Dependence and Collective Self-Reliance in Southern Africa

The Case of the Southern African Development Coordination Conference (SADCC)
DEPENDENCE AND COLLECTIVE SELF-RELIANCE IN SOUTHERN AFRICA

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PREFACE

The recent emergence of the Southern African Development Coordination Conference (SADCC) has spurred a renewed interest in the regional dynamic of southern Africa. To date, however, very little analytical material has been published on this important and unconventional regional venture. Thus, it is hoped that this research report will go some way in filling a lacuna, and hopefully also stimulate further research on specific aspects and the future trajectory of SADCC.

In the course of writing this report I have benefitted from discussions with a great number of people in various fora. It is not possible to thank each of them specifically, but their contribution is gratefully recognized. I would like to express my gratitude especially to Roger Leys with whom I have previously co-authored two articles on SADCC (see bibliography). The present report is, in fact, a substantial expansion of those articles. He will not, however, necessarily subscribe to the analyses and conclusions contained in this report. I am also indebted to Jan Isaksen and Bertil Odén for giving advice and making valuable comments on an earlier draft. Colleagues Juhani Koponen and Hans-Otto Sano at the Scandinavian Institute of African Studies have also offered comments, as well as the institute's director Michael Ståhl whose encouragement made me write this report. Although recognizing the influence of these colleagues and friends on the final product, I have not heeded all their advice. All remaining errors and shortcomings are, therefore, entirely my own responsibility.

Finally, thanks to Nigel Rollison for weeding out language errors and oddities, and to Agneta Ström for not succumbing to the whims of the word processor, and for tolerating my constant corrections and additions.

Uppsala in August 1982
Arne Tostensen
GENERAL INTRODUCTION

The role of the Republic of South Africa (RSA) in the southern African region has received much attention over the years. Large-ly as a result of the dominance of the dependencia school in development thinking most analyses have, however, started from the premise, implicitly or explicitly, that whatever happens in the region is attributable to the Republic's action or inaction, and the ensuing developments of the neighbouring environment being reflections thereof. The region's states have been treated as mere appendices to the RSA and passive objects of its policies, and not as active subjects in their own right. Such analyses thus fail to catch the fundamentally dialectical nature of these relationships. This may be a gross oversimplification of the dominant mode of analysis but it contains, nonetheless, a large measure of truth.

Recently this perspective is changing. The Republic's neighbours are increasingly seen as taking independent initiatives and adopting policies at variance with those preferred by the RSA. This applies principally to the new states whose people have waged a protracted guerilla struggle against colonialism and racialism, i.e. Angola, Mozambique and Zimbabwe.

A further development is the fact that they have begun to act not only individually but are also making collective efforts. The prime example in the latter half of the 1970's is that of the Frontline States, and more recently the Southern African Development Coordination Conference (SADCC), which is the main focus of this essay.

The present research report is not set in a simplified dependencia perspective. Rather, the approach is dialectical, focusing on the changing relationship between the Republic and its neighbouring states in the light of past experiences, and the future prospects.

The present research report is not based on primary fieldwork; rather, it is a 'desk' study making use of available secondary material. As such it has certain limitations. The data base is not entirely satisfactory. Sources include diverse publications: official statistics, SADCC documents, reports, scienti-
fic journals, periodicals of economic and political journalism such as *Africa Economic Digest*, *African Business*, *Marchés Tropicaux et Méditerranéens*, *New African*, *Africa Now*, etc. (see notes). Thus, it is difficult to check the reliability of data and their internal consistency. There are also data gaps and uneven data coverage. As a result, sources of error exist, and charges of data inadequacy cannot be dismissed outright. The conclusions drawn may have been affected.

Having said that, it is felt, nonetheless, that the data base is sufficiently good to suggest orders of magnitude (and in many cases better than that) and general trends. Consequently, the conclusions, which are considered tentative anyway, seem justified.

The level of analysis is that of the state. SADCC member states are seen as actors in a regional theatre. In some respects the analysis tends to regard even SADCC as a regional entity and actor in its own right, in particular as it relates to the Republic of South Africa and extra-regional powers. It may be premature to do so in view of the young age of SADCC and its uncertain future. Still, it is considered useful, even at this early stage, to suggest the possibility that SADCC, if successful, may assume a more independent role as an actor. Should SADCC, on the other hand, fail or score only modest successes, the emergence of a tightly-knit regional bloc will fail to materialize. In that case the main regional actors will continue to be the individual member states.

By confining the analysis to the state level it admittedly fails to take cognizance of other important social forces which in the last instance determine the actions of the state. The fact that social classes and strata are only briefly alluded to does not, however, indicate that their role is being played down. Analyses at the sub-statistical level of class struggles are, of course, utterly important to a fuller understanding of the regional dynamic. But they are way beyond the scope of this report and would require major field studies. Given their sensitive political nature they would, furthermore, be extremely difficult to carry through, depending, of course, on the country in question. The critical importance of such studies has been emphasized in a paper on research priorities by the Centre of African Studies at the Eduardo Mondlane University in Maputo (see note 248). The present author subscribes to that view as well.
Part I gives a brief introduction to the region with some basic data.

Part II contains a discussion of the concept of dependence as applied in the concrete analysis. Of particular importance is the distinction being made between sensitivity and vulnerability. With the aid of these concepts a sectoral review of dependencies is made.

Part III offers a largely descriptive account of the genesis and development of SADCC, up to and including the Blantyre Conference in November 1981.

The concluding part IV deals with a number of problems facing SADCC at different levels: financing, internal frictions, dangers of new dependencies, and the response to SADCC by the RSA. Finally, a preliminary assessment is made of SADCC's prospects of success.
PART I: INTRODUCTION TO THE REGION

1. Introductory Remarks

The past three years have seen a new regional dynamic emerging in southern Africa in that initiatives and concrete steps have been taken towards increased regional cooperation within the framework of what has become known as the Southern African Development Coordination Conference (SADCC). This new turn of events is not unrelated to two other fundamental processes: stat­es of Angola, Mozambique and Zimbabwe, and the ensuing change in the geo-political situation in the region; and secondly, the up­surge in the 1970's of the liberation struggle in the Republic of South Africa (RSA) itself. With the addition of a regional dy­namism at the state level, the three processes are intimately in­ter-connected and conceivably working in the same direction: elimination of all vestiges of colonialism and racism in the re­gion.

2. Physical Characteristics

The members of the SADCC include Angola, Botswana, Lesotho, Mala­wi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe, also referred to as the 'southern nine'. At the southernmost tip of the continent one finds the Republic of South Africa and Nami­bia, the latter illegally occupied by the former in defiance of the ruling of the International Court of Justice and United Na­tions resolutions. Unless explicitly stated otherwise, any ref­erence to the RSA should be taken to include Namibia which, for all practical purposes, is a fifth province. (See attached map.)

The nine have a combined Gross Domestic Product (GDP) of some US$ 20 billion, an area in excess of 5 million square kilome­ters, and a total population of some 60 million. (See table 1.)

The region is endowed with a rich natural resource base includ­ing iron, copper, nickel, cobalt, uranium, chrome, lead, zink, tungsten, gold and diamonds in terms of minerals. Considering that geological mapping and prospecting is far from complete, new substantial mineral finds are likely. In addition to oil and coal the region has a vast energy potential in hydro-electric
<table>
<thead>
<tr>
<th>Country</th>
<th>(1) Area in 1,000 km²</th>
<th>(2) Population in mill.</th>
<th>(3) GNP in US$ mill.</th>
<th>(4) GNP per capita in US$</th>
<th>(5) Energy consumption in 1,000 tons coal equiv.</th>
<th>(6) Energy consumption per capita in kg coal equiv.</th>
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<td>19,040</td>
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</table>

South Africa 1,221 28.5 48,980 1,720 76,256b 2,375
Namibia 824 1.3 1,200 1.220 .. ..

SADC/RSAc 2.4 1.9 0.4 0.3 0.1 0.1


a Provisional  b Includes the entire customs area  c Including Namibia
power which is still largely unexploited, and in a somewhat more distant future, harnessing solar energy would provide an infinite supply. Although the agricultural potential is very unevenly distributed, the region as a whole certainly has great possibilities. Thus the basis exists for a balanced agricultural and industrial development for the benefit of the broad masses. A quick glance at reality will reveal, however, that the development potential is far from realized for a host of reasons, some of which will be dealt with in subsequent sections of this essay.

One obvious and glaring reason is the dominance over the region by the RSA. The sheer size of its economy and its development historically makes the RSA a regional super-power or sub-imperialist. The Republic has a GDP more than twice the size of that of the nine combined. Above all its industrial base is well developed. The RSA produces, e.g., 87% of all steel in Africa, has 30% of the cement production and 40% of the continent's total manufacturing production. In terms of energy the RSA consumes nearly six times as much as the nine put together. Not only due to its relative size and geographical position but also as a result of a deliberate policy evolved historically, the RSA has managed to link itself with the neighbouring states in highly asymmetrical dyads in which the RSA has retained the upper hand. This dominance by the RSA permeates virtually all economic sectors so as to make its neighbours dependent to varying degrees due to different historical circumstances, geo-political situations and the trajectories of their internal struggles. The Pretoria regime appears to do everything in its power to reenforce and perpetuate these dependency relationships.
PART II: DEPENDENCY RELATIONSHIPS IN SOUTHERN AFRICA

3. Introduction

The dependence of the southern African states on their giant neighbour, the Republic of South Africa (RSA), has become an axiom in practically any discussion of the political economy and liberation process of the region. The purpose of part II of this essay is not to attempt a refutation of this axiom, but rather to add some nuances in order to provide a more differentiated understanding of who is dependent on whom, in what sphere and to what degree. Although the scope of this essay imposes limitations on the extent to which detailed analyses can be made, it is hoped that the necessarily somewhat cursory treatment of dependency relationships will, at least, suggest some directions for further research in this field. Too crude and simplistic a perception of inter-state dependencies may easily obfuscate the real issues involved and adversely affect policy formulation and manoeuvrability on the part of the 'southern nine' in their tactical and strategic posture vis-à-vis the RSA.

The concept of dependence discussed here should not be confused with the much broader, if somewhat vague, concept used within the larger theoretical framework of the dependencia school of thought in the field of development studies. In order to avoid confusion it is suggested that the latter be referred to as dependencia due to its Latin American origin. The controversy within that school as to its precise definition is of no concern here.

4. Dependence: Toward an Operational Definition

When starting an analysis of dependencies, the first problem one has to address is that of conceptual confusion. Common and scientific usage of the concept of dependence is so varied that it is hardly possible to arrive at a consensus definition. For the purpose of this essay it will suffice to make a preliminary clarification so as to avoid gross misunderstandings.

Following Keohane and Nye, "dependence means a state of being determined or significantly affected by external forces". This means that dependence is a dialectical concept in that it involv-
es two or more actors. A relationship between two actors seldom implies in actual fact, however, that the one is totally dependent on the other, and conversely that the latter can discard the former without any effects whatsoever on itself. There is normally some degree of mutuality or reciprocity inherent in any relationship. In most cases it is, therefore, warranted to speak of interdependence which Keohane and Nye say "most simply defined, means mutual dependence. Interdependence in world politics refers to situations characterized by reciprocal effects among countries or among actors in different countries". A state of interdependence between two actors does not entail, however, that the reciprocal effects are distributed evenly to either side of the relationship. Nor does it refer to situations of mutual benefit only. A relationship of interdependence is not free from distributional conflict whether expressed in terms of maximization of benefits or avoidance of costs. Indeed, in concrete analyses the question of the relative distribution of gains and losses should be at the very centre of interest.

One should also guard against perceiving interdependent relationships as 'zero-sum' games, i.e. where one side's gain is the other side's loss. Rather, such relationships are more often than not 'variable-sum' games, i.e. where many possible combinations of gains and losses for either side may occur. What the actual distributional effects will be in any one interdependent relationship, is contingent on the precise nature of such a relationship and ultimately a matter of concrete empirical investigation.

As regards the nature of interdependent relationships and concomitant distributional effects, the issue of symmetry is crucial. One should be "careful not to define interdependence entirely in terms of situations of evenly balanced mutual dependence. It is asymmetries in dependence that are most likely to provide sources of influence for actors in their dealings with another". Asymmetry denotes an imbalance in the relationship between two actors. It may take the form of unequal exchange or interactions in terms of magnitudes or frequencies which are relatively stable over time so as to constitute a structure. Put differently asymmetry suggests disparities in the intensity of involvement or concentration of linkages between actors. In the southern African context the question of the degree of symmetry or asymmetry in relationships between states assumes a special importance
because of the extremity with which the asymmetries manifest themselves. Moreover, international attention is drawn to this fact in view of the special racial policies known as apartheid pursued by the dominant party in these asymmetrical relationships. The present asymmetrical dyadic relationships between independent states and their former colonial masters as examined empirically by Michael B. Dolan et al., and analysed theoretically by Johan Galtung, may not differ fundamentally from those found today in southern Africa between the RSA and its neighbouring states, only in degree perhaps. Nevertheless, the international abhorrence and condemnation of the system of apartheid and of the Pretoria regime which espouses the racialist ideology which is at the root of it, makes southern Africa, perhaps, a special case. It certainly has implications at several levels. Firstly, regarding the perception by the majority-ruled southern African states of the RSA as a particularly vicious neighbour, with which it is impossible to have normal inter-state relations. It follows from such a perception that these states will be more inclined to actively seek ways and means of breaking away from RSA's grip on them, individually or collectively, than would states in a similar position vis-à-vis, say, former colonial powers no matter the degree of asymmetry. Secondly, the fact that the racialist policies of the apartheid regime has invoked the wrath of the international community (though not genuinely across the board as evidenced by voting patterns in the United Nations), will probably make it easier for the dominated states to elicit assistance from actors outside the region itself.

An analysis of inter-state relationships in a region such as that of southern Africa will, furthermore, be grossly incomplete if the scope is limited to asymmetrical dyads one by one in separation. It is highly significant that the individual dyads be seen as constituting an overall structure. It is essential to emphasize that the structuring of interdependent relationships in a series of asymmetrical dyads precludes or impedes cooperation and coordination between the subordinate actors in the dyads vis-à-vis their dyadic counterpart, e.g. the RSA, in attempts to offset adverse effects of this overall structure. The low and declining level of intra-regional trade among SADCC members is but one expression of such lack of interaction between the subordinate dyad actors, not to mention the conspicuous lack of deliberate concerted action until recently. The regional web of asymmetrical dyads in which the RSA is at the superordinate
end resembles what Johan Galtung terms a 'feudal interaction structure'. In such a structure interaction takes place vertically and almost exclusively between the subordinate and superior actors within each of their dyadic relationships, but hardly at all horizontally between the latter ones (i.e. between the subordinate actors), except perhaps if channelled through their common superior actor. It is a classic example of divide and rule, not merely as an expression of policy at a given point in time, but as a manifest socio-economic structure of remarkable stability and permanency.

Keohane and Nye go further in specifying the concept of interdependence in attempting to understand its power aspect. In so doing they make a distinction between two dimensions - sensitivity and vulnerability.

"Sensitivity involves degrees of responsiveness within a policy framework - how quickly do changes in one country bring costly changes in another, and how great are the costly effects? It is measured not merely by the volume of flows across borders but also by the costly effects of changes in transactions on the societies or governments. Sensitivity interdependence is created by interactions within a framework of policies. Sensitivity assumes that the framework remains unchanged. The fact that a set of policies remains constant may reflect the difficulty in formulating new policies within a short time, or it may reflect a commitment to a certain pattern of domestic and international rules. Sensitivity interdependence can be social or political as well as economic".

A hypothetical example from southern Africa may serve to illustrate the point being made. Suppose the RSA decided to refuse to sell maize to Zambia or reduced the volume relative to Zambia's needs in a given situation of acute food shortage. And perhaps additionally increased the unit price and freight rates. Given the asymmetrical trade relationship between Zambia and the RSA, the former would have few means of retaliation in a desperate attempt to induce the RSA to annul its decision. The likely adverse effects would hit Zambia disproportionately harder. Accordingly the costs incurred to Zambia would be considerable, economically in terms of higher prices to be paid to alternative suppliers and the higher freight charges involved, socially in terms of human suffering in the not improbable event that alternative supplies were delayed or could not be procured in the quantities required, and politically in terms of loss of government support by the masses in a situation of food queues and black marketeering.
This may seem an example of total dependence by Zambia on the RSA, and not of interdependence. The reciprocity seems to be absent. However, in the example South Africa will also incur costs, economically and politically. For the Republic southern Africa, including Zambia, is an important export market for its maize surplus. A reduction in export volume would probably mean that the South African Maize Board would be stuck with a sizable maize surplus, resulting not only in loss of export revenues but also added storage costs. Politically the costs would be felt at the international level rather than internally. The RSA's action would undoubtedly be met with worldwide denunciation but hardly more than that. Considering the relative insensitivity of the apartheid regime to international condemnation, the political costs may seem only negligible.

It appears from this brief discussion of the distributional effects that a proportionately larger share of the losses would fall on Zambia, i.e. that Zambia would be the more sensitive of the parties in the dyad. Neither of the two states would seem to gain anything in an absolute sense. The gains by the Republic would only be measurable in relative terms in the sense that Zambia would stand to lose even more, and perhaps if the latter as a result would assume a less hostile attitude towards the former as its supplier of foodstuffs for fear that even more severe action would be taken in the future. The whole affair would then be tantamount to economic extortion, which is precisely what was implied in this example in the first place.

The sensitivity dimension of interdependence has now been illustrated by the example above. It is predicated on the assumption that policies and the external environment are otherwise kept constant. "In terms of the costs of dependence sensitivity means liability to costly effects imposed from outside before policies are altered to try to change the situation. (emphasis added)"\textsuperscript{12} The reasons for not changing policies and other factors which may have a bearing on the costs, may in turn be unwillingness or inability to do so, or restrictions imposed by internationally binding rules and regulations. The most obvious factor is time, however. Given adequate time any actor would probably be able to offset some or most of the costs incurred, but hardly all. Some constraints would be likely to persist, particularly those of a physical nature such as natural resources.
Having considered sensitivity one should proceed with a discussion of the vulnerability dimension. According to Keohane and Nye, reference to the sensitivity dimension only will obscure some of the most important political aspects of mutual dependence. It is, therefore, necessary to consider what the situation would be if the framework of policies could be changed. Their definition of vulnerability is accordingly:

"Vulnerability can be defined as an actor's liability to suffer costs imposed by external events even after policies have been altered. Since it is usually difficult to change policies quickly, immediate effects of external changes generally reflect sensitivity dependence. Vulnerability dependence can be measured only by the costliness of making effective adjustments to a changed environment over a period of time". 13

In other words, the vulnerability dimension takes into account the ability of an actor to adjust to changing circumstances if only given adequate time.

There are a number of factors affecting an actor's capability to adapt to changing circumstances. Only a few will be considered briefly here.

a) physical resources
b) human resources
c) internal class forces and political constellations
d) external alliances and affiliations

A country's physical resources may impose severe constraints on its ability to adapt over time. Certain resources may simply be lacking or available only in insufficient quantities. A landlocked situation may furthermore make it extremely difficult or prohibitively costly to make use of alternative sources of supply. On the other hand, a sudden imposition from outside of adverse change may in a long-term perspective be made an asset. It may lead to intensified prospecting and mobilization of resources which were hitherto unknown. This may very well be the case for many of the southern African countries.

Human resources typically require more time to mobilize and develop than physical resources. This implies that the sensitivity dependence of a particular state in terms of, e.g., manpower will tend to be higher than its vulnerability dependence. Although the scope for adaptation in this particular sphere is con-
siderable the time element will be crucial. Thus time becomes the principal constraint, not the human resources per se.

In an interdependence relationship the cost of sensitivity and vulnerability may be measured in economic, social and political terms. Assuming that the costs are distributed unevenly in the population the responses from different segments or strata will manifest themselves accordingly. In our example from Zambia the brunt of food shortages would presumably be borne by the labouring classes, particularly in the urban areas. The nature of their response and the manner in which it would be articulated, would vary according to their understanding of the situation and the degree to which they actively supported the incumbent regime. A government might perceive of the political costs as a direct threat in a situation of weak popular support, but much less so if popular support was strong in the sense that the masses would be willing to endure hardship. The political costs to the subordinate party in a sensitivity or vulnerability dependence relationship would in other words vary according to popular or any other class-based support.

A state's adaptability is, furthermore, related to its ability to secure assistance and support from other quarters by way of previously forged alliances or affiliations. It may be forthcoming in the form of technical and financial aid with a view to strengthening self-sufficiency in specific spheres. In the case of the southern African states this is attempted through the Southern African Development Coordination Conference (SADCC), one of whose principal objectives is precisely to solicit assistance from outside in a collective effort.

The distinction between sensitivity and vulnerability can, admittedly extremely simplified, also be depicted graphically thus:

![Figure 1.1 Sensitivity of three countries (assume policies unchanged)](image1)

![Figure 1.2 Vulnerability of three countries (assume policy changed)](image2)
The graph given by Keohane and Nye includes three actors, and not a dyad as in our southern African example above. It is of no consequence, however, for these illustrative purposes.

Figure 1.1 represents the sensitivity curves of three states. A has a slightly higher initial sensitivity to change than B and substantially higher than C. Over time the sensitivity of A and B remains unchanged, whereas that of C decreases appreciably. The reason for the decreasing sensitivity on the part of C is a 'spontaneous' adjustment, rather than a change in deliberate policies. It may be brought about by, for instance, a drop in the internal consumption of a specific commodity as a result of the externally induced price increase of the commodity in question.

Figure 1.2 represents a situation in which all states make some effort toward changing their policies in order to ameliorate the effects of the externally imposed change. Apparently A is very successful in its adjustment policies as indicated by the sharply declining curve, whereas B's adaptability equals zero as the sensitivity and vulnerability curves (in figures 1.1. and 1.2 respectively) are identical. C appears to be satisfied with the 'spontaneous' decline in costs, or has succumbed to the fact that the altered policies have had no effect in bringing down the costs even further.

It is worth quoting at length the comments by Keohane and Nye themselves:

"The sensitivity dependence of the three countries at the time of the first external event is not the same as their vulnerability dependence at that time. Measures of the immediate effects of changes will not precisely indicate long-term sensitivities (note that C's sensitivity declines naturally over time), but they are likely to be even less accurate in measuring long-term vulnerabilities, which will depend on political will, governmental ability, and resource capability. In our example, although country A is more sensitive than country B, it is less vulnerable.

Vulnerability is particularly important for understanding the political structure of interdependence relationships. In a sense it focusses on which actors are 'the definers of the ceteris paribus clause', or can set the rules for the game. Vulnerability is clearly more relevant than sensitivity, for example, in analyzing the politics of raw materials. All too often, a high percentage of imports of a material is taken as an index of vulnerability, when by itself it merely suggests that sensitivity may be high. The key question for determining vulnerability is how effective-
ly altered policies could bring into being sufficient quantities of this, or a comparable, raw material, and at what cost.

Vulnerability interdependence includes the strategic dimension that sensitivity interdependence omits, but this does not mean that sensitivity is politically unimportant. Rapidly rising sensitivity often leads to complaints about interdependence and political efforts to alter it, particularly in countries with pluralistic political systems. Although patterns of sensitivity may explain where the shoe pinches or the wheel squeaks, coherent policy must be based on analysis of actual and potential vulnerabilities.¹⁵

It would probably be possible to operationalize a number of variables discussed above. Provided valid and reliable data were available at a disaggregate level, it might be feasible to construct indices as numerical expressions of sensitivity and vulnerability in specific fields of interaction. With some success Dolan et al. attempted something similar by constructing a foreign policy behaviour function based on a set of variables, inter alia a 'direct foreign investment (dfi)' concentration index.¹⁶ In a different vein Galtung constructed a 'trade composition index' and 'partner and commodity concentration indices'.¹⁷ Similar operationalizations might conceivably be made with respect to sensitivity and vulnerability for narrowly defined spheres of interaction and exchange. The real problem of operationalization arises when one attempts to compare a specific degree of sensitivity or vulnerability in one sphere or sector to that in another. Is it at all possible to convert in quantitative terms sensitivities or vulnerabilities from one sphere to another and construct a composite index of overall sensitivity or vulnerability comprising all spheres or sectors? It might be desirable, and is certainly a fascinating challenge to a social scientist, but it is hardly likely that it will ever be done. The complexity of the issues and the vast number of variables involved makes it an insurmountable task.

For the time being and for the purposes of this essay it will have to suffice to employ the concepts of dependence, interdependence, sensitivity and vulnerability in a rather crude manner. It will not be ventured to construct an index for any one sphere of interaction, not to speak of a composite one. The use of percentages will have to satisfy in most cases, even an ordinal level of measurement will have to do as an acceptable degree of precision. Not that it is undesirable to be able to make analyses at a higher level of precision, quite the contrary. It
must be recognized, however, that the present reliability of data does not warrant the use of sophisticated index measurements. The accuracy and reliability of data must correspond to the sophistication of the indices. If not the entire exercise will be rendered meaningless. The banal truth is that no index numbers will ever be more accurate than the data put into the index as constructed no matter its sophistication. This fact should not, however, discourage researchers from trying to operationalize concepts so as to attain higher levels of precision in their analyses, but it should be done with caution, never losing sight of the realities of data collection and processing being liable to wide margins of error. It is hoped that at some future stage data collection and processing routines will become so regular and reliable that sophisticated measurements can be safely constructed without running the risk of building castles in the air.

Keohane and Nye have developed their concepts in such a way as to be able to analyse cost effects of externally induced changes from one point in time (T₁) to another (T₂, T₃, etc.) Surely, history did not begin at T₁. The situation prevailing at an arbitrary point in time (T₁) selected as the starting point for a particular study, is itself the result of an historical process of an endless chain of small successive changes.

It follows logically that the preservation of the T₁ situation, i.e. no change, may also lead to costs being incurred for the actor in question, provided its relationship with the outside world at T₁ was one of asymmetry. In a southern African context it could mean, for instance, that even status quo is costly to the subordinate actors, and that any change relative to status quo would involve either a deterioration or improvement depending on the nature of that change. It also means, in turn, that the subordinate actors will be inclined towards avoidance of adverse change, but also towards change away from status quo in a direction beneficial to them. In other words it is not change per se which is of interest, but its direction.

A strategic movement towards reduced vulnerability based on an assessment of one's instantaneous sensitivity being unacceptably high, is thus a likely policy for most states. It is in fact practically identical to what is commonly referred to as a strategy of self-reliance. And just as one may speak of degrees of
vulnerability one may also speak of degrees of self-reliance, autarchy being the one extreme of a continuum and total one-sided dependence the other. Admittedly self-reliance with an autarchic orientation is not the only possible policy response to a situation of high vulnerability; balancing out a relationship so as to make it more symmetrical may be an alternative option, though in many cases not a practicable one. Nevertheless, it is a fact that many African states have officially opted for self-reliance, among them some SADCC member states.

Policies of self-reliance may be pursued on an individual country basis or collectively. Individual endeavours have met with only modest success, some with outright failure. The reasons for limited success are many; only two obvious ones will be mentioned here. The first one is size. The 'balkanization' of Africa has in most cases made individual countries too small to be economically viable. To overcome their size problem they have, therefore, sought partners either on a bilateral basis or in regional groupings such as the East African community (EAC) and the Economic Community of West African States (ECOWAS). The most recent venture of a similar nature is, of course, the Southern African Development Coordination Conference (SADCC).

Not only does size make it imperative to enter into cooperative ventures. A second principal reason for only meagre results when attempting self-reliance individually is the so-called 'feudal interaction structure' in which the subordinate actors in a series of dyadic relationships are circumscribed in their attempts at interacting with each other while almost exclusively interacting with their common superordinate counterpart. The joining together of all the subordinate actors in a regional grouping thus represents an attempt at breaking the 'feudal interaction structure'. It remains to be seen whether the SADCC effort will meet with greater success than its predecessors. In view of historical experiences the odds are not overwhelmingly good but, on the other hand SADCC has emerged at a different historical juncture and under different circumstances. Their specificity will have to be analysed concretely and empirically, and not judged a priori on the basis of historical precedents. To this we shall return in subsequent sections.

Before entering into a concrete analysis it should be pointed out again that any move in any direction will, in an unfailing
dialectical fashion, precipitate counter-action. It is inevitable that SADCC will provoke counter-strategies by the South African regime. In calculating risks and costs when moving from a position of high to lower vulnerability, each member state and SADCC collectively must take into account the possible counter-actions by their common enemy, including military adventures. Some of them have already begun to appear. Which way the balance will tip is uncertain, and whether it will be acceptable is in the last instance for each and everyone to decide for themselves. It should be borne in mind, though, that military responses are expensive not only in economic terms (money, military hardware, casualties) but also politically and diplomatically. Military action may thus not be the most 'cost effective' means of response from the point of view of the superordinate actor, i.e. South Africa in this case.

5. Sectoral Review of Dependencies

To varying degrees dependency relationships between the RSA and its neighbouring states span virtually all spheres of interaction and exchange. The overwhelming majority are characterized by extreme asymmetries which in general terms means that the SADCC countries are more dependent on the RSA than vice versa. This notwithstanding it should not be forgotten that there is a considerable element of reciprocity involved, i.e. that the relationships are to some extent interdependencies. The following sections will discuss further details as to their precise nature sector by sector. Due to the uneven data base each sector may not be treated equally thoroughly. It should also be remembered that much relevant data are deliberately suppressed because of their sensitive political nature. The sectoral review below will suffer accordingly in that it will necessarily be somewhat shallow and cursory, for which apologies are made. A more exhaustive review remains an important research task.

The order of presentation is somewhat arbitrary and suggests no order of importance. A presentation by sector has been preferred to one by country to accord with the SADCC perspective. Although a presentation by country might have been an alternative, the regional aspect would have been lost.
5.1. Trade

Trade relations are characterized by extreme asymmetries; the Republic trades proportionately far less with its neighbours than vice versa. Africa's share in the Republic's foreign trade has always been low and there is furthermore a clearly discernible downward trend as shown in table 2. It is particularly marked with respect to exports which have dropped from more than 15% in 1972 to less than 7.7% in 1979. Imports have remained more or less stagnant, perhaps declining slightly over the same period of time, constituting no more than 3.4% in 1979. (See table 2.)

As regards the composition of trade the 1980 figures show that the principal export categories to African countries were agricultural produce (23%), machinery (15%), base metals (14%), chemicals (11%), vehicles and transport equipment (8%), animal products (5%), plastics and synthetic products (4%), minerals (4%), foodstuffs (3%), paper (3%) and textiles (3%).

With respect to imports from Africa the principal commodity groups in 1980 were base metals (19%), agricultural produce (16%), textiles (14%), foodstuffs (12%), wood products (8%), precious stones (2%), footwear (2%), misc. manufactures (2%), vehicles and transport equipment (2%).

Table 2 may lead to the preliminary conclusion that Africa is a diminishing market for South African goods which can be written off if necessary without too much damage to the South African economy, and thus taken to mean that the RSA is dependent on its closest market to a very limited extent only. There are, however, important qualifications to such a conclusion. It may be that Africa and Southern Africa is not one of the major trading partners in an overall perspective. A closer look at the composition of trade reveals, however, that Africa is a substantial foreign market in certain sectors and branches of industry. In 1979 Africa absorbed 57% of the commodity category machinery and equipment; the corresponding figure for artificial resins, plastics and rubber was 54%, for stone- and glassware 48%, and for vehicles and aircraft 35%. Depending on the importance of exports relative to the internal market for these categories of commodities, it is evident from these figures that, despite the fact that Africa is a relatively small market for South African
### TABLE 2

**SOUTH AFRICA: MERCHANDISE TRADE WITH AFRICA**

1972-79. (RAND MILL. IN CURRENT PRICES AND PER CENT)

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports f.o.b.</th>
<th>Imports c.i.f.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total To Africa To Africa as % of total</td>
<td>Total From Africa From Africa as % of total</td>
</tr>
<tr>
<td>1972</td>
<td>1,955.3 294.7 15.1</td>
<td>2,840.5 149.3 5.3</td>
</tr>
<tr>
<td>1973</td>
<td>2,375.8 341.7 14.4</td>
<td>3,564.2 190.9 5.4</td>
</tr>
<tr>
<td>1974</td>
<td>3,016.9 448.8 14.9</td>
<td>5,344.3 241.2 4.5</td>
</tr>
<tr>
<td>1975</td>
<td>3,414.5 423.8 12.4</td>
<td>6,083.4 253.6 4.2</td>
</tr>
<tr>
<td>1976</td>
<td>4,204.1 453.9 10.8</td>
<td>6,346.3 305.5 4.8</td>
</tr>
<tr>
<td>1977</td>
<td>5,436.8 518.6 9.5</td>
<td>5,440.6 287.5 5.3</td>
</tr>
<tr>
<td>1978</td>
<td>6,354.6 537.8 8.5</td>
<td>6,611.3 245.3 3.7</td>
</tr>
<tr>
<td>1979</td>
<td>9,499.0 733.9 7.7</td>
<td>7,534.8 254.8 3.4</td>
</tr>
</tbody>
</table>

---

a) South Africa includes the entire Southern African Customs Union (SACU), i.e. the Republic itself, Namibia, Botswana, Lesotho and Swaziland. Intra-SACU trade statistics are not published.

b) South Africa does not publish statistics for trade with individual African countries, only the continent as a whole. The bulk of trade is, however, with the southern region, although South Africa claims its list of trading partners includes some 40 African states.

c) Excludes gold

goods as a proportion of total exports, it would be felt in specific sectors and branches of industry should that market suddenly disappear. The adverse direct effects might, in turn, have repercussions for the economy at large. A recent study by Earl L. McFarland,23 referring to the significance of BLS imports from the Republic to the manufacturing and other non-mining sectors of the latter, arrives at the striking conclusion that:

"In 1979 almost 7% of RSA's manufacturing value added and employment (almost 100 000 workers) and 5½% of RSA value added and employment in other non-mining sectors (more than 200 000 workers) can be attributed to the level of BLS imports from RSA. More important, about 23% of the growth in RSA's manufacturing value (added) and employment since 1970 can be attributed to the increase in BLS imports from RSA, as well as almost 11% of the growth in value added and employment in other non-mining sectors of the RSA economy."

If this is true of the importance of the BLS imports, the same would apply a fortiori to the southern African region as a whole. There seems, therefore, to be no reason to belittle unduly the significance of the African market to South African commercial interests.

The above comments refer to the current situation; if seen in a future perspective the African market, and particularly the southern region, may take on added significance. Assuming that the South African internal market remains restricted due to the regime's apartheid policies, or only growing slowly, and that the productive capacity of the South African economy expands at the pace it has since the early 1960's (allowing for the cyclical variations), and furthermore that the demand elasticity of commodities exported to the major trading partners (i.e. the USA, Great Britain, West Germany and Japan) is constrained, then the African market may become crucial to the South African economy. The assumptions may, of course, prove to be wrong but they are not entirely unreasonable. The degree to which they hold true will determine the degree to which South Africa will become increasingly dependent on Africa as an important export market in the future. Stated in the conceptual framework outlined in the previous section the sensitivity dependence of South Africa on the African export market is low in terms of total exports, but higher in selected sectors and branches of industry; oddly enough vulnerability dependence will probably increase over time.
Seen from the point of view of individual SADCC states the current situation may look different, at least in the short-term.

5.1.1. The Southern African Customs Union (SACU)\textsuperscript{24}

The trading relationship between the RSA and its closest neighbours, Botswana, Lesotho and Swaziland, is a special case. These four countries (including for all intents and purposes Namibia as a de facto fifth province of the RSA, albeit in recent years less so) are tied together in a customs union which dates back to 1910, that is, long prior to the accession to independence by the former High Commission Territories (Bechuanaland, Basutoland and Swaziland) now collectively referred to as the BLS-states. The union entails that the members impose a common external tariff barrier, but allow the free flow of goods internally without any tariff hindrances. The agreement was substantially revised in 1969 in favour of the BLS-members. It rests on the principle that all customs revenues, import duties, excise, and sales taxes levied on specific products, e.g. spirits and tobacco, are all channelled into a common revenue pool. The accrued revenues are subsequently distributed to each member state according to its share of total imports as well as its respective share of locally produced commodities which have been surtaxed. The sharing of revenue funds is not strictly proportional, however. A special formula has been devised:\textsuperscript{25}

\[
R = \frac{i + p}{I + P} \times (C + E + S) \times 1.42
\]

where

- $R =$ revenue received by Botswana, or Lesotho, or Swaziland;
- $i =$ total value c.i.f. at border of all imports into Botswana, or Lesotho, or Swaziland, inclusive of customs, excise and sales duties;
- $I =$ total value c.i.f. at border of all imports into the customs area, inclusive of customs and sales duties;
- $p =$ total value of dutiable goods produced and consumed in Botswana, or Lesotho, or Swaziland, inclusive of duties;
- $P =$ total value of dutiable goods produced and consumed in the customs area, inclusive of duties;
- $C =$ total collection of customs duties within the customs area;
E = total collection of excise duties within the customs area;
S = total collection of sales duties within the customs area.

It is not immediately evident from the formula that, notwithstanding the 1.42 multiplier, it offers the BLS-states some additional minor advantages:

1) Goods fully made in the RSA and subsequently exported to the BLS, will increase the 'i' in the formula and hence the 'R';

2) The governments do not pay duty on its imports, but these imports are still included in the 'i';

3) The BLS have a higher proportion of capital goods in total imports. Since duty rates for such imports are generally low, the BLS will gain as they receive an average percentage of duties and taxes from the pool.

On the other hand, due to the logged payment system the BLS lose out in real terms when inflation is high.

The 1.42 multiplier gives the BLS-states some compensation for other disadvantages inscribed in the agreement. These are hard to quantify, e.g., the loss of fiscal discretion, and the adverse development polarisation effects of the union. "In joining the Customs Union, these countries effectively forfeit control of indirect taxation, which is normally a very important fiscal tool in developing countries. It is beyond dispute that the tariff is determined by the economic needs and social philosophy of the Republic of South Africa, which are not the same as those of B.L.S."26 The polarization effects are even harder to pin down. In analyses of customs unions it is often asserted that already existing disparities tend to be reenforced and perpetuated, causing long-term polarity of economic development with the better endowed areas growing at the expense of the poorer. Despite the Infant Industry Duty clause in the agreement safeguarding against such tendencies, there is little evidence to disprove the general assertion of growing polarity.

On the face of it, the generous revenue distribution formula offers adequate compensation. It is undoubtedly true that the cus-
toms union revenues contribute substantially to the BLS-states' total revenues. In 1980/81 this source accounted for 40% of Botswana's total state revenues. The corresponding figures for Lesotho and Swaziland were 72% (1978) and 55% respectively. Nonetheless it is highly doubtful whether the long-term effects on the BLS-economies of the customs union are, on the balance, beneficial to them.

As a result of the customs union the BLS-states are tradewise firmly integrated into the South African economy. They depend heavily on imports from the Republic, but less so as a market. Consider the Botswana case: in the latter half of the 1970's South Africa's share of Botswana's imports steadily increased from slightly more than 75% in 1974 to close to 88% in 1979 (c.i.f. including customs), whereas the trend for exports has been the reverse, albeit somewhat erratic, diminishing from 37.5% in 1974 to below 8% in 1979. With nearly nine tenths of all imports coming from the RSA, the commodities span the entire product range including strategic ones such as petroleum, foodstuffs and essential machinery. On the export front Botswana has managed to diversify market outlets so that principal products which were previously largely marketed in the Republic (beef and animal products, diamonds, and copper-nickel matte) now find their way to markets overseas, primarily the USA and the EEC. The importance of the latter has increased since 1975 when Botswana joined the Lomé Convention. In terms of sensitivity dependence Botswana is clearly in poor straits when it comes to imports, and increasingly so. Vulnerability dependence also seems to be high; the cost of diversifying imports will be high no matter how radical policy changes might be. The situation is much less serious on the export side. The dwindling importance of the South African market clearly attests to that. Given time it is not unlikely that Botswana may be able to practically phase out the Republic as a market, except for a few items.

The plight of Lesotho is far worse than that of Botswana. Lesotho is generally thought to import about 95% of its needs from the Republic, and to export some 90% to the South African market. Other sources say that roughly 80% of both exports and imports are to and from the Republic. Principal export items are wool and mohair which make up 40-50% of total exports. Other important items are diamonds, livestock, hides and skins. From being a southern African granary exporting wheat and maize
to the Republic in the previous century and right up to the 1930's, Lesotho is presently a substantial importer of cereals, *inter alia* from the Republic. Otherwise imports consist of capital and consumer goods of all categories. Not only do trade flows go overwhelmingly to and from the Republic, Lesotho also has a serious balance of trade deficit with South Africa. The only possible conclusion is that Lesotho, as far as trade goes, is extremely sensitive and vulnerable *vis-a-vis* South Africa, and is likely to remain so in the foreseeable future.

Though similar, Swaziland's position is somewhat brighter. Imports from the RSA stand at around 80% of total imports, but only some 20% of exports are marketed in the Republic.34 Imports include virtually the whole spectrum of commodities. The principal export items were in 1976 sugar, wood pulp, iron ore (deposits now depleted), asbestos, fresh and tinned fruit. The major market outlets are the United Kingdom, the USA and Japan. Since becoming a signatory to the Lomé Convention the EEC, other than the UK, has also been opened up as outlets. Although Swaziland is sensitive in terms of imports in the present situation, there is definitely a potential to reduce vulnerability if given time to diversify sources of imports. Whether this will actually happen depends entirely on the government’s will and ability to alter policies, as well as the cost involved. Indications are, however, that will and ability may be lacking in view of, e.g., the concrete moves to forge closer links with the Republic such as the proposed rail link to Komatipoort. From a position of low sensitivity and vulnerability today in terms of export markets Swaziland may reduce vulnerability even further if energetic attempts are made.

The customs union has not only produced a lopsided trade structure. (Although a counterfactual hypothesis, the trade structure may not have been very different had he SACU agreement not existed, simply as a result of the 'spontaneous' operation of market forces, differential resource endowment etc.) It also seems to be a hindrance to attempts at diversification of trade flows. So far it has not prevented the BLS-states from joining the Lomé Convention, but the problems seems to arise when African countries try to promote trade between themselves. On the initiative of the United Nations Economic Commission for Africa (ECA) based in Addis Ababa, an Eastern and Southern African Preferential Trade Area (PTA) has been launched. At the official
signing ceremony in Lusaka on 21 December 1981 only nine of the original 18 states actually signed the treaty. Among the non-signatories were the BLS-states. Although the treaty had a separate protocol recognising the unique position of the SACU-members, they all said they needed more time to consider the implications of the treaty and the protocol for the SACU arrangement, and further negotiations with the Republic on this matter. 35

In addition to the purely trading relationships between the RSA and its BLS neighbours, there are also intimate relations in the monetary field. Until 1976 all BLS-states were members of the Rand Monetary Area. In that year Botswana withdrew and established the Bank of Botswana as its central bank and its own currency, the Pula. Previously all members of the Rand Monetary Area had a uniform exchange control policy on transactions with non-members. It also meant freedom of currency and capital payments within the Area. A common currency reduces the ability of any member government to use the regulation of money supply as a policy instrument. In practice it meant that the South African Reserve Bank was in charge of currency regulations and money supply. After Botswana withdrew from the currency union it has attained a greater degree of freedom in monetary and exchange rate policies. Botswana is now free to decide on how foreign exchange should be invested. Previously surplus foreign exchange had been automatically deposited with the Standard Bank and Barclays Bank in South Africa. Now the surplus is invested or deposited elsewhere, thus giving Botswana a significant income in dividends and interest. 36

Swaziland also established its own currency, the Lilangeni (pl. Emalengeni), as early as 1974 but without withdrawing from the Rand Monetary Area. The Lilangeni is still pegged to the Rand, just as the Rand is still legal tender in Swaziland. The change is thus symbolic rather than real. Likewise, Lesotho established its own currency, the Maluti, in 1979. Again the effect is hardly more than symbolic. Both Lesotho and Swaziland remain firmly within the ambit of the Rand Monetary Area, in practice that of the South African Reserve Bank.
5.1.2. Zimbabwe: Colonial Legacy

Since the Unilateral Declaration of Independence (UDI) by the Smith regime in 1965 no official foreign trade statistics by origin and destination have been published. It is, nevertheless, quite clear that the role of South Africa as a trading partner increased tremendously during the UDI-period. After mandatory UN sanctions were imposed, South Africa, in blatant defiance of UN Security Council resolutions, continued to trade openly with Southern Rhodesia (as did some other states as well, but less openly). It is also likely that the Republic was used as a transit country for goods to and from Europe and North America to cover up their origin and destination. The UN made some estimates which shows that the volume of trade with the RSA increased sharply just after UDI and continued to do so until the end of the decade, exports as well as imports. It subsided at the turn of the decade and later tapered off. There was a corresponding decline in trade with former partners in the Central African Federation, Malawi (formerly Nyasaland) and Zambia (formerly Northern Rhodesia). Table 3 depicts these trends clearly. (See table 3.)

The new majority regime installed in Harare (formerly Salisbury) under Prime Minister Robert Mugabe's leadership, has inherited this trade structure. Now that sanctions have been lifted the formal impediments to a diversification of trade flows have vanished. The main reason for the heavy concentration on South Africa as a trade partner is thus largely gone. The possibilities of reestablishing trading links with pre-1965 partners such as Zambia now exist. No doubt Zimbabwe will make energetic attempts at diversifying trade relations, but it will take time. Results are beginning to appear, though. Preliminary figures for the period August 1980 to March 1981 give an annualized percentage of 18.4 % for exports destined for South Africa, whereas the import figure is still as high as 32 % (excluding petroleum imports of unspecified origin).

Zimbabwe depends on South Africa for a broad selection of imports ranging from refined petroleum products, machinery and transport equipment, to consumer goods of various kinds. Principal exported manufactures include textiles, footwear and furniture, plus agricultural produce and minerals.
### Table 3

**SOUTHERN RHODESIA: MERCHANDISE TRADE WITH SOUTH AFRICA, ZAMBIA AND MALAWI AS A PERCENTAGE OF TOTAL IMPORTS AND EXPORTS 1965-73**

<table>
<thead>
<tr>
<th>Year</th>
<th>South Africa Imports</th>
<th>South Africa Exports</th>
<th>Zambia Imports</th>
<th>Zambia Exports</th>
<th>Malawi Imports</th>
<th>Malawi Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1965</td>
<td>23.4</td>
<td>10.3</td>
<td>4.5</td>
<td>24.9</td>
<td>1.3</td>
<td>5.2</td>
</tr>
<tr>
<td>1966</td>
<td>46.6</td>
<td>25.2</td>
<td>2.9</td>
<td>27.2</td>
<td>1.3</td>
<td>7.2</td>
</tr>
<tr>
<td>1967</td>
<td>51.5</td>
<td>33.6</td>
<td>1.1</td>
<td>18.9</td>
<td>1.0</td>
<td>6.2</td>
</tr>
<tr>
<td>1968</td>
<td>51.7</td>
<td>27.8</td>
<td>0.5</td>
<td>13.5</td>
<td>1.0</td>
<td>5.4</td>
</tr>
<tr>
<td>1969</td>
<td>55.8</td>
<td>28.6</td>
<td>0.2</td>
<td>10.2</td>
<td>1.3</td>
<td>4.2</td>
</tr>
<tr>
<td>1970</td>
<td>48.6</td>
<td>27.4</td>
<td>0.3</td>
<td>9.4</td>
<td>1.6</td>
<td>4.5</td>
</tr>
<tr>
<td>1971</td>
<td>43.0</td>
<td>23.7</td>
<td>0.2</td>
<td>7.8</td>
<td>1.4</td>
<td>4.2</td>
</tr>
<tr>
<td>1972</td>
<td>40.8</td>
<td>21.1</td>
<td>0.4</td>
<td>3.4</td>
<td>1.1</td>
<td>4.5</td>
</tr>
<tr>
<td>1973</td>
<td>37.5</td>
<td>16.1</td>
<td>0.1</td>
<td>1.7</td>
<td>1.7</td>
<td>3.3</td>
</tr>
</tbody>
</table>

One step in the trading partner diversification process is the Zimbabwean accession to the Lomé Convention as from 1 March 1982 as the 60th African, Caribbean and Pacific (ACP) state. Apart from gaining free access to the EEC market for 96% of all agricultural products, additional sugar and beef protocols were signed which secures Zimbabwe specific quotas of raw sugar and beef on the Common Market at European prices. The agreement also includes membership in the two EEC commodity insurance schemes, STABEX for agriculture-related exports, and SYSMIN for minerals. Neither will, however, mean much to Zimbabwe. Of greater importance are the possibilities to take full advantage of the European Development Fund (EDF) and the European Investment Bank (EIB). Of further interest is that membership of the Lomé Convention affords the opportunity for Zimbabwean companies to tender for contracts for EDF-financed projects in all ACP-states. With Zimbabwe's relatively developed industrial base this offers considerable scope for exports and diversification of trade.38

Zimbabwe has also been included in the generalised preference systems (gps) of the USA, Canada, Australia, Austria, Norway, New Zealand and Sweden. Individual trade agreements have also been signed with Rumania, Bulgaria, Tanzania, Mozambique and Iraq, according reciprocal most favoured nation status. The effects of these trading arrangements are only beginning to be noticed, and will surely contribute further to the diversification for trade flows.

Still, of greater immediate importance is the preferential trading agreement with South Africa. In March 1981 South Africa gave one year's notice of abrogation of the agreement which had been in force for 18 years. It was due to expire on 24 March 1982. After a series of preliminary negotiations the agreement has now been provisionally extended. Further discussions will be held on adjustments of tariffs and quotas for specific items.39 The agreement is particularly important with regard to manufactures of which 41% were exported to the Republic in 1980. The agreement grants preferential treatment to 60% of Zimbabwe's manufactured exports to the RSA, and 24% of total exports which include furniture, clothing and textiles, footwear, radios, leather and travel goods, tobacco, coffee and tea. Failure to renegotiate the trade pact would have added a 7.5% surcharge on all ex-
ports. Although Zimbabwe may want to reduce trade concentration on South Africa, termination of the agreement might prove too abrupt and too costly. Its extension now at least gives Zimbabwe some breathing space and time to diversify, but not unless active efforts are made. Otherwise the spontaneous effect of the sheer existence of the agreement may serve to maintain a strong trading partner concentration.

With its relatively well developed industrial base, Zimbabwe is well placed to play a key role in intra-regional trade. Its centrality in the regional transportation network only underscores this point. The chances of breaking the colonial legacy in the trading sphere are thus good. The present sensitivity dependence as expressed by the nervousness of the Confederation of Zimbabwe Industries in conjunction with the extension of the preferential trade agreement with South Africa need not be the same some years hence. The vulnerability dependence is not by far as high.

5.1.3. Zambia: Shifting Trading Partners

Since independence in 1964, and particularly after Smith's UDI in 1965, Zambia has taken steps, albeit sometimes faltering ones, towards reducing trade relations with the Republic. Up to the early 1970's much of Zambia's trade with Southern Rhodesia was taken over by South Africa, though. It was not until January 1973 when Zambia closed the border to Southern Rhodesia that southward trading links with both Southern Rhodesia and South Africa declined drastically. This fact is borne out by the figures in table 4.

Trade flows in this period were diverted to the USA, Japan and Europe, in particular the UK and West Germany.

Since October 1978, when Zambia was forced to open the southern rail route via Southern Rhodesia in order to import much needed fertilizers, trade with South Africa has tended to increase sharply. During the nine months from January to October 1979 trade with the Republic more than doubled compared to the same period in 1978, reaching 11.2% of total imports which is almost the same level as in 1973. This meant that South Africa had again overtaken the USA and West Germany as principal suppliers, being second only to the United Kingdom. Zambian statistics do
**TABLE 4**

ZAMBIA: MERCHANDISE TRADE WITH SOUTH AFRICA AS PERCENTAGE OF TOTAL IMPORTS AND EXPORTS 1971-78.

<table>
<thead>
<tr>
<th>Year</th>
<th>Imports from South Africa</th>
<th>Exports to South Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971</td>
<td>14.8</td>
<td>2.1</td>
</tr>
<tr>
<td>1972</td>
<td>14.6</td>
<td>2.1</td>
</tr>
<tr>
<td>1973</td>
<td>11.9</td>
<td>0.3</td>
</tr>
<tr>
<td>1974</td>
<td>7.6</td>
<td>0.3</td>
</tr>
<tr>
<td>1975</td>
<td>6.8</td>
<td>0.3</td>
</tr>
<tr>
<td>1976</td>
<td>7.7</td>
<td>0.2</td>
</tr>
<tr>
<td>1977</td>
<td>7.2</td>
<td>0.3</td>
</tr>
<tr>
<td>1978</td>
<td>6.6</td>
<td>0.1</td>
</tr>
</tbody>
</table>

not provide breakdowns by commodity groups, but it is a well-known fact that large quantities of maize accounted for a sizable proportion of the increase.

During the same first nine months of 1979 exports also increased. Although exports to the South African market are still modest percentage-wise, the total absolute figure for January - October 1979 reached K 2.9 mill. as against K 0.8 mill. for the whole of 1978.42

It appears that the role of the RSA as a trading partner is again on the ascendency. This trend is probably governed by short-term convenience or simple economy which may prove detrimental to Zambia in a medium or long-term perspective. The possibilities of trading with southern African neighbours other than the Republic certainly exist and would be mutually beneficial in a longer run.

5.1.4. Malawi: the Collaborator

In contrast to most African states, Hastings Banda's regime has all along assumed a conciliatory attitude to its Pretoria counterpart and actively sought to expand trade relations. The increase in trade volume is particularly marked with respect to imports, as evidenced by table 5.

Since the mid-1960's Malawi's imports from the RSA increased steadily from a share of 6% of total imports in 1964 to a high of 41% in 1979. Exports in the opposite direction have, on the other hand, maintained a fairly stable share of the total, oscillating between 3% and 5% during the same period. In 1967 Malawi and South Africa entered into a trade agreement which was advantageous for the Republic's exports to Malawi. What has contributed to inflating the volume of imports from the RSA is the 'development assistance' and loans extended to Malawi by the RSA. Projects under 'aid' arrangements have include inter alia the building of the new capital, Lilongwe, and the construction of the rail link to the Mozambican port of Nacala, plus hotel and tourist resort projects. Inputs for these projects were predominantly supplied from South Africa.
<table>
<thead>
<tr>
<th>Year</th>
<th>Imports from South Africa</th>
<th>Exports to South Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>1966</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>1968</td>
<td>11</td>
<td>4.6</td>
</tr>
<tr>
<td>1969</td>
<td>15</td>
<td>3</td>
</tr>
<tr>
<td>1970</td>
<td>13</td>
<td>4</td>
</tr>
<tr>
<td>1971</td>
<td>11</td>
<td>4</td>
</tr>
<tr>
<td>1973</td>
<td>16</td>
<td>4</td>
</tr>
<tr>
<td>1975</td>
<td>26</td>
<td>5</td>
</tr>
<tr>
<td>1976</td>
<td>29.5</td>
<td>5.3</td>
</tr>
<tr>
<td>1978</td>
<td>38</td>
<td>5</td>
</tr>
<tr>
<td>1979</td>
<td>41</td>
<td>4</td>
</tr>
<tr>
<td>1980</td>
<td>38</td>
<td>3</td>
</tr>
</tbody>
</table>

Malawi's trade relationship with the RSA is a typical example of extreme asymmetry. Its balance of trade with South Africa is chronically negative.

Parallel to Malawi's escalation of trade relations with the Republic, its trading with former partners in the Central African Federation, Zimbabwe and Zambia, has decreased. It is interesting to note, however, that recently the volume of trade with Zimbabwe appears to be increasing. Imports from Zimbabwe in the first six months of 1981 accounted for 7.1% of total imports as against 3.6% for the whole of 1980. South Africa's share dropped from 38% for the whole of 1980 to 32% for the same period of time. This may be the beginning of a redirection (or rather a readjustment to 'normal') of trade from a heavy reliance on the Republic towards a more diversified structure with close neighbours playing an increasing role.

Malawi is a signatory to the Lomé Convention, but this fact does not appear to have affected the direction of trade to any appreciable degree, either because the regime has not been particularly eager to diversify or because of inertia inherent in trading patterns.

5.1.5. Mozambique: Pragmatism and Disengagement

At independence in 1975 the trading relationship of Mozambique with South Africa was similar to that of Zimbabwe in 1980, albeit not as pronounced. As a colonial power, Portugal had a close co-operative relationship with its racialist kin in Pretoria, not least in trade. It has, therefore, been a challenge to the new FRELIMO regime under President Samora Machel's leadership to slowly and gradually lessen the country's dependence on trade with its giant neighbour to the south. It is no easy task and not done overnight.

The value in absolute terms of imports from South Africa grew from US$ 50 mill. in 1970 to US$ 94 mill. and US$ 88 mill. in 1973 and 1974 respectively, but plummeted in 1975 to US$ 74 mill. and further to US$ 54 mill., US$ 50 mill. and US$ 55 mill. in the following three years. In 1979 the figure was up again to US$ 83 mill.
The same secular trend can be discerned as regards exports. Up to 1975 there was a clear increase of exports to South Africa growing from US$ 16 mill. in 1970 to US$ 22 mill., US$ 29 mill. and US$ 21 mill in 1973, 1974 and 1975 respectively, only to drop drastically in 1976 to US$ 8 mill. and further to US$ 7 mill. in both 1977 and 1978. In 1979 the figure reached US$ 12 mill. again. Percentage-wise, South Africa's shares in imports and exports have only been slightly reduced since 1974 when they were 19 % and 10 % respectively. Corresponding figures for 1977 were approx. 19.5 % and 6 %. In 1979 they were further reduced to 14.4 % and 4.9 %. Much of Mozambique's trade has been diverted to other partners, particularly to Eastern Europe and the Soviet Union. Despite this fact it is likely that the present level of trade with South Africa will be maintained. The drop immediately after independence appears to have been a temporary phenomenon due to the severe disruptions of the economy at that time. With respect to its trade relations with the Republic, the FRELIMO regime seems to have adopted a pragmatic policy recognizing the importance of the RSA as a trading partner but at the same time seeking alternative sources of supply and market outlets in Eastern Europe and in majority-ruled neighbouring states, plus Brazil, France, Italy and Scandinavia.

Mozambique's principal export items include cashew nuts and oil, sugar and molasses, cotton, prawns, tea and copra. Main import items are crude oil, machinery, cereals, fabrics, vehicles and spares.

Mozambique is not a signatory to the Lomé Convention. Overtures have been made by the EEC but nothing has materialized as yet. Instead, closer ties have been forged with the Council for Mutual Economic Assistance (CMEA) - in the West most commonly referred to as the Comecon - with a view to full membership.

5.1.6. Angola and Tanzania: No Trading Links

Before independence Angola had some trade with South Africa, accounting for 5.8 % of total imports in 1973, whereas exports for the same year came to no more than 1.1 % of total exports. Since independence all trade relations have been cut. No available statistics indicate otherwise.
If Tanzania has any trading links at all with South Africa, they are taking place clandestinely or via third countries without the knowledge of the Tanzanian authorities. Tanzania in fact took action to eliminate trading links with South Africa immediately after independence in 1961.

The only link is diamonds. Angola and Tanzania are both diamond producers and use the Central Selling Organization, controlled by South African De Beers, as their marketing arm.

5.1.7. Trade in Foodstuffs

The extensive trade in foodstuffs in southern Africa warrants special attention. Food as a basic need is a further reason why it should be treated as a special group of commodities. Food imports make up a substantial proportion of total imports in many southern African countries. Volumes and proportions fluctuate wildly according to the vagaries of weather, pests and diseases. Table 6 offers information on cereal imports.

In 1980 the SADCC-states imported a total of 1,403,000 tons of cereals after a poor harvest due to drought. The total import bill for all cereals came to more than US$ 340 mill. 52

For a great number of years South Africa has exported substantial amounts of maize to neighbouring countries, though major world producers of maize, wheat and rice have been important suppliers as well, notably the USA and Canada. The proximity of South Africa to the southern African importers reduces transport costs, however. Moreover, South Africa grows relatively more white maize, the dietary preference in the region, than do, for instance, the USA and Canada where yellow maize predominates.

Following the drought year of 1980, the 1981 crop year was a good one. Bumper crops were recorded in many countries. Zimbabwe is a case in point. With a total maize crop of 2.8 mill. tons Zimbabwe was, despite transport problems, able to provide Angola, Mozambique, Tanzania and Zambia with maize. 53

In the current 1982 season fortunes are changing again. Most of the region is hard hit by the worst drought in 30 years. Zimbabwe's maize crop is expected to be no more than half of the pre-
## TABLE 6

**SADCC-STATES: CEREALS IMPORTS 1976 - 1980 (IN 1,000 TONS)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Maize</td>
<td>102.0</td>
<td>110.6</td>
<td>181.0</td>
<td>510.0</td>
<td>700.0</td>
</tr>
<tr>
<td>Wheat</td>
<td>450.5</td>
<td>563.0</td>
<td>515.0</td>
<td>542.5</td>
<td>553.0</td>
</tr>
<tr>
<td>Rice**</td>
<td>85.2</td>
<td>154.0</td>
<td>129.0</td>
<td>160.6</td>
<td>150.0</td>
</tr>
<tr>
<td>Total</td>
<td>637.7</td>
<td>827.7</td>
<td>825.0</td>
<td>1,218.1</td>
<td>1,403.0</td>
</tr>
</tbody>
</table>


* estimate
** refers to Tanzania, Angola, Mozambique and Zimbabwe only
vious year's. It will probably suffice to meet domestic de-
mand, but very little surplus will be available for export, ex-
cept appreciable amounts stored from the previous season. Ac-
cording to one estimate Mozambique alone will need 180,000 tons
of cereals from external sources in 1982.

Major food importers are in a weak position. A country which can-
ot feed its population is in bad straits, being liable to eco-
nomic extortion on a sellers market, or to give political conces-
sions if applicable. The latter is highly relevant in southern
Africa, but it is of course extremely difficult to identify the
political effects. They are implicit in the transactions as a
tacit understanding. It goes without saying that a country which
is dependent to some degree on South Africa for its food sup-
plies will be less inclined to adopt a militant and hostile atti-
dude to its apartheid policies, much less take affirmative ac-
tion.

South Africa hardly strikes a fat commercial deal when selling
maize to its neighbours. The local producer price paid by the
South African Maize Board exceeds that of the world market. The
high local price is in effect a subsidy to the large maize farm-
ers, and amounted to a total of R 74 mill. in 1981. This, in
turn, encourages farmers to increase production. The hectarage
planted to maize expanded from 3.4 mill. in 1956 to 4.7 mill. in
1981. Production has soared as a result from 6.1 mill. tons in
1970 to 13.4 mill. tons in 1981. Table 7 gives the production
figures for the period.

With local maize consumption having remained static at below 6
mill. tons per year, there have normally been sizable exportable
surpluses. The snag is that exporting is unprofitable, not neces-
sarily for the producers but for the Maize Board and thereby the
South African state. Added to the producer price, which is above
the world market, there are transport and storage costs. Due to
capacity shortage the physical movement of huge quantities of
maize from the growing areas to the ports poses a serious prob-
lem. The most maize the South African Railways has ever managed
to shift to the harbours in one year is 3.7 mill. tons. By ex-
panding capacity and improving efficiency the figure can be in-
creased, but quite apart from the physical movement, the process
is expensive. All factors taken together, it was estimated in
1981 that the Maize Board would lose up to R 40 for every ton
marketed overseas.
TABLE 7

SOUTH AFRICA: MAIZE PRODUCTION 1970 - 1981 (IN 1,000 TONS)

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>6,134</td>
</tr>
<tr>
<td>1971</td>
<td>8,600</td>
</tr>
<tr>
<td>1972</td>
<td>9,483</td>
</tr>
<tr>
<td>1973</td>
<td>4,160</td>
</tr>
<tr>
<td>1974</td>
<td>11,105</td>
</tr>
<tr>
<td>1975</td>
<td>9,098</td>
</tr>
<tr>
<td>1976</td>
<td>7,472</td>
</tr>
<tr>
<td>1977</td>
<td>9,714</td>
</tr>
<tr>
<td>1978</td>
<td>10,081</td>
</tr>
<tr>
<td>1979</td>
<td>8,271</td>
</tr>
<tr>
<td>1980</td>
<td>10,726</td>
</tr>
<tr>
<td>1981*</td>
<td>13,417</td>
</tr>
</tbody>
</table>


* estimate
Why then is the present price structure maintained in a country priding itself on allowing the market forces to operate freely? Part of the answer lies, of course, in political considerations vis-à-vis the farmers as a traditionally strong support group of the ruling National Party. But it is hardly the full story. The presumption seems plausible that the regime uses maize exports as another weapon in its arsenal of political weaponry vis-à-vis neighbouring states. The maize deals are shrouded in secrecy. Information on quantities and price is never disclosed either by the seller or the buyer. The general manager of the Maize Board, Hendrik Nel explains: "We do not disclose our prices. Not because we are ashamed of them but from tactical considerations. The countries concerned would not like it. But I deny categorically that we have sold at a discount." Independent traders intimate discount, however, the implication being that favours are being charged in political currency to compensate.

5.1.8. Intra-regional Trade

In sharp contrast to trade flows between the RSA and individual southern African states, intra-regional SADCC trade has averaged 2 - 3% relative to total foreign trade at the level of overall trade flows. Extra-regional trade patterns are largely a colonial legacy. Former colonial powers are still today in most cases major trading partners of their ex-colonies. Compared with overall intra-African trade the southern region is slightly worse off. The share of intra-African trade in total foreign trade dropped from 7.2% in 1970 to 3.9% in 1979 at the end of the decade.

Unfortunately there are many obstacles to increasing intra-regional trade. Existing demand and supply structures, themselves also largely a colonial legacy, militate against merchandise exchange across southern African borders. The SADCC-states tend to produce roughly the same or similar commodities, i.e. agricultural produce and raw materials. And they tend to demand highly processed capital and consumer goods. In other words there exists no complementarity in production structures conducive to trading.

In addition to this fundamental problem, there is an array of technical, economic and political impediments:
1) Quality and technical standards, including standards of measurement, are not harmonised;
2) Cost structures are uncompetitive with the rest of the world;
3) Serious lack of regional market information such as availability of products, costs, delivery time, procedures, documentation requirements, etc.;
4) Lack of credit arrangements and financial institutions to encourage trade by overcoming the problem of inconvertible currencies;
5) Inadequate marketing and physical infrastructure;
6) Balance of payment problems leading to trade restrictions;
7) Tariffs, quasi-tariffs, quotas and prohibitions.

The arduous task of changing the basic demand and supply structure is a long-term proposition. Within the framework of SADCC much can be done, however, in the shorter run to eliminate some of the other obstacles. Even bilateral trade agreements, a series of which are being negotiated, may be a valuable start. The recently launched Eastern & Southern African Preferential Trade Agreement (PTA) may also in due course play a positive role in dismantling trade barriers.61

5.2. Investment

During the whole post-war period South Africa has been a net importer of capital, notwithstanding fluctuations resulting from political unrest and business cycles. The principal sources of capital have been the USA, Western Europe and Japan. In partnership with foreign capital, indigenous investors have grown and acquired a role in their own right, and expanding beyond the borders of the Republic to the neighbouring economies in the southern African region. South African capital exports have been concentrated to the BLS-states, Zambia and Zimbabwe, and to a lesser extent to Malawi, Mozambique and Angola (pre-independence).

Data on investments are notoriously difficult to come by. Statistics of capital flows between South Africa and individual African countries do not exist. Investors themselves are reluctant to divulge details which they regard as sensitive business secrets. Totally open transactions would reduce the maneuverability of the transnationals in manipulating competitors and governments.
The interpenetration of capital through holding companies and subsidiaries makes it very difficult to determine the country of origin of an investor. It is often impossible, indeed not even correct or useful, to draw clear distinctions in this regard. Companies domiciled in South Africa more often than not enter into joint ventures with companies of local origin, and from overseas. This mélange of ownership relationships tends, in turn, to blur the identity of the controlling investor. Distribution of equity, if at all available, is not necessarily decisive, however, when it comes to real control as opposed to formal ownership.

In spite of these caveats some information about South African investments has surfaced regarding location, sectoral distribution and ownership, if not details of volume, dividends, remittances etc.

The driving force behind South African investment expansion in the southern African region has been two-fold. The primary reason for investing in neighbouring countries is the presence of raw materials there. A secondary reason is the market potential for manufactured goods. Until perhaps recently, the availability of cheap labour had not been an important consideration in investment decisions by South African companies.

Between 1957 and 1964 there was an average annual net outflow of capital from South Africa to Africa of R 9 mill. From 1965 to 1972 there was, however, an average annual net inflow of capital into South Africa from other African countries, probably attributable to capital movements from Southern Rhodesia after 1965. In 1971 Sean Gervasi estimated total South African investments in the sub-continent at somewhere in excess of £ 425 mill. No global figure has since appeared, but it is highly probable that it has been increasing at a fairly rapid rate throughout the 1970's.

With respect to sectoral distribution of investments, mining and primary extraction has by far received the bulk. Investors have also exhibited interest in agriculture, manufacturing, service industries (hotels and tourism) and physical infrastructure (railways and hydro-electric power schemes).
A leading investor of South African domicile is the giant transnational conglomerate the Anglo American Corporation through its network of subsidiaries. It has investments in most southern African countries. Although its speciality is mining, its investment programme is spread over many sectors including agriculture, manufacturing and physical infrastructure. It is particularly heavily involved in Zimbabwe, Botswana and Zambia, predominantly in mining.

Other significant investors are the Rembrandt Corporation, Johannesburg Consolidated Investment Co. Ltd., Messina (Transvaal) Development Co. Ltd., Huletts Corporation Ltd., and Barlow Rand. Besides the private companies South African para-statals also participate in partnership or cooperation with the private investors. The Industrial Development Corporation (IDC) has been particularly active. Others worth noting are the South African Wool Board and the State Oil Exploration Corporation (SOEKOR). These different categories of investors often engage in joint ventures with local interests.

5.2.1. Zimbabwe: Large South African Investment Stake

According to D.G. Clarke "South Africa's investment in Zimbabwe is greater than in any other Southern African economy." In 1976 total South African investment commitments stood at £200 mill. rising to £478 mill in 1979, although the latter figure may be on the high side.

Penetration of the Zimbabwean economy by South African capital spans most sectors, and is highly concentrated in the hands of a few transnationals: first and foremost the Anglo American Corporation Ltd. (AAC), Huletts Corporation Ltd., Messina (Transvaal) Development Co. Ltd. (MTD), and Johannesburg Consolidated Investments Ltd. (JCI).

In the agricultural, ranching and forestry sectors both Huletts and AAC have substantial investments in sugar production and refining. Imperial Cold Storage and Supply Co. Ltd. and AAC have stakes in the forestry and paper industry. AAC's interests extend further to citrus fruit, maize and cotton. In the tobacco sector the Rupert Tobacco Corporation, the Sentrachem Group, and Thos. Barlows and Sons (Rhodesia) Ltd. are involved.
Mining and quarrying is dominated by the AAC, MTD and JCI. The AAC is particularly dominant with large investments in nickel, copper, coal, iron, steel and ferrochrome. MTD's principal interests lie in copper and tungsten, whereas JCI has a stake in copper and nickel.

In manufacturing the South African companies involved include inter alia T.W Becket and Co. Ltd. (beverages); AAC (laminated timber, food processing etc.); South African Breweries (brewing); South African Portland Cement Co. Ltd. (cement); Plate Glass Company of South Africa (glass products); Sable Chemical Industries (South Africa) and Industrial Development Corporation (fertilizers); Consolidated Lighting Ltd. (South Africa) (electrical equipment); Aberdares Cables (South Africa) (iron, steel and metal products); and others.

In banking, finance and insurance Nedbank (South Africa) has a subsidiary in the Rhodesian Banking Corporation (RHOBANK). Otherwise a number of British-based banks operate in Zimbabwe through their South African branches: Standard Bank Limited, Barclays Bank International Limited, Grindlays Bank Limited. South African interests also have a stake in the insurance sector, e.g. Old Mutual of South Africa.

The Southern Star Group has invested in a number of hotel projects and major South African retail chains like OK Bazaars and Pick 'n Pay have expanded."

With this degree of South African penetration, Zimbabwe may be said to be dependent on South African capital, perhaps not so much as a reflection of equity holdings, but rather by way of technology, management and marketing. It would be a delusion to think that simple nationalization would significantly reduce vulnerability dependence. The government has made one move recently in an attempt at controlling the mining industry. A Mineral Marketing Corporation has been set up, the role of which will be to act as the sole marketing and selling agent of all minerals, except gold. Rather than taking over a majority share of equity in mining companies the government has opted for control of marketing and pricing. It remains to be seen what the effect will be. In the long run, however, the building of an independent technological base and manpower development on a broad front are the only viable policies to reduce vulnerability.
5.2.2. Botswana: South African Investment Concentration in Mining

Practically all South African investments in Botswana go to the mining sector. At the end of the 1960's and the beginning of the 1970's a number of South African companies were involved in mineral exploration, among them Johannesburg Consolidated Investment Co. Ltd., International Nickel (S.A.) (Pty) Ltd., South Africa Vendome Co. (Pty) Ltd., and the Anglo American Corporation through its subsidiaries, De Beers Botswana Mining Co. (Pty) Ltd., Anglo-Transvaal (through its subsidiaries, Theta, Zeta, Jupiter, and Neptune Mining and Prospecting Companies (Pty) Ltd., and Tuli Exploration (Pty) Ltd.68 Today, Anglo American controls the copper-nickel mine at Selebi-Phikwe jointly with American Metal Climax (Amax), an American transnational. The AAC is even more dominant in the diamond mining industry through its subsidiary De Beers. The currently operating diamond mines at Orapa and Letlhakane are both controlled by De Beers, and the third one to be opened at Jwaneng likewise. Considering that De Beers also controls the international marketing organization for diamonds, the Central Selling Organization (CSO), De Beers' position in Botswana diamond industry is formidable.

The sensitivity and vulnerability of Botswana in the crucial mining sector is thus very high indeed. It is not likely that either can be reduced substantially in a short or medium-term perspective.

5.2.3. Lesotho and Swaziland: Mining and Hydro-Electric Power

In Lesotho, South African investments have been concentrated to the tourism and energy sectors. A holiday resort has been built in the Maluti mountains with South African capital.69 The Lesotho government tried in the early 1970's to persuade South Africa to participate in the Oxbow hydro-electric scheme.70 Recently negotiations started on a giant US$ 1.3 billion water and hydro-electric power scheme on the Sengu and Malibamatso Rivers, in which South Africa is to provide some of the capital required.71 With the exception of these projects, South African capital has not shown much interest in Lesotho in terms of investments.
Due to its iron ore (now depleted), coal and asbestos deposits, Swaziland has attracted investments by South African companies in the mining sector. Furthermore, a thermal power station has been built with South African capital inputs. Recently a railway connection has been built between Richard's Bay in the Republic and a junction on the Mbabane–Maputo line with substantial South African capital investments. An additional railway link, also to be built with South African capital, is planned to connect with the Transvaal–Maputo line at Komatipoort.\(^\text{72}\)

As members of the Rand Monetary Area there are no obstacles to capital movements from the Republic to these two countries and vice versa.

5.2.4. Zambia: South African Interests in Copper

South African capital interests are concentrated to the copper mining industry through the Anglo American Corporation. The ownership structure of the Zambian copper mines has undergone several changes in the past two decades. A major one took place in 1969 when the Zambian government acquired a majority share in an effort to gain national control over this vitally important sector. The latest one was completed only recently in a move which led to a merger named Zambia Consolidated Copper Mines (ZCCM) in which the Zambian government through its holding company, the Zambian Industrial and Mining Corporation (Zimco), holds 60.3%. The remainder is divided between Anglo American Corporation through its subsidiary, Zambia Copper Investments (ZCI) with 27.3% and the Amax subsidiary, Roan Selection Trust International with 6.9% as the major share holders, plus some minor ones.\(^\text{73}\) Even though the Zambian government has a controlling interest in the new company, the minority shareholders Anglo American and Amax have been awarded management, sales and technical consultancy contracts.\(^\text{74}\)

In terms of dependence it is highly significant that non-Zambian interests, e.g. South African, hold key positions through consultancy contracts in management and planning, marketing and technical expertise. They are above all an expression of vulnerability in that it will require radical policy changes and take considerable time for Zambia to reduce dependence.
5.2.5. Malawi: Favourable Climate for South African Investments

As with its trade relationship with South Africa the Malawian regime has adopted a cooperative attitude toward South African investors. As a result South African penetration of the Malawian economy is considerable, although investment opportunities are not as many and as profitable as in the highly lucrative mining sectors of Zambia and Botswana. The South African Industrial Development Corporation (IDC), which is a parastatal, has financed a sugar mill at Chikwawa near Zomba by a loan, 60% of which was tied to procurement of goods from South Africa. Similarly the IDC largely financed the railway connection to the Mozambican port of Nacala. The South African chemical company Optichem Ltd. built a fertilizer plant in 1969 in which the Malawian state today holds 40% of equity and South African Mutual Life Insurance 27%. Optichem Ltd. itself now holds 30% and is responsible for managing the plant. Anglo American is conspicuously absent in Malawi due to the paucity of mineral deposits in the country. When the new capital, Lilongwe, was built the South African state contributed substantially to its financing. The South African tourism industry has also participated in a number of hotel and holiday resort projects, e.g. by Koornhof Holdings on Lake Malawi.

The Malawian economy being predominantly agrarian, the scope for South African productive investment is limited, except perhaps in processing of primary produce. The lack of attractive investment opportunities for private investors has pushed state and parastatal interests to the foreground, but probably more for political reasons than purely economic.

It would be unjustified to say that Malawi is dependent on South African investors, at least not as the situation now stands. True, some degree of dependence may be recorded in particular branches of industry, but the overall picture is one of relative independence for the simple reason that the meagre investment opportunities have led to the country being left alone. It is also part of this irony of fate that Malawi is more of an agrarian country than most of its neighbours. Should the regime decide to embark on an ambitious industrialization programme, however, capital would undoubtedly be needed from abroad. Not necessarily from South Africa, although given the nature of the regime it would be inclined to turn to sources in the Republic.
5.2.6. Angola, Mozambique and Tanzania: Dismantling Investment Links

Prior to the decolonization of Angola and Mozambique the relations between South African and the then colonial Portuguese regime were intimate. Until the mid-1960's Portugal had pursued a very restrictive policy vis-à-vis foreign investors, with some notable exceptions. But after the inauguration of the armed struggle by African liberation movements and the ensuing increased cost to the colonial power, the fascist regime of António Salazar was compelled to review its policy on foreign investments. In the 1964 the Portuguese changed its policy toward non-Portuguese investments: the overseas territories were now opened to an inflow of capital under very generous terms to the investor. In 1969 Johannesburg Consolidated Investments Ltd. was given a mineral prospecting concession in Mozambique jointly with a Portuguese company in areas considered to be rich in asbestos, graphite, coal, copper, iron ore, chrome, tin, tungsten and nickel. In oil exploration a South African company (Anglo American) in partnership with a French one (Elf) gained a concession at about the same time.

Other than mineral and oil prospecting, South African interests have been and are involved in the giant hydro-electric power scheme, Cabora Bassa. Nearly 40 % (£ 105 mill.) of the capital investment of the first phase came from South African sources, including £ 45 mill. from the parastatal Electricity Supply Commission (ESCOM) out of a total of £ 270 mill. Among the participants in the ZAMCO consortium financing the project were Anglo American Corporation, L.T.A. Ltd., a subsidiary of Anglo American, and Shaft Sinkers (Pty) Ltd. all of which are domiciled in South Africa. Two-thirds of the contracts for the dam construction, valued at over £ 100 mill., were granted to South African firms.

In Angola the Anglo American Corporation had been involved in diamond mining since 1917 with Portuguese, Belgian, British and American interests through the DIAMANG company mainly active in the north-eastern province of Lunda, but also holding mineral prospecting concessions in large tracts of land. In 1971 the Anglo American group was granted prospecting rights in eastern Angola in anticipation that here might be an extension of the
The major undertaking in hydro-electric power generation in which South African private and public interests have been involved, is the Cunene River Scheme. ESCOM was extended loans from a number of non-African banks, but also from the South African Nedbank. The L.T.A. (owned by Anglo American) was a major sub-contractor in the initial phases of construction.

Upon acceding to independence the new governments of Angola and Mozambique declared null and void all agreements and contracts entered into by the colonial power. Some were renegotiated but the majority were simply discontinued. The end result is that South African investors for the moment have only limited interests in Angola and Mozambique; to the extent they do have a presence there, it is in partnership with others in consortia, joint ventures or via devious ownership patterns in which the origin of capital is concealed. In Tanzania the only known South African investment stake is in Williamson's Diamonds Ltd. which is owned jointly by the Tanzanian state and De Beers.

5.2.7. Investments and Dependence

The general point to emphasize with reference to investments is not only volume as such in terms of formal equity ownership shares. Far more important are various informal mechanisms of real control by way of management, sales and technical contracts as well as transfer pricing. This applies irrespective of type of investment, but is especially pronounced in productive undertakings in mining and manufacturing.

In the wake of the wave of 'economic nationalism' following a spell of euphoria of political independence, it is not uncommon that the wholly or partially nationalized foreign companies were accorded management and technical contracts to keep production going uninterrupted. With an appallingly thin layer of management and technical cadres at independence, and in most cases only slow progress in expansion of high level manpower development, the governments had no option but to enlist the assistance of the companies they wished to control. Although the indigenization of staff has proceeded steadily, key positions in planning, management and the technical fields are even today, as a rule,
held by expatriates. It places them at the top of the decision-making hierarchy in charge of the overall operation of the enterprises in question, including long-term strategic planning. In practical terms it means that they are given considerable leeway to take discretionary action with respect to procurement of capital goods and inputs, selection of suppliers and sales agents, determination of prices etc. Even though their formal contractual allegiance is with the company in whose service they are employed as managing or technical consultants, the question may be raised whether this is in fact so.

Intra-firm transactions (trade, dividends, loans, credits, fees, overheads etc.) in huge transnational conglomerates play an increasingly important role in the world economy. In view of this fact and common knowledge about the behaviour of transnationals, it is not an unreasonable assumption that the expatriate top echelons of companies in third world countries, e.g. in southern Africa (or in the industrialized world for that matter), in the final analysis have their loyalty firmly placed with the parent company and act accordingly on the basis of its global corporate strategy to the detriment of the company to which they provide consulting services. Indications from various parts of the world are that this is the case as expressed in the widespread practice of transfer pricing. The nature of the problem is such, however, that it is extremely difficult to ascertain the extent to which manipulations of this kind actually take place.

Still, it is in this context that discussions of investment dependence in southern Africa should be conducted rather than focusing exclusively on the magnitudes of investment volumes. Accepting the assumption that management, sales and technical contracts give a large measure of real, if not formal, control, it is justified to claim that both the sensitivity and vulnerability dependence on South Africa of some southern African countries is high, in particular Botswana, Zambia and Zimbabwe, and to a lesser degree Malawi, Lesotho and Swaziland. Phasing out this dependence can only be done in a long-term perspective. In specific cases (Botswana's diamonds) it is not only a question of taking over strategic steering functions in the individual firms located within national borders but also ridding oneself of dependence on the marketing link in the product cycle (e.g. the De
Beers-controlled Central Selling Organization in the case of diamonds). Although physically located within the borders of a given southern African state, many companies are in effect part of a vertically integrated concern; only a small part of the product cycle is thus controllable by that state.

5.3. Transport

Closely related to — and both a precondition for and a consequence of — trade and investments is the transportation network in the region. This is probably the sector in which dependencies are most pronounced and with severe repercussions for trade, agriculture, manufacturing etc. Six of the nine SADCC states are landlocked which means that they have no direct access to ports on the coast of the Indian or Atlantic Oceans, except through neighbouring countries. For the time being the majority of them have to rely on the South African transportation network. Thus the landlocked countries in actual fact not only depend directly on the Republic as a source of imports and as a market outlet, but also for their trade with partners outside the continent by transit via the RSA.

The international rights of transit by landlocked countries have not been established authoritatively in agreements or conventions. The fact that the legal right of access to the sea has not been guaranteed by the international community means that any arrangement presently operating has been a matter of negotiation between the countries in question. It leaves the landlocked countries in a weak position, thus being subjected to the goodwill — or lack of such — of the coastal states and leaving much scope for economic and political extortion.

The main modes of long distance transportation of goods in the region are by rail, by road, by air and by sea in that order of importance. Railway transportation and road haulage will be at the centre of attention here; only brief reference will be made to civil aviation and shipping.

5.3.1. Railways

The bulk of the goods traffic in the region is by railway. It is the most economical means of transportation over long distances
provided that port facilities are satisfactory and other minimum standards are met. It is therefore only natural that the states involved accord priority to the railway sector as a future transport strategy.

There is an estimated 39,000 km of railways throughout Africa, of which 23,400 km - nearly 60% - are found in South Africa and Namibia. Added to the disparity of kilometerage is the question of rail standard and port facilities and handling efficiency at freight terminals. In this respect the RSA has a marked superiority.

The principal railway lines in southern Africa are the following:

The Benguela Railway: Runs from the copper belt of northern Zambia via the Shaba province in Zaire through Angola to Benguela and the harbour of Lobito on the Atlantic coast. It has been used for export of copper, manganese and cobalt from both Zambia and Zaire, and for importation of miscellaneous goods to these countries. As a result of the second war of liberation in Angola the line was closed in August 1975 but officially reopened for international traffic in April 1979. Prior to its closure the volume of traffic had reached a peak level of approx. 2.5 mill. tons in 1973-74 (of which two-thirds was international transit). By 1979 the total volume of traffic had dropped drastically to only 366,000 tons (of which only a tiny fraction was international) due to war damages and frequent sabotage acts, even after the official reopening, by UNITA in close collaboration with South African forces with ensuing traffic interruptions and severe security problems. The intensity and frequency of sabotage has since varied over time and appeared to have tapered off somewhat, so that railway officials had hoped the monthly volume of international traffic would increase by 1980 to 70,000 tons and by 1981 to 96,000 tons, which corresponds to 70% of the international traffic in 1973-74. Such optimistic estimates were not to be fulfilled; in 1980 international traffic came to no more than 12,000 tons for the entire year out of a total volume of 236,000 tons. In the first six months of 1981 traffic recovered strongly, reaching a total of 287,000 tons, but international transit accounted for a mere 9,000 tons. For all intents and purposes the Benguela line is thus at the moment not operational as an international railway line.
The current problems notwithstanding, the line has great potential once the security situation improves and the necessary repairs can be made. One indication of the potential of the line as a viable commercial enterprise is the recent activity by investors leading to a change of ownership. Originally the line was owned by Tanganyika Concessions Ltd., a British transnational based in the tax haven of the Bahamas since 1964, which later changed its name to Tanks Consolidated Investments Ltd. In September 1981 the Belgian holding company, Société Générale, acquired 21% of the shares in Tanks. These were added to the 29.6% already in the hands of Société Générale and its associates, thus giving the company a controlling interest. It is believed that Minorco, the Bermuda-based holding company of the Anglo American group, also made a bid to take over a controlling interest in Tanks but was preempted by the move of Société Générale.95 The events leading to the take-over appear to reflect a rivalry between European and South African capital. Belgian capital is involved in Zaire's Shaba province, whereas Anglo American has a stake in the copper mines in Zambia. Access to the sea is vital for both and the Benguela railway would under normal circumstances be the most cost effective route.

The TAZARA Railway: Extends 1,860 km from the harbour of Dar es Salaam in Tanzania to the Zambian copper belt at the junction of New Kapiri Mposhi. Built with Chinese assistance and completed in 1975, the line has since encountered a number of problems: port congestion at Dar es Salaam; shortage of locomotives and rolling stock, partly due to long wagon turn-around time; flood damage; sabotage by Rhodesian/South African forces against key bridges; poor administration and maintenance. With a total capacity of 2 mill. tons per year and peak traffic levels in 1977 of some 940,000 tons, total volume dropped to 517,000 tons in 1980. With the Benguela line virtually closed to international traffic and the TAZARA line in serious problems, Zambia moved only 31% of its total imports and exports by rail via Dar es Salaam; by comparison the route via Zimbabwe and South African ports took 38% in the same year.96 Like the Benguela line the TAZARA has great potential if the technical and administrative problems can be sorted out.

The Southern Route: This outlet has two legs, one of which runs from Zambia (Livingstone) via Zimbabwe (Bulawayo) through Botswana (Gaborone) and into South Africa at Mafeking and there con-
necting up with the Republic's network for further routing to the ports of Port Elizabeth, Cape Town, East London or Durban. The second leg also runs through Zimbabwe and into South Africa via Beit Bridge. Due to the operational problems on the Benguela and TAZARA lines, these legs of the southern route are vital to Zambia. And as long as the lines via Beira and Maputo in Mozambique still run far below potential capacity, Zimbabwe is also dependent on the southern route. For Botswana the connection via Mafeking is the only practicable and economically feasible rail route to the sea for the time being.

Harare (formerly Salisbury)-Gweru (formerly Gwelo)-Chicualacuala-Maputo: During the liberation struggle for Zimbabwe a number of bridges were blown up and parts of the tracks damaged; added to this was general wear and tear which has rendered this line virtually inoperative. Rehabilitation work is now a matter of priority so that the capacity is successively expanded.

Harare (formerly Salisbury)-Mutare (formerly Umtali)-Machipanda-Beira: Like the Maputo line this one was damaged during the war for liberation, and in addition suffered considerable wear. At the moment no more than nine trains may pass per day between Machipanda and Mutare which limits the usefulness of the entire line which could otherwise have taken 19-20 trains a day. The steep gradients of this line are also a factor limiting capacity. Since its reopening in 1980 traffic has recovered only slowly and up to a level which can hardly be exceeded without an expensive realignment programme.

Prior to the closure of the border to then Southern Rhodesia in 1976 by the new Mozambican regime these two lines to Maputo and Beira were main lifelines to the sea for Rhodesian external trade. Between 1970-74 Rhodesian traffic through Mozambique averaged 2.9 mill. tons annually, accounting for about 64% of Rhodesia's total foreign trade. Of this 73% was handled at Maputo and the balance of 27% at Beira. From 1976 to the independence of Zimbabwe in April 1980 no transit traffic to and from Rhodesia was routed via Mozambique. Provided that the lines can be repaired and upgraded the volume of traffic will certainly pick up quickly as there is no doubt about the economic sense in Zimbabwe routing exports and imports via the ports of Maputo or Beira. This fact has already had an impact in that about 40% of
Zimbabwe's foreign trade is now handled via Mozambique, albeit somewhat erratically due to sabotage. Transport economics alone would dictate such a swing as it is up to 30% cheaper to use these routes compared to those through the Republic. The differential has presumably further increased following the raising of port tariffs by the South African Railways and Harbours by an average of 17.5% in March 1982. Transit revenues would then accrue to Mozambique instead of South Africa.

Blantyre-Vila Fronteira-Sena (Junction with the line to Moatize)-Beira: For Malawi this line is very important as an access line to the sea, and for Mozambique as a source of revenue. In 1980 transit traffic to and from Malawi comprised one-third of the total traffic handled at Beira, and with respect to transit traffic alone Malawi accounted for as much as 92%. Stretches of the track are in a poor condition, however, and require urgent upgrading in order to avoid the risk of having to close the whole line for traffic. In a long-term perspective, with the necessary rehabilitation work undertaken, the line will be most useful for both Malawi's transit trade and for Mozambique as a source of revenue and possibly as an outlet for exports of coal from the Moatize area if developed.

Mchinji-Lilongwe-Balaka-Entre Lagos (Malawi border)-Nacala: For Malawi's seaborne trade this line is currently less important than that to Beira. Whereas Beira handles nearly half of the seaborne trade, Nacala accounts for approximately one-third. In 1980 the volume of cargo amounted to 381,000 tons which is 51% of the total port traffic at Nacala in that year. It would be advantageous to both Malawi and Mozambique if some of the transit trade of the former could be shifted to Nacala as it would alleviate pressure on Beira which is expected to increase in the future as a result of increased traffic on the Harare-Beira line, not to speak of the situation if the Moatize coal deposits were exploited.

On parts of the line the tracks are in poor condition and require repairs, which is currently being undertaken. The utility of the line could be further enhanced if it were connected to the Zambian network, either to the TAZARA or to Lusaka. After Canada studied the 20 km rail link between Mchinji and Chipata and found it economically infeasible, it now appears that India
has offered assistance. The Zambians would prefer a complete link-up with TAZARA or Lusaka, but for the time being they will have to make do with the road connection from Chipata on the Great Eastern Road.

Maseru-Bloemfontein: This is Lesotho's only rail connection with the outside world, which puts the country in a situation of extreme dependence on the Republic's network and ports.

Mbabane-Goba-Maputo: Unlike Lesotho's rail link the principal connection of Swaziland is not routed via the RSA. A large proportion of traffic on the line consisted of iron ore from the deposits in Ngwenya; now depleted as the last consignment was railed in June 1980 after nearly 30 million tons had been freighted over the years. The cessation of iron ore traffic affected the amount of traffic on the line tremendously; in 1979 1,760,000 tons of cargo to and from Swaziland were handled at Maputo constituting 21.6% of the total traffic. After the last consignment of iron ore was shipped out in mid-1980 the tonnage dropped to 1,276,000 tons, which came to 16.8% of the total for the whole year. Figures for 1981 are not available, but it can be assumed that the absolute volume and relative share of Swazi trade over Maputo will have plummeted further.

The tracks are in reasonably good condition, although somewhat worn as a result of heavy iron ore traffic. Thus the line has a role to play in the future, especially if a decision is made to exploit fully the coal deposits at Mhlume in north-east Swaziland.

Recently a railway connection has been built to the port of Richard's Bay in the Republic. To repay loans on this line and to make it commercially viable in the future, Swaziland Railways are planning to build another 112 km link to Komatipoort in the Eastern Transvaal in the Republic. This line would link up with the Mbabane-Maputo line at Mpaka thus connecting the Eastern Transvaal with the ports of Richard's Bay and Durban in Natal. The planned link would cut the distance from Phalaborwa in north-eastern Transvaal, where phosphoric acid and phosphate rock is being produced, to Richard's Bay by 250 km. The timber and coal mining industries in the Transvaal would also benefit. Lastly, it would make it easier for South Africa to divert bulk cargo away from Maputo. The proposed line was originally a South African idea as it would primarily benefit interests in the Republic. Nevertheless, Swaziland would undoubtedly benefit commercially by transit revenues, thus
being able to eliminate the current operating deficit of Swaziland Railways. And again, if the coal fields at Mhlume are developed fully the line will be of further use. From a political point of view this project would undoubtedly increase dependence on the RSA.

All the railway lines referred to above share common problems irrespective of their physical location and condition. Most of them experience serious management problems due to shortage of qualified personnel. The efficiency is also hampered by lack of locomotives and rolling stock which is further aggrevated by long turn-around times. Coordination of schedules can be added to the list of problems which require attention. Other technical difficulties relate to standardization of equipment, joint procurement and pooling of servicing and maintenance capacity. Some of these problems have been overcome temporarily at the expense of independence of operations by eliciting aid from South Africa in the form of personnel, training, locomotives and rolling stock. That this in no way provides a permanent solution is borne out by the fact that, e.g. Zimbabwe, has been a victim of economic blackmail by the Pretoria regime at a time when full railway capacity was urgently needed to move large quantities of maize to adjacent states.

Before concluding this section on railways it would be relevant to add a paragraph on the Trans-Kalahari Railway dream. The idea of a rail link from Palapye in Botswana to Walvis Bay in Namibia has been on the agenda for half a century. Feasibility studies have been undertaken and have revealed that the project is technically and economically feasible under certain conditions. The main economic justification are the enormous coal deposits near Morupule, estimated at 2,500 mill. tons. 10 mill. tons would have to be exported annually to make the line a commercially viable proposition. The approximate alignment, although not yet decided upon, would run from Palapye via Ghanzi to the border, and further to Gobabis in Namibia some 110 km beyond the border to connect up with the Namibia network and the port of Walvis Bay on the Atlantic coast. The distance from Palapye to the border is about 850 km and the total length to the Atlantic 1,400 km. The cost involved is estimated at US$ 378 mill. (1979 prices). An additional US$ 421 mill. would be required to develop the coal fields.
The major stumbling block is of a political nature: as long as South Africa illegally occupies Namibia no accord may be concluded. The dispute over the international status of Walvis Bay further complicates the issue.

The political problems notwithstanding, a railway line westward would imply for Botswana (and potentially even Zimbabwe and Zambia) a diversification of export and import routes which would not only be economically viable, but also reduce dependence on the Republic.

An assessment of transport dependence with reference to railways as the principal mode of transportation in the region, would lead to the inescapable conclusion that many of the SADCC states are presently extremely dependent on the Republic, though some more than others. Worst off are Lesotho, Botswana, Zambia and Zimbabwe whose sensitivity dependence may be said to be extremely high. The situation is less serious for the other states. With the exception of Lesotho the vulnerability of these states is not as high, however. The costs of changed policies and high priority accorded to the transport sector, particularly railways, would in the main be those of initial capital investments. From the point of view of transport economics such investments would be sensible. Once the initial capital outlays have been made the operating cost-benefit balance would prove advantageous and contribute to a comfortable net return on investments. It should also be noted that with an expanded transport infrastructure in the region trade would be stimulated and probably further justify such investments economically. Politically heavy emphasis on transport is unavoidable.

5.3.2. Ports

A discussion of railways would be grossly incomplete without a consideration of the ports situation. Outside the Republic there are a number of good harbours, at least potentially. The majority of them are in need of considerable improvement which will require capital outlays. In due course the potential may be realized and the entire regional transport network made workable.

On the Atlantic coast the port of Lobito is the only one of regional importance. With practically no transit traffic there is
at present hardly any congestion of the port. In 1980 the volume handled was only 236,000 tons, nearly all of which local. But if international traffic to and from the copper belt resumed to pre-independence level, the handling capacity required would presumably reach somewhere in the region of 2.5 mill. tons annually. In 1979 it was estimated that the total potential handling capacity will be between 1.7 mill. and 2.2 mill. tons per year with the existing 6 - 8 deep water berths and depending on two or three workings shifts being used. Capacity will be further expanded when the new wharf now under construction is completed. A port master plan is being worked out to streamline operations.

On the Indian Ocean coast the Mozambican ports are crucial. At present the port of Maputo is the principal one in terms of cargo volume. In 1980 a total of 7.6 mill. tons were handled at this port (including Matola coal terminal) of which about 40 % was local. Forecasts of total trade through Maputo towards 1990 range from 20 to 30 mill. tons per annum which means that this port's growth potential is enormous. Naturally an expansion programme of this magnitude would require substantial capital expenditure. Projections are, however, very uncertain. For one thing the quantities of coal expected to pass through the Matola coal terminal, for which plans of expansion have existed for some time, are not at all determinable with any degree of accuracy at this point in time. The potential sources of coal are Zimbabwe, Botswana, Swaziland and Mozambique itself, to some extent also South Africa. Should any one of these fail to materialize, the US$ 80 mill. Matola expansion programme to increase capacity to 6 mill. tons per year would be in jeopardy.

A further factor of uncertainty is the future share of cargo volume originating in the Republic. In 1980 South African transit traffic accounted for nearly 40 % of the total volume at Maputo. For political and economic reasons South Africa appears to wish to divert her bulk exports away from Maputo to South African ports. Since its opening in 1976, Richard's Bay has expanded its capacity rapidly and is clearly projected to become a major coal and other bulk cargo export port in the Republic. Apart from the political motives the alleged inefficiency of the Maputo harbour and the cost of demurrage has prompted South African exporters to seek alternative export routes. In this respect Richard's Bay has been found convenient. If the new rail link
through Swaziland is built, Maputo would lose a comparative advantage in its proximity to the main production areas of the Transvaal.

Notwithstanding the possible loss of a substantial volume of cargo from the Republic, the port of Maputo would still have a potential for considerable expansion, basing itself on transit traffic from Botswana, Zimbabwe, and Zambia. It would still necessitate a modernization of handling facilities, dredging of the access channel so as to make it possible for ships larger than the 20,000 dwt (fully loaded) ships which presently may freely call without having to wait for the tide, which under favourable circumstances may allow vessels of 60,000 dwt to load at the Matola ore wharf. A number of feasibility studies are now under way as part of the expansion and modernization programme.

Partner to the north on the Mozambican coast is Beira, also a major port of regional significance but of less capacity than Maputo. In 1980 the total volume of traffic handled was 1,520,000 tons of which 37% was international transit mainly to and from Malawi. The port itself in the estuary of the Pungué River is situated some 20 km from the open sea which makes it essential that the access channel is kept deep enough to allow ships of reasonable size to enter the harbour. At present only vessels up to 20,000 dwt may berth and only at high tide.

Provided the access channel is improved and cargo handling facilities are expanded and modernized, Beira has considerable growth potential. Its realization hinges on the development of the coal deposits at Moatize, and further expansion of the volume of transit trade to and from Malawi and Zimbabwe. A rehabilitation study has recently been completed, concluding that it will cost US$ 23 mill. to bring the port up to 1975 standard. It is technically feasible to deepen the access channel to allow ships up to 75,000 dwt to enter the port, but it is hardly an economically viable proposition.

The third Mozambican port of regional importance is Nacala which is one of the best natural harbours on the east African coast, having exceptional advantages as to navigability, shelter and depth. Its shortcomings are inadequate handling facilities. In
1980 the total traffic handled was 752,000 tons. With a new container terminal and rehabilitation of the railway to the Malawi border, the port should be able to handle increased amounts of cargo in transit to and from Malawi and Zambia plus local traffic. Zambian transit traffic probably has the greatest growth potential if the Lilongwe-Mchinji-Chipata rail link is built to link up with road transport from Chipata, and even more so if the rail link is extended beyond Chipata to the TAZARA or to Lusaka.

The regional significance of the northernmost of the ports on the Indian Ocean coast, Dar es Salaam, is not the same as that of Maputo, Beira and Nacala. In terms of transit traffic, Dar is first and foremost important to Zambian exports of copper. In 1980, 53% of Zambia's international trade was routed via Dar es Salaam harbour, 22% by road and 31% by rail. The relative share has declined, however, over the past 3-5 years. In 1977, only two years after the completion of the TAZARA, 66% of the volume of Zambia's external trade was railed on the TAZARA via Dar, and a further 24% was hauled by lorry on the Great Northern Road. This diversion towards the Southern Route started in October 1978 and has continued since. The main reason given by Zambian officials is congestion at Dar harbour. Under normal circumstances transport economics would dictate that the TAZARA and Dar harbour be preferred to Lobito or Beira (via Zimbabwe) as the distance to Dar is shorter and rates competitive. It will also be recalled that the economic justification for building the TAZARA railway was precisely Zambia's copper exports. Even if it would be economical for Zambia (notwithstanding the political qualms) to use the Southern Route via the RSA, both Tanzania and Zambia have incurred huge loans, servicing of which is due to commence soon.

Studies of Dar harbour have been initiated and preliminary results indicate that a total rehabilitation plan would require an estimated US$ 189 - 194 mill., part of which is to be financed by the World Bank.

In terms of harbour dependence on South Africa the sensitivity of Botswana, Lesotho, Zimbabwe and Zambia may be characterized as extremely high. The rest of the SADCC-states are practically independent in this respect, although Swaziland may in the fu-
ture indirectly develop some dependence on South African transit traffic in terms of revenue sources should the planned rail link to Komatipoort be built. Vulnerability dependence, however, is not high for Zimbabwe and Zambia. Changes in policy and adequate time to implement them would make it possible to divert transit away from ports of the Republic to Angolan and Tanzanian ports (for Zambia) and to the Mozambican ones (for both countries). Rather than incurring a cost use of these harbours would most probably mean a net saving to these two countries. Given Lesotho's landlocked position its vulnerability will remain extremely high. Botswana is in a slightly better position, but the costs involved in a massive diversion of goods to Mozambican ports would be very high indeed. The cost of building the Trans-Kalahari Railway is likewise high, as is that of the concomitant harbour improvement at Walvis Bay. Despite its commercial viability the time horizon for the realization of such a gigantic project is long. Meanwhile, pending a resolution of the Namibian conflict, the Botswana government is considering a new railway line to be linked to the Transvaal system.

5.3.3. Roads

The utility of the railways and harbour systems in the region would be greatly enhanced if complementary investments were made in the road network. Roads have a justification of their own quite separate from being a supplement to the railway network: though not preferable for heavy long-distance freighting, transportation by road is better suited to haulage over short distances and to small quantities of goods to smaller concentrations of people, and naturally to transportation of perishable produce which cannot tolerate reloading, undue delays etc. Due to its greater flexibility, road transportation is thus essential. This aspect rarely enters into the regional perspective; it is usually of national importance only.

The fact that some of the nine states are literally without road links with their immediate neighbours is, however, a regional concern. Thus, road projects between Botswana and Zambia, Zambia and Angola, and Mozambique and Tanzania have been accorded high priority.
Rehabilitation and upgrading of the road from Nata in Botswana to Kazungula and the construction of a bridge over the Zambezi at Kazungula, and improvement of the stretch to Livingstone in Zambia, figure high on the priority list of the two countries.

Likewise, the construction of a new road from Mueda in northern Mozambique to the Tanzanian border and the construction of the so-called 'Unity Bridge' over the Ruvuma River, as well as the continuation of this road to Masasi in Tanzania, has been given priority.

The third major inter-state road link under consideration is the one between Kaoma in western Zambia to Lumbala in Angola's Moxico province (370 km). The project involves partly upgrading and partly construction of new stretches so as to provide an all-weather heavy traffic connection.

It is practically impossible to assess the degree to which the SADCC-states are dependent on the Republic in terms of road connections without seeing them in the context of the totality of the transport network in the region. As an overwhelming share of the region's goods traffic is by rail, the roads are of secondary importance, but as a supplement to the railways they may take on a regional importance, particularly in precarious situations when railways may have been subjected to sabotage or otherwise put out of operation. Then road connections may prove vital and thus contribute to overall transport independence on the Republic.

5.3.4. Civil Aviation

Regional air transport has so far been developed only to a very limited extent. Direct air services between the countries of the region are frequently missing, and where they do exist they are limited to a few flights per week. Although links with Europe and the Near East are somewhat better and more frequent, the most convenient connection for many flights to and from the region is via Johannesburg.

Each of the nine countries have their own national carrier, but they are all struggling with problems of financing, operation,
maintenance and training. Additionally, the airport infrastructure is inadequate and outdated, generally speaking. Necessary improvements include extension of runways and strengthening of taxiways and aprons; rehabilitation of landing aids and airport lighting; expansion and modernization of passenger and cargo terminals; and lastly betterment of fire and rescue facilities.

Air transport is of greater importance for domestic than for regional services, particularly in terms of freight volume. Passenger traffic is even less important. Compared to South African Airways the airlines of Zambia, Tanzania, Malawi, Mozambique and Angola carried only one-third of the number of passengers in 1979. Due to the comparatively high cost of air transport this sector has not been accorded the same priority as that of railways and roads; air freighting is only economical for highly perishable goods such as fresh agricultural produce. There are three notable exceptions, however, all of which concern the three countries of the region which are most dependent on the Republic in this sector: Botswana, Lesotho and Swaziland. Construction is now in progress at Sebele, 15 km outside Gaborone to provide Botswana with a new international airport capable of receiving medium-sized aircraft commonly used on international flights. The new airport is expected to be ready by the end of 1984. Likewise, Swaziland's airport at Mtsapa near Manzini will be extended and brought up to international standards. The project involves the construction of a 2,600 m runway capable of handling Boeing 737's, passenger and freight terminals, control tower, and fire service facilities. Estimated cost is US$ 20 - 24 mill. Similarly, the airport at Maseru will be extended and modernized involving a 3,200 m runway, passenger terminal, control tower and administration, fire and rescue and service buildings. These three projects will go a long way in reducing sensitivity dependence of the BLS-states on the Republic which is presently very high in this sector. Upon completion, flights will no longer need to be routed via Johannesburg's Jan Smuts airport. Further improvements of regional air traffic may be accomplished through coordination of procurement of aircraft with a view to standardization and servicing; joint training of personnel; and lastly coordination of flight schedules.
5.4. Telecommunications

The colonial telecommunications infrastructure which previously meant that, for instance, telephone calls from one southern African country to another had to be routed via exchanges in either Europe or South Africa is rapidly being changed. Under the auspices of the International Telecommunications Union (ITU) a Pan-African Telecommunications Network (PANAFTEL) is in progress, the ultimate aim of which is to link all OAU member states in a network comprising all forms of telecommunications traffic such as intercontinental telephony, telex, telegraphy, data and television transmission. In the southern African region some notable achievements have been made in recent years. Botswana is now able to communicate directly with the outside world, without going via South Africa, by means of telephone, telex, telegraph and related services through its new earth satellite station at Kgale near Gaborone which faces the Indian Ocean satellite of the International Telecommunications Satellite Organization (INTELSAT). Similar earth stations are planned for all countries of the region, which do not already have such facilities, facing the Atlantic Ocean and/or Indian Ocean satellites. Complementary to these inter-country satellite links a major thrust in the improvement of the regional network is the establishment of a series of micro-wave links. When these are completed within a period of 5 - 7 years telecommunication in the region may function smoothly totally independent of exchanges in the Republic, at a considerable cost it might be added.125

5.5. Energy

In respect of energy, the BLS-states and Zimbabwe are among the countries of the region which have a high sensitivity dependence on the Republic, albeit to varying degrees. This fact is due chiefly to the present undeveloped potential and inadequate infrastructure in these states, and not to any paucity of energy resources as such. The rest of the SADCC-states do not experience any dependence, in fact some even export energy to the Republic. As a whole the region is potentially very rich in energy resources.
5.5.1. Hydrocarbons

Angola is today the only country in the region which produces oil. In 1981 total production reached some 7 mill. tons, and may be expanded to 10 mill. tons by 1985. Total Angolan oil reserves are estimated at 180 mill. tons, and in addition some 42 billion m$^3$ of natural gas. Mozambique has also proven natural gas reserves as does Tanzania; the former are estimated at 85 billion m$^3$ whereas the latter are presently not known.

For most of the countries a sizable share of total energy consumption is in the form of petroleum products. For Angola and Tanzania the percentages are as high as 91% and 96% respectively, whereas the corresponding figure for Malawi was 70%, for Zimbabwe only 17%, and for Zambia 45%. Figures for the BLS-states are not available because they are integrated into the SACU area for which energy consumption is accounted only collectively. With refineries, however, at Maputo, Luanda, Ndola, Dar es Salaam and when restored at Mutare (formerly Umtali), and the supplies of crude oil coming mostly from outside the continent through either the pipelines from Dar to Ndola (annual capacity 840,000 tons) and Beira to Mutare (annual capacity 1 mill. tons) or by rail and road haulage, this high dependence on petroleum products need not necessarily have any bearing on these countries' relationship with South Africa. Only in the cases of the BLS-states, and Zimbabwe until the Beira-Mutare pipeline and the Feruka refinery at Mutare is in full operation again, is the dependence noticeable or even painful. Although Zimbabwe depends only modestly on petroleum for energy purposes, sensitivity dependence on the Republic in this sphere is extremely high as was disagreeably felt in late 1981 when the RSA cut all diesel supplies with the effect that the railways were seriously crippled. Botswana is currently very dependent on the Republic for diesel supplies for its electricity generators as well as for other petroleum products for general transport purposes. The situation is similar for Lesotho and Swaziland, only more extreme. However, for Botswana and Zimbabwe, and possibly Swaziland the position may be considerably ameliorated over a relatively short period of time.

Botswana is building a coal-based thermo-plant with a generating capacity of 60 MW which by 1985 will make the country self-sufficient in electricity. The need for petroleum products via the RSA for general transport purposes will remain, though. But in
order to offset potential acute shortages of petroleum fuels in the future (due to actions by the Pretoria regime or 'natural' causes) depots are being established at Gaborone and Francistown to provide a contingency reserve equivalent to three months' normal import quantities.

If and when the Feruka refinery at Mutare is reopened, Zimbabwe will be able to do without the supply line from the Republic. This eventuality is, however, somewhat uncertain. It depends, firstly, on the rehabilitation of the Lonrho-owned pipeline from Beira to Mutare which has been out of operation since 1966 when sanctions were imposed against Rhodesia. The 288 km long pipeline, which is one of the highest pressure lines in the world because of the steep gradient from the sea to Mutare, has a capacity of 1 mill. tons per year, slightly in excess of Zimbabwe's present needs. Due to unuse for 15 years corrosion had rendered it in a state of slight disrepair but a modest investment has now made it operational again. After some dispute, Mozambican-Zimbabwean negotiations over the tariff per ton to be charged by Mozambique were concluded in March 1982. The exact tariff has not been disclosed but indications are that it will be US$ 10 per ton. Mozambique had initially requested US$ 12 but agreed to less with the proviso that Zimbabwe will use Mozambican railways more in the future. By comparison the cost of raling petroleum via South Africa is US$ 100. Once the outstanding agreement between Lonrho and the Zimbabwe government is in hand pumping may start shortly.

The Feruka refinery itself has still a long way to go before it is operational. Owned by a consortium, Central African Petroleum Refiners (Capref), consisting of Shell, BP, Mobil, Caltex, Total, Kuwait National Petroleum Company, and American Independent Oil Company, the refinery's future is still uncertain. A study estimated that it would cost US$ 97 mill. to restore it to full operating standard at an annual capacity of 907,000 tons. The high cost involved due to extensive corrosion, caused speculation if the refinery would reopen in its original form or at all as the project would perhaps not be viable. Although a complete rehabilitation has not been ruled out either by Capref or by the Zimbabwean government, it has been provisionally decided to use it as a depot for refined petroleum products such as diesel and petrol at a cost of US$ 5.16 mill. Even this solution is ad-
vantageous to Zimbabwe whose sensitivity dependence on South Africa will thus be reduced. It will also alleviate pressure on the railway network.

The possibility of supplying Swaziland with petroleum products by rail via Maputo exists provided there is capacity to do so. The same cannot be said of Lesotho, whose fate it will still be to rely on supplies from the Republic.

5.5.2. Coal

The SADCC grouping has vast reserves of coal located mainly in five countries: Mozambique, Swaziland, Zambia, Zimbabwe, and, above all, Botswana. The SADCC-countries' geological coal reserves are as given in table 8 below.

By comparison, South Africa has 57,130 mill. tons but that is of no consequence to the southern nine as far as their own energy supply is concerned. The Republic may, nonetheless, prove a tough competitor on international markets should any of the nine seek to export sizable quantities as the geological reserves are not necessarily technically and economically recoverable. On this account South Africa has reserves of exploitable coal to the tune of 26,903 mill. tons whereas Botswana, Mozambique, Swaziland, Zambia and Zimbabwe have only 6,160 mill. tons combined, of which Botswana alone accounts for 3,500 mill. tons.

Current annual production by Botswana's Morupule Colliery is 370,000 tons, but the scope for expansion of the fields near by is enormous. Production volume may be as high as 15 - 20 mill. tons by the mid-1990's in the fields over which Shell Coal Botswana (Pty.) Ltd. holds the concession.

Of Swaziland's recoverable reserves of 2,000 mill. tons only one-tenth is of reasonable quality. At present the mine at Mpaka, run by the Anglo American Corporation, has an output of 180,000 tons annually. A decision on the future of the deposits found at Mhlume by Shell is still held in abeyance.

Mozambique's operating coal mine at Moatize currently has an annual output of 560,000 tons but transport problems threaten the
TABLE 8

GEOLOGICAL COAL RESERVES OF SADCC COUNTRIES. (IN MILL. TONS COAL EQUIVALENT)

<table>
<thead>
<tr>
<th>Country</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angola</td>
<td>500</td>
</tr>
<tr>
<td>Botswana</td>
<td>100,000</td>
</tr>
<tr>
<td>Malawi</td>
<td>14</td>
</tr>
<tr>
<td>Mozambique</td>
<td>400</td>
</tr>
<tr>
<td>Swaziland</td>
<td>5,000</td>
</tr>
<tr>
<td>Tanzania</td>
<td>360</td>
</tr>
<tr>
<td>Zambia</td>
<td>228</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>7,130</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>113,632</strong></td>
</tr>
</tbody>
</table>

implementation of ambitious expansion plans targeted at 10 mill. tons annually by 1990.\textsuperscript{140}  

Zimbabwe would also like to expand production, mainly for domestic industrial consumption but also for export if feasible. The country currently mines about 3 mill. tons annually and has economically exploitable estimated reserves of 755 mill. tons.\textsuperscript{141}  

The prospects of coal mining in Tanzania has recently been studied by Chinese experts. It is hoped that output will be 100-150,000 tons by 1985 from the Songwe-Kiwira deposits in the Mbeya region.\textsuperscript{142}  

The overall situation for the SADCC-states with respect to coal for domestic energy consumption is that they have collectively no reason to depend on the Republic. Rather, it may be a competitor on international markets partly because its coal may be of higher quality but mostly because it has a comparative advantage in a well developed and efficient infrastructure such as railways and harbours. Botswana would, for instance, have to rely on this infrastructure if the contemplated Trans-Kalahari railway is not built in conjunction with the development of the Morupule coal fields.  

5.5.3. Hydro-electric Power  

Added to the vast coal reserves of the SADCC area, another large source of energy generation is found in the hydro-electric potential of the region's river basins.  

Southern Africa has seen a number of giant hydro-electric schemes being implemented during the past decade. The best known of them is Cabora Bassa in the Tete province of Mozambique. Originally conceived, planned and initiated in 1969 under Portuguese rule, the first phase is now fully operational. It has a generating capacity of 2040 MW but expansion plans are in progress for a second stage which will bring generating capacity to a total of 4080 MW.\textsuperscript{143} It would make the scheme the fourth largest in the world and the largest in Africa. Currently about 93 % of the output finds its way to South Africa by means of a high-tension pylon transmission line over the long distance of some 1,900 km.
The balance is consumed in Mozambique. Steps are now taken to divert electricity from Cabora Bassa to the closer neighbours Malawi and Zimbabwe, in particular when the second phase comes on stream.

The second large-scale hydro-electric scheme is the Cunene in southern Angola. Originally intended to comprise a total of 27 potential dams in the Cunene River basin, the scheme, like the Cabora Bassa, was conceived under Portuguese colonialism in collaboration with the South African regime. The non-energy aspects will not be discussed here. Due to intensification of the war of liberation and the South African invasion of Angola in 1975, the construction programme was interrupted. Only the Ruacana dam on the Angolan-Namibian border was completed (the Calueque dam is only half completed) and generators installed with a capacity of 240 MW. However, due to continued war operations, sabotage by SWAPO guerilla forces, and Angola's refusal to allow full water flow from the sluices on the Angolan side, actual generated output has never reached more than 160 MW. A target of repeated SWAPO sabotage, the South Africans still have problems keeping the generators in full operation despite the fact that vast tracts of the Cunene province since the late 1981 invasion are de facto under occupation by South African troops.

With an independent Namibia under majority rule and complete cessation of all hostilities, the development of the Cunene scheme may be resumed, however, perhaps with other sources of finance and according to amended plans if deemed expedient. In that case Angola would be in a favourable position to use hydro-electric power from Cunene for domestic purposes and to export surpluses to a free Namibia, thus contribution to reducing present energy dependence on the Republic.

The third major dam system for hydro-electric power generation is Kariba on the Zambezi River between Zimbabwe and Zambia. The existing dams and generator plants are jointly owned through the Central African Power Corporation (CAPCO). The existing south bank station (on the Zimbabwean side) produces 660 MW, and the north bank station (on the Zambian side) 600 MW. Extension of the south bank station is now being contemplated which, if implemented, will add another 300 MW to the existing 660 MW. A smaller station, now at 108 MW, is located at Victoria Falls but
it will probably not be extended because it conflicts with tour-
istic considerations. With the addition of Kafue farther
north, and 210 MW of thermal power, Zambia has a total produc-
tion of 1,800 MW which enables it to export considerable amounts
to neighbouring Zimbabwe which has an increasing energy short-
fall. Currently, Zambia provides some 38% of Zimbabwe's power
needs.

In Lesotho the Oxbow scheme on the Malibamatso and Sengu Rivers
is again being negotiated with South Africa after having been
suspended for some time. Although the principal purpose is to
provide the Transvaal with water, plans also include power gen-
eration. The first phase to be completed by 1994 envisages two
power stations generating 60 MW. Full development through phase
four to be completed by 2005 would yield a total of 160 MW.

The first phase would almost meet Lesotho's electricity needs
which are presently supplied from the RSA.

A number of other river basins in the region lend themselves to
power generation, and plans are already under way in the Limpopo
(Mozambique and RSA), Cuanza (Angola), Ruvuma (Mozambique and
Tanzania), Shire (Malawi and Mozambique) etc.

So far in this review of dependencies the balance has tilted mas-
sively in favour of the Republic; a series of highly asymmetri-
cal relationships have been documented. In the energy sector,
however, the nine may very well be able to exercise some lever-
age over their giant neighbour to the south. This applies partic-
ularly to electricity supplies. Electricity demand in the Repub-
lic is growing at a rate of 9% annually. Some of this may be
met by expansion of coal-based thermal power generation, and
some by the oil-from-coal plants SASOL I, II and III. Consider-
ing the limited potential for hydro-electric development within
the Republic's borders it will need fair quantities of electrici-
ty from hydro-schemes in neighbouring countries pending a massi-
ve expansion programme of thermal power generation based on coal
which the Republic has in such abundance (or even nuclear power).
South Africa may be forced into such programmes as a result of
the regime's increasing international isolation, but it is hard-
ly a preferred option from the point of view of economics. To
the extent possible the RSA would most probably wish to retain
existing electricity supply lines from the region outside the Re-
public itself.
One case in point is Cabora Bassa which provides an estimated 10% of South Africa's electricity consumption.\textsuperscript{153} Recently the South African Electricity Supply Commission (ESCOM) announced that rates would be raised by 6.6% due to the interruption of supply from Cabora Bassa following sabotage by the Movimento Nacional de Resistência Moçambicana (MNR) in Mozambique.\textsuperscript{154} It can be deduced from this that the Republic's dependence on power from Cabora Bassa is far from negligible if intermittent temporary cut-offs can cause such substantial increases in rates. Similar arguments are applicable to, for instance, the Ruacana power plant; part of the justification for the South African invasion in 1975 was the protection of the dam and generators (although other considerations, may have weighed heavier). Power from Ruacana would be able to provide Namibia's total requirements (domestic and industrial) of 120 - 130 MW. In view of the security problems, supply lines from the Republic would be the only alternative available to secure reliability of supply but not without adding strain to the Republic's distribution grid.\textsuperscript{155}

Yet, even if the SADCC-states as a collectivity may have some leverage over the RSA with respect to electricity supply, individual countries may be in dire circumstances by having to rely on the Republic for some time to come. Pending the completion of Botswana's coal-based power plant at Morupule, the government has decided to link Gaborone and the new diamond mine at Jwaneng to the South African grid.\textsuperscript{156} The latter alone will require some 15 MW according to De Beers.\textsuperscript{157} Lesotho will be in a similar precarious situation until the power plants of the Oxbow scheme come on stream towards the end of the decade. In spite of the Republic's own shortfall of electricity, it still makes sense from the perspective of the Pretoria regime to link the immediate neighbours to the Republic's distribution grid. The justification is necessarily political, rather than economic.

Summing up, it is justifiable to say that the SADCC-states are practically independent of the RSA in the energy field, except the BLS-states whose sensitivity dependence is relatively high. Swaziland, for instance, although its Electricity Board generates its own hydro-electricity, is also linked to the South African grid, from which in 1979 it bought about 42% of the total units generated and purchased, against only 19% in 1974.\textsuperscript{158} Mozambique is to some degree dependent in the very special sense
that its modest 7% consumption share of the Cabora Bassa power reaches the Maputo area via the Apollo transformer station at Irene near Pretoria. None of these countries can be said to have a high vulnerability dependence on the Republic, though. On the contrary, it may be asserted that the Republic at present has a certain degree of sensitivity dependence on the SADCC group. Its vulnerability dependence is not particularly high however because of the wide scope for coal-based electricity generation and the expanding nuclear power programme.

5.6. Labour Migration

International labour migration in southern Africa dates back to the latter half of the previous century when gold and diamonds were discovered in South Africa. Although having undergone some modifications, the migratory system has basically been preserved to this day. In 1979 there were 326,709 officially registered foreign workers in South Africa. Table 9 below shows the quantitative developments during the 1970's.

The total number of migrant workers from outside the Republic has declined over the past decade, but remains at a fairly high level. The decline is particularly pronounced for Malawi and Mozambique whereas the major supplier, Lesotho, still exports more or less the same number of labourers as at the beginning of the decade. The event which precipitated Malawi's drastic reduction was a plane crash in 1974 when 72 migrant workers were killed. As a result all recruiting was stopped, but has since started to increase again, albeit not reaching the pre-1974 level. Mozambique's accession to independence in 1975 led to an abrupt drop in the number of migrants but so far it has not been possible to absorb the entire group into the Mozambican economy. The some 20,000 Zimbabweans working in South African mines, households and agriculture now appear to be successively repatriated following a decision in mid-1981 by the South African Ministry of Cooperation and Development not to renew contracts held by Zimbabweans. The tempo of repatriation has been very high; according to the Zimbabwean Minister of Labour and Social Services, there are only 100 migrants still working in the South African mines. Although Zimbabwean officials have made statements to the effect that they dislike the labour linkage with the Republic, it is hardly easy to absorb a large number of employees in
**TABLE 9**

**NUMBER OF FOREIGNERS EMPLOYED IN SOUTH AFRICA BY COUNTRY OF ORIGIN 1973-79.**
(In '000)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Angola</td>
<td>..</td>
<td>0.8</td>
<td>0.7</td>
<td>0.3</td>
</tr>
<tr>
<td>Botswana</td>
<td>36</td>
<td>43.2</td>
<td>39.0</td>
<td>32.5</td>
</tr>
<tr>
<td>Lesotho</td>
<td>149</td>
<td>160.6</td>
<td>163.3</td>
<td>152.0</td>
</tr>
<tr>
<td>Malawi</td>
<td>140</td>
<td>12.8</td>
<td>34.1</td>
<td>35.8</td>
</tr>
<tr>
<td>Mozambique</td>
<td>127</td>
<td>111.3</td>
<td>69.1</td>
<td>61.6</td>
</tr>
<tr>
<td>Rhodesia</td>
<td>..</td>
<td>32.7</td>
<td>31.2</td>
<td>21.5</td>
</tr>
<tr>
<td>Swaziland</td>
<td>10</td>
<td>20.8</td>
<td>14.8</td>
<td>13.0</td>
</tr>
<tr>
<td>Zambia</td>
<td>..</td>
<td>..</td>
<td>0.7</td>
<td>0.8</td>
</tr>
<tr>
<td>Other</td>
<td>13***</td>
<td>7.2</td>
<td>0.2</td>
<td>9.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>475</td>
<td>389.4</td>
<td>353.1</td>
<td>326.7</td>
</tr>
</tbody>
</table>


**Notes:**  
* as at 30 June  
** as at 31 December  
*** presumably includes Angola and Zambia, but not Rhodesia  
Figures have been rounded off.
the Zimbabwean economy in a short time span. The decision by South African authorities to rescind contracts is therefore likely to be part of the tactics by the Pretoria regime to pressurize Zimbabwe.

5.6.1. Benefits to South Africa of the Migratory Labour System

Migratory labour is foremost important to mining capital which, in 1979, employed 78% of all foreign workers in the Republic. This kind of labour has been and still is (though less so) cheap, which is partly attributable to the fact that the migrants are not allowed to bring their families to the area where they work. The migrants are kept in so-called compounds, overcrowded and under appalling and humiliating conditions, where they are supposed to do nothing but eat and sleep when not working. Their families remain at home and cultivate whatever small plots they may have to provide a certain contribution to the total family's income. The South African employers know, or assume, that the miners' families can subsist (at least partially) on the agricultural produce their plots may yield. As a result the employers tend to pay wages below normal levels. 'Normal' means in this context a wage which is adequate for the labourer himself as well as his family to live on. Currently, wages are in fact below subsistence levels so that the reproduction of the worker and his family is conditioned by non-capitalist production of agricultural produce in the supplier countries. Put differently, the wages in mining (and other sectors for that matter) are in fact being subsidized by non-capitalist agricultural production in the supplier countries. The degree to which this subsidization takes place in quantitative terms is exceedingly difficult to determine due to a host of methodological problems. Nonetheless, it is a fair contention that it is considerable, although admittedly declining. Under 'normal' labour market conditions in a capitalist economy where the labourers are fully proletarianized, the payment of wages below reproduction costs would not be possible for very long, regardless of the rate of unemployment. The only reason why it has survived in South Africa for nearly a century is the prevalence of the peculiar articulation of capitalist and non-capitalist modes of production in South Africa and the supplier countries (and the 'bantustans'), respectively. Precisely because it has been so advantageous to
South African capital in mining and manufacturing, the migratory system has become institutionalized with the help of the state.

Added to the purely economic effects of the migratory labour system it also exhibits certain political features. Because of the fact that the migrants are confined to compounds and denied the right to organize in trade unions which is a self-evident right in most modern industrialized countries, the migrants as a group have proved to be a particularly docile category of labour. The compound system makes it extremely difficult to organize, which under the present legislation would have been illegal anyhow. The contract system and the regular oscillations home also add to the difficulties of effective organization, not to mention strike action being the only means of resistance available to the workers.

The net effect of these factors for the employers is favourable conditions of accumulation. So far the system has served them well, but indications are that it is now undergoing some changes. Partly due to the growing militancy of the black working class in South Africa, including the miners, during the 1970's, the wages have increased in real terms. Workers' wage demands have in turn coincided with rising prices on minerals and particularly gold which probably made the employers less reluctant to concede. Wage increases in mining have been particularly pronounced so that the wage gap between mining and manufacturing sectors have narrowed. This in turn has made it relatively easier for the mining houses to recruit internally rather than depending on migrant labour from neighbouring countries. The share of non-South Africans in mining has dropped from about 67% in 1967 to 45% in 1979.\textsuperscript{162} This tendency may prevail if the Pretoria regime accepts the recommendation of the Commission of Inquiry into Labour Legislation (Wiehahn Commission) to the effect that also black miners are accorded statutory rights to trade union organization and collective bargaining.\textsuperscript{163} In that case the wages in the mining sector will presumably rise further relative to those of the manufacturing sector, thus contributing to increased recruitment of miners in the Republic itself at the expense of international recruitment.
5.6.2. Effects on the Supplier Economies

It is often claimed that the supplier countries reap great benefits from the migratory labour system, primarily because it gives employment to a section of the labour force which would otherwise have been unemployed in the respective home countries. Part of the serious unemployment problem is thus exported to the Republic. Furthermore, the migrants remit part of their wage to their families at home thus providing the supplier countries with foreign exchange of sizable proportions in some cases, notably Lesotho and Swaziland.

Superficially considered, the benefits to the supplier countries may seem considerable in a short-term perspective. In the long run, on the other hand, there can be no doubt that the system has serious adverse effects on the supplier economies. Human labour, intelligence and creativity are the most important productive forces in any economy. By sending a large proportion of their best labour to another country, the supplier economies are in fact ridding themselves of their most important source of progress and development. In extreme cases only the women, children and the elderly remain. The crucial role of women in agriculture shall in no way be belittled, but in certain phases of the productive cycle the labour of the male members of the families is sorely needed. This applies particularly to land preparation, planting and harvesting. The absence of the males in these critical periods leads to declining productivity in agriculture with ensuing deterioration of living conditions for the families at the micro-level and a dwindling agricultural surplus for the respective countries at the macro-level.

Looking beyond naked statistics reveals the social costs inherent in the migratory labour system. First and foremost the migrants are exposed to the exploitation and brutal oppression of the apartheid system. The compounds are dehumanizing, the food poor, physical labour very hard, and the psychological strain almost unbearable due to the high accident risks. On top of this, payment is low. Oscillatory labour migration also means geographical separation from spouse and family for periods up to a year or more. As a result family life suffers and in many cases the ties become so strained that they break; migrants sometimes fail to return home after contracts have expired.
The governments of the supplier countries are well aware of the long-term adverse effects of the system. Notwithstanding the fact that, for example, Lesotho, Swaziland, Botswana and Malawi have formal inter-state agreements with the Republic appertaining to recruitment, deferred pay etc., the supplier countries would undoubtedly prefer otherwise. The existence of formal agreements indicate no more than the unwilling acceptance of a fact of life rather than being an expression of preference. The short-term inability to absorb the migrants at home means that the supplier countries are faced with no alternative other than negotiating the best possible conditions under the prevailing circumstances.

Individually the supplier states may be in a weak bargaining position vis-à-vis the employer organizations of the Republic, but moves have recently been made to organize collectively in what could be termed a 'labour cartel'. If this will result in improved labour agreements or even a concerted effort to create alternative employment in the home countries, remains to be seen.

The International Labour Organization (ILO) has studied the situation on the labour front in southern Africa for some time under the auspices of its World Employment Programme with a view to finding practicable ways and means to reduce the extent of the system and ultimately to dismantle it altogether. These studies include estimates of costs, time schedules and the need for assistance etc.

The task of dismantling the entire system is a formidable one. It will be very costly and require a long period of time. In the meanwhile the supplier countries will have to rely on the employment opportunities in the Republic; in other words their sensitivity dependence is high, particularly that of Lesotho, Swaziland, Botswana and Mozambique. Even their vulnerability dependence is high, considering the costs involved and the time horizon within which policies change, planning and implementation would have to take place. Regardless of initiatives by the supplier countries and conscious programming to reduce dependence in this field, the spontaneous dynamic of the system seems to be toward increased recruitment inside the Republic rather than a continuation of the system at the level it is today. It is hardly likely, however, that the system will phase itself out without deliberate measures to that effect by the supplier countries. Therein lies a challenge not easily met.
5.7. 'Aid'

In addition to, and in collaboration with, private capital the South African state (directly or through parastatal companies) has involved itself in what is normally termed 'development assistance'. As early as 1968 an Economic Cooperation and Promotion Fund was set up to provide loans on concessionary terms for development projects in Africa. Controlled by the Department of Foreign Affairs the Fund had allocated more than R 42 mill. up to 1975.\textsuperscript{168} The principle of tying procurement to the Republic was laid down from the very beginning.\textsuperscript{169} Thus much filters back to the Republic.

South Africa's 'aid' has been channelled almost exclusively to the southern African region. It includes financial and technical assistance. Lesotho has benefitted, for instance, from loans for the improvement of the rail link to the Republic; from financial and technical assistance to hydro-electric development; from provision of police equipment; from secondment of personnel and advisers in the judicial system, administration and manufacturing. Malawi has received loans from the Industrial Development Corporation (IDC) in conjunction with the construction of the new capital, Lilongwe, as well as to the building of the railway to the port of Nacala in Mozambique (also from IDC). Furthermore the South African Broadcasting Corporation has provided equipment and expertise for the establishment of a studio and transmitter. Other sectors to which technical assistance has been rendered include civil aviation (Air Malawi), tourism and police. Finally South African civil servants have been recruited to serve in Swaziland's state apparatus, including the police.

Multilaterally a number of regional organizations have been established on South African initiative, control over them being exercised by virtue of technological and financial superiority. This applies to probably the most important of them, viz. the Southern African Regional Commission for the Conservation and Utilization of the Soil (SARCCUS) which was established in 1960. Originally the member states included the Republic itself, the BLS-states, Malawi, Mozambique, Angola, Rhodesia, Sao Tomé and Principe. All the former Portuguese colonies pulled out after independence.\textsuperscript{170} In September 1980 Zimbabwe followed suit.\textsuperscript{171} The organization deals with practically all matters related to agriculture. It has 10 permanent committees which meet annually: pe-
dology, animal health, animal production, plant production, 
plant conservation, forestry, hydrology, conservation and soil 
utilization planning, nature conservation, and lastly education 
and extension. 172 Headquartered in Pretoria, the top officials 
of this organization have always been connected with the South 
African Department of Agriculture.

The second major regional organization controlled by South Afri­
ca is the Southern African Regional Tourism Council (SARTOC) 
which was set up in 1973 and whose objective is to promote tour­
ism in the region through cooperation between the member states. 
The main recipients of 'aid' through this organization are the 
BLS-states and Malawi.

South African 'development assistance' is characterized by a 
high degree of tying. Almost without exception the projects 
which receive assistance are highly beneficial to the Republic 
itself as if this was the primary purpose. Although no detailed 
study has been made of South African aid policies and their im­
plementation by scrutinizing the actual effects on the neigh­
bouring states, it is hardly a controversial contention that by 
means of such instruments South Africa has managed to keep some 
of them (to varying degrees) in its ambit of influence and con­
trol. The tendency has, however, been towards a severing of 
'aid' ties with a number of the states of the region despite the 
Attempts by the Pretoria regime at enticing them away from the 
OAU bloc. South Africa has evidently not been overly successful 
in its endeavours to that end regardless of the guise being 'out­
ward-looking policy', 'dialogue', 'détente', or 'Constellation 
of Southern African States'. South Africa is becoming increas­
ingly isolated in international organizations dealing with aid 
issues, whether they be global, regional or sub-regional. It has 
been excluded from the Scientific Council for Africa South of 
the Sahara which advises the Commission for Technical Coopera­
tion in Africa South of the Sahara (CCTA); from the Inter-Afri­
can Bureau for Epizootic Diseases; the Inter-African Bureau of 
Animal Health; the Permanent Inter-African Bureau of Trypanoso­
miasis and Tsetse; as well as the International Red Locust Con­
trol Organization for Central and Southern Africa. 173 To compen­
sate for the loss of membership in these organizations South 
Africa has tried to use its own national organizations as vehi­
cles for keeping in touch with developments in various technical 
fields as they relate to the specific problems of the region. Ex-
amples of such purely South African institutions providing 'technical assistance' to adjacent states are the State Veterinary Service of South Africa; the South Africa Banana Control Board; the South African Mohair Board; the South African Maize Board; the Council for Scientific and Industrial Research; the South African Bureau of Standards; and the South African Weather Bureau. 174

It cannot justifiably be argued that the southern African states are dependent on South African 'aid' to any appreciable degree. Admittedly in some selected fields withdrawal of South African personnel and other technical services would be felt. But on the whole these functions could probably be filled by other donors with comparative ease within a short time. In fact this is precisely what is taking place (though slowly and gradually) in that reliance on the Republic is being phased out to be replaced by that on other states outside the region.

5.8. Provisional Conclusions

This section on dependencies serves to document that most formally independent states in the southern African region are indeed dependent on the Republic of South Africa in a variety of sectors, albeit to varying degrees. The dependencies are most pronounced in the transport, trade and labour migration sectors, and for selected countries also in investments. In some measure other sectors are also characterized by dependence but less seriously so.

Although one may speak of mutual dependence in the region, i.e. interdependence between the Republic and the neighbouring states, virtually all relationships are highly asymmetrical in favour of the RSA so that it is less dependent on the region than vice versa. Only in the energy sector may there be scope for the SADCC-states to exercise some leverage over the Republic.

These remarks apply to what in the conceptual discussion in the introduction to part II was termed sensitivity dependence, that is, a kind of dependence which in a short-term perspective (and even long-term in some cases) may involve high costs to the actors in questions if policies are not changed to redress the problems. What was termed vulnerability dependence is, how-
ever, not necessarily equally high for all SADCC-states. There is considerable scope for altering policies in order to reduce dependence over a certain period of time, but at a cost. The length of that period and the actual cost incurred will vary widely from state to state, but in the medium and long-term perspective the cost of readjustment will presumably be lower than that of remaining in a state of extreme vulnerability dependence. The inauguration of SADCC has already proved to be a useful vehicle in this readjustment and disengagement process, and will probably continue to be so.

The factors which govern the tenacity and depth of these dependencies are many. It seems, however, that geographical proximity to the Republic is of prime importance. Thus the BLS-states are more entangled than most other states in the region. Proximity is in itself not an adequate explanatory factor; it has nevertheless given rise to institutional linkages established long ago and subsequently reenforced and perpetuated. Such is the case with, for instance, the Customs Union which was established as early as 1910. At the other extreme is Tanzania which is remote from the RSA and has correspondingly few links southwards to the Republic. Proximity coupled with historical legacy thus appears to have been overriding factors in producing the dependency relationships as they exist today and in reproducing them.

Political orientation of the regimes of the independent states appears to be of secondary importance in the present situation, although it cannot be disregarded as a factor in building up the web of connections historically. The political disposition of any one regime to address the current state of affairs is circumscribed by objective realities which may not be 'politicized away'. Consequently, even socialist-orientated regimes have been compelled to adopt a pragmatic, if not conciliatory, attitude to the Republic. This is not to say that political leanings are of no consequence. Quite the contrary, in a long-term perspective political will to break away from the present dependencies on the Republic may be a decisive factor.

Efforts to reduce dependence on the Republic is, however, not only a concern for individual southern African states. Their chances of making much headway on their own are rather slim. The might of their giant southern neighbour is too formidable for that. Only collectively do they stand a fair chance of achieving
their goal of reduced dependence. The thrust of collective action toward this end now rests with the Southern African Development Coordination Conference (SADCC). The next part of this report will deal with SADCC as it has evolved over the past 3 years.
6. The Genesis of SADCC

Although there is little reliable information about the actual origin of SADCC, there appear to be two interlocking strands of thought on how the idea was conceived and when the initiative came. One considers SADCC a direct continuation, though later extended in scope and membership, of the form of cooperation which had developed between the five Frontline States during the war of liberation in Zimbabwe. According to this interpretation the initiative to form SADCC was taken at a meeting of Ministers of Foreign Affairs of the Frontline States in Gaborone in May 1979. At that meeting it was agreed to summon a major conference in Arusha, Tanzania in July the same year to discuss further details as to the form and strategy such a broadened cooperative effort should have.

The other main line of thought traces a number of diplomatic initiatives of African and Western states for a massive programme of reconstruction in southern Africa after years of devastating war. In other words, a kind of 'Marshall Plan' for the region. These initiatives date back to April 1976 when, following MPLA's victory in Angola, special national security adviser to then US President Richard Nixon, Henry Kissinger, made a speach in Lusaka stating that the USA supported self-determination and majority rule in southern Africa, and adding that massive aid would be made available by the USA as part of a 10-point programme to solve the 'Rhodesian problem'. The demise of the Nixon administration in the wake of the Watergate scandal led, however, to a failure to follow up this commitment. Nonetheless, it has been clear ever since the much publicized National Security Study Memorandum 39 that the USA has taken a renewed interest in the southern African region beyond the RSA. This interest is to some degree irrespective of the disposition of the administration sitting in Washington D.C. at any particular time. Thus under Jimmy Carter further concrete steps were taken to give substance to rather vague policy statements. In late 1978 USAID commissioned a number of fairly detailed studies discussing a wide range of issues, the purpose of which being the formulation of a comprehensive and coherent aid policy for the region as a whole. With the election of Ronald Reagan to the presidency
US interest in the region outside the Republic may have cooled off somewhat, at least temporarily. A resurgence may occur should Reagan not be reelected - a not altogether unlikely prospect. The point to be made here, however, is that there are firm indications that the USA has taken a new interest in southern Africa in the latter half of the 1970's and that it certainly had made some preliminary policy outlines and formulated the rudiments of a massive aid programme. Such a programme may, or may not, fit in with the SADCC perception of what is needed in the region and its format of implementation. It is most likely that the USA would deemphasize the present SADCC focus on reduction of dependence on the RSA and stress instead economic development in non-political terms. Be that as it may, the fact remains that the US initiative and that of the Frontline States coincided. Hence it seems that common interests and forces are throwing their weight behind the efforts to promote development in the region so as to give SADCC a flying start. The shape and scope of that development may become a bone of contention as progress is being made and the direction of development becomes clearer.

It must be inserted here that the Frontline States, the USA and the RSA are not the only actors on the southern African scene. Other major powers, including former colonial metropoles, have economic and strategic interests in the region and are liable to pursue their own policies at variance with those of SADCC and rival powers. The intention is not to be conspiratorical in analysing the divergent interests which in various ways and guises manifest themselves on the sub-continent. Rather, the point to be made is simply that one should recognize that a host of forces are at play and that cognizance should be taken of these in analysing how they may affect SADCC's future. The euphoria surrounding SADCC from its inception and the relatively smooth manner in which business has been conducted so far, may serve to gloss over fundamental conflicts of interest and lead one to believe that the basic consensus having characterized SADCC thus far will be everlasting. It is inevitable that a number of contradictions will come to the fore at many levels. The purpose of this introductory section is to draw attention to the fact that divergent forces have in various ways shown interest in the development of southern Africa, but also to emphasize at the very outset that their respective long-term policies may give rise to serious contradictions en route.
The role of the donors warrants particular attention in view of their importance in financing the bulk of the concrete programmes and projects to be implemented under SADCC auspices. As financiers the donors have potentially considerable leverage over SADCC policies. It should not be forgotten that the SADCC acronym originally had an 'A' which stood for 'aid' instead of the present 'D' for 'development': SAACC. This is one indication, however vague and elusive, that strong donor interests were involved from the start and that the organism which later evolved into what is today known as SADCC, was originally seen as a vehicle for soliciting donor support financially and technically as one of its primary functions. Little is publicly known about the discussions which led to the 'A' being replaced by a 'D' in the acronym, but it may be indicative of a preference by the southern African states to signify that the organization being established would be their own creation in which the donors would play a secondary role to that of the regional states themselves rather than being placed on an equal footing. The significance of the donors' role and influence in shaping SADCC shall, however, not be dwelt upon here; the issue will be returned to in part IV section 13.

7. From Arusha to Blantyre

This section is intended to give a largely descriptive account of major SADCC events since the first Arusha conference to the one held in Blantyre in November 1981. An outline of SADCC policies and priorities will be given, as well as its structure and relationship to donors formally speaking.

7.1. The Arusha Conference (SADCC 1)

Notwithstanding the initiators of SADCC being external to the region or not, the decision was taken at the ministerial meeting in Gaborone in May 1979 that a conference be convened in July the same year in Arusha, Tanzania in order to discuss and reach agreement on a broad strategy of cooperation. The deliberations of the conference culminated with the adoption of a draft declaration expressing a consensus regarding four main development objectives which were later formally confirmed by all SADCC members at the Lusaka Summit in April 1980; 177
a) the reduction of economic dependence, particularly, but not only, on the Republic of South Africa;

b) the forging of links to create a genuine and equitable regional integration;

c) the mobilisation of resources to promote the implementation of national, interstate and regional policies;

d) concerted action to secure international cooperation within the framework of our strategy for economic liberation.

Prior to the conference a number of sectoral analyses and country studies had been commissioned to provide a basis for discussion of how the general objectives could be concretized and operationalized. The transport and communications sector was immediately singled out as particularly important and requiring urgent attention. To avoid delays in trying to solve acute transport problems it was decided to establish a Southern African Transport and Communications Commission (SATCC) to be headquartered in Maputo. Recruitment of technical staff was initiated shortly after the conference so that preparatory work and planning could proceed without delay.

Other priority areas discussed included food security, especially, with a view to reduce reliance on the Republic for food imports. As part of the efforts in the agricultural sector the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) in Hyderabad, India, was asked to establish a sub-centre in the region, i.e. in Botswana to conduct research and development of agricultural problems related to the vast tracts of semi-arid lands in the region. Other important questions which were up for discussion included energy, soil and water conservation and training.

In addition to the five Frontline States nine bilateral donors took part in the conference plus a number of multilateral agencies such as the World Bank, the Commonwealth Secretariat, the European Economic Community (EEC), the African Development Bank (AfDB), the UN Economic Commission for Africa and other UN bodies. The donors participated in an observer capacity only.
7.2. The Lusaka Summit

The Arusha conference was followed up by a summit meeting in Lusaka in April 1980. This was the first meeting of all nine member states, including Zimbabwe, which had just achieved independence. The Summit adopted unanimously the Lusaka Declaration (drafted at Arusha) which lays down the strategies and priorities of SADCC. All nine states were signatories. The Lusaka Summit also agreed on a Programme of Action which, though multifaceted, laid heavy stress on transport and communications as a top priority area of activity. Secondly, in view of the fact that all SADCC states are predominantly agrarian, it was not difficult to emphasize agriculture as a common denominator. Thirdly, and in conjunction with development efforts in the transport and agricultural sectors, the need for extensive training programmes was recognized. Fourthly, if the desire to reduce dependence on the Republic would be more than mere rhetoric, a concrete programme of harmonization of industrial development would be embarked upon. Fifthly, accelerated industrial development would require close cooperation in the field of energy. Lastly, the Programme of Action recognized that such ambitious programmes would be expensive, envisaging that an estimated total of US$ 1,500 mill. would be required for regional projects during the 1980's. The Programme of Action represented only the first step in a concretization of the general development objectives contained in the Lusaka Declaration. After Lusaka the task of further specification into tangible projects began in earnest and continues unabated.

7.3. The Maputo Conference (SADCC 2)

Following Arusha and Lusaka the need for massive financial assistance was increasingly felt. With the large sums of money at stake it would be impossible to generate it within the region itself; external finance was inescapable if the projected development tempo was to be maintained. Hence it was decided that the third large conference to be held in Maputo in November 1980 would be essentially a pledging forum.

Some 30 governments and bilateral aid organizations had sent delegations. In addition nearly 20 multilateral donor agencies and international organizations were present. The material result
of the conference was pledges of a total of US$ 650 mill to be allocated over a five-year period up to 1985.\textsuperscript{182} This figure has been an object of some controversy because some of the funds had already been committed to or earmarked for projects and programmes either in the pipeline or under implementation. Some sources claim that only some US$ 50 mill. was in fact 'new' money.\textsuperscript{183} Others put the 'new' money figure at US$ 200 - 300 mill.\textsuperscript{184} Regardless of the funds being 'old' or 'new' they will at any rate be spent on regional projects, and as such the sum of US$ 650 mill. was a good start. It made it possible to forge ahead without being unduly restrained by shortage of financial resources.

Although the primary purpose of the Maputo Conference was to raise money, financial aspects could only be discussed in relation to proposed projects and programmes, above all in the transport and communications sector. Prior to the conference a study of this sector had been commissioned to a Danish consulting firm, Hoff & Overgaard, who presented it to the delegates.\textsuperscript{185} It listed 97 regional projects for which finance would be needed, grouped in six categories: roads, railways, ports, civil aviation, telecommunications and training. In addition to compiling an inventory of project profiles with brief technical descriptions, time schedules, and cost estimates, the study also surveyed the current regional trade and transport flows including projections up to the year 2000. Most donor pledges were related to the projects proposed in the consultancy report.

The conference furthermore discussed agricultural aspects and food security, as well as a status report on the Lusaka Programme of Action noting that progress had been satisfactory in most sectors.

7.4. The Blantyre Conference (SADCC 3)

SADCC programmes picked up momentum and by November 1981 at the Blantyre Conference the time had come for a first real review and stocktaking exercise. As usual a series of conference documents had been prepared beforehand reviewing progress and accomplishments sector by sector.\textsuperscript{186} They revealed that progress is most conspicuous in the transport and communications sector in which a great number of projects are at various stages of implementation. Advances are also being made in agriculture and food
security; Zimbabwe and Botswana had prepared a detailed programme in this sector ready for feasibility study implementation. Likewise, headway is being made in the field of industrial cooperation. Although no concrete projects have been identified yet, much work has been put into data collection and collation which will provide the basis for planning and project design.

Progress is somewhat slower in other spheres. Zambia's proposal for a Southern African Development Fund was rejected for the second time. In the energy sector Angola's work was disappointingly poor and its report was nearly rejected. Lesotho seemed to have made no progress in soil conservation. It is perhaps to be expected that problems of this nature would be encountered in view of the decentralized structure of SADCC. It came out clearly in the proceedings that the planning units in the respective countries which are assigned specific tasks have run into capacity problems. The need to strengthen these units was recognized. There is reason to believe that the problems are of a technical nature which can be overcome by providing more manpower resources by recruitment of expatriates or secondment of nationals of the countries involved. It is fairly obvious, at least at this juncture, that no politics can be read into these problems; they should, therefore, not be overrated. Unless they are dealt with effectively and rapidly they may, however, become a source of friction which might take on political overtones.

An overriding issue at the conference was that of finance. A year after the Maputo pledging conference where some US$ 650 million had been placed at the disposal of SADCC, only US$ 273 million had actually been committed in terms of legally binding agreements. Apparently this has slowed down the pace of developments to a certain degree. The reason for the financial bottlenecks, however temporary, is probably two-fold. Banal bureaucratic red tape may have caused delays as most donor agencies have rather slow and cumbersome procedures. If this is the case the problems will resolve themselves in due course. Far more serious, and potentially damaging to SADCC's future prospects, is the eventuality that donors deliberately withhold funds due to political or other disagreements with the recipients. The EEC is, for example, known to have had qualms about financing projects located in non-signatories to the Lomé Convention, i.e. Angola and Mozambique. Similar problems may concern tying of funds to procurement in the donor countries. Like the
tying of funds to procurement in the donor countries. Like the previous annual conferences in Arusha and Maputo the Blantyre Conference was attended by representatives of some 20 governments and 12 development agencies. Although the main purpose of the deliberations was to review progress, the financial problems were sure to be noted by these delegates. Whether any impact can be expected is an open question.

The Blantyre Conference was special not only in the sense that some discord surfaced and the financial problems were put in sharp focus. Immediately before the conference started the oil pipeline and railway from Beira to Mutare were put out of operation by the blowing-up of the bridge over the Pungue River by the Movimento Nacional de Resistência Moçambicana (MNR). In the same vein marker buoys were destroyed in Beira harbour, presumably also by the MNR. The Blantyre Conference simply could not fail to respond to these acts of sabotage and destabilization aimed precisely at the kind of infrastructure SADCC has given top priority in building up. In a statement issued by the SADCC ministers no doubt was left as to the addressee of criticism: "We can only see these acts as a direct response to, and an attack on, the growing success of regional transport rehabilitation and development work (...) it would be impossible for us to pass over in silence South Africa's aggressive actions in pursuance of a policy of economic destabilization directed against SADCC member states and SADCC's programme to increase regional self-reliance in transport and communications." The statement was adopted unanimously. In the final conference communiqué a statement to the same effect was included: "representatives of several invited governments and agencies expressed views sharing SADCC's concern at South African destabilization and sabotage."

Despite protestation by the USA, the United Kingdom and the Federal Republic of Germany the communiqué was adopted including those formulations. Its significance is that of being the first direct political statement pointing to South Africa's open hostility to SADCC. It takes on added significance because it was passed in Malawi and supported by Banda's regime, and brings it out clearly that SADCC cannot deal with development issues only without taking account of the political counter-actions by forces opposed to SADCC.
Notwithstanding the problems noted by the Blantyre Conference it can be summed up that progress has been satisfactory, in some fields even remarkable (transport) considering the short time SADCC has existed. A discussion of problems and prospects will be resumed in part IV.

7.5. The Southern African Transport and Communications Commission (SATCC)

While the proposal to establish a Southern African Transport and Communications Commission was first mooted at Arusha, and subsequently confirmed at Lusaka, it was not until the SADCC ministerial meeting in Salisbury in September 1980 that the convention establishing SATCC was approved and submitted for ratification to the member states. It is typical of the pragmatism of SADCC that, pending ratification, SATCC has been in operation for some time. The swiftness with which SADCC has moved in the transport and communications sector, reflective of the top priority accorded it, justifies special treatment here. At the Maputo Conference the Nordic countries (Denmark, Finland, Norway and Sweden) agreed to finance and staff the SATCC. Other countries such as Italy, Belgium and Bulgaria have also pledged assistance to SATCC for its technical units. The consultancy report presented at Maputo was taken as a point of departure for the SATCC secretariat. It has since been further elaborated and translated into viable projects for which finance has been sought. At the Blantyre Conference SATCC presented a comprehensive report offering an overview as well as a detailed review of individual projects.

The projects have now been grouped into 8 programmes, five of which are centred on the major port transport systems of the region: Maputo, Beira, Nacala, Lobito, and Dar es Salaam. The remaining three deal with civil aviation, telecommunications, and intra-regional transport projects.

Thus far, no strict ordering of priorities has been made but a number of political, technical, economic, developmental and institutional factors and criteria enter into the selection and decision-making process. In assessing projects and assigning them a place in the priority hierarchy, the political criteria refer to degree of dependence, degree of regional integrative effect,
and whether or not the country where a particular project is located, is landlocked.

The technical criteria refer to improvement and optimal use of existing facilities; provision of new facilities if satisfactory use has been made of those already in existence; coordination of standards and specifications so as to ensure the highest possible uniformity of track width, equipment, rolling stock, etc.

The developmental factors refer to education and training of personnel; security, reliability and efficiency of service, taking into account the political uncertainties in the region; and the possibilities for future improvements of transport efficiency through, e.g., introduction of new technologies (electricification, containerization, etc.).

Institutional factors refer to the extent to which the external financing system governs selection of certain projects to the exclusion of others which might have been justified in terms of other criteria. There is a certain compulsion for SATCC to tactically 'tailor' projects to potential financiers in order to arouse or keep up their interest. This has, or may have, the effect that a number of projects (how many is debatable) are included on the list because some donors prefer them to others, even if the same projects would not have had the same priority in an independent overall SATCC assessment. This is not to say that the present list includes 'bad' projects, only that it might have been somewhat different had SATCC not felt pressured into being highly responsive to the donors' interests due to the prevailing situation of money shortage. Consequently, newly proposed projects, say, after SADCC 2, are given priority by SATCC, at least to the level whereby a proper appraisal can be made in terms of the primary criteria. It is a question of continually generating new projects in the pipeline to be put up for financing.

Notwithstanding all other factors, an overriding criterion of project selection is, of course, economic feasibility. However, feasibility is not judged solely on a project by project basis, determining internal rates of return on investments. Individual projects are also seen in conjunction with others, e.g., how they inter-connect with other transport sub-systems so as to enhance overall economic benefits on a regional scale.
These selection criteria guide the work of SATCC, but in daily practice trade-offs will inevitably have to be made. In what direction they tilt can only be ascertained from case to case. But apart from the purely technical and economic cost/benefit analyses, there is certainly considerable scope for financiers and individual SADCC member states to exert influence.

Since the 97 projects were tabled at Maputo, some have been completed or have at least secured adequate financing. With a further two added to the list there are now 99 projects in need of total or partial financing. The estimated cost of these projects is about US$ 1,920 mill. as compared to about US$ 1,950 mill. for the projects presented at Maputo. According to the SATCC report only US$ 180 mill. had been firmly committed at the time of the Blantyre Conference. In other words there is a long way to go in securing funds for the balance. The low figure of firm commitments should not, however, be taken to be indicative of only luke-warm donor support. It means, rather, that there are certain time lags in converting pledges into legally binding commitments and beyond that to actual disbursements. SATCC is negotiating technical and economic issues with potential financiers on an almost continuous basis with a view to pushing the projects from the drawing board to the implementation stage. It is only normal that this process is a bit protracted. There is no ground, however, for considering this process to be slower than that of any other development programme. At the next annual conference in Maseru in January 1983 another review report will presumably be presented. At that time a more accurate assessment can be made of the tempo with which donor commitments are forthcoming.

The distribution by country of estimated project funds still required as set out in the SATCC Blantyre report is very uneven, essentially reflecting the varying regional importance of the SADCC member countries. The projected funds are distributed according to table 10 below.

The obvious reason why Mozambique has been allocated nearly half of the funds is the utmost regional importance of three of the region's major harbours around which transportation systems are centred. Otherwise the figures are not surprising, except, perhaps, the extremely low funding allocated to Angola. This is ex-
TABLE 10

DISTRIBUTION BY COUNTRY OF PROJECTED FINANCIAL REQUIREMENTS FOR TRANSPORT AND COMMUNICATIONS PROJECTS. (IN US$ MILL. AND PER CENT).

<table>
<thead>
<tr>
<th>Country</th>
<th>US$ mill.</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angola</td>
<td>38</td>
<td>2.0</td>
</tr>
<tr>
<td>Botswana</td>
<td>71</td>
<td>3.7</td>
</tr>
<tr>
<td>Lesotho</td>
<td>248</td>
<td>12.9</td>
</tr>
<tr>
<td>Malawi</td>
<td>104</td>
<td>5.4</td>
</tr>
<tr>
<td>Mozambique</td>
<td>916</td>
<td>47.8</td>
</tr>
<tr>
<td>Swaziland</td>
<td>69</td>
<td>3.6</td>
</tr>
<tr>
<td>Tanzania</td>
<td>222</td>
<td>11.6</td>
</tr>
<tr>
<td>Zambia</td>
<td>185</td>
<td>9.6</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>59</td>
<td>3.1</td>
</tr>
<tr>
<td>Regional</td>
<td>6</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,918</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>


plained by a drastic reduction in the requirements by the Benguela Railway. The fact that Zimbabwe's share is so low, considering its geographic centrality in the region, is because the transport system in Zimbabwe does not need such a comprehensive overhaul, and also that financing has been secured from domestic sources for costly civil aviation projects.197

8. Approach and Organizational Structure

The general development objectives of SADCC were laid down in the Lusaka Declaration. It merely sets the ends towards which efforts should be directed without specifying the means whereby the ends are to be achieved. With the exception of rather vague hints at concerted action and extra-regional assistance being prerequisites for success, the Declaration contains no section on institutional structure and mechanisms of the envisaged programmes. Only at the Ministerial Meeting in Salisbury in September 1980 was a basic organizational structure agreed upon.198
Nonetheless, the tone was set already by the late President of Botswana, Sir Seretse Khama, in his opening address at the Lusaka Summit in his capacity as SADCC Chairman. He emphasized that SADCC cooperation would be "... built on concrete projects and specific programmes rather than on grandiose schemes and massive bureaucratic institutions ...". This dictum has since become axiomatic and the hallmark of SADCC's approach to regional cooperation.

The very name of SADCC as a regional organization indicates a loose form of cooperation. 'Coordination' implies little more than doing in concert and harmony what would otherwise have been done separately without a common objective. In so doing something more than the mere sum of the separate parts put together is accomplished, however. There is an added dimension. Through coordination, planning relative to common objectives is made possible at a certain minimum level. It also entails a pooling of resources—financial, educational, institutional, etc. With some degree of joint planning, efficiency of resource allocation and project implementation may be enhanced. Furthermore, by acting in unity vis-à-vis South Africa or extra-regional powers the bargaining position is strengthened. The SADCC member states thus stand to gain a lot from coordinating their development efforts, despite the loose nature of the cooperation.

Nevertheless, this institutional point of departure does not preclude certain structures and mechanisms which are still absolutely necessary. Since SADCC's inception a limited number of institutions have evolved, and become formalized according to the Memorandum of Understanding of the Southern African Development Coordination Conference adopted at the Summit Meeting in Salisbury on 20 July 1981.

The Summit is the supreme body of SADCC responsible for the general direction and control of activities. Consisting of the Heads of State or Governments of all the member states, who among themselves elect a chairman for an agreed period, the Summit meets at least once a year. All decisions are taken by consensus.

The Council consists of one minister from each member state and is responsible for the overall policy of SADCC, its general coordination, the supervision of its institutions, and the supervi-
sion of the execution of its programmes. The term of office is one year and the Council meets at least once a year. The Council adopts a work programme for SADCC and designates a member state to take charge of coordination of activities in specified fields. The Council is also responsible for convening annual consultative meetings with cooperating governments and agencies, i.e. similar to the major conferences held in Maputo and Blantyre. The Council reports to and is responsible to the Summit. At its own discretion the Council may, as a measure of delegation of powers and functions, appoint ministerial committees for programmes in functional areas, and these will in turn report to the Council. Like the Summit, the Council takes all decisions by consensus.

Sectoral Commissions may be established for programmes in specific functional areas. So far there is only one such Commission: the Southern African Transport and Communications Commission (SATCC), but others may follow in due course should the need arise. It is conceivable that institutions of this nature will, for instance, be required for the energy, agricultural and industrial sectors. Each such Commission will be governed by a convention adopted by the Council and ratified or acceded to by the member states. The Commissions shall report to the Council.

A Standing Committee of Officials responsible to the Council has been established. Meeting at least once a year and taking decisions by consensus, the Standing Committee reports to the Council. The Council may appoint sub-committees for programmes in functional areas and may designate member states to convene and coordinate the work of such sub-committees.

Finally, as from 1 July 1982 there will be a Secretariat responsible for the following functions:

a) general servicing of and liaison with SADCC institutions;
b) coordination of the execution of the tasks of SADCC;
c) custodianship of SADCC property;
d) such other functions as may from time to time be approved by the Council.

The executive secretary of the Secretariat shall be responsible and report to the Council.

It transpires from the above that the key policy-making body is the Council with Sectoral Commissions, Standing Committee and
the Secretariat as executive organs. In addition, and outside the SADCC institutional framework proper, is the annual conference with extra-regional governments and agencies to be convened by the Council. These conferences, hitherto known as SADCC 1, SADCC 2, etc., are nevertheless important links with the donor community. One might even characterise the annual conferences as SADCC's umbilical cord in that financial and technical assistance is largely secured through them.

In accordance with the non-bureaucratic spirit espoused by the late Sir Seretse Khama, no supra-national institutions have been created. Not only do such bureaucratic institutions tend to be expensive and notoriously inefficient, but also to become a force of their own pursuing an independent course of action which may not necessarily correspond to the interests of all member states. Instead, SADCC has opted for a consensus model of decision-making. The direction and tempo of activities will have to be based on a common denominator. In operational terms it means that the slowest and least willing partner gets a decisive influence, in fact a virtual veto right. This model contrasts sharply with that of supra-national institutions which are mandated to impose, by majority vote, decisions on members. The model adopted by SADCC is probably in recognition of the heterogeneity of its members. A supra-national structure would simply not work, at least not at this early stage. Rather than being an instrument of coalescing disparate interests into a powerful force for rapid change, supra-national institutions have a nasty habit of turning out the reverse: a divisive mechanism. Even if the consensus model may mean somewhat slower progress (which cannot be asserted a priori, however), SADCC apparently has deliberately preferred it to a vanguard supra-national structure which, by moving too far ahead too fast, might threaten to disrupt the entire cooperative effort.

In the same vein the routine daily work has been decentralized to a very high degree. Each individual member state has been designated a specific field of responsibility according to the special competence and capacity obtaining in each of the respective countries. As from the Blantyre Conference the responsibilities have been allocated as follows: 201

Angola is responsible for coordinating activities in the field of energy development and conservation in all its forms.
Responsibility for crop research has been delegated to Botswana. It also rests upon Botswana to coordinate activities related to animal diseases, especially foot and mouth disease, trypanosomiasis, rabies, and tick-borne diseases. Moreover, the SADCC Secretariat will be located in Gaborone.

Lesotho is, in collaboration with Zimbabwe, charged with soil conservation and land utilization.

Fisheries and wildlife activities have been allocated to Malawi.

Due to its centrality in the regional transport network Mozambique has been delegated responsibility for coordination of activities in the transport and communications sector. With the priority accorded to this sector and with the only sectoral commission established to date, SATCC, located in Maputo, Mozambique will assume a key role.

Swaziland is responsible for coordination of manpower development and training. Health activities also provisionally rest with Swaziland.

Industrial development is the special responsibility of Tanzania. Potentially the most difficult field of cooperation, Tanzania is faced with a challenge.

Zambia has been delegated responsibility for a Southern African Development Fund and the critical sector of mining.

Lastly Zimbabwe has been charged with food security, soil conservation and land utilization (with Lesotho), security printing (bank notes, cheques, government bonds, etc.).

The delegation of functional responsibilities for specific programmes does not entail that the designated countries will have to carry the onus of development in these fields alone. It simply means that they are responsible for coordinating activities between all SADCC states, and furthermore that they are expected to function as a driving force and mover. Specific countries have been selected for specific tasks partly because they are considered to have special qualifications to fill such a function, and partly because the burden of work has to be distributed fairly equitably given the decentralized structure adopted.
In summing up this section on approach and organizational structure, SADCC can best be characterized by terms such as pragmatism, decentralization and consensus in decision-making. Put in the terminology of integration theory, SADCC's approach to regional integration is one of 'functionalism', i.e. starting with concrete projects on a limited scale and gradually weaving a progressively denser web of functional relationships which ultimately constitutes a de facto high level of integration. It may then be possible, if deemed desirable, to erect supra-national structures on top of the already existing web in an attempt to bring integration to a new and even higher level. 202

It is, of course, premature to make a thorough evaluation of SADCC's success or lack of such only three years after its inception. However, on the face of it, in the short time that has elapsed, SADCC seems to have made more progress than most sceptics and cynics would have thought. This relative success is often attributed to the pragmatic approach adopted by the SADCC leadership. Although there is undoubtedly some measure of truth in that contention, it does not necessarily follow logically that sustained pragmatism will ensure continued success in the fashion of a steep upward-turning linear curve. A host of factors will enter the picture; they may produce future scenarios quite different from those envisaged or desired. In the concluding part IV, some of the crucial issues facing SADCC will be examined in some detail, and some very tentative conclusions drawn.
9. Introduction

The concluding part of this essay will address a number of issues which may have some bearing on the future development of SADCC. To start with it would seem useful to review briefly the historical record of regional integration efforts in which SADCC states have been involved. The past experiences will then be contrasted to the SADCC venture in order to make some qualified predictions as to the future of SADCC in the light of these past experiences. A closely related problem is that of the heterogeneity of SADCC member states. Thirdly, the response by South Africa to SADCC will be scrutinized. Fourthly, the danger of creating new dependencies will be inquired into, i.e. reinforcement of colonial structures and/or reliance on extra-regional donors. Fifthly, attention will be drawn to the institutional structure of SADCC in view of future requirements when the scope and depth of activities are progressively extended. Lastly, the assertion will be made that the 'southern nine', notwithstanding the many problems involved, have no other option but to cooperate if there is to be any hope of accelerated development in the region and a reduction of dependence on the Republic.

10. Past Experiences with Regional Integration in Africa

The historical record of regional integration in Africa has not, to put it mildly, been one of resounding success. Two of the most comprehensive ventures in which SADCC member states have been involved have ended in fiasco. The one was the East African Community (EAC) which included Tanzania and its two neighbours Kenya and Uganda. The other was the Central African Federation (CAF) which comprised Southern Rhodesia (now Zimbabwe), Northern Rhodesia (now Zambia) and Nyasaland (now Malawi). The third regional grouping, still in existence, is the Southern African Customs Union (SACU) which binds the BLS-states to the Republic. Commenting on African experiences with regional cooperation, Reginald Herbold Green, states with wry irony:

"The only powerful regional economic system still functioning moderately smoothly is, ironically, that centered on Pretoria and reaching well beyond the area of Southern Afri-
can Customs Union—a regional system which is an extreme example of domination and dependence and is overtly designed to achieve political and economic aims quite contrary to those of independent African states. Why, then, have previous attempts at economic cooperation between African states failed? The reasons are many and diverse. Only a few will be considered here.

10.1. Colonial Legacy

Both the EAC and the CAF were conceived and initiated under colonial rule, the latter in fact the brainchild of white settler interests. Not only were these cooperative endeavours explicitly designed to serve and promote colonial interests, they were also built on already existing economic structures which were themselves a product of nearly a century of colonialism. The founders of CAF and EAC had no intention of fundamentally altering these structures. Rather, they were taken as an established fact, and not necessarily perceived as a bad one, more likely the opposite. Thus the starting point (and arguably also the aim as perceived by the early initiators) was a collection of disarticulated economies with firmer linkages to their metropoles than between themselves. This colonial legacy meant, from a regional integration perspective, that the countries involved lacked complementarity in production structure and product range. They produced broadly speaking the same agricultural produce or minerals which could not be refined or processed locally. To put it simplistically, they were all producers of primary commodities which were exchanged for manufactures (in a far from 'equal' form of exchange).

As a corollary, physical infrastructure such as railways, roads, etc. had been devised to ensure efficient movement of primary goods from the agricultural and mining centres to the harbours for shipment to the metropoles; a glance at a map of communications in Africa will reveal that practically all routes lead from the so-called hinterland to the coastal towns. Routes which might serve to bind African states together are conspicuously absent. Thus, an absolute prerequisite for promoting regional interaction and integration was totally missing.
10.2. Market Forces

The free operation of market forces was subsequently allowed to reinforce colonial economic structures and to widen disparities. With larger geographical entities created through groupings such as CAF and EAC, the market was given a greater operational area and scope for integration of a kind. The snag was only that between unequal partners the stronger tends to expand at the expense of the weaker. In Western Europe, where the individual economies stood on a relatively more equal footing, commodity trade and capital movements across national boundaries have, through the 'spontaneous' operation of market mechanism, increasingly integrated, strengthened and 'corporatised' the political economy of that region. In Africa, by contrast, the effect has been the opposite mainly because the point of departure of regional cooperative ventures has been wide disparities between partners, disarticulated economies, external dependencies and generally a low level of development. Therefore, the hidden hand of the market cannot be relied upon as an integrative mechanism in African regions. This is also the reason why writings on the European integration experience, theoretically and empirically, are largely irrelevant and inapplicable to the African situation. In sum, economic integration in post-colonial Africa, even some 20 years after independence for the majority of countries, cannot be seen as a 'natural' consequence of market forces. Rather than removing all fetters on the market (tariff barriers, quotas, etc.) and expanding its operational area, and then hoping that economic integrations will ensue, there is a need to find institutional mechanisms whereby integration can be consciously created and controlled by those involved.

10.3. Institutional Mechanisms of Integration

Taking cognizance of the inability of the market to create a 'natural' process of integration, prominent Africans have devoted some attention to the problem of finding suitable institutional vehicles for integration, notably Kwame Nkrumah. He envisaged political independence of the former African colonies as the appropriate tool. According to Nkrumah, a United States of Africa would have the requisite political institutions (and armed forces at its disposal) plus political will to promote economic integration on a continental scale. What in point of
fact happened under the process of decolonization was the 'balkanization' of the African continent into a large number of relatively small states, with some notable exceptions, each with their own underdeveloped economic structure. Nkrumah's United States of Africa was intended to overcome the problem of size and economic viability. By energetically propounding his pan-africanist ideas Nkrumah made himself the leading advocate of integration 'from above' in stark contradiction to the cautious 'functionalism' of Mitrany. Nkrumah evidently overestimated the positive political will of the leadership of independent states and the divergent class interests from which they had emerged. Nonetheless, his ideas have undoubtedly been influential and pervaded much thinking on integration in Africa. It is ironic, though, that the ideas of a vehement anti-colonialist like Nkrumah should be put to use by, e.g., white settler interests (even though their inspiration at the time had a European source), albeit for diametrically opposing purposes. For it is a fact that the instruments used by, for instance, the founders of the CAF bore a remarkable resemblance to those proposed by Nkrumah in terms of institutions and decision-making, if not in the goal they were supposed to realize. Even after the decolonization process had been brought to its logical conclusion, the 'integration-from-above' strategy carried the day. When the EAC was formally established in 1967, though rooted in the colonial era and with European advisers, the new African leaders adopted the Nkrumahist approach. Creation of impressive super-structures on top of a rather shaky, or at least inadequately matured foundation, proved incapable of producing the desired result: one economic unit of considerable size at a high level of integration. The most important single factor which caused increasingly serious friction in the EAC was that of distribution of benefits.

10.4. Distribution of Benefits

One may argue that the establishment of supra-national organs was premature. The ruling elites were predominantly nationalist, which is true even today, albeit perhaps less so. While, in theory, they seek to promote and further economic liberation from their former colonial masters through pan-africanist ideas in such forms as regional collective self-reliance, the reality has been, and still is, somewhat different. The ruling elites and the state apparatuses over which they wield power tend to be
'overdeveloped' in size. In consequence they tend to seek a 'just' share of such cooperative inter-state ventures in order to be able to maintain the 'overdeveloped' state sector. Reaping benefits from regional cooperation thus contributes to the already disproportionate share of state expenditure in national income. Hence, independent governments are in practice, and in the daily work of inter-governmental negotiation, as concerned with the distribution of net benefits of such agreements (that at times can lead them to seek almost mathematical and immediate justice in distribution) as they are with the long-term goals and future potential. Broadly speaking, ceteris paribus, it was precisely such issues of distribution which led to the demise of the East African Community in 1977, and which still continue to strain relations between the former partners.

10.5. Popular Support

Regional cooperation is by its nature an inter-statal affair; it is the governments of the cooperating partners, not peoples, movements or parties, that enter into agreements. The legitimacy and popular support of such governments may vary from country to country. Considering the class nature of any state, the interest expressed by the state apparatuses and the governments may be that of a ruling bourgeoisie or that of the labouring classes. Whatever the case may be, the degree of popular support for any one government embarking on regional cooperative undertaking will have some effect on the prospects of success. What might appear to a customs official at a border post between Botswana and South Africa as a purely bureaucratic exercise involving give and take, may well come across to a migrant worker as blatant cooperation with a regime that practices apartheid. In brief, there is little reason to expect, a priori, mass support for regional arrangements initiated by governments and worked out by officials. This is particularly so when and if the initiative to such cooperation is or was taken by outside powers and/or colonial regimes. Such was very definitely the case of the Central African Federation, particularly in Southern Rhodesia, which was quite explicitly designed to preempt decolonization in all three territories. This form of regional cooperation was overtly political with intentions diametrically opposed to those that SADCC are now engaged in. But it is important to remind oneself that people do have a sense of history, and that part of that
history was that of nationalist struggles in Northern and Southern Rhodesia and Nyasaland actively seeking to break up the federation - not to promote it.

10.6. Is SACU a Model to be Emulated?

On the face of it, SACU may be considered as a model to be replicated since it ostensibly functions 'moderately smoothly'. What is it in the make-up of SACU which accounts for its smooth functioning? Let it be restated in unambiguous words that, despite its apparent easy running, SACU is an example of extreme domination by one partner over the others. It can be characterized as cooperation in the narrow sense that a rider and a horse cooperate. The relationships between the Republic and the neighbouring states are extremely asymmetrical and exploitative as was documented in section 5.1.1. above. As such it is in no way worthy of emulation. The point to drive home is that SACU is kept together by structural compulsion, not by voluntary association, largely as a result of colonial policies carried over into the post-colonial era by the senior partner in the union. What SADCC is about to establish is a form of cooperation based on consensus intended to produce an equitable distribution of net benefits, and not the clientalist form South Africa has managed to superimpose on its junior partners in SACU. What matters is not whether or not a specific institutional arrangement, as pure form, functions well per se; in the final analysis it is the content and results that count, and the extent to which the latter are equitably distributed and satisfactory to all participating member states.

In all fairness, it should be stated, however, that the present asymmetrical relationship between the RSA and the BLS-states is not exclusively or specifically a function of the SACU agreement. It is, rather, largely a function of disparities in size and resource endowment, and of the RSA doing nothing to redress imbalances. Given these 'natural' disparities, to attain a more equitable distribution of benefits and location of economic activity, the Republic would have to take affirmative action, rather than passively relying on the 'spontaneous' operation of the market forces which will tend to create imbalances.
10.7. SADCC's Middle Road

Evidently SADCC has learnt a historical lesson and embarked on a middle road. It has started neither with supra-national institutions in the spirit of Nkrumah nor left it entirely to spontaneous social forces (be it the market or others). If history repeats itself, it does not do so in an identical fashion. Therefore, historical experiences may not be directly applicable to a new set of circumstances. All the same, it seems possible to make a comparative list of SADCC's advantages and disadvantages and those of previous regional undertakings. SADCC displays a number of similarities with its antecedents, as well as many differences.

The colonial heritage is essentially the same, despite modifications since independence, with all it entails in terms of distorted structures, disparities and dependency relationships. This legacy is SADCC's toughest challenge and indeed the very reason why it was formed. The challenge may seem overwhelming in view of the many divisive tendencies inherent in the colonial structures. However, a turn to the factors which set SADCC apart from its historical predecessors may give considerable reason to believe that SADCC will be more successful.

The first fundamental difference is that SADCC was initiated, shaped and developed by independent African states, voluntarily, though also in some measure by virtue of necessity. Although the regimes of the various member states may have varying popular support, they are a far cry from the illegitimate rulers of colonial Africa. It makes a great difference, at least potentially, for mobilizing mass support for efforts made under SADCC auspices when their results materialize, hopefully to the benefit of broad sections and strata of the populations. Admittedly little has been done so far to take SADCC to the masses in a mobilizing effort, except in Botswana where the ruling Botswana Democratic Party has sponsored a seminar and rally in favour of SADCC. Still, when results begin to show on a broad front, mass mobilization in support of SADCC may be the order of the day.

If many built-in divisive forces are still active in the structures inherited from colonialism, the existence of a common external enemy will undoubtedly have a unifying impact on the 'south-
ern nine'. The inclusion of reduction of dependence on the Republic among the four overall development objectives is but one clear indication of the significance of this factor.

Thirdly, and perhaps most importantly, SADCC has adopted a decentralized pragmatic approach to the task it is facing. This distinguishes SADCC from all other regional ventures. The approach has proved to be fruitful thus far and augurs well for the future. Whether SADCC's compromise approach will prove productive all the way will depend on the effectivity of the dynamic set in train by SADCC itself and on the ability of the leadership to steer away from petty squabbles by taking a constructive attitude in the practical politics of SADCC organs.

11. The Heterogeneity of SADCC Member States

There is no guarantee that SADCC will not get bogged down in minor disputes and petty jealousies. The heterogeneity of SADCC states along a number of dimensions certainly implies a serious danger to that effect.

Irrespective of whether the various regimes enjoy popular support or not, they differ widely in political orientation and style. The degree of economic dependence on South Africa has some bearing on political dispositions. Generally speaking, the greater the degree of economic dependence on the RSA, the milder the criticisms of the apartheid regime. The degree of political dependence can thus be classified on a right-left spectrum. The more economically dependent and conservative regimes such as that of Malawi's Banda and that of Swaziland's King Sobhuza have tended to be less militant in criticizing the Pretoria regime. The more radical ones, especially those led by liberation movements which fought a protracted guerrilla war against Portuguese colonial fascism, Angola and Mozambique, tend to be more outspoken. But there are exceptions to such generalisations. Whereas the arch-conservative regime of Hastings Kamuzu Banda maintains official diplomatic relations with the Republic as the only state in Africa, and cooperates openly in a variety of fields, Lesotho, under the conservative leadership of Chief Leabua Jonathan, has pursued, in the last ten years, an increasingly militant anti-apartheid policy in its formal foreign relations, despite its virtually total economic dependence on the
RSA. Differences in degree of political manoeuvrability in external affairs independent of the Republic indicate the political heterogeneity of the SADCC states.

The SADCC states not only pursue policies of varying degrees of militancy with respect to the apartheid question and the Republic in general, they also differ considerably in terms of domestic policies and development strategies. Angola and Mozambique espouse a socialist ideology under the leadership of vanguard marxist-leninist parties. Zimbabwe, although of the same general persuasion, does not have the same party structure. A middle group is made up of Tanzania and Zambia. The former has formulated its own version of African socialism as per the Arusha Declaration of 1967 as distinct from what is generally termed scientific socialism. The latter has for most of the post-independence period propagated the ambiguous ideology of 'humanism' and only recently officially adopted scientific socialism as the guideline of the ruling UNIP party. The remaining four members have taken exception to socialism and marxism and pursue internal policies of different shades of so-called free enterprise. Notwithstanding ideological dispositions, all 'southern nine' have in common large state sectors (not to be equated with socialism). Thus, with long traditions of state interventionism in their economies, economic policies may not, after all, be that different at the practical level. This, in turn, allows room for economic cooperation at the state level and may function without much friction in the initial stages of SADCC cooperation. The heterogeneous internal policies may, however, in due course turn out to be a serious constraint on more comprehensive development programmes.

The economic differences do not necessarily coincide with the political ones. There seems to be no regional pattern of economic performance which correlates with a map of political orientation. Economic performance is, of course, not solely the result of policies, but equally much, and perhaps more, a function of objective constraints such as resource endowment, market size, geo-political location, etc. In respect of objective factors the 'southern nine' exhibit wide variations, ranging from tiny Lesotho to Angola in resource endowment, and from Swaziland to Tanzania in potential market size. If the colonial legacy is to be treated as an 'objective fact', and arguably it is, then Zimbabwe, with its relatively more sophisticated industrial base, has a head start over, say, Botswana.
These political and economic differentials may not present much of a problem as a source of friction and discord in the immediate future. The form and scope of cooperation has hitherto been too limited for that to happen. But as progress is made and the spheres of cooperation multiply and the nature of cooperation deepens, requiring a greater degree of harmonization of external and internal policies, the possibility of open conflict exists.

Take the issue of the role of foreign capital in conjunction with an expanded SADCC programme of industrial cooperation which is now on the agenda. It is quite obvious that conservative regimes such as Botswana, Lesotho, Swaziland and Malawi will be willing to give greater concessions to external capital than will Angola, Mozambique and Tanzania. Similarly, if intra-regional trade is to be boosted policy issues related to tariffs and quotas will be raised. Likewise, some degree of harmonization of fiscal and credit policies will be required to promote joint ventures in productive sectors. Reconciling divergent inclinations with respect to these issues in a comprehensive integration programme may prove difficult.

Naturally, there is no reason to worry about problems before they arise. It may conceivably not be the ambition of SADCC to carry the form and scope of cooperation to a level of full integration into an economic bloc. But even so, official declarations clearly indicate that SADCC aspires to extend cooperation beyond the present level. At some point, therefore, contradictions will surface stemming from the heterogeneity - economic or political - of the member states. They may be evaded or suppressed for a while by focussing efforts on 'easy' options. The overwhelming emphasis on physical infrastructure thus far is one way of doing just that. There are undoubtedly quick and tangible benefits to be had from such a bias. Physical infrastructure is predominantly a public concern which gives governments direct control and ability to move fast. The period of 'soft' options may soon be over, however, when more ambitious programmes involving private interests are launched. Then the complexity of negotiation increases and the difference in approach to the private sector will manifest itself. At that stage it will serve no purpose to try to evade the problems; they will have to be addressed head on in a constructive spirit bearing in mind that South Africa is lurking in the background.
Potential frictions do not relate only to contradictions between states, but also between class forces within states. Although virtually no research has been devoted to the matter, it is hardly a controversial hypothesis that certain class elements in respective SADCC countries have vested interests in maintaining close links with the Republic. Their actions may vary from overt sabotage (as in the case of MNR and UNITA) and overt active opposition, to passive disobedience or indifference by retarding implementation of decisions. These elements, who are objectively against SADCC by not being actively for it, are, as a rule, not easily identifiable. Only in rare cases do they appear organizationally. When they do, they can be easily identified to be dealt with and eventually neutralized. The most difficult problem to come to grips with is likely to be that of indifference among civil servants, simply because it is so elusive. Their attitude is generally governed by convenience and short-term expediency - and as such basically conservative - rather than deliberate opposition. The only usable method is probably 'conscientization' of the indifferent, and vigilance and fervour by those who are SADCC-conscious. Popular pressure is also likely to be effective.

The internal dynamic now unfolding within SADCC is in itself enough to create disagreement. But the Republic will be sure to exacerbate potential frictions and exploit them to its own advantage in a classical 'divide-and-rule' tactic. It is, therefore, a tough challenge to SADCC not only to control its internally generated conflicts, but also to prevent South Africa from exploiting them.

12. South African Response to SADCC

The policy of the Republic of South Africa towards Africa generally, and the southern African states specifically, has always been a mixture of 'the carrot and the stick'. This two-pronged tactic has changed form over the years but has remained remarkably stable in content. With the appearance of SADCC as a new actor on the scene and the rapidly changing geo-political situation in the region plus the growing militance of liberation forces inside the Republic itself, the Pretoria regime has been forced to revise its regional tactic and strategy.
Not all actions by the RSA vis-à-vis the adjacent states can, of course, be attributed to the emergence of SADCC specifically. Even without the existence of SADCC, the Republic's policies of destabilization, CONSAS etc. would arguably have been pursued anyhow. All the same, the SADCC factor makes a difference in that it adds a new dimension to the conflict. SADCC represents a collective effort to stand up to the Pretoria regime which was previously absent.

12.1. The Constellation of Southern African States (CONSAS)

The name-tag attached to South Africa's 'carrots' has changed many times. In the early 1970's, as a reflection of the 'outward-looking policy', they were labelled 'dialogue' and 'détente' which involved offers of economic cooperation, including aid largesse. But, with few exceptions - among others Malawi, Swaziland and, initially, Zambia - these overtures were rejected. Another attempt was made in November 1979 when Prime Minister P.W. Botha in a speech at the Carlton Centre in Johannesburg proclaimed the notion of a Constellation of Southern African States (CONSAS). The proposal was put in vague terms and can better be characterized as a declaration of intent than a proposal proper. Thus spoke Botha: "The 'constellation of states' does not primarily denote a formal organization, but rather a grouping of states with common interests and developing mutual relationships, and between which a clear desire to extend areas of co-operation exists." Although professed to "exclude a satellite relationship among any of the constituents", the explicit reference to "the Customs Union, the Rand Monetary Area and SARCCUS (forming) the basis for further co-operation", shows that the intention was clearly to extend, intensify and solidify the operation of the already existing clientalist regional system, only this time including the 'bantustans' as separate entities in the constellation. The CONSAS proposal was flatly rejected by all independent states in southern Africa - even those most dependent on the Republic, including the members of SACU. The 'governments' of the so-called 'independent homelands', however, accepted the idea in principle.
12.2. Economic Extortion

The CONSAS concept may no longer be no more than a mirage. Nevertheless, the discussion in section 5 above about the dependency links between the RSA and SADCC states documents that the Republic has a vast number of patron-client relationships in its weapon arsenal to be used to counteract SADCC's goal of economic liberation.

South Africa applies both positive and negative economic sanctions vis-à-vis its neighbours. These means can be ranged on a scale roughly thus:

a) aid (financial and technical) representing a form of positive economic sanctions. The elasticity of this means is very high;

b) maintenance of the existing modus operandi of the regional system. This may be seen as a neutral position;

c) non-aggravation of existing conditions. This implies reassurances by the RSA that, e.g., freight rates or petroleum prices will not be raised despite their being economically justified. This is a moderately positive form of sanction;

d) threats to withdraw existing assistance or to terminate agreements;

e) actual withdrawal of assistance (e.g., technical personnel, locomotives and rolling stock, credit, etc.)

By their nature these types of sanctions are rarely discussed openly, except when they are of a positive kind and amenable to propaganda use. As a rule, South Africa prefers to operate covertly in these matters, but from time to time incidents are reported. A few recent examples will be given here to indicate the type of manoeuvres employed.

Of the positive sort one may include the reported offer by the Republic to change the SACU revenue distribution formula considerably in favour of the BLS-states. Although details of the formula revision have not been divulged, annual receipts by the respective junior partners in the union would reportedly be raised by 10%. The BLS-states have for some time sought negotiations with the Republic on this account, but rather as an adjustment of the present formula to what they see as reflecting their rightful share of the revenue pool. South Africa's sudden wil-
lingness to concede is seen, however, as an attempt at enticing the BLS-states away from the embryonic SADCC bloc.

A similar move is the Republic's willingness to cede territory presently forming parts of the KaNgwane and KwaZulu 'bantustans' to Swaziland. These tracts of land to which Swaziland has laid claim since the early 1970's, would give this landlocked country access to the Indian Ocean, extend the territory by hundreds of thousands of hectares and increase the population by 140%. Although access to the sea may be valuable, the inclusion of not particularly fertile and overcrowded land around Swaziland's western borders may not open up auspicious prospects. On a balance, though, the Swazi government seems to count it as a net benefit and is eager to conclude an agreement formalizing the border adjustment. The South African Minister of Cooperation and Development, Piet Koornhof, recently confirmed that his government is bent on concluding the agreement as soon as possible. The 'bantustan' leaders of KaNgwane and KwaZulu, E.J. Mabuza and Gatsha Buthelezi, are naturally opposed to the deal.

In December 1981 the South African Minister for Agriculture and Fisheries, P.T. du Plessis, visited Malawi offering new aid deals. During his week-long sojourn du Plessis announced a package of aid for Malawi including a soft loan of R 1.2 mill. for the National Seed Company of Malawi, finance worth R 415,000 to help Malawi transport wheat from the Republic, and a grant of R 417,000 for research on breeding and distribution in the country's fisheries industry. The Minister's visit came only one month after the SADCC Blantyre Conference had adjourned. His visit is particularly significant and sensitive in view of the fact that Malawi had just been assigned responsibility for the fisheries sector under the SADCC umbrella.

Most observers and commentators are of the opinion that even the recent widely publicised summit between President Kaunda of Zambia and Prime Minister P.W. Botha of the Republic must be seen as an integral part of the economic, political and diplomatic tactic by the Pretoria regime (even though the initiative seems to have come from Kaunda). Zambia is in dire straits economically and would conceivably be susceptible to offers of aid and promises of military non-aggression against Zambian territory in return for a more compromising stance toward the South African regime. Although no concrete information has leaked from the
talks which were described as 'frank and constructive', the sum­mit has already had some divisive effects in that most co-mem­bers of SADCC gave a muted disapproving reaction to it whereas some, notably Angola, reportedly had some understanding for Kaunda's move.215

The cases referred to above are examples of positive sanctions which are difficult to interpret in any other way than being part and parcel of a tactic by the RSA to drive a wedge between the SADCC partners. Recent years have also seen examples of negative economic sanctions. The best known recent incident is when, in desperate need of moving its bumper crop of maize in 1980/1981, Zimbabwe had 24 locomotives on loan from the Republic withdrawn at short notice.216 It exacerbated the transport crisis and severely hampered exportation of surplus maize to neighbours in need. Similar examples can be multiplied. That South Africa uses its railway superiority to show brute force and more subtly to apply pressure in diplomatic manoeuvres is underscored by the fact that the Republic's Department of Foreign Affairs has an entire division dealing with railway affairs; a most unusual phe­nomenon indeed.

When South Africa in March 1981 gave one year's notice of abroga­tion of its preferential trade agreement with Zimbabwe, the gener­al feeling was that the Pretoria regime was again flexing its muscles. It was more or less taken for granted that the RSA would carry through its stated intention. It later transpired that the agreement was extended which precipitated speculation that it was never the intention of the Republic in the first place to terminate the agreement, only to threaten Zimbabwe into subordination by reminding it of its weak position with possible spill-over effects to other policy areas. Be that as it may, the tactics of the Republic seem quite flexible and adaptable to changing circumstances. It presumably utilizes the entire range of tactical means in different 'mixes' of positive and negative sanctions to varying degrees of crudity or subtlety.

12.3. Military Adventures

When, from the point of view of the Pretoria regime, neither the 'carrots' nor the 'sticks'of an economic nature prove effective or adequate, the RSA has resorted to harder means of subordinat-
ing neighbours. The threat of military intervention has always loomed large in the background should the region's states not be willing to succumb to economic pressure. The use of brute force has taken multiple forms: commando raids (e.g. Matola, Mozambique in January 1981); so-called 'hot pursuits' of guerilla forces (particularly in Angola); destruction of physical infrastructure (e.g. in Zambia in October 1979); assassinations by letterbomb and hired thugs (e.g. Abraham Tiro in 1974 and Joe Gqabi in July 1981 to mention but a few); massacres (Kassinga, Angola in May 1978); and veritable invasions (Angola 1975 and 1981).

A favoured form of destabilization by military means is through intermediaries such as UNITA in Angola and MNR in Mozambique. By the use of proxies the racist Pretoria regime hopes to stand back to let others do the 'dirty work' and thereby not invoke the wrath of the international community. The collusion between the above-mentioned organizations and the South African armed forces has, however, been documented beyond any shadow of doubt.

Extensive and frequent use of armed force, however, presents a problem to the Pretoria regime. Military interventions are extremely costly, in terms of matériel as well as human lives and casualties. In addition they have political repercussions, in particular at the international level. Though it may seem that the Republic is callous and insensitive to international condemnation, by invoking the anger of world opinion South Africa becomes more and more an outcast in world affairs. In the long run increasing political isolation may in turn spill over to economic and other spheres which the regime can bear less easily. It can, therefore, be stated justifiably that the risk of international denunciation is taken into account by the regime when major military operations are launched. The bitterness with which South Africa expressed its disappointment over what it saw as betrayal by the USA in conjunction with the Angolan invasion in 1975, only underscores this point. The huge sums of money spent on propaganda to brighten up the severely blemished international image of the Republic further testify to the assertion that South Africa is not insensitive to international pressure regardless of form.
Given that there is an international cost to military interventions in terms of more or less sharply expressed disapproval, particularly by Western Europe and the USA, South Africa would clearly prefer more 'civilized' means to bring pressure to bear on uncooperative neighbours. The use of direct force must be seen as a last resort. The extent to which force is used and the intensity with which it is applied is inversely related to the existence of economic dependency links to be exploited as 'softer' means of pressure. In most cases the Republic has a wide register of keys on which to play in the economic sphere, but not quite across the board. In the case of Angola there are very few dependency links at the RSA's disposal to extort compliance from the MPLA regime. It is, therefore, hardly a coincidence that Angola has been harder hit militarily than other states in the region. (Obviously the geographical position of Angola bordering on Namibia which is presently illegally occupied by South Africa, and Angola's support for the liberation struggle of the South West Africa People's Organization (SWAPO), enter into the picture. Nevertheless, had Angola had economic relationships with the Republic similar to those of, say Zimbabwe, the South African regime would have been sure to use those first to bring Angola to heel rather than large-scale military invasions.) Paradoxically, the Republic demonstrates its own weakness and desperation by indiscriminate use of military force.

12.4. The Limits to Destabilization

The use of civilian rather than military forms of pressure is preferable to South African interests on other than international grounds as well. South African capital interests do not want widespread damage and physical destruction to their property and commercial undertakings in the region. As shown in section 5.2. above on investments, South African capital has invested substantially in some of the region's countries. These class forces would oppose bombings and military operations in the vicinity of their investments and make their voice heard in the decision-making centres of government and the armed forces to that effect. Based on the premise that this faction of monopoly capital wields hegemony in the ruling power bloc it is inconceivable that the state apparatus, or part of it, i.e. the military, would embark on a course of action diametrically opposed to the basic interests of that faction. 219
Quite apart from the protection of existing physical assets in the region, as well as the role of the region as a future investment outlet, the same expansive capital groups see southern Africa as a 'natural' market, chiefly because of its geographical proximity. Even if the SADCC countries presently account for no more than 7% of South Africa's exports, the future potential is considerable. The many initiatives in the past on the part of South African interests to establish a common market and other efforts to expand and extend regional cooperation, albeit of the CONSAS-type, are clear indications of the importance attached to the development of the region. Thus, economically South African capital would like to see the region develop its productive forces so as to create effective demand for South African goods and to serve as an outlet for investments. Politically, on the other hand, the Pretoria regime would like to maintain the relatively weak position of neighbouring states over which it can dominate in a 'feudal interaction structure'. This has always been its policy and indeed it has had considerable success in implementing it. Above all, South Africa would go out of its way to prevent the states of the region to stand up en bloc to the Republic.

But with the establishment and progress of SADCC both as an economic bloc and in essence also a political one, it appears that South Africa cannot have it both ways. If South African monopoly capital wants to expand economically in the region in a medium- or long-term perspective, it seems compelled to accept SADCC as a fact of life, including its political implications. No doubt even commercial interest groups in the Republic would make ardent attempts to take the political sting out of SADCC by seeking to twist and distort SADCC programmes designed to disengage from the Republic. This can and will be tried by means of the presence today of these interests in a number of SADCC countries, as well as by means controlled from the RSA directly.

Nevertheless, if a choice has to be made - and it is likely that it will - then South African monopoly capital would be inclined to accept SADCC rather than embarking on a tough destabilization line, including extensive use of military force, undermining its own medium- or long-term possibilities of economic expansion in the region. It is the economic interests that are at the centre of capital's attention. Its overriding political preoccupation is with the preservation of capitalist relations of production, not apartheid or any other social arrangement which may have
served its accumulation in specific historical junctures. In fact, the current situation within the Republic itself is such that monopoly capital (regardless of its 'English' or 'Boer' origin) has both an economic and political interest in a restructuring of the apartheid system even to the point of abolishing it in its present institutionalized and legalized form.

It is racism in its legalized form that independent African states abhor so profoundly; racial discrimination against blacks of the American type may not seem as objectionable. Not because it is less humiliating and destructive to its victims, but rather because of the elusiveness and complexity of its causes. When racism is upheld by law its eradication appears simply to be equal to the abolition of the law. Social realities are, however, far more complex and resilient. A historical legacy being the combined effect of legal, economic and political mechanisms cannot be done away with at the stroke of a pen. Discriminatory social structures are deeply embedded in South African society and are likely to survive, in some modified form, far-reaching changes in the legal superstructure.

South African monopoly capital is most probably aware of these basic sociological tenets. Its academic apologists would, on demand and against suitable remuneration, be willing to undertake further analyses as a basis for refinement of tactical and strategic options. In turn, monopoly capital's representatives on the political plane would take these analyses further, translating them into realistic policies according to the prevailing political constellation. By doing so the monopoly capitalist class would seem to favour a policy aimed at 'modernizing' apartheid by abolishing some, or rather much, of its crude legalized forms which, at present, are both economically and politically inimical to capital's long-term interests, while retaining non-legalized, though still discriminatory, social structures which may continue to be conducive to rapid rates of capital accumulation, and above all serve to defuse social and labour unrest which not only disturbs production but also carries the potential of jeopardizing the entire capitalist system in the RSA. The monopoly capitalist class and its allies, generally referred to as 'verligte', favouring such policies seem to have strengthened their position latterly at the political level at the expense of the arch-reactionary so-called 'verkrampte'.

Developments do unfold in a dialectical fashion, however. Other class forces may see future prospects differently. Strangely enough, South Africa has a moderately well functioning bourgeois democracy for whites. The same classes and social strata (petty bourgeois businessmen, farmers, bureaucrats and the so-called 'white working class') which, through the electoral process, brought the National Party (NP) to power in 1948, are now by virtue of their number, within the limited framework of white democracy, able to effectively block or resist the 'modernization' or 'reform' process so strongly advocated by the 'verligte'. Not only do the 'verkrampte' see their vital material interest being eroded, they also perceive any concessions to blacks as threats to their identity in terms of 'Afrikaner nationalism' (the Afrikaans-speaking elements of these class forces are particularly vocal on this point, the English-speaking not so for obvious reasons). The ideological superstructure has a dynamic of its own and can, in specific conjunctures, be a potent political force. This is precisely what is happening in South Africa. The frontlines within the white camp seem recently to have been drawn more clearly after the split in the NP, the defection from it by a sizable group under the leadership of Andries Treurnicht and subsequently the formation of the Conservative Party joining forces with the previously formed Herstigte Nasionale Party, if not organizationally at least in spirit and practical politics. The 'verligte' group now consists of the NP with P.W. Botha at the helm and the Federal Progressive Party under Fredrik van Zyl Slabbert. These 'verligte' will now, presumably, be free to move ahead with 'reforms' along the lines suggested above. Whether they will succeed, and to what degree, will depend on the concrete struggles between these forces and the truly reactionary ones. What the outcome will be is exceedingly difficult to predict. The assertion put forward here is, nevertheless, that the dominant economic forces will manage to prevail over the petty bourgeois elements trapped in their own ideology of racial superiority and self-contained 'laager' mentality. If the strategy of monopoly capital, as laid out in outline here, were in fact to succeed, South Africa would, to the outside world, including SADCC, appear more palatable and even be allowed to take its place in the world community of states putting an end to its existence as an international outcast.

One indication of the concern in business circles with the regional role of the RSA in the future is the seminar organized by
the University of South Africa (UNISA) on 19 October 1981 in Pretoria under the title: "Seminar on Alternative Structures for Southern Africa Interaction". Participants included university professors, lawyers, businessmen, researchers and civil servants. The themes of discussion were the CONSAS concept, the Customs Union, the Rand Monetary Area, the PTA, and, of course, SADCC. It transpired from the interventions by key speakers and the ensuing discussion that the South African economy needs the region, economically and from a security point of view. As one of the speakers put it: "As a dominant power in the southern African region ... the RSA has a natural interest in being surrounded by well-disposed and prosperous neighbours." The point was reiterated by others:

"... perceptions of the region as one of potential instability and growing conflict do not bode well for the future. They need to be countered. From our side they can only be countered by a more positive attitude towards our neighbours, including those governments we regard as ideologically hostile. (...) I have yet to hear rational grounds for arguing that a situation of instability and economic decline along our borders is in South Africa's interests. Surely our security and economic interests can best be served by stable and economically healthy neighbours! We should, therefore, be promoting stability, confidence and economic development in the region in our own interests, even if we cannot expect to make immediate political capital out of it."

It may not be justified to claim that a seminar like this is entirely representative of the 'verligte' camp and its view of the region's development, but not far from it.

The discussion of the relationship between SADCC and the Republic, and the attitudes to it by different class forces within the latter, is not only a matter of strategies for the future. Even today the actions of SADCC have differential repercussions in the Republic and by consequence also precipitate differential responses. It will be recalled that, for instance, the RSA gets about 10% of its electricity supply from the Cabora Bassa in Mozambique. Interruptions of this supply will probably not hit all sections of South African society equally hard. Most likely industrial centres in the Transvaal will carry the brunt. It is, therefore, highly improbable that industrial leaders feeling the pinch of interrupted electricity supplies will favour destabilization policies vis-à-vis neighbouring countries and SADCC involving, inter alia, support for intermediaries such as the MNR which is responsible for sabotage affecting South Afri-
can industries adversely. Petty bourgeois elements may, conversely, be less concerned with the short- or long-term needs of individual capitals or total capital than with their own immediate material and ideological interests. In sum, then, deciding on an overall tactical and strategic line vis-à-vis SADCC will be a source of conflicts between divergent class forces in the Republic. Those classes dominating the economic sphere, i.e., monopoly capital, will in the end emerge on top, however. The strategic implication is that there are definite economic limitations to destabilization policies in the present as well as in a future perspective, and that the use of military means of regional suppression is likely to be limited to a minimum if possible.

The future of South African society with its apartheid system and its posture towards SADCC will not, of course, be the result only of class struggles internal to the white population. It will also be contingent on and in the last instance determined by the struggles of the liberation forces inside and outside the Republic. Exactly how internal struggles, including armed conflict and escalating sabotage, will affect the balance of class forces, is impossible to say at this stage. They could either provoke even more violent counteraction, e.g. by extremist white vigilante groups or by the military and police establishments themselves, or alternatively be met with concessions to the effect that legalized racism be abolished but short of changing the capitalist relations of production.

13. The Danger of New Dependencies

The Lusaka Declaration states with clarity that SADCC "must aim at the reduction of economic dependence not only on the Republic of South Africa, but also on any single external State or group of States." (emphasis added). Despite this formulation SADCC efforts have almost exclusively been directed toward the objective of reducing dependence on the Republic. Dependency relations vis-à-vis extra-regional powers has been a secondary concern thus far. The danger is, as a result, that new or reinforced old dependencies may develop to the extent that SADCC runs the risk of substituting one set of dependencies (on the Republic) for another (on extra-regional states).
Two factors point in that direction. Firstly, the overwhelming initial emphasis on transport and communications. And secondly, reliance on the donor community for finance and technical assistance.

13.1. The Over-Emphasis on Transport and Communications

To be sure, regional transport and communication problems are acute and require urgent attention. But bearing in mind that the majority of the now 99 projects on SATCC's list involve rehabilitation or improvement of already existing traffic routes, it means that SATCC's primary task is, to put it bluntly, to re-establish the old colonial transport network which was designed principally to facilitate exportation of primary commodities (minerals and agricultural produce) from the mining and agricultural centres of the interior to the ports for shipment to the metropoles. In a short-term perspective this is a sensible thing to do because all the nine states desperately need to resurrect and develop their export industries in order to earn foreign exchange to be used for development programmes in other sectors. The danger arises when or if the SATCC programme tapers off after the initial rehabilitation phase is completed. It may then be progressively more difficult to find finance for projects which, in SATCC's assessment, are truly regional in the sense that they promote regional integration. The fact that intra-regional trade accounts for no more than 2-3% of the nine's total external trade, makes it imperative for them, in a medium- and long-term perspective, to identify projects which may help bring that dismal figure to a higher level (granting, of course, that transport infrastructure is in itself not sufficient to change trade flows). Shortage of funds may turn out to be the bottleneck in responding to this imperative. In that context the donors play a key role.

From a narrowly economic point of view truly regional transport projects may not seem feasible. They may, therefore, easily be turned down by potential financiers on those grounds. Most existing routes, though presently in a state of disrepair, have already proved their economic feasibility provided management is up to standard. Their rehabilitation will thus tend to be justifiable in economic terms.
It is not coincidental that SATCC has struck a particularly responsive chord with the donors when it comes to transport and communications projects (and other physical infrastructural projects for that matter). From a donor point of view such projects are welcomed for a variety of reasons. They are comparatively straightforward administratively and technically; they are easily delimited in time and space; relatively precise cost estimates can be made; and, when completed, the donor's 'stamp' can be attached to tangible and visible structures like a monument over the donor's contribution. Furthermore, and perhaps more importantly, such projects satisfy the donors' commercial interests. By tying grants and loans to procurement in the donor countries, delivery will be ensured of their own manufactures of locomotives, rolling stock, lorries, electronic equipment, aeroplanes, etc., and, not least, consultancy services which account for a sizable cost element in the early phases. By contrast, support for non-infrastructural projects, e.g., rural development, are less easily controlled while at the same time often giving fewer opportunities for tying aid.

Paradoxically, tying has sometimes been requested by the recipient country as was the case when Sweden and Norway agreed to provide a grant in the telecommunications sector for building a micro-wave link between Francistown, Bulawayo and Livingstone. The governments of the three recipient countries involved, in particular that of Zimbabwe, knew that if procurement was not tied to Sweden and Norway, South African firms, or subsidiaries of British and German companies in South Africa, would be contracted to do the job and supply the electronic equipment. Not only would that benefit South Africa for the duration of the project, but also make the three countries more dependent on the Republic for training, maintenance and spare parts in the future. As a result the funds provided for this particular project were double-tied to these two Scandinavian countries and to two specified companies as well.

The problems raised by the present over-emphasis on transport and communications may be temporary only. Remedial action can be taken to diversify programmes in the future. As the scope of SADCC cooperation widens to include other sectors on a broad scale the overall balance of efforts will change and presumably point in a more regional direction away from the old colonial structures.
Whether SADCC will, at some future stage, succeed in redirecting the transportation network inwardly to promote intra-regional interaction and collective self-reliance, will depend on a series of factors. Firstly, there is the question of political will and cohesion within SADCC. The development of an integrative transport network will require concerted efforts and consensus of objective; the 'spontaneous' operation of economic laws will hardly produce the desired results. Secondly, timing is crucial. If SADCC allows the over-emphasis on rehabilitation of existing routes to continue for a very long period of time, it will be progressively more difficult to redress the external orientation. Conversely, the earlier SADCC embarks on a genuinely regional transport development programme concomitant with programmes in other productive sectors, the more likely is success. 

Thirdly the question of finance will pose a great challenge. Given the already heavy reliance on external finance and the donors' own special interests (see section 13.2.), the SADCC member states may have to generate funds from their own internal sources for this purpose.

Unless SADCC addresses these problems expeditiously and manages to resolve them within a reasonable time span, it is not unlikely that a form of vulnerability dependence on extra-regional powers may gradually evolve (or reassert itself) in this sector.

13.2. SADCC's Relations with Donors

The gravity of existing economic problems in the nine SADCC states indicates that the requisite financial resources for ambitious programmes under SADCC auspices cannot be generated within the region. In recognition of this fact SADCC convened the Maputo Conference as a pledging forum in order to raise the vast sums of money needed. As noted above, a total of US$ 650 mill. was then pledged out of a global requested figure of US$ 1.9 billion for projects in the transport and communications sector only. Due to this singularly heavy reliance on the donor community, SADCC places itself in an exposed position which allows little room for bargaining with the former.

Against that background, extra-regional powers will appear to have considerable leeway in pursuing their own interests - legitimate or not - which may not necessarily coincide with those of
SADCC as a bloc or those of individual SADCC member states. Referring back to section 6 above about alternative interpretations of the origins of SADCC, the significance of this point will be realized. Accepting for a while the interpretation that powerful donor interests, notably the USA, had designs for a regional 'Marshall Plan' of some sort before SADCC came into being, it is easy to see how the same interests now, by virtue of their potentially strong position as main financiers, have a splendid opportunity to further pursue those original designs.

The donors can be divided into five main groups: the USA, the EEC, the Arab countries, the Nordic countries, and the Council for Mutual Economic Assistance (CMEA).

The USA was one of the major contributors at the Maputo Conference with its pledge of US$ 50 mill. over a two-year period. That sum is admittedly not commensurate with the economic weight of the USA in the donor community. This fact is probably reflective of a) the general swing to the right in America and with it an anti-aid mood, and b) the comparatively more conciliatory attitude of the Reagan administration to the Pretoria regime. The latter has not, however, led to the abandonment of the southern African region in favour of the Republic as the economically more interesting area and the 'bastion of democracy and anti-communism'. The USA evidently wants to retain a presence in the region outside the RSA, and has indicated so by pledging a not insignificant amount to SADCC. It might be said that the USA is 'betting on two horses'.

US interests in and regional strategy for southern Africa has been documented and set forth in a number of reports and policy documents. The economic and strategic importance of the region has repeatedly been emphasized. The Reagan administration also sees southern Africa in a global context, though recognizing it as "a highly complex arena which must be understood on its own regional merits." The differentiated US approach to the region is likely to be a reflection of this recognized complexity.

Indications are, nevertheless, that the USA prefers a selective country approach as opposed to a multilateral bias toward the SADCC. The foreign aid bill now before the US Congress proposes US$ 30 mill. in multilateral development aid (loans, grants,
food subsidies, etc.) to SADCC for the fiscal year 1982/83 (1 October - 30 September) and another US$ 27 mill. from the Economic Support Fund (ESF) for budgetary assistance and commodity import programmes.\(^{229}\) The latter is categorised as 'security assistance' because it is designed to "buttress 'friendly' countries politically and militarily - as well as economically."\(^{230}\) Added to this regional assistance is a total of US$ 139.5 mill. in bilateral development aid to individual SADCC member states, except Angola and Mozambique.\(^{231}\) As much as US$ 75 mill. or 53.8% of that sum has been allocated to one country: Zimbabwe.\(^{232}\) In addition to the development aid allocation, a total of US$ 113.56 mill. has been allotted to 'security assistance' to individual SADCC countries.\(^{233}\) Again Zimbabwe has been singled out as the largest recipient, taking US$ 78.15 mill. of that amount or a 68.8% share.\(^{234}\) It can be deduced from these figures that the USA prefers bilateral relationships with countries of the region to multilateral arrangements with SADCC as a bloc.

The key role assigned to Zimbabwe in the US southern African strategy was confirmed by Assistant Secretary for African Affairs, Chester A. Crocker, in a speech on 26 March 1982: "The United States believes that Zimbabwe can become a showcase of economic growth and political moderation in southern Africa, a region of substantial strategic importance to us."\(^{235}\) That the US perception of the future relations between the RSA and SADCC countries deviates somewhat from that of SADCC itself, is underscored by his further saying that "we believe that the recent extension of the preferential trade agreement between Zimbabwe and the Republic of South Africa is a concrete reflection of the region's potential for mutually beneficial coexistence in the face of basic political difference."\(^{236}\)

As a reflection of this preoccupation with Zimbabwe the USA pledged US$ 225 mill. over a 3-year period in aid to that country at the Zimbabwe Conference on Reconstruction and Development (ZIMCORD) in March 1981, in other words several times the amount pledged to SADCC at the Maputo Conference only a few months earlier.\(^{237}\) US aid programmes are not designed to promote Zimbabwean socialism, however. They are explicitly geared to "strengthen the role of indigenous private sectors and facilitate U.S. private investment ..."\(^{238}\) In fact, most of US 'security assistance' to Zimbabwe will be in the form of a commodity import programme "consciously designed to assist local business firms over-
come the constraints imposed by the shortage of foreign ex-
change." Mr. Crocker even had the audacity to state that "Zim-
babwe as a market for trade and investment is no stranger to the
U.S. private sector, and the lifting of sanctions refueled con-
siderable interest among U.S. firms for expanded and new involve-
ment there." Indeed, US firms were inventive 'sanctions-
busters' during the UDI-period!

US policy toward the southern African region can thus be summed
up as follows:

a) A selective country strategy in favour of 'friendly' govern-
ments as opposed to a whole-hearted regional approach through
extensive support for SADCC programmes. Zimbabwe appears to
be the 'most favoured' recipient, presumably because of its
regional centrality and relatively well developed industrial
base which makes it attractive to commercial interests;
b) Allocations within bilateral programmes strongly biased in
favour of the private sector;
c) Retention of a considerable interest in SADCC despite emphasis
on bilateral agreements.

The European Economic Community (EEC) as a collectivity and its
members in individual capacities make up the largest donor group
in terms of money pledged at the Maputo Conference. However, cer-
tain problems have been encountered in preparing for the dis-
bursement of these funds. As a matter of principle and policy
the EEC insists that all recipient countries accede to the Lomé
Convention before becoming eligible for assistance under the Eu-
ropean Development Fund (EDF). All SADCC member states have done
so, except Angola and Mozambique. These two countries have culti-
vated relations with the East European bloc and contemplated mem-
ership in the CMEA (often referred to as Comecon). Still, the
FRELIMO and MPLA governments have expressed a desire to strength-
en relations with the Western European countries as well, in an
effort to diversify external links. On the face of it, the only
snag connected with signing the Convention is a clause to the ef-
flect that signatories will have to accept that West Berlin is an
integral part of the Federal Republic of Germany. To this Angola
and Mozambique object, but their apprehensions most probably run
deeper than that. They have, therefore, been reluctant to pro-
ceed with concrete negotiations and rather explored the possibil-
ity of forging closer ties with the EEC short of joining the Con-
vention.
The EEC has so far not been willing to accept such a solution. In December 1981 EEC ministers of foreign affairs agreed to block aid to Angola and Mozambique pending further talks with the EEC Development Commissioner Edgard Pisani. The ministers took the view that aid could not be disbursed to these countries from the Non-Associates Budget which is intended for recipients outside the African-Caribbean-Pacific (ACP) area only. The matter is still pending, but talks continue so that a total deadlock has not yet been reached. Whether it will come to that is doubtful; some formula is likely to be worked out. But these problems certainly affect SADCC adversely in that they delay implementation of projects and programmes.

Representatives of the Arab world were present at the Maputo Conference, including the Arab Bank for Economic Development in Africa (BADEA), the Kuwait Fund for Arab Economic Development, and the Organization of Petroleum Exporting Countries (OPEC), and one individual country - Iraq. No pledges were forthcoming at that time, though. Since Maputo, however, Arab funds have been channelled to SADCC programmes at an accelerating rate, and now assume considerable proportions.

The Council for Mutual Economic Assistance (CMEA) was also present at Maputo, but no pledges were made. Apparently countries of the Eastern bloc have no mechanisms outside the UN system for this type of multilateral assistance. They operate almost exclusively on a bilateral basis in the form of comprehensive economic cooperation packages which include normal commercial transactions. Agreements of this nature exist with Angola and Mozambique.

The Nordic group of countries jointly constitute a considerable donor group. By agreeing to finance the technical units of SATCC and being responsible for recruitment of personnel, the Nordic countries have assumed a key role considering the importance of the transport and communications sector. The nationality of the incumbents of these technical posts will tend to be reflected, consciously or not, in the allocation of contracts and tenders. The commercial interests of the Nordic countries are thus likely to make themselves particularly felt in this sector.

In addition to the five main donor groups referred to above, there is, of course, the entire UN system and the World Bank.
The latter kept a rather low profile at Maputo and has continued to do so despite its purported commitment to regional cooperation. Its funds are predominantly allocated bilaterally.

In sum, it can be asserted that SADCC, in its eagerness to reduce dependence on the RSA, may be rushing into new dependencies - of the sensitivity type initially and later also, and more seriously, of the vulnerability type - on two accounts:
a) By over-emphasizing the transport and communications sector old colonial structures reflecting dependence on former colonial masters rather than the RSA, may be reenforced and developed further;
b) Ambitious programmes in a number of sectors will lead to excessive reliance on extra-regional donors for finance and technical assistance.

In the face of former colonial powers, well entrenched super-powers and junior imperialist newcomers, SADCC may have problems negotiating with such a diversity of interests. On the other hand, the situation offers opportunities to play on inter-imperialist rivalries which, if handled skilfully, may be turned to SADCC's advantage. In conclusion, the most adequate characterization of what is likely to happen is diversification, not elimination, of dependencies in the initial stages of this regional venture. A more diversified structure of dependencies will, nevertheless, improve the manoeuverability of SADCC which, in a longer-term perspective, bodes well for a collective self-reliance and genuine reduction of dependence, "not only on the Republic of South Africa, but also on any single external State or group of States." If that cannot be achieved in a world of increasing interdependence, then at least the aim should be the equalization of relationships and horizontalization of interaction structures.

14. Tendencies Toward Bureaucratization?

Aside from the external relationships developing, the internal dynamic of SADCC may also produce new problems of structure and organizational approach to tackling the issues encountered. The advantages of pragmatism, decentralization and consensus in decision-making may very well at some stage become exhausted. It has thus far not been necessary to build up specific SADCC bu-
reaucracies. All the same, the many tasks of a bureaucratic cum technical nature need to be done no matter how or by whom. So far consulting firms have largely been contracted to do the technical parts, while bureaucratic aspects have predominantly been handled by the planning units in each of the countries to which specific areas of responsibility have been assigned.

The pressure is, however, clearly towards creating additional bureaucratic structures adequately equipped to handle the tasks on the agenda. Some tendencies to this effect are already discernible. At the Blantyre Conference it became quite evident that some of the countries had not fulfilled their functions to the satisfaction of the rest of the member states. The problem seems to be one of lack of competence and capacity. Consequently there is a need to strengthen the planning units.

As from July 1982 a SADCC headquarters will be established in Gaborone. It is modest in size with no more than an initial total staff of seven, including three professionals and supporting staff. A Zimbabwean will be appointed executive secretary and the other professionals recruited from other member countries. The annual operating expenses, estimated at US$ 400,000, will be shared proportionally between the nine members. This secretariat is, however, neither intended to take over the functional responsibilities of the respective member states, nor will it have the capacity to do so. Its function is to take charge of overall administrative coordination of SADCC affairs. In addition to SATCC, the secretariat will be the only bureaucratic institution which is specifically a SADCC creation.

If the functional units (or some of them) continue to perform below par, thus hampering progress, SADCC's steering organs will have to consider creating more technical commissions à la SATCC. This possibility is not ruled out in the Memorandum of Understanding on the Institutions of SADCC. Should the need arise this could be the only workable solution. Notwithstanding the quality of the work of the functional units, as progress is made and the scope and depth of cooperation extended, the functional units may, at any rate, prove inadequate to handle tasks beyond a certain threshold of magnitude. Based on the assumption that SADCC cooperation will expand at an increasingly rapid rate, it is, therefore, highly probable that more technical commissions will be established, presumably in the same countries where the pres-
ent functional units are located. Such a development is not necessarily undesirable. On the contrary, it may be seen as a measure of success provided the size of these technical bureaucracies is proportionate to concrete output. Even so, it means that the embryo of supra-national institutions is being created. Moreover, the proliferation of institutions of this nature will most likely necessitate further coordinating and controlling organs in addition to these.

The gradual expansion of SADCC cooperation raises some legal questions. At present SADCC is a legal person only in very specific instances, e.g., as employer the secretariat staff. But SADCC is not the legal owner of whatever assets SADCC projects produce. The operating principle is, rather, that project output becomes the property of pertinent institutions in the respective countries where the projects are located. For example, the construction of an airport at Maseru, categorized as a SADCC project, will give the civil aviation authority of Lesotho formal ownership of it upon completion. Operating expenses will subsequently be borne by Lesotho, and revenues will accrue to it as well. It is the mutual interest of two or more countries which is the cohesive factor in project formulation and implementation, not formal property rights.

In this respect SADCC differs fundamentally from the East African Community, to take one example. The latter, until its demise in 1977, actually owned most of the physical assets which had resulted from more than a decade of cooperation, including railways, aeroplanes, telecommunications, buildings, ships, etc. The EAC had also, as a legal person, incurred huge debts. Hence the conflicts now between former partners over the allocation of assets and the sharing of liabilities.

Even SADCC may not be able to escape some of these legal issues. The current operating principle may be difficult to apply to all cases. If more SADCC institutions are progressively created requiring physical assets (e.g. buildings, vehicles, etc.) then SADCC may have to assume ownership of them. Alternatively, the country of location may be the formal owner if, e.g., technical commissions are fairly evenly distributed among the members. Furthermore, not all projects are conducive to the application of this guiding principle. Projects may be located in more than one country, even encompassing the entire SADCC area and involving
mobile assets, such as an airline or a shipping line. In such cases it might be more expedient for SADCC as a collective legal person to be the owner rather than institutions in individual member states. A clarification of these legal points will be needed at some future stage.

15. Conclusion

One writer on SADCC has stated: "Careful academic analyses dwelling on all the risks and problems may become self-fulfilling prophecies by deterring the very inputs required to improve the chances of success." If the reader of this essay has received that impression it is regrettable and certainly not the intention. Rather than expressing negativism or even cynicism, this final part IV about problems and prospects only appears to be negative because it addresses problems which are likely to arise, instead of dwelling on achievements. It will serve no useful purpose to be self-congratulatory and shy away from potential problems because they are unpleasant. To address problems squarely may increase awareness of their implications and hopefully contribute to their resolution in due course. Having said this, it is, nevertheless, impossible to guard against an inventory of potential problems being exploited by enemies of SADCC. In the end, however, openness and frank discussion will be more productive from the point of view of SADCC.

Obviously, a comprehensive evaluation of SADCC at this juncture is premature. The present essay is no attempt in that respect but is intended rather as a precursor to such an evaluation. It is also the view of SADCC organs themselves that formal evaluation is premature, but once the secretariat is established in Gaborone an informal preliminary evaluation might be undertaken. Some time hence it is likely that evaluation procedures will be instituted either to be carried out by the secretariat or by the technical commissions or functional units in the member countries.

For the purpose of evaluation and, before that, project identification, data collection and general promotion of a southern African awareness, SADCC has welcomed the establishment of centres of southern African studies at the national universities in the region, and the incorporation of such studies into the syllabi
of courses. Both teaching and research would be main functions of centres of this kind. Independent initiatives have also been taken in the field of research.

Any evaluation of SADCC would have to be premised on the inevitability of this venture. In the final analysis, there is no realistic alternative to economic cooperation for most of these nine states. Status quo does not represent a neutral point of departure, but a series of burdens and threats. Most analysts assume that the class struggle within South Africa and Namibia will continue to escalate in the years to come and most SADCC states cannot opt out of involvement in this struggle. The cost and sacrifices are high. Angola is an extreme case in point. At the start of 1981 it was estimated that the cost of South African military aggression had reached the figure of US$ 7 billion. This is only the direct economic cost, excluding the dead, the crippled and the suffering involved. Since the large-scale invasion in the latter half of 1981 the figure has increased even further. For most other SADCC states the present situation means high costs as well, taking the form of a series of destabilization measures. These costs bear witness to the urgency of the need to reduce dependence on the Republic.

Beyond reducing dependence on South Africa, the eradication of apartheid is also a concern to SADCC, albeit only indirectly. In recognition of this the liberation movements of South Africa and Namibia have been invited to a number of conferences and meetings. Closely related to the liberation struggle is the question of sanctions against South Africa. Admittedly, SADCC has not included the toppling of the apartheid regime among its objectives. Nor has it put sanctions on its agenda. The emphasis has rather been put on development of the SADCC area. Even so, as the objective of reducing dependence on the Republic is gradually being realized, the SADCC states will be correspondingly better placed to withstand a future sanctions scenario.

Whenever the issue of sanctions is mooted, it is claimed from many quarters that the pinch would be more severely felt in the neighbouring countries than in the Republic. No doubt the impact on the Republic's neighbours would be considerable, albeit differentially so, considering the existing dependency web. Studies show this clearly. Consequently, some governments have ruled out participation in an international sanctions exercise,
at least under the present circumstances of extreme dependence. The role of SADCC in reducing dependence on the RSA is recognized, however, so that some years hence embarking on a sanctions policy against South Africa would no longer be tantamount to 'economic suicide'. This long-term role of SADCC cannot be overemphasized regardless of it being a stated goal or not. The transport sector may serve as an example. If SATCC projects are implemented as planned the projection is that the flow of transit trade passing through South African ports to and from extra-regional trading partners would be reduced from 3,225,000 tons in 1980 to only 205,000 tons by 1990. Having pointed to this indirect relevance of SADCC to the sanctions question, it should be recalled that SADCC is not a sanctions front; the member states do not have a common policy on this issue and are not likely to adopt one in the near future.

On the other hand, SADCC may play a non-sanctions role, albeit unintentionally, in providing a focal point in the region as an alternative to the urgent task of liberation of the rest of the continent. Many extra-regional powers are reluctant, not to say hostile, to sanctions as a forceful policy on the part of the international community against the Pretoria regime. The sheer existence of SADCC may serve as an excuse for the wary, seeing support for this regional venture as an alternative rather than a complement to stiffer action against Pretoria.

Finally, a remark will have to be made about the artificiality of the SADCC area as a region. Ideally South Africa and Namibia are 'natural' parts of the southern African region. The sole reason why they have been excluded from the good company of the nine is political. It would make good economic sense to include the two territories in the SADCC area, but for the time being not politically. This is not to say that the future inclusion of majority-ruled South Africa and Namibia would present no problems. The size and sophistication of its economy relative to its neighbours would pose great challenges in the levelling out of regional imbalances and disparities created over the centuries. But with progressive regimes in Pretoria and Windhoek the foundations would be laid for accelerated development of the region. The struggles would then change character and form.
1. Sub-imperialism is generally taken to mean imperialism by proxy, i.e., that a state performs important economic and strategic functions on behalf of another major imperialist power in a certain geographical region, viz. the RSA in the southern African region. Added to this general definition are historical factors and dynamics internal to the sub-imperialist state. In the case of the RSA two particular factors are frequently referred to: a) its historically attributed regional role in view of its vast resources; and b) the dynamics of the internal market due to the racial policies which restricts internal demand thus leading to external expansionism. See the original formulations in R.M. Marini, Brazilian Sub-imperialism, in Monthly Review, vol. 23, no. 9, 1972, pp. 25-43.


5. For a conceptual analysis see David A. Baldwin, Interdependence and Power: A Conceptual Analysis, in International Organization, vol. 34, no. 4, 1980. I am grateful to Staffan Laestadius for having drawn my attention to this article, as well as to the book referred to in the note 6 below.


8. Ibid., pp. 10-11.


10. See Galtung, op.cit., in particular section 4, pp. 85-91.


15. Ibid, pp. 15-16.


18. See Reginald H. Green and Ann Seidman, Unity or Poverty? The Economics of Pan-Africanism, (Harmondsworth: Penguin, 1968), for a convincing argument on this point, particularly chapters 1-4.

19. There are serious difficulties in analysing trade statistics for the southern African region. The first one is the fact that South Africa does not publish statistics for its trade with individual African countries, only the continent as a whole. Although the RSA claims to trade with some 40 African states it is widely considered that the bulk of its trade is with immediate neighbours. Another difficulty regards the fact that South African trade statistics include the entire customs union, i.e., the Republic itself, Namibia, Botswana, Lesotho and Swaziland. Information on trade flows within the customs union area is not available. These two difficulties make an accurate analysis of trade patterns impossible. This should be borne in mind when reading figures and in assessing volume and direction of trade in order not to interpret them literally as if the above-mentioned difficulties never existed. A further difficulty relates to the likelihood that the figures which are in fact published may not be reliable. Quite apart from statistical problems of a purely technical nature, the politically sensitive nature of independent African states' trade with the Republic may reflect on the willingness to report fully. Clearly South Africa's failure to report trade with individual African states serves the purpose of obscuring the true nature of trade relationships in the region. It has also been reported from time to time that documents are forged to conceal the real origin or destination of commodities, or alternatively routed via third countries for the same purpose. Immediately before going to press a paper on trade patterns in southern Africa was published by the Chr. Michelsen Institute. Although the present report does not deviate substantially from that paper in general analysis and conclusions, the latter offers much more detail. See Gunnar Sollie, Trade Patterns and Institutional Aspects of Trade. An Empirical Study of Trade in Southern Africa, Working Paper no. 267, (Bergen: The Chr. Michelsen Institute, 1982), 67 pp., mimeo.


32. Southern African Development Coordination Conference, Lesotho Background Paper, paper presented to the first SADCC conference in Arusha, Tanzania, 1979, p. l.

33. Ibid, p. 5.

34. Southern African Development Coordination Conference, Swaziland Background Paper, paper presented to the first SADCC conference in Arusha, Tanzania, 1979, p. 5.

35. Africa Economic Digest, 1 January 1982, p. 10. Since the initial signing ceremony Lesotho, Swaziland and Zimbabwe have also become signatories. See Zambia Daily Mail (Lusaka), 23 March 1982 and BBC Summary of World Broadcasts (Middle East and Africa), 23 June 1982.


40. The Herald (Salisbury), 8 January 1982.


42. Idem.


54. Ibid., p. 28.


63. This section draws extensively on D.G. Clarke, Foreign Companies and International Investment in Zimbabwe, (London and Gwelo: CIIR and Mambo Press, 1980).

64. Ibid., p. 134.

65. Ibid., p. 133.


69. Ibid., p. 147.

70. Ibid., p. 146.


74. Idem.


76. Ibid., p. 198.


79. Ibid., p. 8.


81. Ibid., p. 168.


84. Mittelman, *op.cit.*, p. 46.


93. SATCC, op.cit., p. II-42.


95. SATCC, op.cit., p. II-51.

96. Ibid., p. II-22.


98. The Herald (Salisbury), 2 October 1981.


100. BBC Summary of World Broadcasts (Middle East and Africa), 16 March 1982.


103. Ibid., p. II-33.

104. Idem.


110. Ibid., p. II-9.


113. Ibid., p. II-12.

114. Ibid., p. II-22.

115. Idem.


117. SATCC, op.cit., p. II-33.

118. Ibid., p. II-51.


123. Africa Economic Digest, 8 January, 1982, p. 27.


125. For a review of developments in the telecommunications field as it relates to the African condition see the telecommunications surveys of African Business, January 1981, pp. 41-63, and January 1982, pp. 61-76; for the SATCC programme see SATCC, op.cit., pp. II-67 - II-79.


128. Idem.

129. Ibid., p. 173, table 2. All figures refer to 1974; the proportions have, of course, changed subsequently in view of the considerable expansion in hydro-electric power in many countries. Furthermore, it is not stated whether consumption in the subsistence sector is included in the global figure. Considering the widespread use of charcoal as a form of energy by the predominantly rural population, it seems unreasonable that petroleum-based energy accounts for as much as 91% of total energy consumption in a country like Tanzania, for example.

130. Odén, op.cit., p. 41.


135. Africa Economic Digest, 1 January 1982, p. 27.


137. Idem.

138. Ibid., p. 4.

139. Ibid., p. 5.

140. Ibid., p. 7.

141. Ibid., p. 3.

142. Ibid., p. 6.

143. For a brief account of the origin of the scheme see Cabora Bassa and the Struggle for Southern Africa, (Geneva: World Council of Churches, 1971). Different sources are not consistent or accurate on generating capacity; the figures given here are those contained in the above publication. The orders of magnitudes are at least confirmed by other sources such as Africa Economic Digest, 19 March 1982, p. 23, and African Business, November 1980, p. 7.

145. Idem.

146. A brief introduction to the scheme may be found in White Power. The Cunene River Scheme, (London: Committee for Freedom in Mozambique, Angola and Guiné, n.d.).


149. Nsekela, op.cit., p. 163.


151. Africa Economic Digest, 8 January 1982, p. 3.

152. BBC Summary of World Broadcasts (Middle East and Africa), 25 May 1982.


156. Odén, op.cit., p. 41.


164. An example of its crudest form is found in the February 16 edition of the Rand Daily Mail, reproduced in South African Digest, February 19, 1982, p. 2.


167. Some of the papers from this programme have been collected in W.R. Böhning (ed.), Black Migration to South Africa. A Selection of Policy-Oriented Research, (Geneva: ILO, 1981).


169. Basil Davidson, South Africa and Portugal, Unit on Apartheid: Notes and Documents, no. 7, 1974, p. 3.

170. Breytenbach, op.cit., p. 11.


172. Breytenbach, op.cit., p. 11.

173. Ibid., pp. 2-3.

174. Ibid., pp. 12-16.


176. The studies undertaken include the following:
Regional Overview of Development Concerns in the Agricultural Sector of Southern Africa, by The South East Consortium for International Development, 48 pp. + appendices;
Labor Migration in Southern Africa and the Possible Supplier State Alternatives, by Gary Walker, 184 pp.;
Health and Development In Southern Africa. A Review of Health Care in Southern Africa: Summary and Recommendations, by Family Health Care, Inc. and Africare, 86 pp.;
Health Care and Development in Southern Africa: A Strategy for Health Assistance in Southern Africa, by Family Health Care, Inc. and Africare, 80 pp.;
Settlement Patterns, Urbanization and Shelter in Southern Africa, by Rivkin Associates, 106 pp.;
Mining in the Southern African Region, by Robert M. Dean, 57 pp.;
Manpower in Southern Africa. A Summary and Synthesis of Manpower Findings from SADAP Sector Analyses and Assessment of Manpower Opportunities and Constraints, by Gary A. Walker, 222 pp.;


178. The sectoral analyses are contained in Nsekela, op.cit. The country studies have not been published and are only available in mimeographed form. In addition to the now full member states, a country paper on Namibia was also prepared.

179. A record of attendance is contained in Nsekela, op.cit., pp. 267-274.

180. Ibid., p. xviii.

181. Proceedings and statements from the Maputo Conference have been published in Kgarebe, op.cit. This publication also provides information on plans and progress in various sectors, particularly transport.


183. Idem.


186. The documents included inter alia the following: Transport and Communications: Progress and Status; Industrial Cooperation; Regional Coordination in Food and Agriculture; Regional Manpower Development; Southern African Develop-
ment Coordination: From Dependence and Poverty toward Economic Liberation. The papers and proceedings of the conference are expected to be published shortly by the SADCC secretariat.


188. The Herald (Salisbury), 23 November, 1981.

189. The Star Weekly (Johannesburg), 31 October, 1981.


191. Idem.

192. Idem.


194. SATCC, op.cit.


196. Idem.


198. SADCC, Record of the Ministerial Meeting held in Salisbury, Zimbabwe on the 11th September 1980, pp. 24-25.


202. David Mitrany is the most prominent proponent of 'functionalism' as a method in achieving integration. His ideas are succinctly put in his article The Prospect of Integration: Federal or Functional, in Journal of Common Market Studies, vol. IV, no. 2, 1963, where he writes: "The key we
have to find is how in these conditions, 'to harmonize the actions' economic and social, in the words of the UN Charter, 'in the attainment of common ends' ... by making use of the present social and scientific opportunities to link together particular activities and interests, one at a time, according to need and acceptability, giving each a joint authority and policy limited to that activity alone. That is the functional way." (p. 135). Mitrany emphasizes functionalism as a method, but he does not rule out a supranational authority at some advanced stage: "A common market or economic integration can be established and maintained without federation and without centralizing all elements of economic policy in a supranational or federal body. But if they should reach the point where they want to unify and make permanent both the process of decision-making and that of execution in what by its nature must remain a variable political sphere, foreign policy and defence, that could only mean a common executive authority, that is - whatever its form and the process of gestation - a common government. Within possible constitutional variation, that is the essence of political union." (p. 122).

Other integration theoreticians such as Amitai Etzioni and Ernst B. Haas have a different emphasis, but they also recognize the method of 'functionalism' as propounded by Mitrany. See their respective works Political Unification, A Comparative Study of Leaders and Forces, (New York: Holt, Rinehart and Winston, 1965), particularly chapters 1-3; Ernst B. Haas, Beyond the Nation-State: Functionalism and International Organization, (Stanford: Stanford University Press, 1964).


206. See Botswana Daily News (Gaborone), October 28 and 29, 1981.

207. For a fuller discussion of the CONSAS concept consult Willie Breytenbach (ed.), The Constellation of States: A Consideration (Johannesburg: South Africa Foundation,


209. Ibid., p. 15-16.


212. BBC Summary of World Broadcasts (The Middle East and Africa), 16 June 1982.


217. For detailed documentation consult Tony Gifford, South Africa's Record of International Terrorism, (London: British Anti-Apartheid Movement and Stop the War Against Angola and Mozambique (SWAM), 1981) and Jan Marsh, Stop the War Against Angola & Mozambique, (London: SWAM, 1981).

218. See Jan Marsh, op.cit., and SWAM Newsletter, nos. 3 and 4, 1982.

219. It is far beyond the scope of this essay to go into an analysis of the South African state and who controls it. Suffice it to say here that I use the terminology of Nicos Poulantzas as set out in his Political Power and Social Classes, (London: New Left Review Editions, 1978).


222. Collected papers from the Seminar on Alternative Structures for Southern Africa Interaction on 19 October 1981, University of South Africa (UNISA), Pretoria, include the following:


226. Africa Economic Digest, 5 December 1980, p. 3.


230. Idem. Curry, op.cit., points out that the dramatic increase in US assistance to southern Africa in the latter half of the 1970's has been in the form of so-called 'security assistance'.

231. Idem. Absolute and percentage figures derived from table.

232. Idem.

233. Idem.

234. Idem.


236. Idem.

237. Ibid., p. 2.

238. Idem.

239. Idem.

240. Idem.


250. See Reginald H. Green, South Africa: The Impact of Sanctions on Southern African Economies, (Geneva: IUEF, 1980). This pamphlet is one in a series of 13 under the heading: Economic Sanctions Against South Africa.

250. The Herald (Salisbury), 20 March 1981; statement by the Swazi Prime Minister to the same effect referred to in Weekly Review (Nairobi), 24 July 1981.


Green, R.H. & Seidman, A., Unity or Poverty? The Economics of Pan-Africanism, (Harmondsworth: Penguin, 1968).


Southern African Development Coordination Conference, *Record of Ministerial Meeting Held in Mbabane, Kingdom of Swazi-
land on the 11th and 12th June 1981, volume one, (mimeo).


Southern African Development Coordination Conference, Regional Coordination in Food and Agriculture, (Blantyre: SADCC, 1981), mimeo.


Venter, Dennis, South Africa and Black Africa: some problem areas and prospects for rapprochement, Occasional paper no. 47, (Pretoria: Africa Institute of South Africa, 1980).


