
South Africa	55	62	66	75	55	56	61	62	65

Figure 5.4. SACU trade as a percentage of GDP, 2005–2013
Source: World Bank, "Trade (% of GDP)", <http://data.worldbank.org/indicator/NE.TRD.GNFS.ZS>

Two variables are therefore relevant here: total trade as a percentage of GDP, and growth of total trade over a long-run period of nine years. Growth in trade in the BLNS countries is of critical

[703] Vickers, "South Africa's Economic Diplomacy in a Changing Global Order", 2012, pp. 112-138.
[704] Vickers, "South Africa's Economic Diplomacy", pp. 129-130. *See also* Richard Gibb, "Southern Africa in Transition: Prospects and Problems Facing Regional Integration", *Journal of Modern African Studies* 36, no. 2 (1998), pp. 287-306.
[705] Venables, "Regional Integration Agreements: A Force for Convergence or Divergence?" 1999.

importance and will lead to overall GDP growth. The economic gap between these countries and those with stronger economies is so great that attainment of economic parity is highly unlikely; for instance, in 2013, South Africa had a GDP of $366 billion compared with Lesotho's $2.3 billion.[706]



	2005	2006	2007	2008	2009	2010	2011	2012	2013
Botswana	5,277	5,291	6,012	4,999	3,573	4,913	6,964	6279	8151
Lesotho	668	757	872	932	776	925	1,226	1045	907
Namibia	2,483	3,172	3,521	3,695	3,800	4,708	5,148	5445	5540
Swaziland	1,805	1,838	2,119	1,744	1,775	2,063	2,205	2168	2093
South Africa	67,561	78,371	92,510	101,836	82,577	105,676	124,331	115675	110657

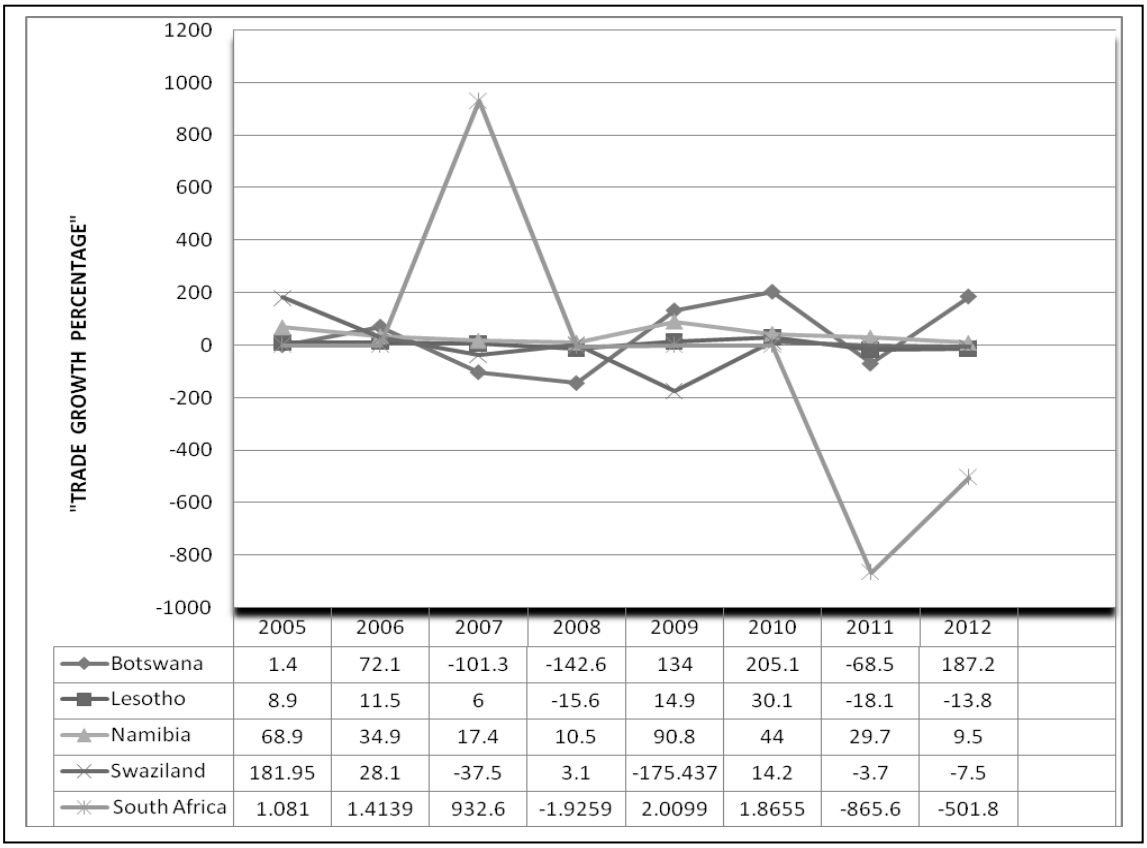
Figure 5.5: Total trade of SACU member states, 2005–2013
Source: United Nations Conference on Trade and Development (UNCTAD) statistics database, http://unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx?sCS_referer=&sCS_ChosenLang=en

Figure 5.4 shows that growth in trade as a percentage of total trade of poorer countries has improved relative to growth in trade as a percentage of total trade of South Africa, particularly for Lesotho and Swaziland. The convergence between Lesotho, Swaziland, and South Africa in total trade as a percentage of GDP provides evidence for beta-convergence over the long-run period of 2005–2013. Whereas Botswana and Namibia have experienced growth in trade, this does not indicate divergence, but instead demonstrates that these two countries have grown more as smaller economies belonging to an FTA with a strong partner (namely South Africa). Figure 5.4 also shows that South Africa's trade growth as a share of GDP is smaller than trade growth for

[706] World Bank, "GDP (current US$)", <http://data.worldbank.org/indicator/NY.GDP.MKTP.CD>.

some countries in the BLNS group during this period. Botswana in particular experienced 12 percent growth for the period 2012–2013, while South Africa had three percent. Swaziland's growth increased by two percent for the same period; Lesotho had no growth, because of political violence during this period, particularly in 2013.[707]

As Venables' theory postulates, conducting trade with a stronger economic partner that trades more with stronger external economies can benefit smaller economies within a regional grouping. To demonstrate the total trade growth of individual SACU members and whether there are benefits for poorer countries belonging to an FTA with a wealthy partner, Figure 5.5 analyses total trade over the same nine-year period, 2005–2013. Figure 5.6 shows convergence in trade growth.



	2005	2006	2007	2008	2009	2010	2011	2012
Botswana	1.4	72.1	-101.3	-142.6	134	205.1	-68.5	187.2
Lesotho	8.9	11.5	6	-15.6	14.9	30.1	-18.1	-13.8
Namibia	68.9	34.9	17.4	10.5	90.8	44	29.7	9.5
Swaziland	181.95	28.1	-37.5	3.1	-175.437	14.2	-3.7	-7.5
South Africa	1.081	1.4139	932.6	-1.9259	2.0099	1.8655	-865.6	-501.8

Figure 5.6. Trade growth of SACU member states, 2005–2012
Source: *UNCTAD statistics database,* <http://unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx?sCS_referer=&sCS_ChosenLang=en>

[707] "Fears of More Violence in Lesotho After Killing of Ex-Army Boss", News24 (29 June 2015), <http://www.news24.com/Africa/News/Fears-of-more-violence-in-Lesotho-after-killing-of-ex-army-boss-20150629>.

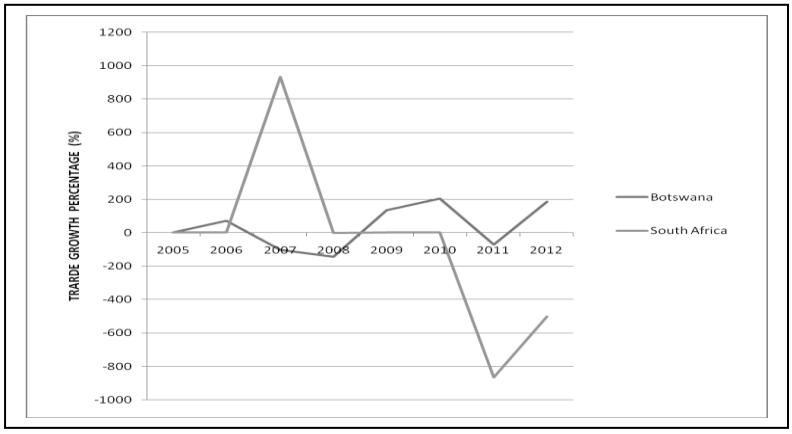


Figure 5.7. Trade growth convergence of Botswana and South Africa, 2005–2012.
Source: *UNCTAD statistics database,*<
http://unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx?sCS_referer=&sCS_ChosenLang=en>

Figure 5.7 shows the trade growth of Botswana and South Africa, and the trade growth convergence point for these two countries, for the period 2005–2012.

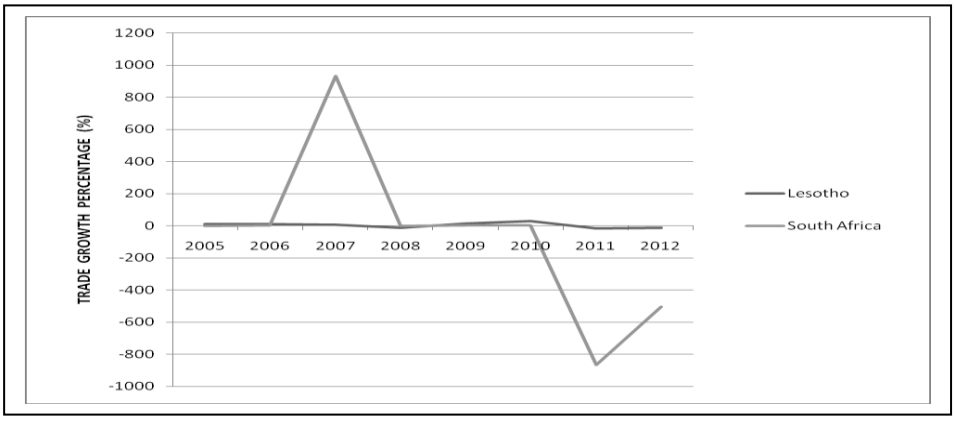


Figure 5.8 Trade growth convergence of Lesotho and South Africa, 2005–2012
Source:*UNCTAD statistics database*,
<http://unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx?sCS_referer=&sCS_ChosenLang=en>

Figures 5.8 to 5.10 show the convergence points, respectively, for Lesotho (2008–2009), Namibia (2006 and 2008–2009), and Swaziland (2006, 2008, and 2010) with South Africa.

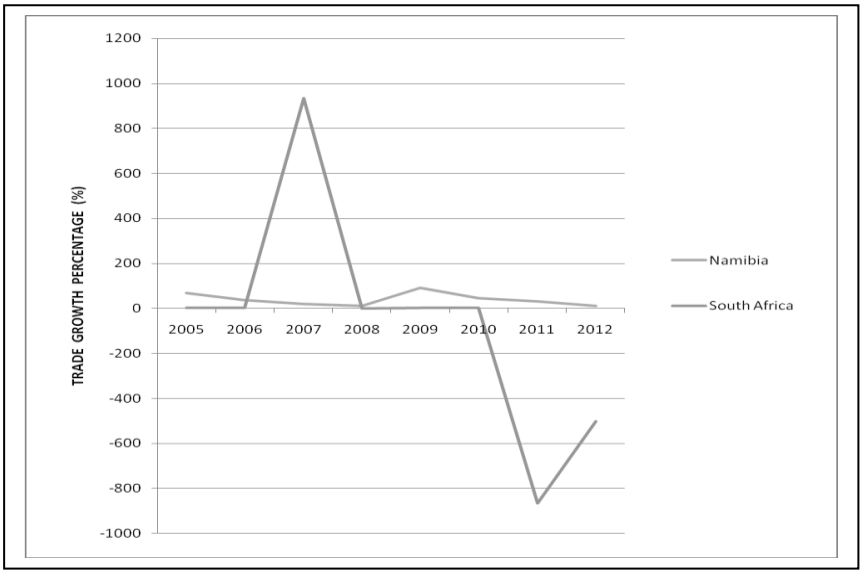


Figure 5.9. Trade growth convergence of Namibia and South Africa, 2005–12.
Source: UNCTAD statistics database,<http://unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx?sCS_referer=&sCS_ChosenLang=en>

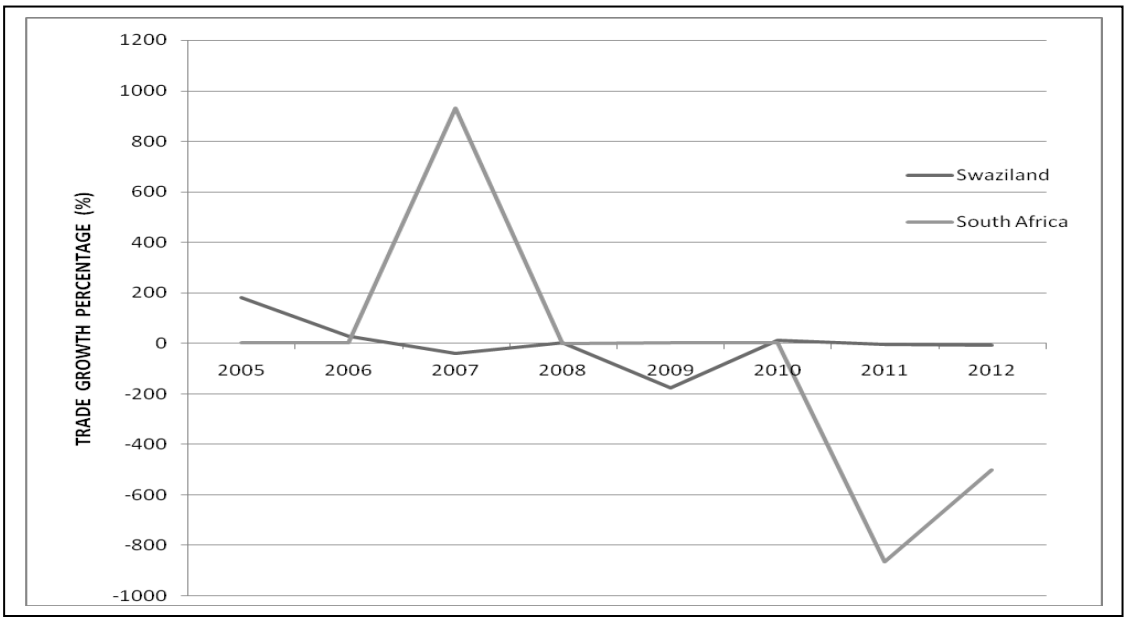


Figure 5.10.Trade growth convergence of Swaziland and South Africa, 2005–2012
Source: *UNCTAD statistics database,*
<http://unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx?sCS_referer=&sCS_ChosenLang=en>

These convergence points illustrate when the smaller economy's trade begins to achieve parity with that of the rich partner in a regional trade grouping, and shows that over a long-run period, poorer countries' trade growth increases. It also shows that poorer partners are growing faster than South Africa. Various external factors explain why trade growth in the SACU bloc differs among its members. Consider South Africa and Swaziland. For South Africa, between 2009 and

2011, both the global economic recession and the strikes at South Africa's platinum mines severely damaged the country's trade. The violence and strikes, commencing in 2011 at South Africa's Marikana mine, and which continued into 2014 at the Impala, Amplats, and Lonmin mines, resulted in losses of 24.1 billion rand in revenue, 440 000 ounces of platinum, and 20 000 jobs.[708] South Africa's shortages seen in its electricity supply severely hampered its economic progress (which is also further discussed in chapter 6 of the thesis in providing the linkages of economic and security complexities), with South Africa losing R400 billion to its economy between the period 2008 to 2015.[709]

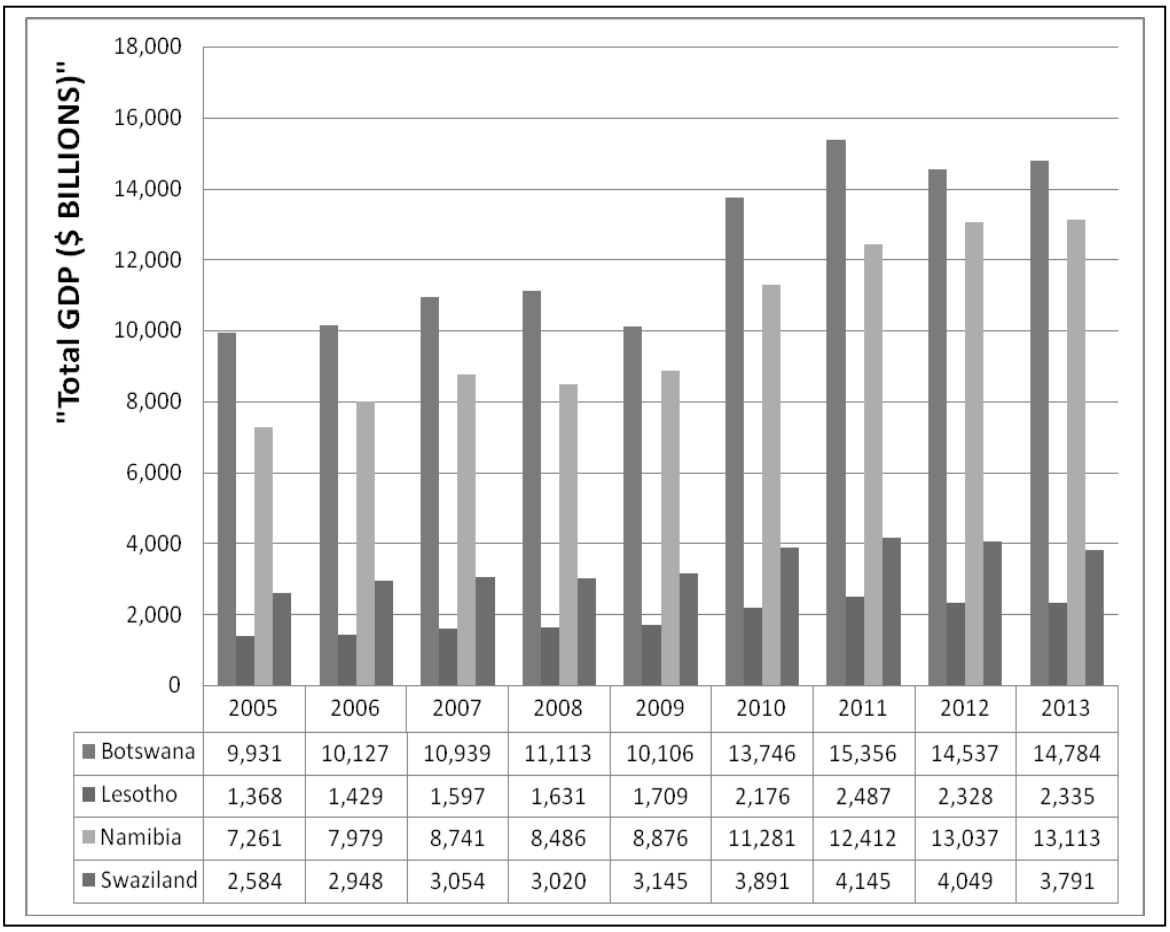
Swaziland on the other hand experienced reduced trade after the US ejected it from the AGOA regime in January 2015. US Trade Representative, Michael Froman, explained: "[O]ur concerns [are] clear to Swaziland ... and we engaged extensively on concrete steps that Swaziland could take to address the concerns. ... [W]e hope to continue our engagement with the Government of the Kingdom of Swaziland on steps it can take so that worker and civil society groups can freely associate and assemble and AGOA eligibility can be restored."[710] Swaziland was the 173rd-largest goods trading partner with the US in 2013, with $82 million in total trade ($23 million in US exports to Swaziland and $59 million in imports, with a US trade deficit of $36 million).[711]

5.5.1 Management of multiple memberships by member states: The Case of South Africa in SACU

This section discusses the main findings of this chapter which are clear: As long as SACU experiences growth (as was demonstrated) with a stronger member it will hinder convergence of the Tripartite FTA and complicate the management of multiple memberships. The findings show that South Africa has carefully managed the relations in SACU to promote economic integration for member states in a regional scheme and considered was a four-pronged approach. The first element of the approach is to factor in a "paymaster". South Africa, as a hegemonic state, manages the multiple memberships of the SACU bloc by incentivising poorer economies through

[708] "Platinum Miners in South Africa Go On Strike", *The Guardian* (London) (23 January 2014).
[709] *See article by,* Rene Vollgraaff, "Eskom has slashed R400bn off Sa's economy in last seven years", *Bloomberg* (8 April 2015),<http://www.biznews.com/undictated/2015/04/08/eskom-slashed-10-off-the-size-of-sas-economy-in-seven-years/>.
[710] Office of the United States Trade Representative (USTR), "President Obama Removes Swaziland, Reinstates Madagascar for AGOA Benefits" (June 2014), <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2014/June/President-Obama-removes-Swaziland-reinstates-Madagascar-for-AGOA-Benefits>.
[711] USTR, "Swaziland", <https://ustr.gov/countries-regions/africa/Southern-africa/swaziland>.

the trade revenue generated in the bloc. This has benefitted the smaller BLNS economies in SACU. Walter Mattli notes that a "paymaster" can provide benefits that promote economic convergence in a regional grouping.[712] South Africa is guarding its BLNS trading partners because their markets matter. According to a 2013 International Monetary Fund report on SACU-generated revenue as a percentage of GDP, Botswana, Lesotho, Namibia, and Swaziland are accruing enormous incomes from the customs union.



	2005	2006	2007	2008	2009	2010	2011	2012	2013
Botswana	9,931	10,127	10,939	11,113	10,106	13,746	15,356	14,537	14,784
Lesotho	1,368	1,429	1,597	1,631	1,709	2,176	2,487	2,328	2,335
Namibia	7,261	7,979	8,741	8,486	8,876	11,281	12,412	13,037	13,113
Swaziland	2,584	2,948	3,054	3,020	3,145	3,891	4,145	4,049	3,791

Figure 5.11: Total GDP of BLNS member states, 2005–2013
Source: *UNCTAD statistics database*,
<http://unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx?sCS_referer=&sCS_ChosenLang=en>

In 2013, current account receipts constituted only 28 percent of GDP for South Africa, compared with over 37 percent in Botswana, more than 55 percent in Namibia, and over 100 per cent in Lesotho.[713] James Gathii[714] and Arvind Panagariya[715] argue that the pace of regional integration

[712] Walter Mattli, *The Logic of Regional Integration*, 1999, p. 41.
[713]Jorge Iván Canales-Kriljenko, Farayi Gwenhamo and Saji Thomas, "Inward and Outward Spillovers in the SACU Area", *International Monetary Fund* Working Paper no. WP/13/31 (January 2013), <https://www.imf.org/external/pubs/ft/wp/2013/wp1331.pdf>. Data available from the South Africa Department of

is defined by and linked to the benefits of regional integration, and this explains why African countries join different regional schemes. According to the SACU agreement, SACU's present revenue-sharing formula requires that South Africa contribute 98 percent of generated revenue to the revenue pool, which is shared according to intra-SACU trade or imports. South Africa has agreed to this formula because it dominates intra-SACU trade, accounting for over 75 percent of Botswana and Namibia's total trade, and over 90 percent of Swaziland and Lesotho's trade.[716] To balance its domination in trade, South Africa's approach includes a second element.

The second element of the approach is a market-led approach in recognising the importance of increasing intra-regional trade while balancing external trade. The region is important to South Africa, which this chapter outlines as crucial in the convergence debate as was indicated in the conceptual framework in chapter 2 in discussing Putnam's two-level game theory.

Putnam argued that at the national level, "domestic groups pursue their interests by pressuring the government to adopt favourable policies, and politicians seek power by constructing coalitions among these groups."[717] "At the international level, national governments seek to maximise their own ability to satisfy domestic pressures, while minimising the adverse consequences of foreign developments."[718] South Africa was facing pressure with low unemployment and poor manufacturing (as was shown in chapter 3, figure 3.2). According to the World Bank 2014 report, and in assessing the iron and steel value chain, South Africa's exports seem to have been moving in the opposite direction – towards basic production and lower quality. Similarly, UNECA had also observed that the quality of South Africa's manufactured products was inferior to that of its neighbouring states. In order for South Africa's participating in higher value-added segments would require: "investment in research and skills, access to raw materials, reliable and cost-effective electricity, access to imported technologies, and effective transport flexible enough to

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Trade and Industry (DTI)
<http://tradestats.thedti.gov.za/ReportFolders/reportFolders.aspx?sCS_referer=&sCS_ChosenLang=en>.

[714] Gathii, "African Regional Trade Agreements", 2010, pp. 648-653.

[715] Panagariya, "The Regionalism Debate", 1999, p. 36.

[716] South African Foreign Policy Initiative (SAFPI), "Namibia Sticks to its EPA Guns" (18 December 2012), <http://www.safpi.org/news/article/2012/namibia-sticks-its-epa-guns.>*See also*,Vickers, "SADC's International Trade Relations", 2010, pp. 129-149.

[717] Robert D. Putnam, "Diplomacy and Domestic Politics: The Logic of Two-Level Games", *International Organization* (Summer, 1988). *See also*, Stephan, Power, Hervey and Fonseca, *The Scramble for Africa in the 21st Century*, 2006, p. 224.

[718] Putnam, "Diplomacy and Domestic Politics: The Logic of Two-Level Games", 1988. *See also* James Hentz, "South Africa and the "three-level game": Regionalism, Globalization and Domestic Politics", *Journal of Commonwealth and Comparative Politics* 46, 4 (2008).

reach global export markets. However, amid high transport costs for non-commodities, rising cost and declining reliability of electricity, and import parity pricing on key inputs, the economics of adding value would not add up for South Africa."[719]

Hence, South Africa changed its approach in manufacturing and moved towards the region by conducting more trade, and in-so-doing addressed its semi-skilled labour; as well as flooding the region with iron ore of a lower-value segment. Evidently, in 2000, level-1 products (iron ore and concentrates) accounted for just 18 percent of exports (by value), but by 2012: their share had more than tripled to 57 percent. By contrast, the share of level-2 products (ferro-alloys) and level-3 products (semi-finished/finished steel) in exports declined dramatically, with level-3 products falling from a 44 percent share to just 13 percent.[720] On the other hand, these manufacturing levels could also be positive for regional growth in considering Dowrick and Duc-Tho Nguyen's TFP as a catch up variable for downstream industries whereby smaller industries have an opportunity to input into the value chain. Therefore the Tripartite bloc should consider trade agreements that take into account endogenous factors of growth, such as technology, research, and inputs into trade that links rules of origin, to spur real growth. Such initiatives can also expand on endogenous growth factors in industrialisation and value addition of inter-regional trade.[721]

External trade has led to a larger revenue pool generated from total trade, which benefits the BLNS countries, as shown in Figure 5.11 for the period 2005–2013. South Africa conducted trade with Europe long before this period; in 1999 for example, South Africa and the European Union signed a trade development agreement as already noted previously.

Furthermore, South Africa has conducted trade not only with the BRIC bloc since 2010, but with Asian and Chinese markets long before the 2005–2013 period. As Carolyn Jenkins and Lynne Thomas argue, South Africa must look beyond the region to enhance economic growth for poorer economies.[722]

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[719] World Bank, "South Africa Economic Update Focus on Export Competitiveness", 2014, p. 35.
[720] World Bank, "South Africa Economic Update Focus on Export Competitiveness", 2014, p. 35.
[721] Dowrick and Nguyen, "OECD Comparative Economic Growth 1950-85: Catch-Up and Convergence", 1989, p. 1010.
[722] Jenkins and Thomas, "The Macroeconomic Policy Framework", 2000, pp. 24-57; Lee, *The Political Economy of Regionalism in Southern Africa*, 2003, p. 217.

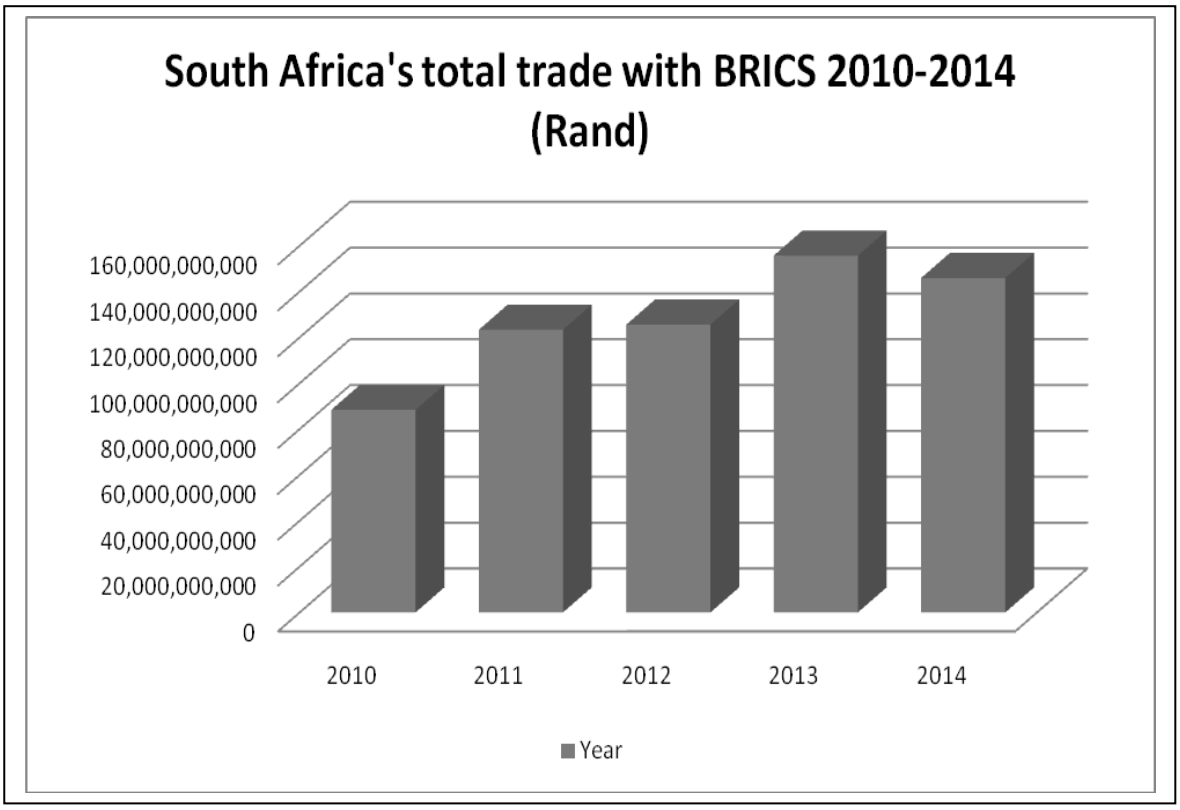

Figure 5.12. South Africa's total trade with BRICS states, 2010–2014
Source: Trade database of the South African Department of Trade and Industry (DTI), <http://tradestats.thedti.gov.za/ReportFolders/reportFolders.aspx?sCS_referer=&sCS_ChosenLang=en>

Greater trade and enlarged markets have increased the SACU revenue pool and strengthened the SACU region; for example, South Africa's 2011 merger with the BRIC states – a grouping of the world's fastest-growing economies – was potentially positive for Southern Africa as a whole, by providing greater trade prospects (for the period under review).

South Africa has been reaping the benefits of intra-SACU trade ever since the 1910 SACU trade agreement (revised in 1969 and again in 2002). Even though South Africa has conducted trade with Chinese and Asian markets prior to the merger, the BRICS agreement has provided a more formalised relationship for its trade with African markets, resulting in increased trade among the BRICS bloc between 2010 and 2014, with 2013 showing the greatest trade, as seen in Figure 5.12.

The third element of the approach is developmental-led regional integration. South Africa, has taken the lead in infrastructure development. South Africa has approached infrastructure

development through SADC's spatial development initiatives and through the Southern African Development Bank (as was discussed in chapter 4). The neo-classical growth model also stresses the importance of governments' focus on physical investment to expand national outputs. Investment in equipment is just as important as investment in transport infrastructure, since equipment is critical for technological advancement.[723]

Kenya's rapid growth, for example, is linked to its growth in banking and telecommunications services (which have expanded to the middle class), urbanisation, and investment in infrastructure and railways. Uganda's growth is supported by increased activity in the construction, financial services, transport, and telecommunications sectors.[724]

The fourth element of the approach is to strengthen regional institutions. SACU is not recognised as a regional economic community by the Abuja Treaty of 1991, nor by the AU; rather, it is one of the regional mechanisms promoting convergence on the continent because of its negotiation skills; its access to BRICS, the EU, and the US; and its strong security mechanism, which is well endowed through South Africa's support. Currently SACU is in negotiations with all the larger markets with which SACU does not share an FTA. Notably, these include Egypt in COMESA and Kenya in the EAC.

The findings of this chapter for the period under research (2005-2014) and in relation to South Africa's relations with the BRIC countries also considers and take into account the recent events that evolved in September 2015 in relation to China's economic slowdown, where leading economists like, Jason Muscat, and Mthuli Ncube, outline China's recent economic downturn as worrisome for Africa. During the period August and September 2015, economists were alarmed when China's Shanghai Composite index, a proxy for the Chinese equity market fell by 30 percent after a 150 percent increase over the previous year (2014). According to Goldman Sachs, "$225 billion of capital flowed out of China between April and June 2015".[725] Various articles in *Finweek*, noted that what this means for South Africa as a major trading partner to China, is that the decades–long commodity super cycle is effectively over. With that comes slower economic growth, or worse – outright recession. For the rest of the world, slower Chinese growth translates

[723] Barro and Sala-i-Martin, *Economic Growth*, 2004, pp. 16-21.
[724] UN, *World Economic Situation 2015*, p. 112.
[725] Mthuli Ncube, "China the biggest external risk to Africa's growth outlook", *Terence CreamerMedia*, 3 September 2015

into weaker demand for commodities: Brent crude oil was down by half to $54 a barrel since 2012, while tin, copper and iron ore dropped 40 to 60 percent. Countries that are rich in commodity resources will also be heading into a recession and these are: Canada, Australia, Brazil, Venezuela, Peru, Russia, Nigeria, Angola, Chile and Indonesia. According to Muscat, senior industry analyst at First National Bank, South Africa, two sectors of the South African economy that will be worst affected by China's slow growth are: mining and manufacturing. Muscat notes,

> "This is obviously very bad news for South Africa as it means a material decrease in export revenue and prevents a faster narrowing of the current account deficit. Fortunately for our economy, the lower oil price is rescuing the import bill and offsetting what would otherwise have been a far worse deterioration in terms of trade. Even so, our expectations are for the current account deficit to narrow very slowly, which should keep the rand under pressure, raising inflation and interest rate concerns."[726]

To mitigate the negative downturn, Ncube suggests that African governments will also need to focus more on implementing "cross-border infrastructure programmes and raising intra-regional trade to mitigate the effects [with China's] of the slowdown".[727] Economists also indicated that Africa will have to increase intra-regional trade and strengthen its economic policies.

While, South Africa was an important actor leading up to the convergence of COMESA and SADC in 2008 in signing the Tripartite agreement, South Africa will need to conduct more intra-regional trade and will need to consider increasing its infrastructure project development contributions for spearheading regional trade, as was outlined and discussed in this chapter.[728]

The growth convergence of BLNS members in the SACU bloc could also be accelerated by mineral-rich countries, which are expected to build on their momentum and accelerate from an average of 3.4 percent GDP growth in 2014 to 4.1 percent in 2015. These include countries in the Southern African region, such as Angola (coal), Botswana (coal, copper, and diamonds), Namibia

[726] Ciaran Ryan, "China sneezes- How sick will SA get?", *Finweek (*13 August 2015). <http://finweek.com/2015/09/03/cover-the-global-economic-super-cycle-is-over/>.
[727] Mthuli Ncube, "China the biggest external risk to Africa's growth outlook", *Terence CreamerMedia,* 3 September 2015.
[728] *See*, World Bank Indicators reported on South Africa's total GDP for the periods 2000-2010, <http://data.worldbank.org/indicator/NY.GDP.MKTP.CD?page=2>.

(diamonds and uranium), and Zambia (copper). Southern Africa's GDP growth is expected to accelerate from 2.9 percent in 2014 to 3.6 percent in 2015, with Angola, Mozambique, and Zambia expected to be the fastest-growing economies in 2015.[729] These growth poles are "mainly driven by an increased investment in the non-diamond sector in Botswana, private consumption recovery in South Africa, and an increase in mining and natural gas investment and exploration in Mozambique".[730] In the EAC, GDP growth is expected to continue to increase from 6.5 percent in 2014 to 6.8 percent in 2015, which will make East Africa the fastest-growing African sub-region. Kenya and Uganda have been the key drivers in 2014 and 2015, as indicated by the UN's 2015 economic outlook report.[731] SACU is hoping that Angola will join the 2016 Southern African EPA agreement, and that the DRC will join the SADC free trade area in order to enlarge the SACU trade market.[732]

5.6 Conclusion

In concluding this chapter, the findings claims that multiple memberships have not been adequately managed by the Tripartite bloc. Multiple memberships however, did benefit the political and economic circumstances of some member states as pointed out in Table 5.1 in infrastructure projects. In examining regional trade agreements in Africa, the neo-classical economic approach is relevant to understanding regional integration, divergence, and convergence, and provides a context for understanding the issues after the 2008 Tripartite Agreement among COMESA, the EAC, and SADC, and the benefits of multiple memberships for poorer economies in a regional integration process. However, this chapter highlighted that the pace of globalisation dictates one of open markets and trade which creates a contradiction for the Tripartite Agreement's regional integration approaches of variable geometry and liberal tariff settings. These contradictions were not adequately supported within the neoclassical economic approach theory of open trade and regional integration divergence and convergence debates as was discussed in the literature reviewed in chapter 2. The chapter deployed a new theory in support of this discussion, defined as: neoclassical economic regional integration which supported the findings provided in this chapter. In this regard, the chapter also discussed the dilemma for the Tripartite bloc in its decision to implement a variable geometry approach –

[729] UN, *World Economic Situation 2015*, p. 112.
[730] UN, *World Economic Situation 2015*, p. 112.
[731] UN, *World Economic Situation 2015*, p. 112.
[732] *Personal interview*, Windhoek, August 2014

allowing for member states of a regional grouping to cooperate in separation from other members, as well as for flexible progression in cooperation in a variety of areas and at different speeds – was an attempt to help manage the multiple memberships of member states.[733] But this approach has hampered regional integration. The Tripartite bloc has also adopted a trade liberalisation framework that is reflective of open markets and is causing polarisation of smaller markets and industries.[734]

The Tripartite bloc has also allowed its member states to conduct external trade, notably with AGOA and the EU. While such agreements are important for generating wealth, they must be negotiated at the Tripartite level to ensure that rules of origin do not hamper regional trade. The findings in this chapter claim that rules of origin specified in trade commodities in external trade have caused divergence for regional trade and further hampers the spillover effects for endogenous factors of growth that concerns technology, research, and skills. The findings identify this as a gap in the theory of Krugman's accounting index, which does not take into account the impact of rules of origin in his discussion that concerns inputs of production. As Krugman suggests, growth accounting needs to calculate explicit measures of both "increases in the output per unit of input …. Increases in knowledge can be positive for growth convergence. However, growth measurements must be considered in the process of economic growth. The view is that per capita income can only occur if there is a rise in output "per unit of input".[735] Restrictive rules of origin might also be in the interests of particular producers that wish to avoid new competition in their domestic markets. These rules will then make it impossible for smaller industries to compete in other regional markets, and deprive downstream users to input into products to benefit value addition industrialisation.[736]

This chapter notes that trade agreements must take into account endogenous factors of growth, such as technology, research, and inputs into trade that links rules of origin, to spur real growth. The chapter also expanded on endogenous growth factors in industrialisation and value addition of inter-regional trade, as defined by Dowrick and Duc-Tho Nguyen's TFP as a catch up variable

[733] COMESA, EAC, and SADC, *Final Communiqué*,p. 3. *See also*, Gathii, "African Regional Trade Agreements", 2010, p. 573.
[734] COMESA, EAC, and SADC, *Memorandum of Understanding on Inter-Regional Cooperation and Integration Amongst COMESA, EAC and SADC*, unpublished official document, COMESA Secretariat August 2014, p. 3.
[735]Paul Krugman, "The Myth of Asia's Miracle", *Foreign Affairs*, vol.73, no.6 (New York: Council of Foreign Affairs) (November and December 1994), p.67.
[736]Brenton, Flatters and Kalenga, "Rules of Origin and SADC: The Case for Change in the Mid Term Review of the Trade Protocol", 2005, p, iv.

for downstream industries.[737] Therefore, in looking ahead, as the COMESA-EAC-SADC Tripartite FTA negotiates its rules of origin (Annexure 4), synchronisation of trade agreements of member states' national policies is of vital importance and must be carefully aligned with that of the COMESA-EAC-SADC Tripartite FTA as well as at individual REC levels. Bhagwati.[738] and Gathii[739] have noted that African regional trade agreements provide a framework for cooperation, but because of the non-existence of legal binding agreements, Africa's states have the liberty to form multiple memberships, which states see as offering them the flexibility to retain their sovereignty and also accrue benefits.[740] Multiple memberships have hindered progress in the Tripartite FTA with only 16 members that have signed out of 26 members as already noted. Since SACU members are deriving benefits from the SACU configuration, it has not signed the Tripartite FTA and have hindered progress in this regard. Therefore Core trade must be conducted intra-continentally and carefully balanced against external trade.

Gathii contends that instead of using intra-regional trade to expand trade in the region and as a framework for growth, it should be swung around and the framework of industrial growth should inform intra-regional trade and market diversification.[741] Trade with competitive advantage should be built in the Tripartite bloc and potential for value-add possibilities to build Africa's industrialisation should be actively pursued. While economic integration has been central to the Tripartite bloc to improve economic growth, the management of multiple memberships is critical for convergence. Moreover, the thesis is of the view that without regional security economic prospects will too remain bleak. These issues are next discussed in the proceeding chapter 6 that deals with COMESA and SADC's management of regional security.

[737] Dowrick and Nguyen, "OECD Comparative Economic Growth 1950-85: Catch-Up and Convergence", 1989, p. 1010.
[738] Jagdish N. Bhagwati, *The World Trading System at Risk* (Princeton, NJ: Princeton University Press, 2014), *cited in* Gathii, "African Regional Trade Agreements", 2010, p. 657.
[739]Gathii, "Neo-Liberal Turn in Regional Trade Agreements", 2011.
[740]Gathii, "Neo-Liberal Turn in Regional Trade Agreements", 2011.
[741] Gathii, *African Regional Trade Agreements As Legal Regimes* (London: Cambridge University Press, 2011), p. xxix.

Chapter 6

Security Cooperation

"War has increasingly become the continuation of economics by other means",[742]
Carl von Clausewitz.

6.1 Introduction

Previous chapters of this thesis concentrated on the divergence and convergence debates that focused on economic integration of COMESA and SADC. This chapter expands on the convergence of COMESA and SADC and discusses the political economy of regional security within these two regions: COMESA and SADC, and assesses how these two RECs have managed regional peace and security since 2008 when the Tripartite Agreement was formed between COMESA, EAC, and SADC. The EAC is also included in this discussion. A regional security complex framework theory assists in providing a detailed analysis regarding security issues, and also helps understanding security complexities. Buzan and Wæver's[743] writing on regional security (as was discussed in the conceptual framework in chapter 2) outlines "the possibility of systematically linking the study of internal conditions, relations among units in the region, relations between regions, and the interplay of regional dynamics with global acting powers".[744] However, security dynamics at the inter-regional level can override the regional dynamic through support gained from a single great power, which in turn can create more complexity such as super-complexes (with one or more great power at their core), and further redefine and re-shape the inter-regional level into a super- region.[745] In support of Buzan and Wæver's[746] RSC theory, this chapter also deploys a new theory: neorealist security convergence which will help explain the convergence of COMESA and SADC in managing regional security. The neorealist security convergence theory will also help in assessing the role of South Africa in the regional security nexus. While South Africa has provided military support as is discussed in this chapter, it has also acted as a malign hegemon that has as its principal gain self-interest; hence realists' analyses of self-interest are associated with dominance and mercantilist strategy and is able to support the analysis provided in this chapter.

[742] General Carl von Clausewitz, *On War* (Chapel Hill: Project Gutenberg, 1874, 1909, 2006), pp. 1-141.
[743] Buzan and Wæver, *Regions and Powers,* 2003.
[744] Buzan and Wæver, *Regions and Powers,* 2003, p. 52.
[745] Buzan and Wæver, *Regions and Powers,* 2003, p. 46.
[746] Buzan and Wæver, *Regions and Powers,* 2003.

Regional security is complex and has various dimensions not solely defined as "military and security dimensions," but involving economic, military, political, social and international dimensions. Eastern and Southern African states in their drive for power, within a regional security complex framework, appear to have played one region off against another, and one state against another, and these practices have filtered into the security of the region.[747]

Buzan and Wæver also suggest that where there are instances in which great powers can override the regional imperative, there will also be small powers present in such a security dynamic that tend to reinforce it. Thus penetration into regions occurs when external actors intervene in conflict and establish security mechanisms with states. In building on Buzan and Wæver's regional security complex theory, the chapter assesses the main conflict drivers and the conflict-prone and problem countries in the two RECs, within the convergence years of COMESA and SADC since 2008. The chapter further expands the discussion on how COMESA and SADC manage security in their respective regions by providing specific case studies confined to the period 2008–2015. Since, overall the thesis aims to assess the growing convergence between COMESA and SADC in the economic arena (discussed in previous chapters of the thesis), the discussion on security is important to assess the growing convergence between COMESA and SADC in their security roles, which is supported by the theory identified as a gap on neorealist security convergence. This complements the discussions in previous chapters of the Tripartite bloc's economic role.

6.2 Regional Security Complex Framework: Evolving domestic actors and factors

This section builds on the discussion (in Chapter 3) which highlights that even though violent conflict and the wars of the apartheid regime ended in 1994, COMESA and SADC regional blocs have become a regional community with complex security issues that have forced these two RECs to work together with the EAC. This section also expands on the complexity of regional security which also concerns economic reasons and the further difficulty that COMESA and SADC were confronted with, in its attempts of managing complex regional security scenarios.

[747] Landsberg, *The Quiet Diplomacy of Liberation*, 2004, pp. 159-171. *See also*, Adebajo, *UN Peacekeeping in Africa*. p. 80. *See also*, Annemarie Peen Rodt, "Taking Stock of EU Military Conflict Management", *Journal of Contemporary European Research*, vol. 7, issue 1 (2011), pp. 41−60, <http://www.jcer.net/index.php/jcer/article/view/184/262>.

Buzan and Wæver note that

> "a regional security complex [RSC] cannot be applied to any group of countries ... [but] in order to qualify as a RSC, a group of states or other entities must possess a degree of security interdependence sufficient both to establish them as a linked set and to differentiate them from surrounding security regions."[748]

What distinguish states within a RSC framework, is their security interconnectedness, and their indifference. These factors are also distinguished from global powers that produce a set of complications, anomalies, and difficulties that have elements of both external involvement and border concerns between regions.

Many states with legitimate regimes have also faced territorial insecurity within the first few decades of independence such as border conflicts. These are evident in the cases of Burundi, Uganda, Rwanda and the DRC. The liberal view of the state leans more on individual responsibility and on the freedom of state political and economic structures.[749] Illiberal regimes feature at times as established democratic states but, in essence, are autocratic regimes that are partially free and straddle between democracy and authoritarianism (also defined as quasi-democratic, semi-authoritarian, or hybrid regimes), where democratic rights are either not upheld, or not institutionalised.[750] Such regimes see regional organisations as a mechanism to serve their own self-interests, because of historical and past legacies. Regional security has become a polarised system between the international and regional levels.

Furthermore, within a regional security complex is a clear security complex framework found in an alliance formed at the subregional level. Pertinent examples are the roles of South Africa in SADC, and Malawi and Tanzania in COMESA and SADC, in forming a security complex of peacekeeping troops and trying to remedy the conflict in the DRC and the Great Lakes region.[751] COMESA was not designed as a security organisation and do not have a brigade as SADC does. Member states with strong military presence assisted in managing the regional conflicts.

[748] Buzan and Wæver, *Regions and Powers*, 2003, pp. 47-48.
[749] Paul Taylor and A.J.R. Groom, *International Institutions at Work* (London: Pinter, 2006).
[750] *See discussion on totalitarian regimes*, in, Juan Linz, *Totalitarian and Authoritarian Regimes* (Boulder: Lynne Rienner, 2000).
[751] *See also*, SADC Summit of the Double Troika Plus Troop Contributing Countries, DRC and Madagascar (29 January 2015), <www.sadc.int>.

Resource-based conflicts have many dimensions and actors. Actors could include national armies, rebels, insurgents, private militias, warlords, mercenaries, private security companies, and multinational corporations. These actors often accumulate wealth by gaining direct and indirect access to resource-rich areas such as the DRC's diamonds, cobalt, oil, zinc, copper, and gold; and South Sudan's oil.

Out of desperation in April 2013, the African Union set up an African Capacity for Immediate Response to Crises (ACIRC).[752] This brand-new military intervention tool sought to create a Rapid Deployment Capability. Though seen as a temporary measure, the robust military force would have integrated combat units of 1500 troops with many specialist capabilities. The main idea behind ACIRC was to prevent atrocities and war crimes by armed rebel forces, crimes against humanity, and genocide, with the main imperatives to save lives, protect democratic governance, and establish and maintain the rule of law. The delay in operationalising a continental brigade had resulted in African states improvising interventions.

The major issue of non-support for the AU by the UN has also been argued by former Kenyan foreign minister, Moses Wetangula:

> The practice in the past two years seems to indicate an undesirable trend that appears to be selective on the part of the Security Council and that seems to disregard full consideration of the position and/or recommendations of the AU or its organs.[753]

Buzan and Wæver also suggest that violent conflict explains the complex nature of intervention that requires a multidimensional approach of governmental, intergovernmental and development agencies, alongside non-governmental organisations, and state and non-state agencies, which are both internally and externally connected. In assessing regional security, various dimensions need to be considered. These include the poverty dilemma (the deprivation of basic needs), and the mismanagement of resources that spill over into various levels of society and cause violent conflict. Protests by DRC civilians have persisted since conflict erupted in the Congo in 2011. The parties to the conflict have been the Allied Democratic Forces, the Armed Forces of the DRC; the Democratic Forces for the Liberation of Rwanda (*Forces démocratiques de libération*

[752] Institute for Security Studies, "New super combat brigade: creation of an African elite?" (June 2013).
[753] Boutellis and Williams, "Peace Operations, the African Union and the United Nations, 2013, p. 6.

du Rwanda) (FDLR), and the DRC government. In February 2013, 11 African states signed a peace, security and cooperation framework agreement for the DRC, to restore peace in the Eastern Congo.

South Africa, Tanzania, and Malawi, as well as the AU, scrambled together resources in support of the DRC. Their initiative spurred the UN Department of Peacekeeping Operations (DPKO) into action. Only later did the UN Security Council authorise its first ever offensive UN force in April 2013 with the key responsibility of neutralising armed groups, namely, the Force Intervention Brigade, which was created when UN Resolution 2098 was passed. It provided an intervention brigade of 19,815-strong.

> "Resolution 2098 condemned M23, the Democratic Forces for the Liberation of Rwanda, the Lord's Resistance Army, and all other armed groups for their continued acts of violence and atrocities committed that impacted on the human rights of citizens. It tasked the new brigade with carrying out offensive operations, either unilaterally or jointly with the Congolese armed forces, in a robust, highly mobile and versatile manner to disrupt the activities of those groups."[754]

Conflicts involving armed militia groups use civilians as a tool of war and the most vulnerable groups of society are often targeted. Examples are the rape of women and recruitment of children[755] as soldiers.[756] COMESA, EAC, and SADC member states are mainly developing states, plagued by weak governance structures such as parliamentary and electoral systems; inadequate security and justice systems; public administrations that are either absent or dysfunctional; and debilitating poverty evident in post-election conflicts in countries such as Madagascar, Zimbabwe, and more recently, Burundi, and Lesotho. These are key ingredients that lead to conflicts that can spiral into violence that inevitably lead to lawlessness and the collapse of states. Africa overall is still confronted with corrupt governments inadequately delivering (and sometimes failing to deliver) the most basic social services for their citizens.

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[754] The United Nations (UN) document, "Intervention Brigade' Authorized as Security Council Grants Mandate Renewal for United Nations Mission in Democratic Republic of Congo" (28 March 2013), <http://www.un.org/press/en/2013/sc10964.doc.htm>.

[755] Conflict in the Democratic Republic of Congo, focused on by the International Crisis Group, <http://www.crisisgroup.org/home/index.cfm?id=5897&1=1>.

[756] In Africa on the whole there is an alarming number of 100,000 children being forced into rebel movements and militia groups to form part of rebel movements and their gendarmerie. See statistics provided by Child Soldiers Organisation, <http://www.child-soldiers.org/childsoldiers/some-facts>.

COMESA, EAC, and SADC member states - Burundi, the DRC, Rwanda, and Uganda - have also been equally involved in a complex security web. Regional disputes have been largely driven by mutual threats to security and domestic politics. Since 1997, the conflict in the DRC has largely been linked to diamond and cobalt plundering and 18 years later in 2015, the DRC is still trying to address the same issue with Burundi, Rwanda, and Uganda. The conflict style of most African leaders, when resources and state apparatus are threatened, is to use force through military action, and by fuelling rebel groups and inciting violence.

In the case of Uganda, the Uganda's Allied Democratic Forces – National Army for the Liberation of Uganda (ADF-NALU) have had a continued presence in the DRC, dating back to the 1980s. Sudan's refugees were hosted in Uganda and formed the Sudan People's Liberation Army (SPLA) and fought the Khartoum government from Uganda's soil. Uganda also assisted Rwanda, with many refugees harboured there since the early 1960s. In 1982, when Rwandans were expelled from Zaire, close to 3000 Rwandese joined Museveni's bush war.[757] By 1986, the number of Rwandans in the National Resistance Army (NRA) had increased to about 8000 troops. Moreover, from 1998 to 2003, Uganda became involved in the violent conflict in the DRC and backed militia groups in Kisangani in the Eastern DRC.[758] The UN accused Ugandan commanders of unlawfully extracting the DRC's mineral resources, and in 2005 the International Court of Justice ordered Uganda to pay reparations.[759] In the north-east of the DRC, Uganda has also played a dual role of both "arsonist and fireman with disastrous consequences for the local population".[760] Uganda's continued political feuds among Congolese party leaders sparked violence among the local ethnic groups, and these heightened their plundering of resources and furthering their own interests at the expense of the DRC government while occupying its territory. In December 2009, the Lord's Resistance Army/Movement (LRA) rebels killed over 300 people and abducted 250 more over four days in Makombo, in the north-east of the DRC. Several reports have blamed Uganda's presence in the DRC and linked it to the plundering of the Congo's resources. Museveni's own domestic track record has also been viewed as poor. Domestic politics in Uganda have become commercialised with the president carrying bags of

[757] Paul Mulindwa, "Uganda", "Security and Governance in the Great Lakes Region", *CCR*, 9-10 May 2015; *see* CCR, seminar report, no. 51, 2015.
[758] Mulindwa, "Uganda", 2015.
[759] Henry Wasswa, "Will Uganda Pay Up for Congo Occupation?", *Global Policy Forum* (26 July 2007), < https://www.globalpolicy.org/component/content/article/163/28685.html>.
[760] *See*, CCR, seminar report, no. 51, 2015.

money and distributing money to Ugandan citizens in an attempt to gain favour.[761] The political instability and with the upcoming elections, led to 144,000 refugees that had fled Burundi to Tanzania, Rwanda, the DRC, Uganda and Zambia by June 2015.[762]

Burundi has a GDP of $3.037 billion and a population of 9.201 million people as of 2014. The country is chiefly dependent on agriculture and grows coffee and tea. Coffee plantations employ 90 percent of the population, with 800,000 farmers dependent on employment in this sector, directly followed by tea production. In the mining sector it has the world's second largest coltan reserves (coltan is a dull metallic ore, used extensively in almost all cell phones, laptops, pagers and many other electronic devices) and six percent of the world's nickel reserves.[763] But, Burundi is one of the poorest countries in Africa. In April 2015, Burundi faced a constitutional crisis that centred on the question of Burundian President, Pierre Nkurunziza's bid for a third term. Regardless of its constitutional laws, Nkurunziza was controversially re-elected as president on 20 August 2015.[764]

With regard to Rwanda, since its genocide in 1994 that killed 800,000 people, the country has seen real improvements in economic growth. In 2014, Rwanda's total GDP was $7, 521, 261 790.6 versus a total GDP of $753, 636, 370.6 in 1994. Rwanda boasted one of the high economic growth on the continent in 2014, at 7.5 percent,[765] which was one of the highest, and has developed its military capacity largely due to the donor support that it received – totalling $4.2 billion – between 2005 and 2012.[766] Although Rwanda had troops in the DRC until 2002, Rwanda's FDLR rebel group is stationed in the east Kivus region of the DRC and has invaded the DRC four times.

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[761] Mulindwa, "Uganda", 2015.
[762] United Nations High Commissioner for Refugees (UNHCR), "Thousands of Refugees Continue to Flee Burundi", 30 June 2015, with UN refugee estimates at 66,612 from Burundi in Tanzania; 56,508 in Rwanda; 11,500 in the Congo; 9,038 in Uganda; and 400 in Zambia <http://www.unhcr.org/55929f206.html).
[763] AfDB Strategy Paper, "Burundi 2012–2016" (October 2011). *See also*, Economy Watch, <http://www.economywatch.com/economic-statistics/country/Burundi/>.
[764] BBC, "Burundi President Pierre Nkurunziza sworn in for third term", 2015.
[765] The World Bank, "The World Bank's Rwanda Economic Update: Seizing the Opportunities for Growth with a Special focus on Harnessing the Demographic Dividend" (29 January 2014), <http://www.worldbank.org/en/news/press-release/2014/01/29/the-world-banks-rwanda-economic-update-seizing-the-opportunities-for-growth-with-a-special-focus-on-harnessing-the-demographic-dividend>.
[766] World Bank statistics on Rwanda's donor funding <http://search.worldbank.org/all?qterm=Rwanda%27s+donor+funds+recieved+at+2013&title=&filetype=>.

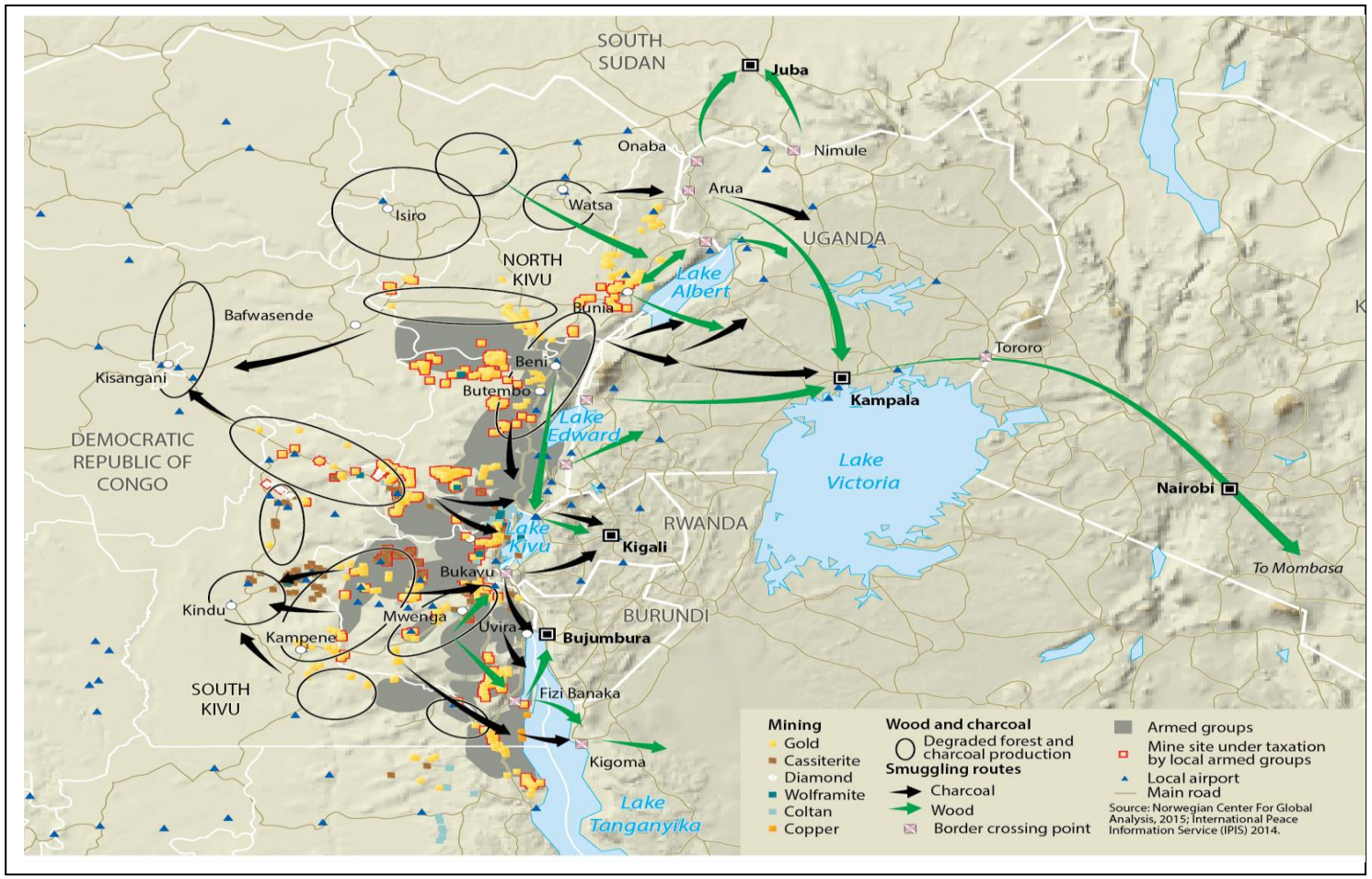

Figure 6.1: Smuggling by transnational organised crime syndicates from Eastern DRC to criminal groups, companies or individuals in Uganda, Rwanda and Burundi [767]

The tide started turning against Kagame in 2012, when evidence emerged that Rwanda was supporting the March 23 (M23) rebel group movement. After this revelation, several donors suspended aid to Rwanda, and Kigali started becoming more circumspect in its actions.[768] In 2017, Rwanda will be preparing for its presidential elections.

Burundi, Rwanda and Uganda have been embroiled in regional conflict, given the resources in the DRC that have much greater importance, as shown in Figure 6.1. A 2012 UN report made allegations against Uganda for deploying 600 troops to help rebels prepare offensives against the

[767] United Nations Environment Programme (UNEP) and the Mission des Nations Unies en République Démocratique du Congo (MONSUCO), "Experts' background report on illegal exploitation and trade in natural resources benefitting organized criminal groups and recommendations on MONUSCO's role in fostering stability and peace in eastern DR Congo", 15 April 2015. *See also*, Promines Study, "Artisanal Mining in the Democratic Republic of Congo" (June 2010), < http://www.congomines.org/wp-content/uploads/2011/10/PACT-2010-ProminesStudyArtisanalMiningDRC.pdf>.

[768] *See*, CCR seminar report, no. 51, 2015.

DRC government. Uganda has vehemently denied the accusations, and portrayed its role as a regional mediator that was attempting to facilitate dialogue between Kinshasa and the rebels. In its attempts to portray the UN reports as inaccurate, during this time, Uganda became actively involved in supporting the DRC in disarming the M23 rebel group alongside South Africa and Malawi. President Museveni chaired the ICGLR from December 2011 to December 2013. However, three tonnes of minerals mined in the DRC have been smuggled across borders to Burundi (and Rwanda and Uganda), including gold, diamonds, cobalt and copper. Other smuggled resources include fish, ivory, timber and charcoal.[769] Uganda exported seven tonnes (7 000 kg) of gold in 2006, which was 318 times the official production figure of only 22 kg that year. During this same period Uganda also assisted in deploying its military troops to assist the South Sudanese president, Salva Kiir Mayardit, against the opposition leader, Riek Machar, a rebel leader of the Sudan People's Liberation Movement In Opposition (SPLM-IO), and a former vice-president that was sacked by President Kiir.[770]

According to the April 2015 United Nations Environment Programme (UNEP) report,[771] transnational organised crime syndicates have benefited greatly from the conflicts in the Great Lakes region, and in the DRC in particular. The 2015 report noted that

> "illicit natural resource exploitation in Eastern DRC amounted to between $722 to $862 million per annum, and these amounts excluded illicit diamond exploitation. Of this amount, 10 to 30 percent (approximately $72 million to $426 million per annum) goes to organised transnational criminal groups."[772]

The report further reveals that

> "illicit resources were derived from deals in gold ($40 million to $120 million); timber ($16million to $48 million); charcoal ($12 million to $35 million); 3T minerals (cassiterite [tin], wolframite [tungsten], coltan [tantalum]), cobalt, and copper ($7.5 million to $22.6 million); diamonds sourced mainly from outside of the DRC ($16 million to $48 million); and wildlife,

[769] UNEP and MONSUCO, 2015.
[770] *See discussion*, "South Sudanese Vice President Ready to Offer Positions to Rebel Leader", *Sudan Tribune* (17 June 2015).
[771] UNEP and MONSUCO, 2015
[772] UNEP and MONSUCO, 2015.

including ivory and fisheries; local taxation schemes; cannabis; and other resources ($14.3 million to $28 million).”[773]

“Ninety-eight percent of the net profits were from illegal natural resource exploitation, particularly of gold, charcoal, and timber, which went to transnational organised criminal networks operating in and outside of the DRC. Armed groups retained around two percent (approximately $13.2 million per year) of the net profits from illegal smuggling, which also represents the basic subsistence cost for at least 8 000 armed rebel fighters per year.”[774]

Furthermore, the revenue generated from illegal natural resource exploitation finances about 25 armed groups that continue to destabilise the Eastern DRC. Minerals are carried across borders to Uganda, Rwanda and Burundi and other parts of the DRC. Tantalum is largely produced and sold in north Katanga, Rubaya in the Masisi territory of north Kivus, and Shabunda in south Kivus. Tantalum smuggling occurs from Rubaya via Goma into Rwanda. Militia in Shabunda control the mining and distribution of cassiterite. Official estimates of DRC’s gold produced and traded were 150.58 kg in 2014, and 180.76 kg in 2013, which is less than two percent of the total gold produced. The remainder of the gold is smuggled and was estimated at ten tonnes (10 000 kg) in 2013 at a value of about $391 million to $418 million. In 2014, the DRC produced up to 40 tonnes (40 000 kg) of gold for the year and illicit gold exports were estimated between $118 million and over $1.8 billion. Burundi officially exported two tonnes of gold in 2008, of which one ton originated in the DRC, and Rwanda exported nearly twice its production, although only 38 kg was mined in 2008.[775]

The DRC government condemned Rwanda and viewed it as using the FDLR component as a pretext to destabilise the DRC.[776] With regard to regional security in the DRC, the Allied Democratic Forces, had continued to operate in the area of Beni, North Kivu, and 17 people were reportedly hacked to death with machetes on 4 February 2015.[777] On 12 December 2013, the M23 rebels surrendered and signed a declaration in Namibia with talks orchestrated by the Ugandan government and as president of the ICGLR was also the facilitator in these talks.

[773] UNEP and MONSUCO, 2015.
[774] UNEP and MONSUCO, 2015.
[775] UNEP and MONSUCO, 2015.
[776] See UN document, < http://www.un.org/press/en/2014/sc11268.doc.htm>
[777] Security Council Report, “Democratic Republic of the Congo”, <http://www.un.org/press/en/2014/sc11268.doc.htm>.

However, the fighting in the DRC has continued. The United Nations Organisation Stabilisation Mission in the Democratic Republic of the Congo (*Mission de l'Organisation des Nations Unies pour la Stabilisation en République Démocratique du Congo*) (MONUSCO) report in 2015, by the Envoy to the Great Lakes Region, Said Djinnit, outlines the conclusion of the mandate of MONUSCO, which also includes MONUSCO's intervention brigade that expired on 31 March 2015.[778] The continued violence in the DRC was mainly caused by the proposed government census, which some Congolese saw as a ploy for granting an extended term of office for President Joseph Kabila in the presidential elections scheduled for 27 November 2016.[779]

6.3. Neorealist security convergence

Convergence of COMESA and SADC in managing regional security has been possible with the presence of a hegemonic power like South Africa. As neorealist security convergence theory will show in this section that convergence of regional security occur with a strong hegemonic power due to state self-interest on the part of the hegemon. In discussing the complex security scenarios the section also provides examples of security convergence between the two blocs, and includes member states of the EAC. South Africa as a regional hegemonic power has been an important player in the convergence of security due to its own self-interests as discussed below. This section shows the growing regional security convergence between COMESA and SADC, as it should be elucidated why these two regional bodies are involved in regional peacekeeping while there is an international body, the United Nations. On the other hand there is an absence of a continental body to oversee peacekeeping, the ASF of the AU has not been created.[780] Although the idea of a regional peacekeeping force was already born during the 1990s, to create an African Crisis Response Force (ACRF) with about 5000 African troops, this was reformulated into an idea for an African Crisis Response Initiative, which the UN did not sanction.[781] A major challenge for regional brigades is to address the peacekeeping gap of the UN launching interventions timeously in Africa's conflicts.

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[778] Security Council Report, "Democratic Republic of the Congo, Expected Council Action", <http://www.securitycouncilreport.org/monthly-forecast/2015-03/democratic_republic_of_the_congo_7.php>.
[779] CCR seminar report, no. 51, 2015.
[780] Dersso, "*The Role and Place of the African Standby Force within the African Peace and Security Architecture*", p. 16.
[781] Martin Rupiya and Roger Southall, "The Militarisation of the New Scramble in Africa", in, Roger Southall and Henning Melber (eds.), *A New Scramble for Africa: Imperialism, Investment and Development* (Scottsville: University of KwaZulu-Natal Press, 2009), p. 168.

In further guarding over national interests South Africa's Zuma administration is also investing hugely in regional peacekeeping operations and has been assisting the countries in recent conflicts in the Great Lakes region. As discussed in the conceptual framework in chapter 2 that RSC theory does not explain the convergence of COMESA and SADC in managing regional security, which neorealist security convergence theory identified as a gap and is expanded on in this section in support of the RSC theory. Neorealists define the hegemonic state as a powerful, strong economy that sets the rules of the game and has a greater advantage over its partner states and exert power.[782] South Africa has taken on a leading role in security issues in the COMESA and SADC blocs. From 2008 to 2010, South Africa with the strongest economy and military component assisted with funding of military equipment, and troops were provided. Its African Renaissance and International Cooperation Fund (ARF) of 2001,[783] prescribes in its legislature that its mandate is to, "identify and fund projects and programmes aimed at the promotion of democracy, conflict prevention and resolution, socio-economic development, humanitarian assistance and human resource development in Africa". These moves are outlined in its 2014 Defence Review policy that shows R44 billion, equivalent to 1.6 percent of South Africa's 2015 GDP made available for military deployment.[784] The South African government has over the past decade and a half (2000-2015), deployed its National Defence Force (SANDF) of about 5000 personnel to UN-led regional peacekeeping missions. With South Africa remaining constrained by its domestic challenges such as accessing reliable electricity, which affects its economic growth and has various other spin-offs such as job losses, it has increasingly turned towards the region. The South African government lost billions of dollars due to electricity shortfalls which drained its economy. According to the US Central Intelligence Agency (CIA),

> "South Africa's "economic growth has decelerated in recent years, slowing to just 1.5 percent in 2014. ....The roling black outs were the worst the country faced since 2008 …. Economists judge that growth cannot exceed 3 % until electrical supply problems are resolved."[785]

[782] Balaam and Veseth, *Introduction to Political Economy*, 2001, pp. 110-127.
[783] The African Renaissance and International Co-operation Fund Act, Act No. 51 of 2000, <http://www.dfa.gov.za/chiefstatelawadvicer/documents/acts/africanrenaissanceandinternationalcooperationact.pdf>.
[784] Nagar, "Defence Review: who will keep the peace?", *The Sunday Independent* (12 April 2015), p. 16.
[785] The World fact book, *Central Intelligence Agency*, United States, 2015, <https://www.cia.gov/library/publications/the-world-factbook/fields/print_2116.html>.

Tshwane's electricity is generated by its parastatal, Eskom and operates coal plants. Hydro-electricity will be a key alternative source in assisting Tshwane's strained parastatal. In assisting the government in its dilemma, South Africa begun securing regional investments in Lesotho and in the DRC, both militarily and economically. In Lesotho, South Africa invested R11.2 billion to build a hydro-power electricity generated plant. In the DRC, Tshwane had tried since 2010 to secure links with the DRC government in trying to gain access to its water resources in the Grand Inga dam.[786] South Africa adopted a more firm approach towards the DRC government, having invested hugely militarily and had more clout in doing so. In mid-2015 South Africa secured a 2,500 Mega Watt hydro-electricity contract with the DRC government for electricity generation from the Grand Inga three project in the DRC.[787]

While South Africa had been providing regional security it had also been expanding its arms exports. For example, South Africa's arms exports totalled R2.98 billion in exports in 2014, R3.2 billion in 2013, and R10.6 billion in 2012 as outlined in the South African National Conventional Arms Control Committee (NCACC) report.[788] From 2008–2015, South Africa assisted the DRC in its perennial conflicts.[789] As shown in Table 6.1, South Africa assisted Comoros in 2008 with elections and also deployed 800 forces to restore the rule of law there. In Rwanda, South Africa assisted the Rwandan government with setting up a security sector reform programme. South Africa was involved in Madagascar between 2009 and 2013, and South African president, Jacob Zuma tried to mediate but failed.

South Africa's outward-looking regional strategy is an approach that has been adopted to address inward-looking problems. South Africa intervened militarily in Lesotho in 1998, as an important reservoir of water to South Africa's Gauteng province with a population of 13 million people. While Lesotho was experiencing political conflict in 2015, following post-election disputes, South Africa agreed to mediate there. This request emanated from the 3 July 2015, SADC Double Troika Extraordinary Summit that met in Tshwane, and included presidents from: Zimbabwe (SADC Chair), Botswana (incoming chair), Malawi (outgoing chair), South Africa

[786] Chris Saunders, et.al, *Region-Building in Southern Africa*, 2012.
[787] World Bank, "Proposed Grant of $73.1 million for the DRC", < http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2014/03/05/000456286_20140305164405/Rendered/INDEX/774200REPLACEM0140Box382121B00OUO90.txt>.
[788] NCACC, *Third Quarterly Report*, 2014.
[789] *See discussion in*, Landsberg and Jo-Ansie van Wyk (eds.) *South African Foreign Policy Review*, 2012, pp. 90-91.

(current OPDSC Chair), Lesotho (incoming OPDSC chair) and Namibia (outgoing OPDSC chair).

Table 6.1: State interventions in conflict areas from 2008–2013 [790]

Conflict States	Date of Intervention/ deployment	State Intervention
Burundi	2009 2010 2013	Mozambican and South African troops deployed alongside AU and later UN hybrid missions.
Sudan	2008–2010 2010	South Africa assisted Sudan in a hybrid multinational mission (AU/UN), and also provided a component of security sector reform in Sudan with assistance from Sweden. Peace-support operations and military deployment.
DRC And the Great Lakes Region	2008–2010 2010–2015 (present)	MONUC (involvement of South Africa's troops). FARDC SSR (involvement of South Africa and requested by the AU's Post-Conflict Reconstruction and Development Programme (PCRD)[791]. South Africa's ARF provided financial assistance of R101 million. *SSR – South Africa's involvement with Sweden. *Peace support operations and military deployment.
Zimbabwe	2008–2009 2010–2013	South Africa's ARF project provided financial assistance of R613 million for PCRD projects in Zimbabwe.[792]
Comoros (Grande Comore and Moheli Islands) Anjouan Island	2008	Elections – involvement of South Africa. Comorian and AU forces (800) deployed to restore constitutional rule on Ajoujan.[793]
Rwanda	2008–2010	SSR – South Africa's involvement with Sweden.
Uganda	2010	Peace support operations – military deployment.
Madagascar	2009–2013	Track Two Diplomacy – mediation.
Libya	2011	Peace Diplomacy – South Africa's support of the United Nations (UN) Resolution 1973 (calling for a no-fly zone, an arms embargo and an asset freeze of Gaddafi regime).

The meeting focused on how to remedy the ongoing violence in Lesotho. The main cause of the violence was linked to Lesotho's elections and also to the brutal killing of Brigadier Maaparankoe Mahao, on 25 June 2015 – a key political figure and a former Lesotho Defence Force Commander. The South African deputy president, Cyril Ramaphosa was asked by its government to be the SADC facilitator and to mediate between the various political stakeholders in Lesotho.[794] South Africa also assisted Sudan's government and the SPLM in forming its

[790] Nagar, "Towards a New Pax Africana: The Politics of Peacekeeping in Africa", *CCR seminar paper* (August 2013).
[791] African Union, Peace and Security, Post-Conflict Reconstruction and Development Programme", *AU*, < http://www.peaceau.org/en/page/70-post-conflict-reconstruction-and-development-pcrd>.
[792] van Nieuwkerk, "A Review of South Africa's Peace Diplomacy since 1994", 2012, p. 96.
[793] van Nieuwkerk, "A Review of South Africa's Peace Diplomacy since 1994", 2012, p. 94.
[794] SADC Extraordinary Summit of the Double Troika Communique, 3 July 2015, <http://www.sadc.int/files/8114/3598/7203/Draft_Communique_on_3_July__2135hrs_corrected.pdf>.

Comprehensive Peace Accord (CPA) of 2005, aimed at crafting a government for South Sudan as well as a central government for Khartoum.[795]

COMESA's focus is mainly trade related as noted in previous chapters of the thesis. COMESA had tried adopting an approach of inclusivity by involving all of its member states in its security framework, and through partially managing converging national policies to align with its regional peace and security frameworks. However, conflicts persisted within its region and were difficult to resolve (also as discussed below in the case of Zimbabwe).

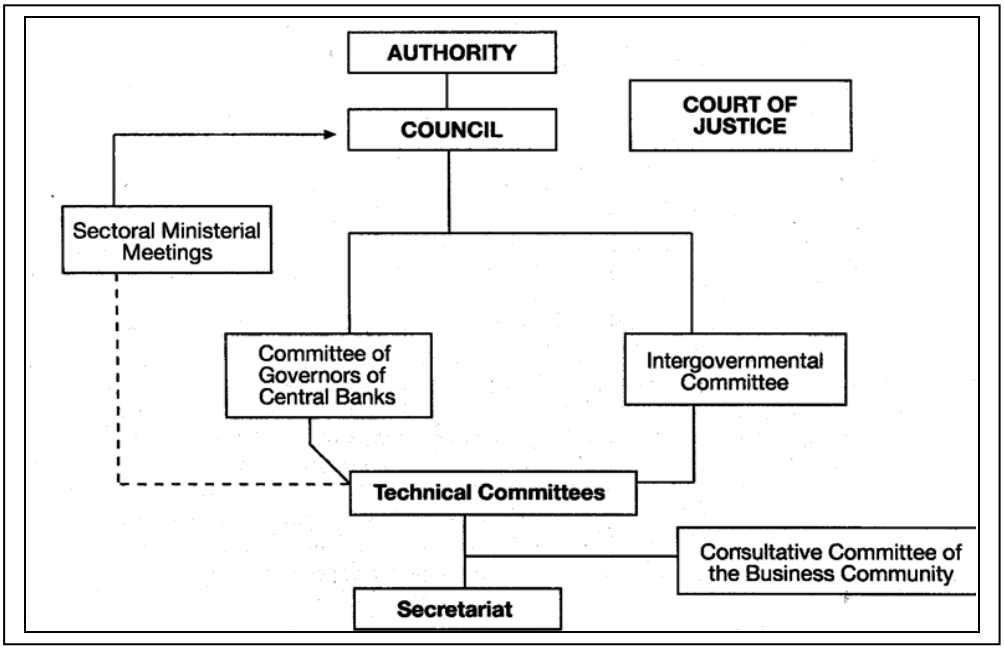

Figure 6.2 COMESA profile
Source: http://biblioteca.clacso.edu.ar/ar/libros/iss/pdfs/comesa/1COMESAProfile.pdf

Unlike other sub-regional organisations (see Figure 6.2 outlining COMESA's profile), COMESA was intended to be a purely trade and investment oriented organisation. However, a Committee on Peace and Security has been formed that meets once a year. Article 3 of COMESA's Treaty is aligned with the Abuja 1991 Declaration of Political Principles. COMESA had tried adopting an approach of inclusivity by involving all of its member states in its security framework, and through partially managing converging national policies to align with its regional peace and security frameworks. However, conflicts have persisted within the region and have been difficult to resolve (also as discussed below in the case of Zimbabwe).

[795] Anthoni van Nieuwkerk, "A Review of South Africa's Peace Diplomacy since 1994" in, Chris Landsberg and Jo-Ansie van Wyk (eds.) *South African Foreign Policy Review*, 2012.

COMESA member states are committed to a number of principles and among them are the recognition of human and peoples' rights in accordance with the African Charter on Human and Peoples' Rights which was established in 1987 also known as the Banjul Charter and adopted in 1988 (came into force on 25 January 2005);[796] the maintenance of regional peace and stability; and peaceful settlement of disputes. In September 1998, COMESA signed two agreements with USAID and received $6 million towards democracy/conflict management and regional economic integration for the benefit of its member states.[797]

COMESA established good relations with IGAD, the Indian Ocean Commission, and the EAC. It had signed a cooperation agreement with IGAD and ECOWAS. In November 1999, COMESA's Intergovernmental Committee addressed member states to explore efforts for a security framework specifically for post-conflict reconstruction. One year later, in March 2000 at a meeting of member states, the COMESA bloc made the decision to put together a legal framework on peace and security, based on the widespread violence and conflicts experienced among its member states, DRC, Rwanda, Uganda, Ethiopia, Eritrea, and Sudan.

COMESA, and SADC are trying to create greater cohesion among member states. Just prior to the 2008 Zimbabwe elections, president Robert Mugabe's government was awaiting a shipment of arms from the Chinese vessel, An Yue Jiang. The ship was turned away from South Africa and was not able to dock.[798] Likewise Angola, Mozambique and Namibia refused the vessel entry to their ports. Zambia's President, Levy Mwanawasa, urged nations in the region to bar the Chinese ship carrying arms destined for Zimbabwe from entering their waters and noted that this shipment would aggravate the conflict and violence in Zimbabwe.[799] Nevertheless, three million rounds of assault rifle ammunition, 3000 mortar rounds and 1500 rocket-propelled grenades were offloaded in the Congolese port of Ponta Negra, and airlifted by freight charter to Zimbabwe.[800]

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[796] *See*, African Union, "African Charter on Human and People's Rights", <http://www.achpr.org/instruments/achpr/>.
[797] *See*, COMESA Profile, <http://biblioteca.clacso.edu.ar/ar/libros/iss/pdfs/comesa/1COMESAProfile.pdf>, p. 6.
[798] Reuters, "Zambia Seeks to Block Arms for Zimbabwe", *New York Times* (22 April 2008).
[799] Henning Melber, "Global Trade Regimes and Multi-Polarity: The US and Chinese Scramble for African Resources and Markets", in, Roger Southall and Henning Melber (eds.), *A New Scramble for Africa: Imperialism, Investment and Development* (Scottsville: University of KwaZulu-Natal Press, 2009) p. 74. *See also*, Reuters, "Zambia Seeks to Block Arms for Zimbabwe" (22 April 2008).
[800] Reuters, "Zambia Seeks to Block Arms for Zimbabwe".

Member states have also used the regional economic community to their advantage. For example, on 31 July 2013, COMESA was asked to intervene in Zimbabwe's election at the request of Zimbabwe to monitor the country's elections. As Zimbabwe is both a COMESA and SADC member state, it expressed its dissatisfaction with South Africa's approach under SADC. COMESA sent an election monitoring team to Zimbabwe comprising Ambassador Bethuel Kiplagat and 27 observers drawn from COMESA member states (Ethiopia, Kenya, Malawi, Mauritius, Seychelles, Uganda, and Zambia) including civil society organisations accredited to COMESA.[801] However, COMESA could also be seen as side-stepping SADC and giving into Zimbabwe's overtures. In 2014, COMESA's electoral monitoring regional team led successful observer electoral missions, among others, to Malawi in May 2014. The legal framework in Malawi was based on COMESA's international, continental and regional standards, governing the conduct of democratic elections. COMESA has been working closely with the AU's 2002 Principles of Governing Democratic Elections, the African Charter on Democracy, Elections, and Governance, as well as adopting SADC's Principles and Guidelines in Governing Democratic Elections.[802]

COMESA worked extensively with the Intergovernmental Authority on Development by drawing support from IGAD to resolve conflicts in South Sudan, Egypt, and Ethiopia, while COMESA was adopting its own conflict early warning system. These systems are still a work in progress. The conflict styles adopted by most African leaders, when resources and state apparatus are threatened, are through using force through military actions, fuelling rebel groups and inciting violence.[803] For example, in 2013, former Egyptian president, Mohamed Morsi, invited state leaders from Ethiopia and Sudan to discuss a tripartite Egypt–Ethiopia–Sudan commission in Ethiopia's efforts to build a hydropower dam of $4.2 billion to produce electricity. The source of the water was from the Blue Nile River, which both Sudan and Egypt depend on for water.[804] The

[801] COMESA Observer Mission in Zimbabwe in July 2013, <http://www.comesa.int/index.php?option=com_content&amp%3Bview=article&amp%3Bid=826%3Acomesa-election-observer-mission-to-the-31-july-2013-harmonised-elections-in-the-republic-of-zimbabwe&amp%3Bcatid=6%3Apress-releases&amp%3BItemid=57#.Uf0uKVsSQYg.facebook>.
[802] COMESA Observer Mission in Malawi's May 2014 elections were led by Ambassador Dr Berhance Ghebray and sixteen observers drawn from a pool of its member states, namely: Ethiopia; Kenya, Rwanda, Sudan, Uganda, Zambia, and Zimbabwe, <http://www.comesa.int/index.php?option+com_content&amp%3Bview=article&amp>.
[803] Seifulaziz Milas, "Egypt/Ethiopia: There will be no water war in the Nile Basin because no once can afford it", *African Arguments* (10 June 2013), < http://africanarguments.org/2013/06/10/egyptethiopia-there-will-be-no-water-war-in-the-nile-basin-because-no-one-can-afford-it-by-seifulaziz-milas/>.
[804] *See*, Seifulaziz Milas, "Africa: There will be no water war in the Nile Basin because no one can afford it", 10 June 2013, <http://allafrica.com/stories/201306110820.html>. *See also*, *Sudan Tribune*, "Egypt: Ethiopian Envoy Lauds

completion of the hydro dam construction would make Ethiopia Africa's biggest producer of electricity when completed in 2017.[805] Egypt had plans of sabotaging the hydro dam in Ethiopia by aiding rebels inside Ethiopia.[806] But since the dam constituted no serious threat to the flow of water reaching Egypt and Sudan, leaders could resolve their water conflict amicably.

In February 2014 a COMESA meeting of the Council of Ministers,[807] commended the DRC for its efforts to restore peace and security in the Eastern DRC and the victory of the *Forces armées de la République démocratique du Congo*/Armed Forces of the DRC (FARDC) - greatly assisted by South Africa, Tanzania and Malawi - over M23 rebel factions. COMESA urged Kinshasa to expedite the regional peace, security and cooperation framework commitments of disarmament, demobilisation and reintegration of ex-combatants. At the same Summit meeting, COMESA commended Burundi for its efforts to resolve its land disputes and encouraged the Burundian government to create a space for political actors from exile to participate in formal national politics. But these countries are experiencing continuous corruption in their countries with exploitation of resources and undermining of their respective constitutions as was discussed above.[808] These gestures by COMESA, shows that regional communities have turned a blind eye to bad governance of member states as well as non-adherence to government constitutions. SADC on the other hand was set up from the start of its creation as a security mechanism as was discussed in chapter 3 and is at a more advance stage in terms of its regional security mechanism than COMESA. The SADC Summit launched the SADC Brigade in Lusaka, Zambia in August 2007, as a regional and multidimensional peace support operation.

COMESA had been battling to attract funding for its governance programme and therefore could not continue the work in this area.[809] COMESA's secretariat, like SADC's secretariat, is largely dependent on donor funding and is only able to implement programmes that attract funding.

Sudan's Stance on Nile Dam, Criticizes Egypt" (11 June 2013). Zeryhun Kassa, "Ethiopia: Hailemariam – Egypt goes to war over Nile only if leaders go mad", *All Africa* (12 June 2013).

[805] *See*, Marthe van der Wolf, "Egypt: Ethiopia, Egypt meet to ease Nile Dam Tensions", *All Africa* (18 June 2013).

[806] *See*, Milas, "Africa: There will be no water war in the Nile Basin because no one can afford it", 10 June 2013. *See also*, Kassa, "Ethiopia: Hailemariam – Egypt goes to war over Nile only if leaders go mad", *All Africa* (12 June 2013).

[807] COMESA Thirty-Second Meeting of the Council of Ministers, Kinshasa, DRC, 22–24 February 2014, CS/CM/XXX11/2.

[808] COMESA's defines a new strategy for its peace and security framework, <http://www.comesa.int/index.php?option=com_content&view=article&id=1166:peace-and-security-unit-finalises-strategic-plan&catid=5:latest-news&Itemid=41>.

[809] *Personal interview*, August 2014.

Funding assistance for the COMESA–EAC–SADC bloc to be effective in its continued efforts to fight piracy on the shores of especially Kenya, Seychelles, Madagascar, and Mauritius.[810] COMESA believes that maritime security can significantly benefit integration for the entire region.[811] COMESA and SADC's member states' maritime security framework was provided with the assistance of donor funds from the EU, in March 2013.[812] The International Maritime Organization (IMO) reported 237 attacks on ships in 2011; 75 attacks on ships in 2012; and 13 incidences of piracy for the first three quarters of 2014.

The decrease in incidences and attacks on Africa's shores are believed to be due to the implementation of "Best Management Practices for Protection against Somalia-Based Piracy".[813] Maritime security is important for both the US and the EU. For example, the United States have up to 90 percent of regional trade volumes transmitted by maritime transport and that is linked to its AGOA trade relations with COMESA and SADC. The United Nations spends $139 million to counter each attack on sea and the estimates from 2011 to 2014 were $3.2 billion.[814] Security was also imperative to secure Europe's trade in goods by sea. COMESA was able to launch a programme to fight piracy with EU pledged funds, of 37.5 million euros to implement a comprehensive programme to fight piracy in the Indian Ocean.[815]

6.4 Conclusion

The chapter expanded on the regional security complex framework theory, which provided a detailed analysis regarding the security issues, and also provided assistance in understanding security complexities. The chapter expanded on the main conflict drivers in the two regions over recent years (2008–2015), the convergence years of COMESA and SADC. The chapter further expanded on the conflict problem countries which were confined to three RECs: COMESA, EAC and SADC. Rwanda, Uganda, Burundi, and the DRC are member states of COMESA and of the

[810] UN document, S/2014/740, Report of the Secretary-General on the situation with respect to piracy and armed robbery at sea off the coast of Somalia (16 October 2014) <http://www.un.org/en/ga/search/view_doc.asp?symbol=S/2014/740>.
[811] COMESA document, "COMESDA-EU Launch a Programme to Fight Piracy" (12 September 2014).
[811] *Personal interview*, August 2014.
[812] SADC-EU Ministerial Political Dialogue Communique (Maputo, Mozambique) (20 March 2013).
[813] Jens Vestergaard Madsen, Conor Seyle, Kellie Brandt, Ben Purser, Heather Randall, and Kellie Roy, "The State of Maritime Piracy", *Oceans Beyond Piracy Project: One Earth Future Foundation* (2013), < http://oceansbeyondpiracy.org/sites/default/files/attachments/SoP2013-Digital.pdf>.
[814] UN document, S/2014/740, Report of the Secretary-General on the situation with respect to piracy and armed robbery at sea off the coast of Somalia (16 October 2014), p. 2.
[815] COMESA document, "COMESDA-EU Launch a Programme to Fight Piracy", 2014.

EAC, and the DRC is a member state of SADC. These three regions, including member states of the EAC, were able to galvanise efforts and form a peacekeeping initiative against the violence in their regions. The main conflict parties are also member states of the ICGLR. The chapter further discussed how COMESA and SADC managed security issues in their regions and provided specific case studies confined to the recent regional conflicts. The regional security complexes of the Eastern and Southern African regions discussed above is explained by Buzan and Wæver's regional security complex theory, which defines "a group of states whose primary security concerns are sufficiently closely linked so that their national security cannot realistically be considered apart from one another"[816] – but kept together either by the negative or positive security links among such states. As was discussed in this section, some of these actors take on more than one role or possibly interchangeable roles to serve their self-interest. Hence, the chapter identified the RSC theory as a gap in explaining the convergence of COMESA and SADC in managing regional security, which the neorealist security convergence theory deployed helped to explain. As was noted that neorealists defines the hegemonic state as a powerful, strong economy that sets the rules of the game and has a greater advantage over its partner states and exerts considerable power.[817] The chapter outlined the importance of the hegemonic state in security convergence and South Africa's role, even though at times its regional support was due to state self-interests.

The chapter recognised that multiple memberships of member states have assisted COMESA and SADC in their growing regional security convergence resulted in the establishment of the Force Intervention Brigade in 2013. The chapter recognises that a more equitable division of labour is needed between COMESA and SADC with regard to security. Both COMESA and SADC deal with security challenges of member states that concern both blocs. There is no proper coordination of division of labour and member states can choose which organisation to approach that best suits their political interests. Like COMESA, SADC reports on the DRC; M23 rebels; and the Egypt/Sudan/Ethiopia water conflict. For example, at a 13th COMESA Committee meeting on Peace and Security held in Lusaka from 6–7 November 2013, COMESA reported on the M23 rebel situation in the DRC (also a SADC member) – a peacekeeping initiative undertaken by SADC – as well as on the collaborative, coordinated and sustained efforts in the Great Lakes Region. The COMESA bloc managed the 2013 elections of its members: Kenya,

[816] Buzan and Wæver, *Regions and Powers*, 2003.
[817] Balaam and Veseth, *Introduction to Political Economy*, 2001, pp. 110-127.

Madagascar, Swaziland, and Rwanda. COMESA's Committee of Elders had been engaging the AU's High-Level Panel in implementing a roadmap and new constitution for Egypt's government. The COMESA, EAC and Indian Ocean region bloc have been more severely affected by piracy due to proximity with Somalia and the huge piracy problems on the shores of Somalia as discussed above. SADC had been affected to a lesser degree and has focused more on resolving the conflict in the DRC and working closely with the ICGLR.

There have been instances where countries relapse into war and conflict such as in Burundi and the DRC. Besides peacekeeping initiatives, COMESA and SADC should find effective strategies of involving the UN in effective post-conflict reconstruction efforts and peace-building interventions that address the root causes of conflicts and that deal with such triggers effectively, such as setting up good governance and institutional structures. Acharya's observations is of relevance to this chapter (as was indicated in the conceptual framework) of regional security which define security complexes as a national threat, which is a very strong indicator of the important determinants of security interdependence.[818] Acharya makes an important distinction between regional security complexes, and notes that external powers are perceived differently within the region, and could fall between the categories of guarantor, while others can be seen as adversarial. Therefore, in designing a regional policy, what ought to be considered is reworking the relations and understandings of different outside powers. Such considerations should incorporate creating a "common non-intervention regime" applicable to all outside powers, which may be persuaded to sign agreements in declaring a region a zone of peace, and also commit themselves to non-interference.[819] The next chapter focuses on providing an overview and analysis, as well as recommendations in concluding the thesis.

[818] Acharya, "Regional Security Complexes in the Third World: Stability and Collaboration", 1992.
[819] Acharya, "Regional Security Complexes in the Third World: Stability and Collaboration", 1992. *See also*, James J. Hentz, "The Southern African security order: regional economic integration and security among developing states", *Review of International Studies*, 35, (2009), pp. 189–213.

Chapter 7

Conclusion

7.1 Overview of thesis

This thesis addressed the convergence of two regional economic organisations: the Common Market for Eastern and Southern African States and the Southern African Development Community. It gave a retrospective view to help understand why the 2008 Tripartite Agreement with the East African Community, namely the COMESA–EAC–SADC 2008 Tripartite Agreement was reached, and what relations have evolved since then. It also expanded on the impact that SACU has had on the Tripartite Agreement. Throughout the thesis discussions, it recognised the role that hegemony had played in COMESA and SADC's rationalisation period of 1980-1997; during its convergence period of 1998-2008 and leading up to the Tripartite 2008 Agreement; as well as during the period 2008-2015 leading up to the Tripartite Grand FTA.

The main discussions posed in the thesis addressed: Why did the two organisations come into existence? How similar and different were they? What were the relations between them before their contemplating convergence? What led to the convergence process? How far has that process progressed to date and why has more not been achieved? This background information to the thesis was introduced in chapter 1.

The thesis primarily used the neoclassical economic approach in its discussion on the divergence and convergence debates, and the neorealist approach in its discussions on regional integration, multiple memberships, and security. While, the neoclassical economic approach defines how open markets function within these two blocs and the polarisation of infant industries, the thesis underscores that the neoclassical economic approach cannot be wished away, since it is part of the reality of the real world – that of open trade and markets. Furthermore, the neoclassical economic approach is viewed by Africa's governments as a good approach for developing countries, as this is what globalisation dictates – open markets and open trade through the WTO and former GATT frameworks. However, this approach also dictates that price distortions in trade and tariff adjustments and settings be removed among member states in a regional group, as well as trade policies be harmonised, COMESA and SADC member states have been challenged

with market and price distortions amidst infant industries and poorer economies. The assumption within these two blocs were that mobility of trade, labour, and capital could strengthen poor economies. However, the thesis noted that with trade liberalisation and open markets, unequal growth has been a consequence.

Hence, while neoclassical economics has a primary focus of growing poorer economies through open markets, there may also be unequal growth that occurs during such a process and the reverse will occur - poverty not growth. The thesis also noted that this theory does not adequately take into account the effects of the principles of trade that are linked to international policy and whether in liberalised trade circumstances divergence or convergence between North–South liberal trade arrangements and South–South trade relations will occur. The thesis notes that the Tripartite bloc should therefore consider finalising its Trade In Services Agreement with the World Trade Organization under the general agreement on tariffs and trade, Article V, as also discussed in the thesis, so that RECS are able to benefit from external linkages. Currently, SACU and SADC are signed up under GATT (now WTO) Article XXIV, and COMESA and EAC under the Enabling Clause to the Committees on Regional Trade Agreements and Trade and Development.[820] External trade is important – but the negotiation strategy must focus on putting the Tripartite bloc's needs up front to benefit its member states.

Based on the discussion which outlined the roles, objectives and major regional roles of COMESA and SADC, this thesis posits that a grand FTA for the Tripartite bloc would benefit regional trade in terms of building industries and a solid regional manufacturing base. Manufacturing and industrialisation partnerships could further foster endogenous growth factors like technology transfer, skills development, research, and education.

African countries invariably gained independence with economies that spent a large part of their resources on the production of export commodities. Hence, the thesis further argued that the reality is that the region builders (government leaders) have not sufficiently merged policies of trade and policies of migration (labour). The thesis highlighted that instead, Africa's regional

[820] Trade Law Centre for Southern Africa (Tralac), *From Cape To Cairo: Making the Tripartite Free Trade Area Work* (Stellenbosch, South Africa: Tralac, 2011), pp. 14-155. *See also*, Osabuohien Evans and Efobi Uchenna, "Trade Outcomes in Africa's Regional Economic Communities and Institutional Quality: Some Policy Prescriptions", *Petroleum – Gas University of Ploiesti Bulletin, Technical Serie*, vol. 64, issue 4 (October 2012), <http://connection.ebscohost.com/c/articles/90515682/trade-outcomes-africas-regional-economic-communities-institutional-quality-some-policy-prescriptions>.

integration processes have adopted a market-led strategy of free trade – a neoclassical economic approach of open markets that worked against the principles of variable geometry, which the COMESA–EAC–SADC have adopted as a mechanism and framework designed to protect smaller economies and infant industries. These policies are also still being negotiated.

The convergence debates outlined that economic growth models can favour free trade, as was demonstrated in chapter 5 in regional groups. Countries in SACU were able to achieve economic growth through more external trade that favoured eliminating discriminatory policies. Endogenous growth factors of industrialisation, technology and knowledge-driven production could be enhanced. In considering these growth models, the thesis found that convergence could be achieved, and in time poorer countries benefited from more advanced trade with the presence of a regional hegemon or a stronger state in a regional scheme, like SACU.[821] However, while these factors have promoted growth for SACU's weaker economies, it has caused divergence for the Tripartite FTA as was substantiated in chapter 5.

The thesis also underscored that multiple memberships have brought regions closer, as was identified in the security composition of SADC, COMESA, and the EAC in terms of the Great Lakes Region. Mechanisms for strengthening the linkage between national, regional and continental efforts in conflict prevention and mediation should be considered at the AU and RECs levels. The thesis thus recommended that a regional structural conflict prevention framework could enhance regional and continental leadership for the maintenance of peace and security. This initiative would be a key opportunity to harmonise regional experiences and complementary action by national governments and construct consensus-building processes.[822] In the discussion on security, the thesis noted that there have been instances where countries relapse into war and conflict such as in Burundi and the DRC. Hence, besides peacekeeping initiatives, COMESA and SADC should find effective strategies of involving the UN in effective post-conflict reconstruction efforts and peace-building interventions that address the root causes of conflicts and that deal with such triggers effectively, such as setting up good governance and institutional structures. Similarly, assisting building infrastructure such as roads, railways, schools, hospitals, and sanitation (running water) should be improved, with a greater focus on

[821] Oded Galor, "Convergence? Inferences from Theoretical Models", 1996; Durlauf and Johnson, "Multiple Regimes and Cross Country Growth Behaviour", 1995, pp. 365-384; Quah, "Convergence Empirics Across Economics With (Some) Capital Mobility", 1995.
[822] *Personal interview with SADC* Secretariat, Gaborone, Botswana, July 2013.

building socio-economic conditions that could benefit the country's economic growth. RECs should also call on external donors and the international community to assist in post-conflict reconstruction. This could address humanitarian assistance; refugees; repatriation; political, economic and social structures; and most importantly, disarmament, demobilisation, disintegration, and reintegration of ex-combatants and militia groups into their communities.

7.2 Conceptualisation of chapters and findings

Chapter 2:

In chapter 2, the thesis provided the historical dimensions of regional integration in Africa, which centred on the EU's success at economic integration. Soon after independence, Africa believed that it could adopt a similar regional integration model to assist its weak economies that was plagued by post-colonialism and aspired to achieving regional integration by strengthening Africa's cooperation between economies. Region builders in Africa further evolved from the OAU that defined regional integration as a vehicle for states to build regional institutions. UNECA was seen as the master builder and another catalyst to Africa's integration, but it was a paper plan and concept that has not fully succeeded amidst the reality of Africa's own political economy of sovereign states holding onto power. The PTA which later became COMESA, was advanced by UNECA to promote trade liberalisation and state cooperation in specialised development industries. Concepts of "old" and "new" regionalism were provided by various scholars like Asante, Akokpari, and others such as Warleigh Lack that explained the new and old regional processes. These views articulated regionalism seen as processes that have evolved from being state led, to constituting important dimensions of global restructuring processes. Therefore, new regionalism was viewed to have evolved from the continuous transformation processes of the global political economy that developed within regions and included state actors and non-state actors such as MNCs and TNCs. Such entities forged new alliances alongside national, regional, and international institutions and governments.

Chapter 2 further defined the regionalisation processes and highlighted the evolving regional role caused by the difficulties experienced in the regions. Earlier studies between 1980 and 1990 conducted on economic growth contributed to the divergence and convergence debate. These studies suggested a more neo-liberal approach of outward-looking market processes that would

lead to convergence of regional per capita incomes over the long run. For Africa, neoclassical economics was believed to be the safeguard mechanism against policy-induced distortions and non-market failures of the Structural Adjustment Programme policies implemented in African economies during the 1980s and 1990s. Hence the neoclassical economic approach was viewed by Africa's governments as a good approach for developing countries. The approach indicated that price distortions in trade should be removed among member states in a regional group and trade policies harmonised. But as Phillip Nying'uro argued, global trends in the political and economic global order had been mainly associated with free-market driven liberalisation processes. Nying'uro holds the view that the capitalist global order has been more diverging than converging.[823] Hettne's view of new regionalism captured both globalisation and regionalisation, which he noted to be part of a larger process of structural changes that included economic, political, social, and cultural aspects. Whereas the old regionalism was a more top-down approach, the new wave of regionalism involved more diverse actors, which was more of a spontaneous process within each region.

Chapter 3:

In Chapter 3 the thesis highlighted that the PTA's "functional" regionalism focused on economic integration, while SADCC's regional cooperation was important to address the legacy of South Africa's regional destabilisation policies. COMESA and SADC's rationalisation processes further underscored the major competition for donor resources and foreign direct investments, with each region competing for institutional and political relevance. Regional institutions were to serve as vehicles that could strengthen the state; simultaneously, sovereign capacity was viewed as an important factor in regional integration and economic cooperation.

Chapter 3 expanded on the historical perspective on the formation of these two RECs: COMESA and SADC as well as their evolving relations and reasons for remaining separate institutions from the 1970s until 2008. Both RECs received little support from the OAU, which had one of its key principles "non-interference in the internal affairs of its member states", which meant sovereignty trumped security, politics and economics.[824] Both COMESA and SADC have had devastating

[823] O Nying'uro, "The EAC's prospects on the global stage", 2005, pp. 31-44.
[824] Ian Taylor, "African Unity at 50: From Non-Interference to Non-Indifference", *E-International Relations* (25 June 2013).

histories of wars and endemic poverty. Though both were afflicted by various regional intra- and inter-state conflicts, the two RECs begun their existence from very different bases. SADC was formed to fight for the liberation of the region and against apartheid. COMESA was created out of the United Nations Economic Commission for Africa and for economic and trade reasons and to liberalise trade. COMESA sought to create a zone of free trade and largely focused on issues related to socio-economic aspects of its member states and had a weak security mechanism. SADC focused on security and state survival. During the rationalisation period, in 1997, member states were given a choice to join either organisation as their sovereign right.[825] In 1998, the SADC region was neither in a position to merge with COMESA, nor sign any trade agreements, owing to internal factors such as restructuring of the organisation and external factors concerning intra-state conflicts, for example in the DRC. The thesis also argued that like COMESA, SADC too made regional integration membership easy for its member states, in allowing those member states with bilateral and multilateral trade agreements to continue with the trade agreements they were linked to.[826] South Africa joined SADC in 1994 and viewed by the region as a strong state to assist in increasing regional trade, building SADC's SDIs and increasing regional investments. The rationalisation process also considered the Tripartite Common Monetary Area (between South Africa, Lesotho, Swaziland, and Namibia) and was seen as a means that could inform implementation of a unified exchange rate structure for SADC in the future. The CMA was viewed as a possible vehicle to facilitate financial integration for SADC member states and alleviate the debt burden and fiscal deficits. But, as Maria Ramos, (former CEO of the Reserve Bank of South Africa) had explained at the Brussels regional integration meeting in 1995,[827] (as was discussed in chapter 3) that SADC was not in a position to implement macroeconomic convergence policies due to the fragile nature of its economies.

Chapter 4

In chapter four, the thesis expanded on the important actors and factors that led to the Tripartite Agreement being formed and the convergence era of 1998-2008; and 2009-2015. South Africa was identified as one of the important actors that championed the convergence of COMESA and SADC in 2008 and the signing of the Tripartite Agreement. The thesis discussed the importance

[825] SADC Summit Communiqué, Blantyre, 8 August 1997.
[826] SADC Summit Communiqué, Johannesburg, 28 August 1995.
[827] Ramos, 1995, p. 17.

of hegemony in regional integration and expanded on South Africa's hegemonic role that had taken on multiple roles to tackle its own socio-economic inequalities in its domestic situation. South Africa adopted a market-driven integration approach through SADC as a vehicle,[828] and secondly a micro-regional development-led integration in using two of SADC's four Spatial Development Initiatives. These two approaches entailed enhancing transport projects in a micro-region with Mozambique through the formation of the Maputo Development Corridor, and electrical power generation through the creation of the Southern African Power Pool. Chapter four outlined the strength of South Africa's economy. The country had the largest economy regionally in terms of total GDP of $128 billion in 2000 and by 2010 a total GDP of $228 billion;[829] South Africa's post-apartheid government post 1994 had major set-backs in dealing with its socio-economic disparities.[830] The thesis further expanded on the neo-realist approach in discussing a hegemonic state in a regional bloc and the effects that such role had on regional convergence. While South Africa had invested regionally, its MNCs were seen as exploiting the region. The region had not established effective measures such as regional policies that could guard over infant industries and that could address oligopolistic behaviour of exploitative industries.

Chapter 4 also discussed the various attempts made by COMESA and SADC to converge regional trade policies. These attempts were driven by the continental body defining the Abuja Treaty in 1991. Due to the infrastructural regional gap, COMESA and SADC agreed in 1994 to participate in establishing an African Economic Community by 2028. Similarly, the Yamoussoukro Decision of 1999 for a liberalised airspace for these two regions, which received funding and captured the attention of the East African Community in 2005, brought COMESA and SADC together. This paved the way for the creation of the Tripartite Task Force in 2006, which attempted to harmonise policies in trade and infrastructure. The US's support for a liberalised airspace through the OAU and later the AU continued, and was an opportunity for Africa's states to have a viable infrastructure mechanism that could solve the major non-tariff barrier of poor infrastructure and issues that concerned roads, ports, and railways, which severely hampered inter-regional trade. The thesis explained that various agreements must still be

[828] Chris Alden and Mills Soko, "South Africa's economic relations with Africa: hegemony and its discontents", *Journal of Modern African Studies*, vol. 43, no. 3 (2005), pp. 367-392; and, Vickers, "South Africa's Economic Policy in a Changing Global Order", 2012.
[829] *See*, World Bank Indicators reported on South Africa's total GDP for the periods 2000-2010, <http://data.worldbank.org/indicator/NY.GDP.MKTP.CD?page=2>.
[830] Khadiagala, *Allies in Adversary* 1994. *See also,* Adedeji, *South Africa and Africa: Within or* Apart, 1996, p. 81.

negotiated in terms of harmonising of policy instruments and trade policies, processes and procedures, internal and external tariffs, rules of origin and customs documents for exporters and importers; consideration of phytosanitary health measures and safety; and elimination of tariff barriers. Since the signing of the Tripartite FTA with only half of its members, the Tripartite bloc is not at the stage of negotiations to consider macroeconomic convergence.

The linkages of micro-regions were further developed in 2013 by South Africa's Transnet company. This development included port and rail operators in Swaziland and Mozambique in order to increase rail freight capacity. These countries developed the MDC Joint Operating Centre. The MDC JOC was a major milestone for these three countries: Swaziland, Mozambique, and South Africa. Through micro-regions, more trade and movement of traders were enhanced, and functional spillovers in transport were gained. Thesis explained that rail transport had been more reliable than road transport in the region, owing to vehicle accidents with poorly serviced roads with 30 percent of roads paved on the entire continent. Problematic border controls have delayed trade, and the thesis argues that the Tripartite bloc should focus more on rail and less on road transport. For example, the South African-based Shoprite franchise reported in 2010 that for each day that one of its trucks was delayed at a border, it cost the company $500.[831]

While workable infrastructure is critical in pursuing region-building and regional integration for the Tripartite bloc, equally important is the concentration of the transport infrastructure monopoly holders, where South Africa plays a key role in its Transnet (freight railway carrier) structure. The country has several areas of monopoly over regional transport areas. For example, the South African government's tariff pricing for freight is still reflective of support for import substitution and cross-price subsidisation. Freight prices are similarly seen to be placing smaller labour-intensive industries at a disadvantage. According to the World Bank's 2014 report: "Port tariffs on containers were 360 percent of the global average in 2012, while on bulk commodities they were 19–43 percent below the global average. [However], [r]ail freight tariffs on iron ore were below US prices while those on general freight businesses are 4–7 times higher."[832] Barro and Sala-i-Martin also suggest governments should place more emphasis on institutions to achieve economic growth. Sovereign states have also become important in formulating rules for

[831] Ian Gillson, "Deepening Regional Integration to Eliminate the Fragmented Goods Market in Southern Africa", *Senior Economist, International Trade Department of the World Bank.*
[832] World Bank, "South Africa Economic Update: Focus on Export Competitiveness", 2014, p. 34.

economic activity, as "referees" that ensure compliance with the rules of the market, and as "provider[s] of infrastructure".[833]

Chapter 4 also discussed how the Tripartite bloc could converge its policies in enhancing its comparative advantage. The chapter noted that the EU"s common agricultural policy, was a step ahead and disadvantaged the COMESA and SADC agricultural market. The thesis outlined two examples that the COMESA-EAC-SADC Tripartite bloc could possibly consider when addressing how to improve its own agricultural market. Sugar production was used as one example.

Chapter 5

Chapter 5 discussed multiple memberships of member states and was explained in Table 5.1 of the chapter. Multiple regional commitments ensued among COMESA and SADC member states belonging to other regional economic communities for both political and economic reasons. Moreover, the thesis noted that these two blocs are yet to finalise their own policies on rules of origin. The thesis therefore notes that the negative effects of trade have further entrenched multiple memberships, since states are more focused on guarding their weaker industries. The thesis discussed the conflicting responses to regional trade accompanying the reality of globalisation and domestic market factors, which fragmented and distorted regional trade agreements. The chapter outlined that initially regional integration efforts of the three RECs – COMESA, EAC, and SADC – have been largely driven by the diplomatic efforts of their Secretariats. The success of these diplomatic efforts bore fruit with the first Tripartite Summit that took place in Uganda on 20 October 2008. Even though the EAC joined the Tripartite 2008 Agreement, the EAC nevertheless established its own regional trade mechanism among its member states, and still sets its own tariffs. The thesis noted that RECs at the sub-regional level have also undertaken a linear approach of economic integration that comprise suppressing some form of discrimination through removal of trade barriers. As Lamy,[834] suggested (as was outlined in chapter 2), that there is a tendency among academics to apply analytical frameworks and linear models that are 50 years out of date. Such models prove that regional integration processes begin

[833] Barro and Sala-i-Martin, *Economic Growth*, 2004, p.31. *See also* Kuznets "Modern Economic Growth and the Less Developed Countries", 1981.
[834] Lamy, "Regional Integration in Africa: Ambitions and Vicissitudes", 2010.

with a FTA and proceed to a customs union, a common market, and a monetary union, which lead to a political union. The linear models do not correspond to today's world, hence there are various processes and degrees of integration globally. The thesis recognised that "doubling up" of efforts compound regional integration efforts for the Tripartite bloc. The same processes are repeated at the regional level. The thesis recognised that while it is important having regional integration policies that are aligned at the national, sub-regional and the Tripartite levels, the implementation of a FTA at individual REC level is duplicating efforts and distracting from the Tripartite FTA.[835]

In explaining the multiple roles of a hegemonic state, the thesis expanded on Robert Putnam's "two-level game" model (as was outlined in chapter 2's conceptual framework). This model helped explained how state capital of hegemonic states influenced the pace of economic and regional growth. This model was able to assist the discussion expand on the inward-looking and regionally-focused policies of South Africa. Similarly, Friedmann's theory in the conceptual framework outlined in chapter 2, helped the thesis to conceptualise the debate on the unequal nature of growth defined in his world systems theory. This theory highlighted the fact that the core could be seen to be dependent on the periphery through market exploitation, creating a "periphery of the periphery" (with poor, vulnerable and resource-depleted economies).

The thesis noted that a hegemonic state must be able to derive benefits from integration so that it is able to continue supporting the integration process. As was discussed in the thesis that at the beginning of 2000, an estimated 60 percent of South Africa's total exports went to the OECD markets and constituted mainly trade with Europe. But in the next decade, from 2000 to 2010, South Africa's exports to the EU and to OECD slowly started stagnating and exports from the South African market went to Africa's markets. South Africa's inward-oriented approach and the shift to concentrate more on Africa's market was outlined by the findings of the World Bank in 1988 concerning the quality in its manufacturing (as was shown in figure 3.2 in chapter 3). The thesis built on this discussion and the assessment made 16 years later in the World Bank's 2014 report (discussed in chapter 4). The 2014 report suggested that since South Africa is a major minerals producer and exporter of metal-based manufactured goods, it has opportunities for export expansion and for offering scope to countries in moving to higher quality (and thus higher

[835] *See also*, Gathii, "Neo-Liberal Turn in Regional Trade Agreements", (2010-2011); and, Gathii, *African Regional Trade Agreements As Legal Regimes*, 2011.

value) and greater variety, both across and within stages of production which could build industries across the region.

With regional economies not performing well as was discussed in chapter 5, several smaller economies have become dependent on other forms and ways of economic growth to protect their infant industries, which have further entrenched the notion of multiple memberships with member states trying to protect their economies and infant industries. These distortions in trade were adequately explained by Gatthi, Panagariya, and Bhagwati.[836] Distorting mechanisms included: signing external trade agreements with the US (AGOA trade agreements); and EU (EPAs). Similarly, the thesis established that these external trade agreements have also proven to challenge economic growth. According to Panagariya, states are also simultaneously trying to circumvent or replace the non-discriminatory MFN tariff associated with the WTO regulations.[837] External trade agreements have their own rules of origin that exploited COMESA and SADC's markets and affected trade negatively within the COMESA and SADC blocs. As was pointed out in chapter 5 that price distortions and market inflations hinder competitiveness of downstream industries in value adding into products and for companies dependent on inputting into larger firms' outputs.[838] Moreover, trade policies that reduce the profitability of exporting and that favour established industries and firms, raises the costs of inputs for downstream sectors.

In discussing how multiple memberships are managed by the Tripartite bloc and their member states, the thesis recognises SACU as diverging integration for the Tripartite bloc. The thesis also noted that poorer economies are finding means and ways of protecting their industries like the ones in SACU. Therefore, only two of its member states signed the Tripartite Free Trade Area on 10 June 2015, namely: Namibia and Swaziland. Moreover all SACU member states are negotiating a new SADC EPA with the EU in 2016. The thesis assessed SACU's trade relations and provided findings that show how the market economy of the core can grow to create a larger periphery or a semi-periphery and hence deriving benefits from the SACU Agreement.

The key theory used was that of beta-convergence of Barro and Sala-i-Martin in terms of north–south trade that takes into account South Africa (as a high-income partner relative to the world) and smaller economies within the SACU bloc (as low-income countries forming an FTA with a

[836] Gathii, "Neo-Liberal Turn in Regional Trade Agreements", 2011; Panagariya, "The Regionalism Debate, 1999, pp. 1-60; and, Bhagwati, *The World Trading System at Risk*, 1999.
[837] Panagariya, "The Regionalism Debate: An Overview", 1999, p. 36.
[838] World Bank, "South Africa Economic Update Focus on Export Competitiveness", 2014, p, 31.

high-income partner). Barro and Sala-i-Martin provided a further understanding of economic growth convergence as a result of trade liberalisation by describing two levels of convergence in their model: beta-convergence, or absolute convergence (also called the "catch-up" process), and sigma-convergence, when the dispersion among a group of countries decreases over time.[839] South Africa, in total trade as a percentage of GDP, provided evidence for beta-convergence over the long-run period of 2005–2013. Chapter 5 specified that while Botswana and Namibia have experienced growth in trade; this does not indicate divergence, but instead demonstrates that these two countries have grown more as smaller economies belonging to an FTA with a strong partner (namely South Africa). Venables' theory of south–south and north–south trade predicated that conducting trade with a stronger economic partner that trades more with stronger external economies, could benefit the smaller economies within a regional grouping. Also identified in the discussion and findings was that while SACU is not a regional economic community recognised by the Abuja Treaty of 1991 and the AU, it is a new regional mechanism that could converge the regions through its negotiation skills, its access to BRICS, the EU, and US, and its strong security mechanisms endowed through South Africa. Currently negotiations include all the larger markets with which SACU does not share an FTA, notably the EAC, in particular Kenya, and also Egypt.

The thesis also highlighted that the pace and intentions of regional integration of the Tripartite bloc – COMESA–EAC–SADC – provide an indication of how regional integration will fare. Moreover, such factors include skills and education; labour migration; infrastructure such as transport and communications; and trade and finance, among others. Therefore Panagariya outlined that the complexity of regional integration is daunting even in the absence of trade barriers and "crisscrossing FTAs lead to a replacement of non-discriminatory MFN tariffs by a spaghetti bowl whereby tariffs vary according to ostensible origin of the product".[840]

With ten landlocked member states within the Tripartite bloc, infrastructure gaps have remained a challenge for the bloc. Most of the economies of the 26 members remain small.[841] The thesis concurred that trade is not the only means of binding states to agreements since without workable infrastructure for landlocked countries particularly, it is equally impossible to achieve economic growth if there were no viable means of transport to conduct trade. Transportation costs for trade

[839] Barro and Sala-i-Martin, "Convergence Across States and Regions", 1991, pp. 112-113.
[840] Panagariya, "The Regionalism Debate".
[841] *See also*, Africa/World News, "COMESA at twenty: of the successes, challenges and promises", 2015.

facilitation are also expensive for the member states of the COMESA–EAC–SADC Tripartite bloc. States may see benefits in having more than one trade agreement. Gathii indicated the importance of accessing commodities through waterway transportation, as the largest river basins globally are found in Africa. Multiple memberships therefore provide alternative access to landlocked countries. Regional trade agreements shift to where the benefits are. Gathii has noted, "African RTAs also serve as institutions of basin management demonstrating the entwined relationships among trade, environment, and security aspects of international river basins."[842] Therefore, numerous trade agreements are related to the limited access of trade routes for landlocked countries and the competition in relation to transport costs in regional trade in Africa. Similarly, as had been claimed by Kalenga,[843] that trade barriers in the COMESA–EAC–SADC Tripartite bloc have also contributed to the lack of effective trade. These trade barriers included 451 different TBs reported in April 2013, such as, lengthy and costly customs procedures –issues related to rules of origin; costly road user charges; and issues related to phytosanitary issues.

Therefore, the importance of infrastructure development for regional integration was viewed as critical to the thesis discussion, since currently more trade is being conducted externally due to the absence of reliable infrastructure. The neo-classical model purporting that trade liberalisation in regional blocs with a hegemonic partner, such as in the SACU configuration, can spur economic growth and result in the members of such a grouping converging over the long run, is based on such an approach.

Finally, in chapter five the thesis highlighted that main impediments for convergence is the fact that the Tripartite bloc has also adopted a market-led strategy of free trade – a neoclassical economic approach of open markets, and relaxed tariffs, amidst multilateral international agreements that is in contrast to the principles of variable geometry of protecting member states against discriminatory free trade. Hence, the forces of globalisation of open markets and trade create a contradiction for the Tripartite Agreement's regional integration approaches.

The thesis noted that these contradictions are not adequately supported within the neoclassical economic approach theory of open trade and regional integration divergence and convergence

[842]Gathii, "Neo-Liberal Turn in Regional Trade Agreements", 2011.
[843]Paul Kalenga, "COMESA-EAC-SADC Tripartite Mechanism on Non-Tariff Barriers to Trade", *World Trade* Report (2012), p.117.

debates discussed in the theory and conceptual literature reviewed. The thesis identified this as a gap in relation to the theories and deployed a new theory in support of the literature reviewed in this chapter, defined as: neoclassical economic regional integration in supporting the findings that were provided in chapter 5.

Chapter 6

In building on the discussion of the violent conflict and the wars of the apartheid regime that ended in 1994, the thesis also addressed the complex nature of regional security. Expanded on was Buzan and Wæver's[844] writing on regional security that outline "the possibility of systematically linking the study of internal conditions, relations among units in the region, relations between regions, and the interplay of regional dynamics with globally acting powers".[845] The thesis demonstrates convergence of regional security between these blocs which include COMESA, EAC, and SADC. In discussing the complex security scenarios of their member states, the chapter also provides examples of security convergence between the two blocs, and includes the member states of the EAC.

The neoclassical realism approach was an appropriate theory to use in the thesis in helping to understand and examine the interactions of powerful member states, since the neoclassical realism approach incorporates both domestic and systemic factors and explains how COMESA and SADC manage regional security. Buzan and Wæver's theory assisted this discussion considerably in providing a framework of how to deal with security through COMESA and SADC's peace and security mechanisms.

As Buzan and Wæver's theory also suggested, socio-economic, political and security factors internally and extra-regionally cannot be ignored. The chapter outlined the difficult period for the regional groups immediately after the Rwandan genocide that killed 800 000 people in 1994. The Rwandan rebels then fuelled conflict in the DRC with Uganda and Rwanda also supporting rebels in the DRC. This was discussed in terms of the recent 2013–2015 Great Lakes region's intra- and inter-state conflicts. Current wars have centred on the exploitation of minerals such as diamonds and cobalt, among others.

[844] Buzan and Wæver, *Regions and Powers,* 2003.
[845] Buzan and Wæver, *Regions and Powers,* 2003, p. 52.

The thesis posits that security remains a challenge for both COMESA and SADC. The new wave of regional integration has become complex, with various dynamics of state and border conflicts, involving intra- and inter-state conflicts, piracy in East Africa, and the emergence of rebel groups. There has been a resurgence of violence and abuse against women and children, as well as an influx of child soldiers in Eastern and Southern Africa. These violent conflicts have precipitated changes to the traditional methods of peacekeeping and having regional economic communities fending for themselves in the light of an absent continental African Standby Force. While South Africa had taken the lead in implementing sub-regional peace and security, its former mediation strategy in the 1990s did not always bear fruit. Middle powers like Zimbabwe, Namibia, and Angola bypassed South Africa in 1998 and militarily intervened in the DRC conflict.

What has been foregrounded is that within the individual regional economic communities, regional political dynamics and fragmentation among member states are prevalent. These divergences have effected a convergence within the Tripartite bloc, which has been evident in the 2013–2015 violent conflict in the Great Lakes Region. While Buzan and Wæver's theory assisted the thesis, based on the conceptual literature reviewed in chapter 2, the theory on RSC was not able to adequately explain the convergence of COMESA and SADC in managing regional security which the literature review identified as a gap. Hence, in support of the literature review and to help the thesis' analysis, the thesis deployed a new theory defined as: neorealist security convergence. This theory of neorealist security convergence deployed was able to expand on Buzan and Wæver's regional security complex theory to better understand the complexity of regional security. Hence, the analysis in the thesis was able to adequately discuss the security convergence among the Tripartite bloc, and a convergence of a security nexus among its member states and SADC (Malawi, South Africa, and Tanzania) in establishing an immediate response mechanism to help intervene in the DRC conflict and in the Great Lakes Region.

7.3 Key policy recommendations

The thesis proposed the following recommendations:

7.3.1 Rules of origin (ROO)

This thesis identified the gaps in the rules of origin of the Tripartite bloc in light of its 14 articles that are being negotiated under its roadmap and is outstanding since the signing of the 2008 Tripartite Agreement.[846] International relations students and scholars could possibly interrogate how ROOs could work for the Tripartite bloc's future trade negotiations once these agreements are signed. The recently negotiated EPA configurations and agreements awaiting finalisation are pertinent to the continued success of the Tripartite bloc. The discussion on ROOs was important, since at the beginning of the thesis it is claimed that Krugman did not take into consideration inputs of production in his accounting index, which the literature review identified as a gap. Manufacturing that fosters endogenous growth factors like technology transfer, skills development, research, and education is important to enhance trade, since African countries invariably gained independence with economies that spent a large part of their resources on the production of export commodities. Lesotho, for example, has only been exporting clothing to the US under the aegis of AGOA, with no other diversification of goods.

7.3.2 Total Factor Productivity (TFP)

The view from some leading economists is that per capita income can only occur if there is a rise in output "per unit of input", a point which Krugman makes.[847] Krugman's expansion on total factor productivity similarly outlines that because capitalist growth is based on growth in both inputs and efficiency, efficiency is therefore the median to raise per capita income, and therefore it is per capita income that will show an increase through output per unit of input. In expanding on endogenous growth factors in industrialisation and value addition of inter-regional trade, the thesis employed Dowrick and Duc-Tho Nguyen's TFP as a catch up variable for downstream industries. Hence, aligning such processes will lead to technological advances and total factor

[846] Erasmus, "The Tripartite FTA", 2015.
[847] Krugman, "The Myth of Asia's Miracle", 1994. *See also*, Dowrick and Nguyen, "OECD Comparative Economic Growth 1950-85: Catch-Up and Convergence", 1989, p. 1010.

productivity. Evidently, and as was discussed in chapter 5, the World Bank's 2014 report outlined South Africa has increased its trade in iron and steel – with a share of level-2 products - from 18 percent in 2000 to 57 percent in 2012, all traded to Africa's markets with the largest share of iron ores (ferro alloys) to SACU markets.[848] To enhance regional value addition industrialisation, the thesis notes that this is a good opportunity for the Tripartite bloc to consider at policy level how smaller industries could input into South Africa's semi-manufactured level-2 products in the region and benefit from total factor productivity. Hence, the Tripartite bloc could then consider how "downstream industries can add value into iron and steel products and input into larger firms' outputs".[849]

7.3.3 Protecting Tripartite member states' industries is much more than just variable geometry, free trade, and the principle of *acquis*

A grand continental FTA and customs union have further positive spinoffs, which an enlarged market could bring about, such as increased economies of scale, as well as greater political and negotiating leverage at international forums. However, benefits for smaller economies will only occur on the basis that more trade is conducted and regional hegemons like Kenya and South Africa accept more exports from smaller economies into their markets that also support smaller industries. The approach of variable geometry implemented by the Tripartite bloc to provide a mechanism for smaller vulnerable member states to come on board at a slower pace than other members, and trade liberalisation to enhance and conduct more inter-regional trade and expanding trade, cannot be implemented without a third approach of a thoroughly negotiated agreement with EU's economic partnership agreements and the African Growth and Opportunity Act's agreement with the US. The thesis identified that variable geometry and trade tariff liberalisation are two approaches that are not conducive to convergence of the Tripartite bloc in trade. The variable geometry approach has not sufficiently helped the Tripartite bloc in assisting poorer economies to converge to tariff adjustments. The openness of trade liberalisation allows international trade to flood the markets of the Tripartite bloc, with no coping mechanism for

[848] World Bank, "South Africa Economic Update Focus on Export Competitiveness", 2014, p. 35.
[849] World Bank, "South Africa Economic Update Focus on Export Competitiveness", 2014, p. 35. *See also*, Oded Galor, "Convergence? Inferences from Theoretical Models", 1996; Durlauf and Johnson, "Multiple Regimes and Cross Country Growth Behaviour", 1995, pp. 365-384; Quah, "Convergence Empirics Across Economics With (Some) Capital Mobility", 1995.

small, vulnerable industries to withstand the economic shocks associated with loss of industry. The SADC EPA is a key example of such an approach, which the thesis recommends.

For example, South Africa refuses to sign the new SADC EPA that will come into effect in 2016 with Europe, should Brussels not forgo its agricultural subsidies and those on goods that it will trade within the new SADC EPA. The EU has now agreed to this. South Africa has been very firm in negotiations with the EU because of negative experiences where BLNS was negatively affected by the SA–EU Trade Development and Corporation 1999 Agreement and affected the South African industries as was discussed in chapter 4. South Africa is adamant not to repeat the past. The Tripartite bloc should learn from this negotiation experience and deploy similar strategies when negotiating trade agreements with AGOA, in particular in finalising the new regional EPAs. The thesis proposes a key recommendation here, that COMESA, the EAC and SADC should revisit their trade protocols and agreements and put in place a legal framework that fines member states belonging to the blocs that violate the current trade preferences of the Tripartite bloc. Member states that jeopardise the trade liberalisation of agreed goods should also be sanctioned.

Liberalising trade agreements with external partners like the US and Europe is important for a number of reasons, chiefly in advancing technology and levels of skills. However, trade agreements that favour and protect regional trade in both goods and services must be negotiated, as the EU has done by protecting its own industries through agricultural subsidies since the 1950s. As discussed in the thesis, a total of 251 EU geographical indications and 105 South African geographical indications have been negotiated.[850] While external trade is important to grow smaller economies in a regional scheme (as was discussed in SACU), but requires a well conceived and articulated negotiated agreement. Chapter 5, provided key recommendations on how COMESA and SADC (as both institutions and member states) could promote regional integration with multiple memberships.

To promote regional integration with multiple memberships, this conclusion proposes the consideration of a four-pronged approach for the COMESA–EAC–SADC Tripartite member states' governments: a) The first element of the approach is to factor in a "paymaster". As South

[850] European Union, Southern African region and the EU complete negotiations for an Economic Partnership Agreement, 2014.

Africa, as a hegemonic state, manages its multiple memberships of the SACU bloc (as shown in chapter 5) by incentivising poorer economies through the trade revenue generated in the bloc. This has benefited the smaller BLNS economies in SACU. This approach was suggested by Walter Mattli - he suggests that a "paymaster" can provide benefits that promote economic convergence in a regional grouping.[851] The findings were: firstly, the hegemonic state in a regional grouping must conduct trade with global partners but these relations must be carefully balanced. Secondly, there must be a compensating trade mechanism, such as SACU's trade revenue disbursement mechanism, in compensating smaller economies in the Tripartite bloc so that there is a benefit for smaller economies to belong to a trade scheme. Such benefits could also consider (as was also discussed in chapter 3) the implementation of a payment mechanism to assist member states in facilitating trade such as COMESA's Regional Payment and Settlement System created to make trade conducive for its member states. REPSS links member states' national payment systems to regional central banks to effect payment and settlement of trade, and includes banks in Asia and Europe as well as Africa and viewed as an innovative online system with standards based on those of the Society for Worldwide Interbank Financial Telecommunication. The COMESA clearinghouse serves as the agent of the central banks in formulating bilateral agreements that could assist inter-regional trade among the member states.

b) The second element of the approach is recognising the importance of increasing intra-regional trade while balancing external trade. Trade must expand across the continent and not for the sake of integrating regions. If more amicable relations with more intra-regional trade are to occur, then larger economies like South Africa for example, must relax its stringent domestic industrial policies, and trade protectionism – for example, its 60 billion rand in yearly subsidies to its motor industry – can hamper regional efforts and reinforce multiple memberships.[852] For instance, Botswana's hide and leather market is of great value to South Africa's motor industry for the manufacture of car seats and South Africa should continue to guard over this relationship.

c) The third element of the approach is developmental-led regional integration and must be a dual benefit for both the hegemonic state and the region. In this instance, the hegemonic state was not able to trade manufacturing products (as noted in chapter 3 see figure 3.2) that was not conducive for the global market and therefore conducted more trade in the region. Moreover, South Africa,

[851] Mattli, *The Logic of Regional Integration: Europe and Beyond*, 1999, p. 41.
[852] *Personal interview*, Lusaka, August 2014.

was able to use semi-skilled labour which it has an abundance of for its regional trade, for example iron and steel. In-so-doing, South Africa was able to boost jobs. With regards to the region, smaller industries can input into South Africa's level 2 products. However, the Tripartite bloc, must carefully formulate policies concerning rules of origin to make such value added trade possible for its member states. The neo-classical growth model also stresses the importance of governments' focus on physical investment in order to expand national outputs. Investment in equipment is just as important as investment in transport infrastructure, since equipment is critical for technological advancement. Finally, Barro and Sala-i-Martin outline the linkages between convergence and the increased economic integration that follows from trade liberalisation; educed transport and transaction costs lead to greater "spatial agglomeration" as well as specialisation.[853] South Africa, has done in the MDC – since poor infrastructure capacity inevitably affects trade.[854] Therefore the fourth element of the approach is to strengthen regional institutions. SACU is not recognised as a regional economic community by the Abuja Treaty of 1991, nor by the AU; rather, itis one of the regional mechanisms promoting convergence on the continent owing to its negotiation skills; its access to the BRICS, the EU, and the US; and its strong security mechanism, which is well endowed through South Africa's support. Currently, SACU is in negotiations with all the larger markets with which SACU does not share an FTA. Notably, these include Egypt and Kenya in the EAC. The thesis recognises SACU as becoming the new regional integration frontier for Africa.

7.4 Final word

This thesis has addressed key issues that will help shape the future of regional integration in Africa. It is hoped that the thesis will strengthen future studies in this area on topics pertinent to Africa's development, and towards sustained and solid economic growth. Although this is the first full research study on this topic I am aware of, it is recognised that this thesis has not covered every topic of this broad area. More work needs to be done on the process of convergence and divergence, and this will become possible when new sources of evidence become available. Future academics and students in Africa's think tanks and universities should assess, address and/or expand on the lacunae in this thesis. The conclusions of this study are relevant for academic community, policymakers within COMESA, EAC, SADC, and SACU

[853] Barro and Sala-i-Martin, "Convergence Across States", 2004, pp. 112-113.
[854] *See*, CCR, *South Africa in Southern Africa*, (November 2012).

Secretariats and their governments. Other beneficiaries are IGAD, ICGLR, ECCAS, the South African government; Africa's continental bodies, like the AU; important African bodies like NEDPAD, the African Development Bank, the Development Bank of Southern Africa, and UNECA; the European Union; the United States; and donor communities and civil society actors.

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