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# **POST-APARTHEID SOUTH AFRICA: REGIONAL ECONOMIC POLICY**

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Patrick FitzGerald  
Association of ANC Economists Committee (U.K.)  
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"The present apartheid government has argued that it has the right to dominance over the region, and it is quite possible that a majority government of whatever political colour would have the same view. Many South Africans, even in the liberation movements, are surprisingly insular. They are demeaning about the neighbouring states and arrogantly assume that a more sophisticated and more industrialized majority-ruled South Africa would "naturally" lead the region."

(Joseph Hanlon, 1987)

"Liberation <of South Africa> would certainly open up vast possibilities for a new development of the entire region. Southern Africa, with a population of more than 100 million today, comprises an area about as large as the United States. It possesses rich mineral and energy resources, as well as soils and climates capable of growing almost every kind of crop; and regional co-operation holds fruitful possibilities for much improved living standards for all the regions inhabitants. Southern Africa beyond apartheid would indeed be rich in possibilities."

(Elling Njal Tjonneland, 1989)

"When the eradication of apartheid is achieved .....  
SADCC will then consider South Africa a *bona fide* member, which will *ipso-facto* lead to a new approach to the problems of this region."

(H.E. Kenneth Kaunda, 1990)

## **ABBREVIATIONS**

<b>AAC</b>	Anglo-American Corporation
<b>ANC</b>	African National Congress
<b>BLS</b>	Botswana, Lesotho and Swaziland
<b>CMA</b>	Common Monetary Area
<b>CONSAS</b>	Constellation of Southern African States
<b>DBSA</b>	Development Bank of South Africa
<b>EC</b>	European Community
<b>FLS</b>	Front-Line States
<b>Forex</b>	Foreign Exchange
<b>OECD</b>	Organisation for Economic Cooperation and Development
<b>PTA</b>	Preferential Trade Area
<b>SA</b>	South Africa
<b>SACU</b>	South African Customs Union
<b>SADCC</b>	Southern African Coordination Conference
<b>UN</b>	United Nations
<b>USD</b>	United States Dollars

## Introduction

The fact of South Africa's economic preeminence within the Southern African region is both well known and well documented. Less well researched is the question of the new regional economic dispensation which will follow the long-awaited demise of apartheid and the establishment of a democratic, non-racial South Africa. Eiling Tjonneland has recently identified a general trend within the Post-Apartheid research industry characterized by "the poor - and almost non-existent - discussion of the future organisation of relations between the Southern African economies after the end of Apartheid". (Tjonneland 1989 (A), p. 50)

Of course much previous research and debate has been concerned with the modalities of South Africa's regional economic domination, not least of all with the strategy of destabilization carried out during the 1980's. (See for example Smith, Chaps. 1 - 6) Destabilization, as part and parcel of the infamous (and now defunct) "total strategy" developed during the P.W. Botha era, combined economic and military techniques of coercion to achieve certain political goals in the context of the domestic and regional defence of apartheid hegemony. During the implementation of this policy of "destructive engagement" the development effort within Southern Africa has been severely set-back, with devastating consequences for the ordinary women, men and children of the region.

However just as the anti-apartheid struggle in South Africa generated an unprecedented unity and intensity of struggle among communities and organisations; so the struggle for development in the face of the most adverse circumstances has been to some extent the catalyst for a sustained drive for economic cooperation and coordination among Southern African states - most graphically represented in the continuing viability and vibrancy of the SADCC initiative. (See Malecela.)

This paper is mainly concerned with thinking through the consequences of a South Africa no longer at odds with its regional neighbours, but instead ready, willing and able to enter into the prevailing spirit of regional cooperation and teamwork. Of course this is not as simple as it sounds and involves many complexities; including the constraints its own inherited economic structures and relationships may impose and the ***amount of political will available for the formulation of economic policy within the perspectives of long-term regional development.***

It seems clear however that unless the vital issues of regional economic coordination and cooperation are posed early on in regard to future South African economic policy, it will become harder and harder to get these concerns onto the policy-making agenda later (when we are grappling with the multifarious intricacies of our own internal economic policy implementations). However it would indeed be a great pity if we did not give ourselves the time to consider the many positive aspects of regional coordination including the establishment of "a powerful regional market which can be the basis for future economic growth and prosperity". (Isaksen)

### **Background to Hegemony**

This is not the place to detail the various forms SA's assertions of regional domination have taken. (See FitzGerald, Chaps. 1 - 3) However it can be noted that the precise character of the uneven development within Southern Africa and concomitant dependency relationships have been largely determined by the exigencies of colonial power and colonial rule. The very context of South Africa as an imperialist sub-centre in the region has a long history.

The 1910 Union of South Africa was conceived at the time to be of a somewhat provisional nature and an official schedule appended to the Act of Union makes mention of the three BLS countries as destined for "transfer" at a later stage. South Africa's first Prime Minister, Louis Botha, stated repeatedly that SA would never be complete without the BLS and Northern and Southern Rhodesia had been included. Smuts took the matter further and at a meeting of the Imperial War Cabinet convened in 1917 to discuss "territorial desiderata" was at pains to explain why South West Africa (Namibia) and Mocambique would "give South Africa a natural frontier and round it off as a compact block of sub-tropical territory". (Hyam, p. 29)

By the 1940's however Smuts conception had become less crudely territorial and more overtly economic and in an article entitled *Greater South Africa: Plans for a Better World* he says that "all Africa may be our proper market if we will but have the vision".

In 1963 after the final failure to incorporate the BLS territories SA proposed the establishment of a Southern African Common Market. The

so-called "detente efforts of the early 1970's had a direct bearing on Vorster's idea of "an economic power bloc" in Africa and in 1975 in a speech in Sterkstroom he coined the term "constellation" whilst referring to projected closer economic linkages between SA and the other Southern African states.

In this sense the roots of Botha's 1979 CONSAS initiative can be clearly traced through the historical development of regional arrangements and the continuous assertions of South African political and economic hegemony. In fact a crucial and consistent idea behind SA thinking, highly evident from Verwoerd onwards, was that the economic might of SA would eventually triumph, inexorably sucking the region into ever closer and more formal relationships with the apartheid state. However CONSAS, the great white hope, failed twice to take the title - once after its initial launch when it was trumped by SADCC, and once again when it attempted a come-back following the Nkomati Accord.

### **The End of Destabilization**

It is now almost certain that we have now reached a new era in which destabilization is at last winding down. Perhaps intended as a subtle scalpel (See Geldenhuys) this policy device turned into a brutal and costly sledgehammer. Far from neat and effective realpolitick, tailored to the interests of SA capital, this set of policies has now been exposed as an all out assault on the social and economic programmes of the SADCC states. Given SA's own delicate position during the 1980's as a semi-peripheral economy during a period of international transition in global economics, she could hardly afford to so systematically run down the very markets off which she was best placed to feed. This contradiction is indeed an important part of the origins of SA's present economic crisis which a democratic government must willy-nilly inherit.

It is therefore probable that the various business/financial/commercial interests once mobilised so phenomenally behind CONSAS will now distance themselves from the remaining wreckage of apartheid's regional policies. Soon after the 1979 Carlton Conference Gavin Relly, then Chair of the giant AAC remarked that, "Whether the states of the region like it or not, they have no choice but to accept the Prime Minister, P.W. Botha's <CONSAS> proposals...". As it happened the combined force of the Apartheid state and the AAC was not sufficient to enforce such an acceptance. This victory by the people of Southern Africa is of tremendous importance as it opened the way to a different kind of

development for the region, and ultimately for SA itself.

### SACU, CMA and the DBSA

Despite the failure of the grandiose CONSAS conception, SA has nevertheless exerted considerable influence on neighbouring economies through SACU and the CMA. The SACU agreement was signed in 1910 between the newly minted Union of SA and the three British High Commission territories (now the BLS states). The *de facto* common monetary area already existing was formalised through a series of agreements known today as the CMA. Namibia, historically administered as SA's "fifth province" was included in these arrangements as a matter of course. Only Botswana, with the confidence of rising diamond, copper-nickel and beef exports, left the CMA in 1976 and took full control of her currency and monetary affairs. However, despite much internal argument since that time she has remained firmly within SACU.

SACU has two main components; *firstly*, a free trade zone (with certain difficult to invoke protectionist proviso's for infant industry), and *secondly*, a central customs pool. SA does the collecting of all customs revenues and afterwards distributes money owing on the basis of a negotiated formula. With no administrative expense the BLS receive annually extremely large sums, (in the case of Swaziland and Lesotho over half their government revenue).

But SACU is not an unambiguous gray train for the BLS.. As has been pointed out there are serious disadvantages as "they have found it difficult to industrialize because of their limited domestic market potential, competition from more efficient SA industries, and a sheer inability to match the incentives available to investors <in SA>". (Maasdop) Other writers have described in some detail how SA's unilateral control of the SACU financial mechanisms have allowed her to operate the system in favour of her own producers and to set duty rates and import surcharges in accordance with her own particular economic profile. (See Hanlon, 1986, Chap. 9).

During the mid-1980's SA also (unsuccessfully) attempted to tie SACU payments to participation in the Development Bank of South Africa (founded in 1983). The DBSA has so far been the creature of SA's "industrial-decentralisation" policies aimed at co-ordinating SA's own internal political restructuring as regards of Bantustan "development";

and was intended to play a further "development" role in Southern Africa as a lynchpin of CONSAS predominance. This attempted linkage constituted a sinister attempt by the SA government to subordinate the logic of international economic cooperation to her own problem solving in terms of the modernising and maintenance of national oppression domestically.

Aside from the fact that the BLS take an estimated 5% of SA's imports it has also been argued that SACU has been SA's trojan horse into both SADCC and the PTA economic arrangements, and that SA has proceeded to benefit considerably from aspects of these. A future government inheriting these powerful mechanisms (SACU, CMA, DBSA) will face the challenge of reorientating them to the welfare of all the participating countries. This reorientation will in all likelihood need to be accomplished in tandem with a new overall economic relationship to the SADCC countries and to SADCC as a regional body.

### Formation of SADCC

The background to the establishment of SADCC has been well documented (eg. Nsekela) and we cannot do justice here to the story of this remarkable regional achievement. There is no doubt however, painting the matter with a rough brush, that the common experience of anti-colonial struggle combined with the experience of continuing frontline conflict against apartheid SA played a vital catalytic role in SADCC's formation. Significantly, although the FLS grouping were at the heart of the SADCC initiative, they took care that the body involved all Southern Africa states without exception; therefore including, much to SA's surprise, Lesotho, Swaziland and Malawi. Also significant was the stress on SADCC as a body for mutual *economic* cooperation, at a certain critical distance from the diverse *political* ideologies of its members.

The now famous Lusaka Declaration which launched the body on 1 April 1980, shortly after the liberation of Zimbabwe remarks as follows:-

"Southern Africa is dependent on the Republic of South Africa as a focus of transport and communications, an exporter of goods and services and as an importer of goods and cheap labour. This dependence is not a natural phenomenon nor is it simply the result of a free market economy. The nine states and one occupied territory of Southern Africa (Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe) were, in



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varying degrees, deliberately incorporated - by metropolitan powers, colonial rulers and large corporations - into the colonial and sub-colonial structures centring in general on the Republic of South Africa. The development of national economies as balanced units, let alone the welfare of the people of Southern Africa, played no part in the economic integration strategy. Not surprisingly, therefore, Southern Africa is fragmented, grossly exploited and subject to economic manipulation by outsiders. Future development 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." (Nsekela, p.2)

This document also set out the following "development objectives":-

1. the reduction of economic dependence, particularly, but not only, on the Republic of South Africa;
2. the forging of links to create a genuine and equitable regional integration;
3. the mobilization of resources to promote the implementation of national, interstate and regional policies;
4. concerted action to secure international co-operation within the framework of our strategy for economic liberation.

It is interesting, however, that despite the over-arching theme of economic liberation from SA hegemony which characterises the origins of the SADCC project, a supporting document to the Lusaka declaration entitled *Economic Dependence and Regional Cooperation* already poses the question of "a liberated RSA" which "might well, in a spirit of co-operation, accept such a philosophy of balanced regional development". Although noting that the economic "centre-periphery problems" would still have to be faced, the document asserts "a certain degree of complementarity between the aim of reducing excessive economic dependence on RSA over the next few years and of creating the basis for balanced regional development in the longer term". (Nsekela, p47)

There would seem to be a case, which will be developed further in this paper, that the structures of the SADCC will prove the most suitable and practical to manage the economic reconstruction of an economically successful and prosperous Southern Africa; including the vital aspect of the full integration of a democratic SA. It is therefore important to stress that this overall programme, which includes the vital component of SA, has never been alien to the format and spirit of SADCC, but rather

represents a logical progression from SADCC's current achievements.

### SADCC's Progress

The SADCC has just celebrated its 10th year of existence, and a number of commentators have been drawing up the balance sheet concerning its performance to date. Most agree that its first and foremost achievement has been to survive and in fact actually consolidate itself in the face of the havoc caused by SA's savage destabilisation efforts. (See Johnson & Martin). SADCC has indeed come a long way since the early 1980's when it was dismissed in by Chester Crocker as "the region's own folly" when now lauded by no other personage than the World Bank's vice president for Africa as the "functioning example of how regional cooperation in Africa might work". (Hanlon, 1989), it is worth remembering that the World Bank was one of the major sceptics at SADCC's inception.

Certainly, it is worthwhile, in the first instance, to get an idea of what SADCC is and what it could reasonably be expected to achieve. "Development coordination" constitutes the central theme of the SADCC endeavour. The grouping is explicitly not a free trade zone, nor has it yet developed supra-national type structures which can impose decisions on members. It is more a kind of "mutual aid and cooperation society" (See Hanlon, 1989). Thus, unlike the PTA, it is driven primarily by infra-structural coordination, and not trade-led.

The SADCC has identified 13 sectors for effective teamwork, each coordinated by a member-state (eg. Energy/Angola, Transport and Communications/Mocambique, Mining/Zambia, Industry/Tanzania). Perhaps the most notable success has been in the area of transport and communications where progress has had to be achieved in the teeth of apartheid aggression. The grouping has also been remarkably successful in mobilizing international aid and has a special relationship with the Nordic countries in terms of an attempt to implement the *New International Economic Order* ideal between two regions.

One achievement of particular importance to our concerns in this paper is the less obvious, but fundamental achievement of SADCC, which is represented by the widening cooperation within the region in a multitude of fields including business, military, academic, foreign policy, training, etc. This cooperation may not explicitly carry a SADCC label; but this "thinking SADCC" as officials, politicians, business people get to know each other could be vital to the survival of the region in a hostile world economic climate. (The term *Sadocracy* has even been coined -

denoting the new developmental/governmental/business elite in the region). It is precisely this formation of an informal regional consciousness and regional solidarity from which most South Africans have been excluded. In this sense it is vital that the ANC adopt regional economic policies capable of joining and reinforcing this regional approach, not merely for reasons of political and economic morality, but in the interests of the rapid social progress of all in a transforming Southern Africa.

### SADCC Limitations

In regard to SADCC's limitations, one of these is these is the very factor usually (and rightfully) quoted as one of her major strengths, namely, her extremely small and modest bureaucracy. One commentator has suggested that there may be "better organised teams of experts and bureaucrats in Europe who are fully occupied with SADCC matters than there are in Southern Africa". (Mkandawire) This may or may not be an exaggeration but there can be no doubt that the sustained effort to break with SA hegemony, combined with unfavourable local and global economic factors, has led to an increasing dependence on outside expertise and assistance; especially in regard to the OECD countries. (This dependency also constitutes the darker side of SADCC's "success" in attracting large amounts of foreign aid to the region.)

The problem of skills formation poses a crucial problem to SADCC. Many technological, financial, consultancy and other services necessary for development to take place are available in SA. However, in regard to SA's own problems of uneven development internally and lagging economic growth, ***how will the capacity be found to support the region as a whole?***

This would seem to constitute a crucial challenge for a future regional economic policy of a democratic SA. It seems very evident that in terms of the urgent problems prevailing inside SA, regional needs may take a very poor second place on the order of priorities. ***However if we are thinking further than a risky "quick fix" approach towards sustainable economic prosperity in SA, we would be well advised to consider the question of the economic health of the region as a whole.*** This should not be understood merely in terms of SA philanthropy towards less fortunate neighbours; (although the region has made a major contribution to SA's prosperity through, for example,

migrant labour and deserves some consideration on that score.). Instead *a future economic policy should right from its inception take into account the organic linkages between national and regional prosperity and turn the deeply fundamental integration between SA and the rest of the region into a positive economic factor*. This paper suggests that early SA membership of SADCC will constitute the best framework for this kind of regional economic reconstruction.

### SA and SADCC

It is of note that the SADCC countries take just under 10% of SA's total visible exports. This becomes even more significant when calculated as around 20% of non-gold exports. (Martin, p.29) The SADCC states, even in their present state of economic weakness constitute a vital market for SA manufacturing and services. At the same time, only Angola and Tanzania, of all the ten SADCC countries conduct more trade intra-SADCC than with SA.

Other intimate economic linkages exist, not least of all in migrant labour. Statistics show that in 1986 a full 40% of workers on SA mines came from outside the country, a drop of only 2% since 1982. (See Strom).

It is certainly the case that the SADCC countries never set out to economically delink their countries from SA totally. This was always seen as impractical and unsustainable, (a point misunderstood by sections of the sanctions lobby and the SA securocrats alike). However it was definitely intended to consolidate leverage through regional cooperation to break SA's hegemonic stranglehold and achieve room for strategic economic maneuver. And of course SADCC in the initial form it has taken over its first ten years was vitally necessary as a regional holding action against apartheid SA, until such time as the forces of democracy could bring their efforts to fruition. In this last objective it has succeeded admirably - what however of the future?

In short, as is already well perceived by some commentators, "in its present form, SADCC can hardly be a relevant model for post-apartheid regional cooperation in Southern Africa". (Datta, p. 94) In fact during the recent SADCC 10th Anniversary Conference in Leeds the keynote SADCC speaker, Tanzanian High Commissioner to the U.K., J.S. Malecela, departed

from his prepared speech to note that "the challenges facing SADCC in the 1990's will be completely different than those in the 1980's".

He also insisted unambiguously (and this *was* included in the prepared statement) that "the economic rationale of SADCC, and the need to coordinate development in the region, could in future be the region's blessing when it will include a majority-ruled SA". (Malecela) He added that he had no doubt that he personally would live to see SA a full SADCC member.

This kind of thinking was well anticipated up by Ansu Datta who in an 1988 paper noted that since cooperation with a democratic, non-racial and friendly SA is likely to be a priority objective SADCC is likely to be transformed to accommodate both SA and the changed circumstances. (Datta, p 94) In this scenario the strategy of bypassing SA as much as possible will be replaced by one of "making maximum use" of SA's resources.

Not all commentators agree however. In 1987 Hanlon felt that it was "highly unlikely" that SA would be asked to join SADCC, and goes on to warn darkly that "all too often liberation movement forget the friends who sacrificed for them". (Hanlon, 1987). In a later publication he again forecloses the issue by referring to Namibia as SADCC's "tenth and final member". (Hanlon, 1989) Pyecroft, while commenting that the SADCC countries need to act in such a way (unspecified) as to ensure that SA adopts economic policies sympathetic to regional developmental concerns, continues to use the old (unhelpful) language of SADCC as a "counterweight" to South Africa. (Pyecroft, p.9).

Isakson, whilst in general optimistic feels even assuming a relatively problem free transition in SA "various pressures in the economy would require so much resources and attention by policy makers that the scope for attention and support to the problem areas in the region would be rather limited". Thus he feels that "South Africa's regional economic policies would therefore tend to emerge as a reflection of domestic problems rather than arising from a particular interest for the regional and continental context". (Isakson, p. 205).

Other commentators refer to the difficulty of SA and region escaping from the dominance and hegemony of the past. (Eg. Tjonneland, 1989) This point can certainly be well taken, as the formulation of progressive regional economic policies in a future SA is far from automatic and depends heavily on the clarity of ANC policy thinking on this matter.

However, the potential gains in terms of overall sustainable prosperity for Southern Africa are of such importance and magnitude that the attempt place this issue nearer the top of the agenda is surely justified.

Throughout the recent discussion on this issue one is struck by the pessimism of the Western academics compared to the upbeat attitudes of the Southern African commentators. Chairing the recent Leeds Conference on 10 Years of SADCC the Botswana High Commissioner, Mrs M.N. Nasha spoke quite naturally about the progress towards a free and democratic SA "which would probably soon be the 11th member of SADCC". It is obvious that many people in the SADCC countries strongly identify with the successes of the democratic forces in SA and experience a strong sense of regional participation in the unfolding events. ***Will future SA policymakers opt for chauvinist and narrowly nationalist economic recipes or will a democratic SA play a progressive and transformative role within the entire region as a fully-fledged SADCC member?***

The argument in this paper is that a democratic SA belongs economically, culturally and politically in SADCC; and that far from the one-way street some assume, SA can learn from the developmental, administrative, diplomatic and economic experience and expertise already built up within the region. Certainly in terms of the methodology of regional cooperation it is SA who is the novice. ***Surely it is better for SA's wholly disproportionate strength to be dealt with within the SADCC institution which has already established regional organisational practices and developmental criteria; than for SADCC to confront an isolated SA which is not subject to the priorities, concerns and responsibilities of SADCC membership?***

### **SA Business Perspectives**

The February 1990 edition of the Standard Bank *Economic Review*, which is entirely devoted to an address on regional economic co-operation in Southern Africa by the Chairman of the Standard Bank Investment Corporation H.P. de Villiers, makes for extremely instructive reading. De Villiers has no doubt that "the wider Southern African region needs to come together to produce real success". He says SA, with its levels of expertise and strong infrastructure as a major catalyst for the economic



revival of the SADCC countries and beyond. He also identifies the SADCC as the most likely structure to manage this "regional integration".(He would like to reconcile the SADCC cooperative structures with the expertise and resources of the DBSA.) (de Villiers, p 3)

De Villiers is evidently well aware of possible counter-arguments to integration with SA, and is anxious to stress that "it is quite possible to create structures within economic communities to level the advantages and disadvantages of various regions". Further, given the overbearing economic strength of SA " a formula would also have to be found to remove fears of domination by an overly powerful and comparatively well-developed neighbour". De Villiers also touches on the phenomenon of regions banding together in order to survive in the competitive global economy (EC, North America, Japan/S.E. Asia) and questions the feasibility of the old fashioned models of "national development" within the global "new times". These last are certainly observations being made as much on the left as on the right. (See Campbell et al)

There are various lessons which can be drawn from this sophisticated and bold address by a leading representative of SA business. The one I wish to highlight however is *the extent to which business interests are seriously thinking through the modalities of SA's new relationship to the region and the potential economic ramifications*. This may be seen as yet another attempt to impose CONSAS on Southern Africa (See Pycroft), but it may also represent the total abandonment of the state-led CONSAS strategy in favour of a much more pluralistic entrepreneur-led thrust into the region. The unnecessary baggage of CONSAS, ie. legitimating the Bantustan system and the occupation of Namibia, imposing SA's military fiat, sanctions breaking, preserving classic apartheid racial hierarchies at all times, denying bases to the ANC, etc. has all been jettisoned in favour of pragmatic economic considerations.

The broader message then, is that *if regional economic cooperation is not thought through most carefully as a priority area, and fully integrated with domestic economic strategy, then big business will manage the regional economy on its own terms without the participation of the democratic forces*. Were we to allow this to happen we would only be following the example of the progressive forces and socialist parties in Western Europe who generally failed to see the significance of the emerging European Economic Community and remained overly obsessed with parochial "national"

issues. (It has been a great historical misfortune of our time that so often it has been the forces of corporate capitalism who have been the effective "internationalists"; whereas internationalism on the left has so often remained the ink of congress resolutions and occasional junkets by leaders visiting each others turfs.)

### **The Preferential Trade Area for Eastern and Southern Africa**

The PTA grouping (headquartered in Lusaka, Zambia) consists of Burindi, Comoros, Djibouti, Ethiopia, Kenya, Mauritius, Rwanda, Somalia, Uganda and all the SADCC members except for Angola and Botswana (who will probably soon join). It arose as a UN Economic Commission initiative and came into operation in 1984.

Primarily it involves "a progressive elimination of trade barriers within the region, especially tariffs, and the creation of an optimal multilateral clearing facility administered by Zimbabwe". (Martin, p. 58) The idea is to enable members to trade in their own currencies with balances being settled every two months in USD.

Unlike SADCC which initially stressed infra-structure and is now increasingly concerning itself with production, (which might then "push" trade); the PTA through a series of formal accords prioritizes trade (which might then "pull" production). (See Hanlon, 1989, p. 66)

The PTA has experienced a number of difficulties related to both disputes concerning local content, forex payment defaults and institutional conflict with SADCC and SACU. We are not able to discuss these issues in detail here. It is possible however, that as the PTA finds its feet a relationship of complementarity with SADCC will emerge, with bilateral SADCC trade agreements being subsumed into the overall PTA schema.

There can be no doubt that should the PTA begin to function effectively SA will have an enormous vested interest in using the structure to reach previously inaccessible African markets. It is not clear how the PTA will respond to a post-apartheid SA, however SA's bargaining position in this regard would be much strengthened were she to be already embarked on integration into SADCC activities and agreements.



### **SADCC and "Economic Liberation"**

It should be made quite clear that SADCC is not a "mode of production" project or undertaking. The quest for collective self reliance at a regional level does not automatically address the problems of growing economic inequalities within member states. Thus, as discussed by Balefi Tsie, regional "economic liberation" is not a class free process. However, it may well be one in which "the dominant classes in the SADCC region accumulate while possibly giving the dominated classes (workers and poor peasants) some material benefit in the process; i.e. jobs, basic needs, etc". (Tsie, p. 5)

Mkandawire also criticizes overly simplified views of regional economics which project a mystified "third worldism" whilst avoiding the sensitive and important questions concerning "the existence and nature of a national bourgeoisie, its links with foreign capital and its position in the state apparatus". (Mkandawire, p161)

Regional cooperation, through SADCC or any other mechanism, does not constitute a magical solution to development problems, nor does it of necessity empower the least privileged and most exploited within the region. Nonetheless, a vital and dynamic regional economy will open opportunities to greater economic equality and social justice which might well not otherwise be available. At the same time a powerful SADCC (including a democratic SA) may be in a position to gain maximum regional and developmental autonomy from the forces of global imperialism which have historically dominated in Southern Africa.

This cooperation will be all the more necessary due to the extent of SADCC dependence built up on the EC and OECD countries during the phase of survival against apartheid destabilisation; as well as SA's own structural inadequacies after decades of economic mismanagement.

### **Conclusions**

A political settlement in SA ending of apartheid and establishing a democracy will bring tremendous opportunities to the region. Development will be able to proceed peacefully without military threat from SA (or her proxy forces) and an "investment honeymoon" is possible. Within this new regional environment potentials built up regarding infrastructure, agriculture, transport, manpower and production made within the SADCC area should be realised.

SA would benefit in terms of energy cooperation, water resource agreements, mineral resource considerations, unhindered access to proximate markets for her goods and services, investment opportunities, savings on military expenditures, regional tourist ventures and (paradoxically) increased donor flows and overseas aid direct to projects and programmes in SA.

At the same time the situation could create problems for the SADCC countries in terms of overall SA economic domination, greater industrial competitiveness, capacity to draw skilled human resources from the region and cause a "SADCC braindrain", need to provide employment to SA nationals at the expense of "foreign" migrants, and various other considerations.

A framework of regional cooperation is needed to accommodate all these concerns (both positive and negative) in order to maximize the benefits of the new situation for the region as a whole. SADCC, which already has an impressive track record as well as functioning structures of an appropriate kind may be able to meet this need. **Since SADCC already has strong and proud traditions the member states will not be overwhelmed by SA participation within this cooperative institution.**

SA economic policymakers have the option to concentrate first and foremost on SA's own problems and dilemmas, then afterwards see what can be done on a regional level. This paper has strongly suggests a different option; ***that the regional dimension be taken on board right from the beginning and fed into the domestic economic debate as a major factor***. Such a far-sighted approach will benefit SA as potentially an integral part of a dynamic and progressive region capable of surviving and sustaining development within a changing global environment.

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