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REGIONAL ECONOMIC POLICY UNDER CRISIS CONDITIONS

The Case of the Southern African Development Coordination Conference (SADCC)

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INTRODUCTION

With the international economic crisis, the drought, and food production crisis in Africa, all of the economic indicators show a negative growth and a decrease in the quality of life of most African peoples. After two and one-half "development decades" of the United Nations, the international community and the individual states have clearly failed in their goal. From the "capitalist" model of development (Ivory Coast, Kenya) to the "socialist" model (Ethiopia, Mozambique), the economies are in crisis. "National" development no longer seems possible. Further, individual states find the colonial legacy of underdevelopment too difficult to transform in a period of international economic crisis. Even countries like Angola and Mozambique, who won national revolutions and began social revolutions to transform production relations, have found the inherited economic linkages an inimical barrier to development.

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

The first section briefly reviews the international economic crisis of capitalism and discusses the negative impact on developing countries of "solutions" tried by the advanced capitalist states. The second section analyses the diversity of the SADCC nine, resulting from their different historical positions in the regional Southern African economy, for the contradictions among the nine are important obstacles to regional coordination. Finally, the study investigates SADCC planning in agriculture, coordinated by Zimbabwe. As a priority of SADCC, agriculture is the first productive sector that SADCC is trying to coordinate.
There are some real successes for SADCC, ones which point to the idea that regional coordination may alleviate somewhat the long-term international economic crises. On the other hand, real economic and military sabotage of SADCC could make it falter tomorrow. SADCC, however, already offers lessons for economic policies and planning under conditions of crisis.
I INTERNATIONAL ECONOMIC CRISIS

The present crisis in international capitalism arises from the objective conditions of capital; at the end of the 1960's, the decline in the rate of profit was precipitous and has not recovered to previous levels.¹ In the 1970's the strategy of the advanced capitalist states was to increase production of both armaments and food in order to offset the decline in profitability of capital goods. The increase of exports in both from the United States, for example, alleviated the balance of payments deficit. However, such production required heavy government subsidies which contributed to the well-discussed "fiscal crisis of the state".² For example, in the European Economic Community (EEC), two-thirds of the entire budget was used to subsidise export crops.³ Monetary policies were also tried, as the US simply announced that the dollar* would no longer be supported by gold, and two de facto devaluations of the dollar occurred (1971, 1973). However, the drastic oil price increase (December 1973) greatly added to the problems of "stagflation".

The oil shock was by far most severe for developing countries; it turned the terms of trade against primary commodity producers as the higher price of oil was fully incorporated into the price of manufacturers, but not into the price of primary commodities. National currencies in developing countries became "overvalued"; in short, exchange rates cheapened the cost of labour and therefore, goods, to obtain raw materials for less from the developing countries. The Bank of England reported in 1982 that the reduction of inflation under the Thatcher government was mainly a consequence of the decline on the prices of primary commodities from the Third World.⁴

Not able to pay for the importation of manufactures because the terms of trade had deteriorated, the developing countries increased their debt. For example, the purchasing power of one tonne of copper, coffee, or cotton for barrels of oil fell 50 percent from 1975 to 1980; countries like Zambia, Tanzania

* All dollar amounts are in US dollars.
Botswana, and Mozambique had to double production of their commodities in order to buy the same number of barrels of oil.\textsuperscript{5} By 1981-82 commodity prices fell to their lowest level since the 1930's depression.\textsuperscript{6} Commercial banks were ready to supply money to the deficit countries because the oil producers had deposited petrol dollars in Western banks; they had plenty of liquidity to loan out.

Stagflation became full scale recession in 1980. With monopoly control of production in many sectors, prices do not decline as demand decreases. Instead, production is cut, resulting in retrenchment of labour. With the recession, the developed countries purchase less from the developing. With decreased trade and the deterioration in the terms of trade, the debt of developing countries multiplied and lack of foreign exchange to purchase needed inputs cut production. Between 1972 and 1982, total sub-Saharan external public debt is estimated to have increased at an average annual rate of 22 percent, higher than that of all developing countries, including Brazil or Mexico.\textsuperscript{7}

To deal with the worst recession since World War II, several governments among the advanced capitalist states rejected Keynesian fiscal policies and turned to monetarist policy. Floating interest rates climbed to unprecedented levels, and for each one percent increase in the interest rate, the debt service of the Third World increases by $3.5 billion. (For most members of SADCC, the debt is now 25 percent of export earnings and for Mozambique, it is over 50 percent.)\textsuperscript{8} With the highest interest rates in the US, investment capital flowed to the US; combined with a reduction in aid and loans to the developing countries, by 1984, more capital flowed to the US than to all the Third World countries combined.\textsuperscript{9} From 1917 to 1982, the US had been a net lender of capital, but C. Fred Bergsten, Director of the Institute for International Economics, pointed out that in two years (1980-82), the US "frittered away its creditor position of 65 years".\textsuperscript{10}

In the monetarist "solution" to the recession and to the fiscal crisis of the capitalist state, however, practice has not
followed theory. Monetarist theory advocates a "free market", but President Ronald Reagan has set the highest tariff barriers since the 1920's in the US. Under the Multi-Fibre Arrangement, even the developing countries must "voluntarily" reduce textile exports to the US. In October 1985, there were 300 additional protectionist bills pending in the US Congress.

These economic policies among the advanced capitalist states have established very difficult - if not impossible - economic conditions for developing countries to pursue growth. What has not been sufficiently emphasised or discussed among world leaders or economists are the political consequences of these policies.

With the new flow of capital away from the developing countries, the international lending organisations have regained their power. The commercial banks, with petrol dollars, were loaning more than the IMF or World Bank. The Third World debt crisis has now increased the role of the IMF as international policeman to make sure that the poor countries fulfil economic conditions which will guarantee their debt repayments. If a country does not comply with IMF conditions, it receives no further IMF or World Bank loans, but also no commercial bank loans and even government aid programmes can be stopped (e.g. Tanzania, Jamaica, Nicaragua, Grenada, etc.).

The fiscal constraints required by the IMF are well known: reduction of government subsidies and social services, even though in most debtor countries the public sector accounts for no higher percentage of GDP than in the advanced industrial countries. What is equally important and must be emphasised is that these economic constraints are a direct attack on the role of the state in Third World economies.

From the perspective of the IMF, the state, whether it is supporting capitalist or socialist production, is not to intervene. The state role in production and marketing is to be privatised; the market should direct production and exchange. The facts that the "free market" has never existed in many
Third World economies because of colonial control and that the state is needed to intervene to deal with historical distortions inherited from colonialism are not important to the monetarists. The market orientation allows the strongest (by class and by nationality) to grow and increase their holdings.

In Southern Africa, Tanzania is the leader in rejecting IMF conditionality, refusing the terms for five years; now the economy is improving and Tanzanian decision-makers say it is because they rejected IMF conditions. Zimbabwe restricted overseas remittances in 1984 in defiance of the IMF, has reduced some food subsidies but refuses to keep wages as low as the IMF demands. IMF conditions, even when followed, have no more solved the problems in Southern Africa than elsewhere, as the case of Zambia shows.

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

Governments in conservative states are also promoting private production and marketing. The US government is the strongest advocate of such terms and even offers special bonuses in aid if a government is promoting private business. USAID will lend only to private farmers in the Third World and openly asserts that aid is given to promote US corporate interests. Teresa Hayter suggests that "aid" has become such a misnomer that it must now be renamed "export subsidy" or "public subsidy for private profit". After analysing US policy over five administrations, Harvard University economist David Calleo concluded, "...lack of resources to meet all domestic and foreign ambitions led to an exploitation of the international economic system. ...Manipulating the system became the substitute for painful adjustment at home".
The interest rate shock to developing countries already in debt and the demand for privatisation of production and marketing to receive loans call to order any country which thought it might be free from dependence relations. The governments find themselves with few policy alternatives, for even if growth does increase, it will be mainly to service the debt, not to increase the quality of life of their people. The burden is so severe that critics are calling for political organising and collective action to attack it. The President of Argentina, Raul Alfonsin, stated, "Latin America cannot pay its foreign debt through the hunger of its people for two reasons: first, because it is immoral and second, because it is impossible". Leaders as different as Fidel Castro and Julius Nyerere are calling for a debtors' cartel to refuse to honour the debts. The policy of the lenders, however, is to render these states impotent. Calling for the privatisation of production and for market solutions weakens the ability of the state to intervene in the economy, to demand political resolutions to the problems.

The international economic crisis was expressed mainly as a food crisis in Southern Africa as a three-year drought hit the region shortly after the recession began, and deficit countries found it difficult to feed their people. SADCC estimates that three years and $1 billion assistance are necessary for agricultural production and herds to attain pre-drought levels. However, international planning suggested for alleviating the food problem follows the same general theme of privatisation. For example, the World Bank is still promoting production of cash crops and opposing changes in land tenure. USAID stipulates "master farmer" production and the commercialisation of agricultural inputs. These agencies have also complained about the national parastatals involved in marketing grain, calling instead for "free market" conditions. The SADCC nine fully realise that agricultural production must be diversified; however, the members are unequivocal about the necessity for government intervention in production and marketing:

SADCC believes that economic strategy and structures must be shaped primarily by public policy and not 'free market' forces; hence its approach is an interventionist or planned one. The present historically and externally imposed structures were not
the result of 'free markets' or perfect competition, but rather of the planned actions of extra-regional states and corporations. Therefore, the Lusaka Declaration (1980) concludes that these structures and relationships must be reversed and restructured by planned action of the independent states nationally and acting together. ... Unless coordinated action is ... planned jointly, national interventionism and regional reliance on market forces will always clash, with the regional cooperation efforts the inevitable victim.20 (emphasis mine)

The attack on the role of the state in the economy turns into overt military sabotage if a state is trying to transform to socialism. The events in Southern Africa (Angola, Mozambique) and in Central America (Grenada, Nicaragua) are well-known. Support is increased to repressive governments if they can crush the demands of workers and peasants (Chile, Philippines, South Korea, El Salvador). As economist Reginald Green points out, "A good indicator of the failure of IMF conditionality is that democratic governments cannot fulfil the conditions".21 This tactic is not new, but there is no attempt at economic co-optation of developing states looking for alternatives; it is gunboat diplomacy with a new vengeance.

South African destabilisation of SADCC members cost $10.1 billion from 1980 to 1985, or one-third of their total export earnings.22 Yet that figure is an underestimate, for destabilisation did not begin in 1980. By 1981, six years after independence, the Angolan government had already calculated $10 billion damage from South African aggression. The Rhodesian war, aided by South Africa, cost Mozambique $556 million.23 The battle in Southern Africa is for cheap labour and cheap mineral supplies to maintain profitability of transnational corporations; apartheid is profitable. Any country which offers an alternative to apartheid, which shows that black African nations can rule themselves or which assists South Africans in their struggle is a "legitimate" target. Military aggression has greatly added to the debt burden of the SADCC members, as South Africa attacks not only SADCC road and rail links but has raided six of the nine members (Angola, Botswana, Lesotho, Mozambique, Zambia, Zimbabwe).24
SADCC, for all its weakness (to be discussed shortly), poses a threat to South Africa. South African trade with SADCC members is estimated at $1.5 billion, with Zimbabwe as South Africa's most important African trading partner. It is estimated that two million wage jobs would be lost in South Africa if trade with the region were curtailed. SADCC is replacing historical infrastructures which linked all production and marketing activities in the region to the south. The alternative routes to the sea would reduce South Africa's economic grip on regional trade and its revenue from transport by as much as 50 percent. Other entities, like the Southern African Regional Commission for Conservation of the Soil (SARCUSS), which used to coordinate agricultural research in the region, are being replaced. Formed in 1950, the Commission became quite limited as each successive Southern African state gained independence and removed itself from SARCUSS (starting with Zambia in 1964). Now a new SADCC body, the Southern African Centre for Cooperation in Agricultural Research (SACCAR), is taking over completely the job of SARCUSS.

Given the international crisis of capitalism which increases exploitation of Third World producers, the food crisis, and military destabilisation by South Africa, what can countries in Southern Africa do? The international models - for stabilisation of production and for increased agricultural production - are old, generally have not worked, and mainly serve the interests of the promoters. Can SADCC take the initiative in spite of the international economic crisis and destabilisation by South Africa? Before that question can be answered, one needs to look first at the diversity of SADCC, for the constraints of the international economy are not new. A major difficulty for SADCC in facing the present crisis is the contradictions among the members resulting from their colonial legacies.
II GENERAL CONDITIONS FOR REGIONAL COOPERATION IN SOUTHERN AFRICA

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

<table>
<thead>
<tr>
<th>Country</th>
<th>Manufacturing as a percentage of GDP, 1981(^27)</th>
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<tbody>
<tr>
<td>Angola</td>
<td>3</td>
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<tr>
<td>Botswana</td>
<td>6</td>
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<tr>
<td>Lesotho</td>
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<td>Malawi</td>
<td>11</td>
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<tr>
<td>Mozambique</td>
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<td>Swaziland</td>
<td>20</td>
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<tr>
<td>Tanzania</td>
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<td>Zambia</td>
<td>18</td>
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<td>Zimbabwe</td>
<td>26</td>
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Even in Zimbabwe, however, 70 percent of the population is still directly dependent on land. Further, Zimbabwe has the largest proportion of foreign capital in the productive sectors, accounting for one-third of all foreign investment in the SADCC countries.\(^28\)

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

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

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

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

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

If present trends in Zambia continue, the exploitation of individual commercial farms will take place at the expense of the best communal lands. Agricultural production will increase, but small farmers will be further marginalised. In Malawi, much communal land has already been allocated to private property. The World Bank claimed success of a "land reform" project in Lilongwe, saying that the privatisation would give farmers greater security, but then contradicted itself by saying that a market in land would ensure that land reached its commercial potential and could then be sold. Expansion of large estate acreage is recent — from 2 percent of cultivable land in 1970 to 15 percent in 1981.

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

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

Yet land reform is not sufficient either. Agricultural policies about prices, marketing, agricultural inputs all affect production — and the individual agricultural policies differ as
much as the land tenure. The prices for maize, for example, in the BLS are based on the South African Maize Board prices, plus retail and transport costs; they cannot independently set maize producer prices. In Angola, Malawi, Mozambique, Tanzania, Zambia and Zimbabwe, the states all set producer prices for their major grains. Subsidies for basic foods are provided in Angola, Mozambique, Tanzania, with Malawi and Zambia only subsidising maize. (In Malawi, other crops such as groundnuts carry an implicit tax of 144 percent). The BLS do not provide consumer subsidies, although Botswana has been providing school lunches and other drought relief since 1982.

The governments intervene in marketing in all of the states but to different degrees; the government in Malawi licences private traders who can then compete with the Agricultural Development and Marketing Corporation, whereas estates can sell directly to millers; in Swaziland the government is involved in marketing only milk, meat, and maize. In all of the states, private traders are permitted, but in some they are restricted from certain commodities (e.g. maize) and in others the state corporation generally must compete with the private traders. These agricultural policy differences, of course, reflect the various ideologies of the SADCC members about the role of the state in the economy.

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

The economic context for SADCC is harsh: international crisis of capitalism, destabilisation by South Africa, contradictions
among SADCC members. To analyse SADCC policy in the face of these problems, the next section will focus on agriculture. By looking at agriculture, we can begin to understand in concrete terms both the necessity for regional cooperation and the limitations on such coordination.
III SADCC AGRICULTURAL POLICY: ECONOMIC COORDINATION TO REDUCE VULNERABILITY

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

SADCC, however, has realised that the ad hoc, individual project approach to coordination has severe limitations for development. Therefore, planning by the sectors will be increased. The annual report to the SADCC summit in Arusha, August 1985, gave not only a review of all sectors, but also called for five-year strategies for each sector: "Each sector will thus establish for itself carefully defined and measurable targets of achievement.... The sector strategies... will ensure that, during the next phase of growth, SADCC maintains a coherent overall approach to cooperation". 39

For overall coordination of the sector plans, a macro-economic survey of the region is in process "against which it will be possible to assess the validity and relevance of SADCC's sectoral programmes and also to measure progress in their implementation". 40 This survey will offer background information necessary to assess the sector plans and is a beginning of coordination of data collection for the whole region. The planning, however, will remain decentralised in each sector.

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

**Policy Formulation - SADCC Food Security**

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

The SADCC food security unit is based in the Ministry of Agriculture in Zimbabwe and it acts as the executive for food security projects. Decisions about food security, however, involve the full SADCC apparatus. The annual meeting of the Ministers of Agriculture set general policy for agriculture, discussing their various approaches to production problems. In addition, they can initiate specific projects or modify proposals coming to them from the food security staff or the Consultative Technical Committees (CTS's). The CTC's are the working units of the food security sector; they thoroughly debate each aspect of each project, especially its technical feasibility and impact. They can also initiate projects or reject ones proposed from the food security staff. There are three CTC's: extension, research, economics and marketing. Since 1982, agricultural officials from the nine governments have met in each CTC annually and then have one joint annual meeting. After the Agricultural Ministers and CTC's debate the projects, they are passed to the Standing Committee of Officials and then to the Council of Ministers who meet twice a year. Disputes about projects have been resolved at this level, but generally, they are concerned with overall policy.
This structure clearly shows that policy-making occurs at several levels: 1) Zimbabwe does not make decisions but is responsible for execution of the projects. For example, it has been criticized for being slow in implementation and for not seeking SADCC nationals as consultants. 2) The member states have a chance to debate overall policy issues about agriculture at three levels: Ministers of Agriculture, Standing Committee of Officials and the Council of Ministers. 3) Technical issues (which also reflect policy) are discussed by each member in the CTC's.

Research and Development

This decentralised model has led to a successful functional coordination within SADCC. One example in agriculture is of research. Individual members are in charge of research, but the information will be available in central locations. For example, project no. 3 in food security is to establish a regional data bank on agriculture. The research CTC helped to establish the new SACCAR in Sibele, Botswana, under a Tanzanian director. SACCAR will not engage in direct research itself but will stimulate research through grants and by providing coordination of national research and of training. It will encourage long-term planning of national research.41

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

The sorghum-millet project is now testing 6,750 varieties at three locations in Zimbabwe (Matopos, Aisleby Farm, Mzarabani) and in different ecological zones in all nine countries. Sorghum represents 52 percent of Botswana's cereal crop production, and a Botswanan plant breeder relates how SADCC assists his work.42 First, he designates 100 varieties of
seed to be grown in Matopos, Zimbabwe; after visiting the fields, he chooses 20 and then grows them in various areas of Botswana; he later can choose one or two to be marketed as improved seeds in Botswana. Second, he can send his young technicians to Matopos to be trained in the field. Third, he sends seedlings to Zimbabwe to be grown during the winter which is too cold in Botswana for a winter crop. They are returned to him, ready to propagate a third generation of seeds; research time is cut in half. Any of the SADCC countries can take advantage of these services of the sorghum-millet research.

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

**Food Production Policy**

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

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

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

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

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

The SADCC industrial sector, coordinated by Tanzania, has targeted farm implements and fertilizers as two priority areas. They have found that importing small tools costs 10 times more than if artisans made them, so artisan units have started production in Botswana, Lesotho, and Tanzania. To increase fertilizers production from 255,000 tonnes per year in 1980 to the
necessary 400,000 tonnes in 1990, SADCC is choosing the
countries in which to rehabilitate or create new fertilizer
plants. Coordination of tractor production, however, has not
been successful; Tanzania, Zambia and Swaziland have SADCC-
sponsored tractor projects, but others, like Zimbabwe, proceed
with their own testing and importing. Demand for pesticides and
insecticides will be met mainly by upgrading existing formula-
tion plants in five of the members. In short, SADCC food
security priorities have designated what projects should be
emphasised. As of July 1985, 20 of 51 industrial implementation
projects were for agriculture, accounting for 35 percent of the
total cost of SADCC industrial projects.

If production increases, then reduction of post harvest losses
is necessary. (FAO estimates that as much as 35 percent of the
grains are lost in Africa, Zimbabwe being a notable exception).
Storage, marketing and processing of food are on the agenda.
As stated above, storage will be under national control;
Zambia and Zimbabwe have already considerably increased their
capacities.

The marketing project is the failure of the food security pro-
jects. The feasibility study was given to a private Canadian
Firm, which recommended actions for agribusiness, ignored the
Southern African Transport and Communication Commission (SATCC,
another sector of SADCC) and generally, did not follow the
terms of reference. SADCC officials, especially from Mozambique,
protested and two years after that first study was completed,
the CTCs and agricultural ministers have requested a new study.
What the protest indicates is that SADCC countries will not
simply accept free market assumptions. As discussed above,
marketing is mainly controlled by the states, and SADCC accepts
government intervention in the market.

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

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

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

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

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

Zimbabwe has done just that. Farmers in the communal lands are marketing more than before, because of the increased inputs
such as the ones discussed above; it is a success story of which Zimbabwe can be proud. However, trends are being established which could create difficult social conditions. Unless concentrated effort is made to help the poorest of the poor, the agricultural inputs will be used most by the more efficient farmers, with marginal ones becoming insolvent. The increasing number of landless and unemployed is blamed on their own farming inefficiency. Agricultural production increases because of the master farmers; the gross statistics look fantastic, especially to the planners, but food is abundant only to those who can afford it. In all of SADCC (really in all of the world), it is the female single heads of households who are the poorest of the poor. The small producer debate within SADCC does not address critical problems specific to female food producers in the rural areas. If not confronted, the disparity in income and nutrition between the master farmers and the rural majority of women and children will grow, as the case of Zimbabwe shows.48

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

Similarities of Food Policy to Other SADCC Sectors

SADCC agricultural policy reflects similar constraints in the other SADCC sectors. Priority has been given overall to infrastructure, such as the transport and communication sector, SATCC. Coordination of industrial production has proceeded slowly. Right now the projects only slightly coordinate small producer items, like the tools and fertilizer mentioned (also
chemicals, cement, etc). Capital goods coordination is not on the agenda, nor is there discussion about how to deal with the transnational corporations in any unified way. With nine separate investment codes, there is no consensus about the role of foreign investment. However, in 1986 two investment promotion conferences are scheduled for investment financiers and corporations. Commercial enterprises were also invited to the Industrial Rehabilitation Workshop in Arusha in September 1985. In the absence of any coordination about foreign investment, these conferences could open the door to foreign corporations "helping" SADCC "plan" industry.

The international terms of trade for export crops and other primary commodities will not improve for the long term, for the reasons discussed in Section I. Another SADCC goal, is to increase trade among themselves, but as yet there is no trade policy. SADCC, in contrast to the Preferential Trade Area of Eastern and Southern Africa (PTA), states that trade follows production. Their analysis is that production constraints (transport, spare parts, skilled manpower) are much greater trade barriers than tariffs. The trade arrangement is mainly bilateral, with only Botswana and Mozambique multilaterally balancing their trade in the region. To try to alleviate the foreign exchange shortage, which reduced production and trade, several are entering bilateral counter-trade. Mozambique and Tanzania have the most developed arrangement. They pay each other in local currency, until one reaches the surplus limit. That partner is then asked to settle the account by purchasing more. Tanzania also has counter-trade arrangements with Zambia and Zimbabwe; Zimbabwe has further counter-trade with Zambia and Mozambique.49 Discussions are proceeding between PTA and SADCC about trade agreements, but Botswana, Mozambique, and Angola are not members of PTA.

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

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

With Angola joining at the end of April 1985, all the SADCC countries are now part of the Lomé Convention. Already, the Frontline States within SADCC have requested negotiations with the EEC about its relation to South Africa. They feel that EEC contributions to SADCC are often used as an excuse to continue their close relations with South Africa. The October 1985 ACP (Africa-Caribbean-Pacific) meeting in Harare pledged support to the South African struggle and to the neighbours under siege. One concrete example of the region-to-region cooperation is the recent negotiations for selling beef to the EEC. Botswana and Zimbabwe will jointly market meat in the EEC, with the Botswana Meat Commission managing sales for both countries; they will not compete with each other for quotas.

Other donors have begun to group themselves together also. The Cooperation for Development in Africa (CDA) is an informal
association of donor countries (Belgium, Canada, PGR, France, Italy, UK, USA). It was formed in late 1980 with the understanding that "certain economic problems cannot be solved by one country" and with the goal of relating to "African international organisations".\textsuperscript{53} They have designated five zones of interest: Sahel, Sudan, Coastal-Central West Africa, Zaire Basin, East Africa, Southern Africa. The US is the overall co-ordinator for Southern African relations, the UK as the alternate. Their priorities are for training, crop research networking, and international agricultural research centers. Such groupings could be potentially helpful, with coordination from the donor side, avoiding such catastrophes as thirty different water pumps in one district, all needing different spare parts. There is also the inherent danger that such coordination is for the donors to gain strength vis-à-vis SADCC. Certainly, such region-to-region cooperation as CDA-SADCC is not among "equal" partners.

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

These strategies, however, are dependent on foreign aid - on economies whose policies have exacerbated SADCC conditions in the first place. Eighty-seven percent of the food security unit projects and 100 percent of the agricultural research require foreign aid.\textsuperscript{54} SADCC states that their rationalisation of infrastructure, coordination of some import substitution, and collective scrutiny of projects reduce the influence of donors. Further, their cooperation attracts more donor capital which should be flowing to the region anyway (especially for Angola and Mozambique). Yet the donor capital does enter the region in the interest of those who have aggravated the problems of developing countries.
It is too early to say whether SADCC is increasing its international bargaining power. Clearly, some crucial areas, like international commodity prices, will not be influenced by SADCC at all. However, SADCC acting as a unit in international fora will gradually change the perception of outside countries about the region; this change may someday be reflected in their foreign policies.
CONCLUSION

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

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

SADCC - in all its modesty - does, however, confront the dominant interests in the international economy. It rejects the "free market" solution advocated by the IMF, World Bank, and government aid agencies. Resisting the demand to privatise their marketing of agricultural products, they are also increasing production first in food crops, not cash crops. They insist that the state must intervene in the economies for better planning to overcome colonial distortions. "Cost-benefit" analysis alone cannot work, for it is to the advantage
of the strongest, most often foreign capital. Economic decisions must include political considerations to promote growth with equity. These differences from the dominant interests are not negligible.

Can SADCC begin to alleviate the problems of the international economic system? Many of its projects address the problem of the chronic foreign exchange shortages and of debt due to reduced production. The first priority of agriculture is import-substitution of food imports, of agricultural inputs (fertilizer, pesticides, seed), of machine imports (hand tools, tractors). Export growth is more difficult, but SADCC does have the goal of reducing competition and increasing exports in the region by production coordination. Trade is proceeding with counter-trade arrangements to purchase each others' goods in local currencies.

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

1. Gérard Duménil, Mark Glick, and José Rangel. "The Trend of the Rate of Profit to Fall in the US, Part I", Contemporary Marxism, no. 9 (Fall 1984), pp. 148-164. They discuss the decline in the rate of profit for the developed capitalist world, see pp. 160-1.

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


15. Promotion of private production in agriculture is in most USAID documents. For one example, see USAID, Country Development Strategy Statement - Zimbabwe, FY 1987 (February 1985), pp. 52, 53, 58, 59, 68.


27. Ibid., p. 13.

28. Ibid., p. 86.


31. FAO. SADCC Agriculture Toward 2000, op.cit., o. 6.4.

32. Ibid., p. 6.3.


35. SADCC. Food and Agriculture (Mbabane: 31 January - 1 February 1985), P. 2.

36. FAO. SADCC Agriculture Toward 2000, op.cit., p. 6.5.


40. Ibid.

41. SADCC. "Programme of World and Budget 1985-86: Southern African Centre for Cooperation in Agricultural Research" (9 April 1985).


47. Interviews with Mozambican and Botswanan agricultural officials at SADCC Joint Consultative Technical Committee Meetings, Harare, 12-13 June 1985.

48. Sam Moyo, Renee Lowenson, and Nelson Moyo. "The Root Causes of Hunger in Zimbabwe", work in progress at Zimbabwe Institute for Development Studies. This work documents that, in spite of overall surplus crop production, malnutrition is a serious problem in certain areas of Zimbabwe, with the average Zimbabwean hungrier in


52. Ibid.
