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Tel: 011-339-2021

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Fax: 011-339-2154

South Africa and SADC

Juliana Soares Santos is a Visiting Junior Research Fellow
from the University of São Paulo, Brazil.

How do South Africans perceive the Southern Africa Development Community, better known by its acronym, SADC? How important is SADC for South Africans? What do South Africans want from SADC? What are the problems with SADC? The following reports are based on interviews conducted with almost 30 knowledgeable people with an interest in SADC, representative of several sectors within South Africa, including business, labour, government, academia, and the media.¹

SADC and South Africa's Economy

The inevitable response when one questions South Africans about the importance of SADC for South Africa is that the country cannot be an island of prosperity in a sea of poverty. The most visible consequence of such disparity in economic development is illegal and unskilled immigration from South Africa's neighbours, a concern shared by many. It is hoped that if SADC becomes a vehicle for development in the region, it will be useful in preventing workers from other countries from coming to South Africa for jobs. This was pointed out as the factor that actually leaves South Africa with few choices but to make SADC work.

Secondly, the potential of the SADC countries as a market (130 million people) for South African goods appears to be very important to South Africans, especially but not exclusively among representatives from the business sector. Most analysts agree that the markets are still too small to make much of a difference, but, business in particular, believes that South Africa should access those markets before others do. One academic stressed the huge increase in trade with SADC countries since South Africa started its own political reforms in the early 1990s, though the resulting trade imbalance (South Africa exports 10

times as much as it imports from its neighbours) has yet to be addressed.

A very important point raised by a small number of the interviewees but from a range of backgrounds (one academic, one government, and two journalists) is that the type of trade between South Africa and Southern African countries is qualitatively different from that with Europe, South Africa's major trade partner. While, generally speaking, the SADC countries buy a wide range of manufactured goods from South Africa, thus contributing to the country's industrialisation process, Europe still imports commodities as it did in the colonial times, contributing little to South Africa's development. The Southern African markets are viewed as the ones that will make economic growth possible, offering South African companies the possibility to expand.

One distinction, stressed by some academics, is that while the SADC countries are important for the South African economy, especially for the above reasons, that SADC as an organisation is not necessarily so. Because South Africa can deal with its neighbours on a bi-lateral basis - and most of its neighbours want preferential arrangements with the largest economy of the region - SADC, *per se*, is not essential to increase the type of trade that brings the advantages listed above.

According to academic and government circles, Southern Africa's economy has always functioned as a region historically speaking, with South Africa at the core and the remaining countries basically supplying the labour. SADC in its current form is intended to formalise or manage this *de facto* integration. One complication, according to one of the academics interviewed, is that the way SADC would manage this integration may actually undermine it. Since SADC is an organisation of

states, largely dominated by elites, the kind of framework the organisation can provide would only benefit such elites.

Only one journalist mentioned the importance of SADC as a vehicle for South Africa to engage in the global market.

SADC as a Priority for South Africa's Foreign Policy

Most actors interviewed do believe, however, that SADC is and must remain a priority for South Africa's foreign policy, followed by Africa and then the world (for one person in government, South-South relations should come in third). It occupies this position not only because of the need for economic development in the region, but also as an instrument to foster political stability. However, one academic questioned the authenticity of such priority, while one representative of the business sector criticised the lack of a clear policy or strategy on the side of the government.

A few of the academics interviewed argued that it is a mistake to focus so much on trade rather than on a broader approach, not underestimating the political and strategic aspects. The present approach tends to concentrate on the interests of South African business, for whom the importance of the region is reduced to its value as a market. Indeed, some representatives from the business sector did express their concern with what they perceive as an overly political emphasis of SADC, rather than focusing on trade issues.

The idea of a moral obligation towards its neighbours because of their support to the struggle against apartheid is seen as an important reason for South Africa to support their development through SADC. However, most people believe this should not be the major factor, because South Africa's interests cannot be overridden by this feeling of indebtedness.

Again, the distinction between the region and the organisation was raised, with one academic questioning the instrumentality of SADC to pursue South Africa's interests in the region. Another academic recalled how little support there had been for South Africa to join SADC from many sectors within the country, most of which now fully accept the centrality of the region for South Africa.

One journalist emphasised that engaging in the global arena as a regional grouping gives South Africa much more leverage than acting as a single state, and SADC, in spite of its shortcomings, is the most workable such grouping.

Reconciling Other Agreements and Priorities

While most analysts agree that other agreements should not harm the priority given to SADC, a few insist that the European Union (EU) comes first and that the Southern African Customs Union (SACU) negotiations can still complicate the dealings within SADC. A couple of academics suggested that the deadline for the establishment of a free trade area within SADC in eight years is actually related to the EU agreements, an attempt to get SADC ready when the free trade with the EU happens. As for SACU being absorbed into SADC, another academic stressed the difficulties relating to the loss of revenues by the BLNS countries when that happens. Generally speaking though, there is a sense that such other negotiations, albeit not smooth, can be actually used to reinforce SADC's unity.

Speaking on the negotiations with the EU, government officials emphasise South Africa's efforts to always place the country's interests in the context of SADC, even stalling the negotiations when SADC's interests were not being sufficiently considered. In this sense, one source suggested that these negotiations actually brought South Africa closer to SADC, because it proved that the organisation comes first in the country's priorities. Another opinion agreed that there seemed to be a threat to SADC at one point, but that this has since faded. The problem remains that the ideal would be for SADC and not South Africa to negotiate with the EU. This would enhance the concept of partnership rather than an individualistic approach, and play down the *big brother* syndrome. A related concern was that South Africa appears to see itself not as part of SADC, but as an outsider that has to deal with SADC.

One academic spoke about the complex manoeuvring behind all the various trade negotiations involved in the process, including South Africa-SADC, SADC-WTO, SADC-EU, or SADC-IMF. Considering all 14 countries in SADC, each with an immense list of products and tariffs to be negotiated separately, plus the domestic side with its own set of negotiations on which South Africa's offers are supposed to depend, one cannot say that SADC is an easy priority. The challenge here, according to the aforementioned academic, would be to use all such negotiations as instruments of industrial policy rather than limiting them to aiming at free trade for its own sake. Though complex, South Africa and SADC have to play the globalisation game as much as possible on their own terms.

Domestic Priorities and Constituencies and SADC

There is almost total agreement that South Africa's emphasis on the Reconstruction and Development Programme (RDP) doesn't interfere with its commitment to SADC. Not only does the RDP have a regional dimension, but it is also impossible to dissociate domestic development from regional development. South Africa will never be able to address its housing problems, only to mention one issue, if the inflows of foreign labour are not dealt with. The RDP is actually seen by some people in government as a foreign policy tool in the sense that its principles and methods can be transported to the regional level to foster regional development.

As with most regional trade negotiations around the world, there is concern about unemployment and the collapse of certain industries due to the comparative advantages of other participating countries. Thus cheaper labour and availability of raw materials in neighbouring countries may attract labour intensive industries, resulting in the loss of jobs and the end of certain industries in South Africa. One labour representative was very frustrated with the absence of impact studies, something he believes the DTI should prioritise in order to negotiate the Free Trade Area (FTA) properly. Most other people seemed aware of this argument, but this doesn't appear to be a major concern yet. Not only do the negotiations for the FTA include time for the re-structuring of certain sensitive sectors, but there is also a perception that even without SADC such industries would eventually move anyway. Furthermore, rather than disappearing, some industries would be reformed in order to add value to products from other SADC countries, which is beneficial for the country as well as for the region. The labour sector is attempting to co-ordinate regional standards in terms of wages and rights differentials rather than simply opposing regional integration. It is an ambitious and complex approach, but possibly the only one that can be sustained in the long run.

There is concern in some quarters about the domestic constituencies that are determining the type of SADC that South Africa is pushing for. There is felt to be little knowledge, interest and effort from most sectors of society in relation to SADC, and the model that has been advanced is one that privileges the trade aspect of SADC. While there has been, as mentioned before, a *de facto* integration in the region, SADC does not effectively address situations already impacting on the region's inhabitants, such as the movement of labour, common solutions for infrastructure problems, and so on. Although there are protocols

on most issues, they are usually devised without input from the people affected, resulting in poor or no implementation at all. One example is the movement of labour that has always taken place, but is unrealistically addressed by SADC. Thus the involvement of civil society in the SADC structures is also a domestic issue, raising the question of how the country wants to engage with the organisation, or whether the country's participation in SADC reflects the interests of the society as a whole.

Problems with SADC

All but one of the people interviewed agree that SADC has many problems, some of which have no easy solutions. The problems range from the goals and objectives of the organisation to its structure and more functional aspects. They also include political dilemmas and economic obstacles.

There is a general concern about the perceptions that other SADC member countries have regarding South Africa. Its predecessor, the SADCC was created to deal with South Africa's economic dominance and political enmity in the region. The political threat from an apartheid regime is gone, but South Africa is still the economic giant of the region, and it is regarded with suspicion by its neighbours. At the same time, because of its economic dimension as well as its international projection after 1994, South Africa is expected to play a leadership role. South Africa is not clear on how to lead the region without forcing its way, nor do the other countries know what kind of leadership they would respect, if any. Many of the impasses within SADC are related to South Africa's role. Most analysts believe that South Africa will have to be patient, while others believe that it is time to assume a stronger stand, especially on issues that are not harmful to the other countries. The most frequently cited example is the dispute with Zimbabwe over the Politics, Defence and Security Organ, which that country sees as autonomous within SADC. In practice, Zimbabwe would chair the organ, while South Africa chairs SADC. Because Zimbabwe was seen as the leader of the organisation before South Africa's joining, it is trying to remain a crucial player *vis-à-vis* South Africa.

In terms of SADC's structure, everyone agrees that the Secretariat is inefficient and does not follow the lead of the countries it is intended to serve. The release of a report concluded by a pool of consultants from several Southern African countries is seen as an important step for re-structuring SADC, but there is a high degree of frustration

with the lack of interest from most countries. South Africa feels that it is in the difficult position of wanting to push the reforms through, without being seen to impose them. Since the reforms would change the way that responsibility for sectors is allocated, many countries are afraid of losing power in the process. Another controversial proposal is to have countries paying for SADC according to the size of their economies rather than having every country contributing the same amount. Again, however, there is a fear that South Africa would dominate SADC since it is by far the richest member.

Still in terms of financing SADC and its projects, everyone agreed that the organisation has to move away from donor dependency, though this is still the mentality of many members (even if it is not stated). There is also a considerable degree of frustration with the lack of political will from some members, evidenced by their sending delegations to meetings without the mandate to negotiate, focusing on personal or political gains rather than working for SADC's or the countries' interests, and so on.

One issue often raised is the lack of capacity within SADC to carry out all its objectives. The first possibility is that South Africa may end up dominating the scene yet again, since it is the member with most resources, including human resources. The other countries will have to face this reality and make hard choices. Another possibility is that SADC could focus more and limit its scope to issues within its capacities. This does not appear to be the case yet, and the inclusion of the former Zaire, now *Democratic Republic of Congo (DRC)*, and the Seychelles have been used to illustrate the point. Not only they are both much further from SADC standards than previous members, but the DRC especially has very complicated and serious domestic problems. Even the fact that French will have to be another working language within SADC is a considerable additional cost. The disappointment with this decision is massive, with a couple of exceptions from business and government, for understandable reasons relating to their sectors. The DRC's acceptance into SADC is seen as a political move by most, and as a result of mining interests by some. Its hydroelectric potential is also considered important.

The economic disparities between South Africa and its neighbours is another problem agreed upon by all interviewees, and it lies at the heart of the above mentioned problems. South Africa's GDP is 20 times as large as the next largest economy in the region, namely, Zimbabwe. Most analysts agree that this is a crucial problem that should be addressed by the Trade Protocol.

Academics and government spokesmen stressed the problems arising from the lack of involvement of civil society in SADC, and pointed out that there are two integration trends or schemes, running parallel to one another. On the one hand is the historical connection among the peoples in the subcontinents. Families and languages, as well as labour, have always crossed state boundaries. On the other hand, there is the formal attempt of integration through SADC, which often does not take account of what has been happening historically. One academic utilises the terms 'political economy' for the former and 'the regional state system' for the latter. Sometimes the two may overlap, but they do not do so systematically. The problem is that the regional state system tends to cater for the interests of the elites within each country, who dominate the respective states. Therefore it would take a good deal of political will and manoeuvring to make SADC work for the people of the region. The good thing though is that there is already a sense of regional identity that offers potential for integration.

Political instability is also a source of concern, especially in relation to state sovereignty. Although human rights, democracy and the rule of the law are supposedly espoused by SADC, attempts to deal with violations of these values confront the entrenched principle of non-interference, motivated by self-interest. South Africa has not been backed by other SADC members on the few occasions that it raised such issues. Rather, many feel betrayed, despite their past support of the ANC.

Priorities for SADC

Priorities for SADC are therefore generally related to addressing the perceived problems. The need for more efficiency, transparency and political will is generally accepted, but interviewees differed on the direction that SADC should move in. Some, mostly in business, but also a few government officials, believe that trade liberalisation and the FTA should be the focus. Others have a series of other concerns besides the FTA, considering it part of a broader project.

One academic insisted on the importance of using trade policy as industrial policy, thus focusing on the process rather than on the goal of free trade. The bargaining for tariff reductions should consider the need for industrialisation of SADC countries within a regional plan. South Africa should have the vision to work on the broader picture when dealing with SADC, considering negotiations within the WTO, Lomé, and other important structures and channels of globalisation. These processes

should be utilised to optimise South Africa's and the region's options in a globalising world.

The involvement of non-governmental actors was considered very important by most interviewees. Some focused on traditional sectors, such as organised labour and business, while a few stressed the need for civil society as a whole to engage in SADC, so that the people have more control over SADC structures, rather than letting an elite-dominated state 'run the show'. There are differences between those who believe that SADC should be far less ambitious – which usually means focusing on trade and concluding the FTA in eight years – and those who want it to be part of an all encompassing strategy, including trade, development, industrialisation, infrastructure, employment, and other specific projects.

As one could expect considering the problems listed in the previous section, the reform of SADC structures is among the highest priorities for almost all analysts. This includes reformulating the co-ordination of sectors, moving away from the concept of sector ownership by a country, and allocating them according to comparative advantages or specific capacities. The Secretariat should have a different character, providing effective and responsible leadership as well as bringing efficiency into the organisation.

Political will is considered to be essential. While most critics agree that this is a problem mainly for

SADC countries other than South Africa, some believe that South Africa too is not all that willing to address certain issues, such as pushing for civil society involvement. Among other perceived priorities is the need for emphasis on the principle of good governance.

Conclusions

SADC is regarded by all as a complex organisation, with very important shortcomings. The diagnoses of its problems, as well as the suggested priorities, diverge in important respects. Still, there is a strong shared perception that SADC has the potential to be a crucial instrument for regional as well as domestic development, and most sectors appear to be willing to tackle the challenge. After observing how South Africans perceive SADC, the task remains of checking the perspectives of important actors in other countries so that the parties involved may eventually develop a more informed approach and address the issues more effectively.

Endnotes

1. This was not a quantitative survey, and is not intended to be representative of public perceptions. The interviewees were hand-picked as they were felt to be influential individuals in their respective sectors.

STATEMENT OF PURPOSE

The South African Institute of International Affairs is an independent organisation which aims to promote a wider and more informed understanding of international issues among South Africans.

It seeks also to educate, inform and facilitate contact between people concerned with South Africa's place in an interdependent world, and to contribute to the public debate on foreign policy.