Southern African development coordination conference SADCC: an assessment of economic integration and reduction of dependency in the region

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SOUTHERN AFRICAN DEVELOPMENT COORDINATION CONFERENCE (SADCC): AN ASSESSMENT OF ECONOMIC INTEGRATION AND REDUCTION OF DEPENDENCY IN THE REGION

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ABSTRACT

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SOUTHERN AFRICAN DEVELOPMENT COORDINATION CONFERENCE (SADCC): AN ASSESSMENT OF ECONOMIC INTEGRATION AND REDUCTION OF DEPENDENCY IN THE REGION

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This research is aimed at assessing SADCC in relation to the degree to which it has accomplished its own aims, regional economic integration and reduction of dependency. The study has relied on and used the dependency theory which holds that the development in a peripheral capitalist system is a continuous process of dispossessing the less developed countries of their raw materials in favor of maintaining the advancement of the capitalist countries. In short, neo-colonial dependence view of underdevelopment attributes a large part of the Third World's continuing and worsening poverty to the existence and policies of the industrial capitalist and socialist countries and their extensions in the form of small but powerful elite groups in the less developed countries.
The research came with the following findings and conclusions. That SADCC countries have been integrated into the capitalist system due to the European colonization. That despite the efforts of SADCC and their proclaimed goals of economic integration and self-reliance, the SADCC region has not reduced dependency but rather there is a new dependency on other external countries. SADCC's committed strategies have not produced self-reliance and economic integration in the region due to the structure and activities of SADCC.

In order to correct this imbalance and dependency, few options are possible. SADCC should embark upon the socialist mode of development because socialist methods will diminish the degree of dependency as in the case of Cuba. Intra-regional trade should be encouraged to bring about some form of transaction flows and economic integration. Establish appropriate ways of encouraging agricultural productivity in order to alleviate the shortage of food problems in the region and adopt capital accumulation methods.
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LIST OF ABBREVIATIONS

ACP----------African Caribbean and Pacific States
CAF----------Central African Federation
CMEA---------Council for Mutual Economic Assistance
CONSAS------Constellation of Southern African States
EAC----------East African Community
EEC---------European Economic Community
ECOWAS------Economic Community of West African States
GDP---------Gross Domestic Product
GNP---------Gross National Product
LOME I-------First Lome Convention
OAU---------Organization of African Unity
OPEC--------Organization of Petroleum Reporting Countries
PTA---------Preferential Trading Area
SA----------South Africa
SACU--------Southern African Customs Union
SADCC-------Southern African Development Coordination Conference
UDEAC-------Union Domaniere et Economique de L'Africa Centrale
UN----------United Nations
CHAPTER I

Introduction

Since the end of the colonial era, African States have been struggling to develop patterns of continental and regional cooperation that will serve to break down debilitating dependence on the old metropolis without shattering the inherited nation-state structures. For various historical and geographical reasons, most of these experiments have taken place in Sub-Saharan Africa. Some of the organizations that have been formed include the Union Douaniere et Economique de L'Afrique Centrale (UDEAC) 1966, East African Community (EAC) 1967 and the Economic Community of West African States (ECOWAS) 1975.¹ These organizations have had some measure of success as well as some failures. Two of the three comprehensive efforts in which the states that make up the Southern African

¹According to William Tordoff, the organizations UDEAC, EAC and ECOWAS comprise the following countries. UDEAC comprises Cameroon, the Central African Republic, Gabon and the People's Republic of the Congo. EAC comprises, Kenya, Tanzania and Uganda. ECOWAS comprises Benin, Gambia, Ghana, Guinea, Guinea-Bissau, Ivory Coast, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo and Upper Volta. William Tordoff, GOVERNMENT AND POLITICS IN AFRICA (Bloomington: Indiana University Press, 1984), pp. 229-300.
Development Coordination Conference (SADCC) had previously been involved individually, have ended in a fiasco. One was the EAC which involved Tanzania and its two neighbors—Kenya and Uganda. The other was the Central African Federation (CAF) which involved Zambia, Zimbabwe and Malawi. The third regional cooperative effort is the Southern African Customs Union (SACU) which binds Botswana, Lesotho and Swaziland in a single customs union with South Africa, but which in practice also functions as a currency area under the control of the South African Reserve Bank.²

An examination of one of these efforts in regional cooperation will focus on the most recent organization—the Southern African Development Coordination Conference henceforth referred to as the SADCC.³ The purpose is to


³Amon J. Nsekela, Southern Africa: Toward Economic Liberation—A Declaration by the Governments of Independent States of Southern Africa made at Lusaka on the 1st April, 1980, (London, SADCC, 1980), p. 5. SADCC was formed on April 1, 1980 at Lusaka and comprises Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe. It approved a declaration on the economic liberation of Southern Africa. The objectives were (i) the reduction of economic dependence, particularly, but not only, on the Republic of South Africa; (ii) the forging of links to create a genuine and equitable regional integration; (iii) the mobilization of resources to promote the implementation of national, interstate and regional policies; (iv) concerted action to secure international
determine to what extent regional integration and cooperation (1) can be useful in laying viable foundations for the economic development of the states in question and the region as a whole; (2) may lead to a substantial measure of self-reliance, integrated economies, concerted action, economic decolonization and reduction of dependence on inherited institutional structures. Essentially, SADCC was formed for economic cooperation and integration in an effort to disengage the member countries from South Africa both economically and politically. Geographical and historical realities reveal that the nine states and one occupied territory of Southern Africa (Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe) were, in varying degrees, deliberately incorporated—by metropolitan powers, colonial rulers and

cooperation within the framework of our strategy for economic liberation.

Programme of Action

The Programme of Action drawn up gives responsibility for coordination in the various sectors of regional cooperation to individual member states.

Angola—Energy Conservation and Security
Botswana—Animal Disease Control and Agriculture
Lesotho—Soil Conservation and Land Utilization
Malawi—Fisheries, Forestry and Wildlife
Mozambique—Transport and Communication
Swaziland—Manpower Development
Tanzania—Industrial Development
Zambia—Southern African Development Fund and Mining
Zimbabwe—Food Security Plan
large corporations--into the colonial and sub-colonial structures centering in general on the Republic of South Africa. 4

Statement of the Problem

The problem is the economic dependence of the SADCC member states on South Africa and the efforts to eliminate it. Achieving or forging a genuine and equitable regional integration and the mobilization of resources in support of these goals are difficult.

SADCC countries are faced with the question of how to develop economic, political and social institutions that will enable the member states to achieve economic progress or development. The greatest problem the SADCC members have is the development of basic heavy industry because it is, in its nature capital intensive. Needless to say, the region suffers from a severe capital shortage. Owing to a low per capita Gross Domestic Product (characteristic of most member states) the transfer of domestic income from consumption to investment is very difficult to ensure. This explains the necessity of turning to outside sources for financing.

Hypothesis

Because of the way the SADCC economic institutions, structures and activities aimed at relieving reliance or

4Ibid., p. 3.
dependence on South Africa were designed, the incidence of economic integration and self-reliance has not been achieved.

**Objective**

In light of the inherited problems that have thwarted efforts towards greater and successful economic integration and cooperation in Africa, the overall aim in this dissertation is to see whether SADCC has achieved the goals it set.

Specifically, the study analyzes SADCC's specific areas of activity and concerns such as (a) transportation and communications, (b) industry, (c) energy, (d) agriculture, (e) mining, manpower and other areas, (f) trade, and to see whether there continues to be economic dependence on South Africa or whether economic integration is taking place for the desired economic growth and development.

**Research Questions**

The specific questions used in evaluating the SADCC's economic integration are:

(i) Would economic integration bring about economic development among member states?

(ii) Does economic integration stimulate a more rapid growth rate of internal trade among member states?

(iii) Does the growth of internal trade have the character of trade creation or trade diversion?

(iv) How does economic integration affect the trade of individual member countries?
(v) What have been the main obstacles hindering economic integration? These questions are answered in Chapter 5, as the analysis of specific areas of SADCC are made in Chapters 3 and 4.

Limitations of the Study

There is the difficulty of getting data from the primary source because of its distance and the newness of the organization (SADCC). However, the present research is not based on primary source alone but rather it is a combination of primary and secondary sources. Sources include diverse publications: official statistics, SADCC documents, reports, scientific journals, periodicals of economic and political journalism such as *Africa Economic Digest*, *African Business*, etc. Thus, it is difficult to check the reliability of data and their internal consistency. However, since the bulk of the analysis is obtained from the primary source (SADCC) such can be dismissed.

There is also the problem of conceptualization and definition of integration and dependence theories. Although the literature examined in the study has suggested a series of indicators for assessing the level of integration, the theory did not sufficiently advance that there exists either a commonly accepted definition of integration, and dependence or general agreement on the relevant indicators in measuring integration. Some writers emphasize
transaction flows such as trade, travel, mail, radio, telephone and other forms of technical communications as indicators of integration. Thus, there is the question of whether a rise in transaction reinforces, results from, or causes integration?

Significance of the Study

The continent of Africa at this moment is engaged in a search for adequate and dependable strategies of economic development. In light of the failures and repeated blunders in development ventures, any significant contribution would not only be of great theoretical value, but will help provide direction to policy-makers intent on economic transformation both in the community and elsewhere.

This study is an attempt to explore the causes of the failures of economic integration schemes in Africa. Although this study is limited to a regional scheme, the conclusions and lessons learned from it may be of major value to the continent as a whole. Africa is definitely handicapped by the failures of previous regional economic integration efforts. The question may be asked, to what extent will SADCC's experience help fill this vacuum? The answer to this question is also a major concern of this inquiry. The need for such an analysis is evident in light of the failures mentioned above. There is, therefore, an urgent need for a better and more successful strategy towards economic development and self-reliance. If this
research serves in any small way to point to an alternative strategy the efforts put in it will have been justified. In this sense, SADCC becomes then another building block, it is hoped, in the movement towards economic cooperation envisaged in the OAU Lagos Plan of Action. The success of SADCC would serve as a model, determining the feasibility of the Continental goals of integration, economic development and self-reliance.

**Literature Review**

The literature review centers on the following variables: (a) Literature on SADCC's economic integration; (b) Self-reliance; and (c) Dependency.

A. Integration

The theory of economic/political integration is seen as a tool used for economic development in the world. This theory is useful if used in a historical perspective. It was used in Europe after World War II for economic integration purposes.

According to Silviu Brucan, the theory of integration process is a dialectical one. As he put it:

> From the ancient times when tribal society was torn by two conflicting tendencies—the centrifugal effect of the autonomy and territorial dispersion of tribes or villages and the centripetal urge for the unification of neighboring units—up through modern times, when nations display two historical tendencies equally conflicting—national resurgence against foreign oppression and international inequality, on the one
hand, and the development of cooperation overcoming national isolation and promoting larger unions, on the other—the evolution of human communities has been dialectical. 5

The integration theories formulated during the 1950's and 1960's were done within the intellectual confines of two distinct theoretical schools, transactionalism and neofunctionalism, led by two American political scientists, Karl W. Deutsch and Ernst B. Haas. Karl W. Deutsch's approach to international integration is labeled transactionalism because members of this school tested propositions concerning community formation among peoples by examining frequencies of intra and inter group transactions. 6 Haas drew some of his concepts from David Mitrany's functionalism and developed many of his own and it is called neofunctionalism. Haas contended that "institutional amalgamation precedes and leads to community because effective institutionalization at the international level invites a refocusing of people's political attentions and shifting of their loyalties." 7


It is true that integration theories have not provided complete answers to the theorists' main question. Within what environment, under what conditions, and by what processes does a new transnational political unit peacefully emerge from two or more initially separate and different political systems.

The common usage of the term integration is often very confusing. Even the Webster's dictionary definition of forming parts into a whole or making whole or complete by bringing together parts, leaves open wide ranges of ambiguity. Integration has two kinds of problems. The first difficulty relates to the concept as used by different authors. The second major problem centers around the comparison of regional integration processes in Europe and less developed areas.

Given the ambiguity in the common usage of the concept, we elected to use one that has been widely used in the literature and which is associated with the notion of security community, first enunciated by Deutsch et al. in *Political Community and the North Atlantic Area*,

the attainment, within a territory of a 'sense of community' and of institutions and practices strong enough and widespread enough to assure, for a 'long' time, dependable
expectations of 'peaceful change' among its population.\textsuperscript{8}

One of the most extensive studies on the integration of political communities was made by the Princeton Group. In this study, political communities were defined as "social groups with a process of political communication, some machinery for enforcement and some popular habits of compliance.\textsuperscript{9}

The authors in this study nonetheless emphasize what they saw as a conviction on the part of individual members of a given community, of having come to agreement on at least this point that common social problems must be resolved by a peaceful change.\textsuperscript{10} Ernst B. Haas defines integration as:

\begin{quote}
a process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations and political activities towards a new centre, whose institutions possess or demand\end{quote}


\begin{flushright}\textsuperscript{9}Karl W. Deutsch et al., Political Community and the North Atlantic Area in International and Political Communities: An Anthology (New York: Doubleday Anchor, 1966), p. 12.\end{flushright}

\begin{flushright}\textsuperscript{10}Ibid., p. 2.\end{flushright}
jurisdiction over the pre-existing national states.\footnote{12}{\textit{Ernst B. Haas, The Uniting of Europe: Political, Social and Economic Forces, 1950–1957 (Stanford: Stanford University Press, 1958)}, p. 16.}

Leon N. Lindberg defines integration as:

the process whereby nations forego the desire and ability to conduct foreign and key domestic policies independently of each other, seeking instead to make joint decisions or delegate the decision-making process to new central organs.\footnote{12}{\textit{Leon N. Lindberg, The Political Dynamics of European Economic Integration} (Stanford University Press, 1963), p. 6.}

Donald J. Puchala defines integration as a set of processes that produce and sustain a concordance system at the international level.\footnote{13}{\textit{Donald J. Puchala, "Of Blind Man, Elephant and International Integration,"} \textit{Journal of Common Market Studies} 10 (3 March, 1972): 277.} According to Charles Pentland, international political integration is frequently identified with the circumvention, reduction or abolition of the sovereign power of modern nation-states.\footnote{14}{\textit{Charles Pentland, International Theory and European Integration} (London: Faber and Faber, 1973), p. 29.}

Walter S. Jones and Steven Rosen and others have defined integration as

the process by which a supranational condition is achieved, in which larger political units conduct the business now carried out by national governments. . . . regional integration provides decision-making machinery and constructs procedures and institutions capable of making
obligatory decisions on behalf of national governments. It consists of the merger of separate authorities and jurisdictions usually in a well-defined geographic region into a larger unit, a higher unity and a single polity.\textsuperscript{15}

Joseph S. Nye says that the concept of integration can be broken down into economic integration (formation of a transnational economy), social integration (formation of a transnational society), and political integration (formation of transnational political interdependence).\textsuperscript{16}

**Economic Integration**

Economic integration is defined by Bela Balassa as "the abolition of discrimination between economic units belonging to different states." He sets forth five categories ranging from free trade area, customs unions, common market, economic union and total economic integration.\textsuperscript{17}

According to Michael P. Todaro, economic integration occurs whenever a group of nations in the same

\textsuperscript{15}\textcite{Walter S. Jones and Steven Rosen, The Logic of International Relations (Boston: Little, Brown and Company, 1974), p. 519.}

\textsuperscript{16}\textcite{Joseph S. Nye, "Comparative Regional Integration" in Robert J. Jackson and Michael B. Stein, Issues in Comparative Politics (New York: St. Martin's Press, 1971), p. 146.}

region, preferably of relatively equal size and at equal stages of development, join together to form an economic union by raising a common tariff wall against the products of non-member countries while freeing internal trade among members. In the terminology of integration literature, nations that levy common external tariffs while freeing internal trade are said to have formed a customs union. If external tariffs against outside countries differ among member nations while internal trade is free, the nations are said to have formed a free trade area. Finally, a common market possesses all the attributes of a customs union (that is common external tariffs and free internal trade) plus the free movement of labor and capital among the partner states. ¹⁸

The *International Encyclopedia of Social Sciences* defines political economic integration as

the elimination of trade barriers among specific groups of countries to gain benefits of international specialization and is pursued in the form of customs unions, free trade associations more far-reaching economic unions, political federation, and even political unification. Integration permits the expansion of a country's lowest-cost industries to the extent of the

integrated market's capacity before the next best choice of industries must be introduced."19

According to the same source,

industrialization can be more economical for all integration partners than an equivalent but separate industrialization policy. The less developed countries have launched many integration projects but few have been successful and many have been scuttled."20

Kwame Nkrumah was one of the early proponents of a United Africa. His position was based on the potential and real danger posed by imperialism and neo-colonialism to independent African states. Nkrumah implies the danger of economic and political policy directed by the imperialist to divide the continent and suggests the need for unification of Africa along socialist lines. In an attempt to integrate or to design a united Africa—that is, the political and economic unification of the African continent—it should seek these goals.

(1) To have an overall economic planning on a continental basis. An African common market implying a common intra-African and external trade policy.
(2) To aim at the establishment of a unified military and defense strategy in Africa.
(3) An integrated industrial sector and a single monetary zone, common currency and central bank.

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20Ibid., p. 599.
(4) If a univied economic planning organization and a unified military and defense strategy is achieved, it is necessary to adopt a unified foreign policy and diplomacy to give political direction to joint efforts for the protection and economic development of our continent.21

Similar views towards internal cooperation were also shared and highlighted by one prominent Africanist, George Shepherd, whose main concern was how to prevent penetration from the capitalist industrialized world. Shepherd expressed the need for (a) increase in trade among African states, (b) diversification in the product and markets, and (c) vertical counter-penetration to reduce penetration from the industrialized world.22

SADCC is primarily an economic grouping. It is made up of nine states whose ideologies vary widely. It seeks cooperation with the international community as a whole—from East and West, industrialized and newly industrialized, North and South. SADCC thus opted for economic cooperation/integration and seeks to liberate itself from South Africa.

SADCC is one of the few efforts to stimulate development in the Southern African region. As President Kenneth Kaunda saw it:


Let us now face the economic challenge. Let us form a powerful front against poverty and all of its offshoots—of hunger, ignorance, disease, crime and exploitation of man by man. Let us form an African movement to wage a militant struggle against poverty. Let this summit be our workshop for sharpening our tools, forging new weapons, working out a new strategy and tactics for fighting poverty and improving the quality of life of our people.\textsuperscript{23}

Also, President Sir Seretse Khama emphasized the importance of the economic cooperation in the region when he said:

Our goal is to achieve economic liberation and to reduce our economic dependence on the Republic of South Africa. We seek to overcome the fragmentation of our economies and by coordinating our national development efforts to strengthen them. The basis of our cooperation built on concrete projects and specific programmes rather than massive bureaucratic institutions must be the assured mutual advantage of all participating states.\textsuperscript{24}

Further, Sir Seretse Khama noted,

Although individually small and economically weak, collectively our nine states are not insignificant. Only in coordinated action can the small independent states of Southern Africa achieve the economic strength and power

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\textsuperscript{24}Ibid., p. 5.
\end{flushright}
necessary to resist those who are tempted to exploit us and to perpetuate our economic fragmentation and dependence.  

The less bureaucratic nature and structure of the SADCC's economic integration or cooperation has been emphasized by President Samora Machel of Mozambique at Lusaka, April 1, 1980,  

Some of us have experience of the inefficiency of the creation of heavy and expensive structures which constitute little or nothing to the main objective that were achieved. The institutions should appear in order to respond to the objective needs and not conceived as an end in themselves.

SADCC members feel that they would benefit considerably from their decision to develop an open and friendly dialogue with those members of the international community willing to assist the region in its development effort. According to Prime Minister Robert Mugabe:  

Ours is not a begging bowl. We know that the region is rich in resources which the industrialized world needs. We also know that as a result of recession, many enterprises in the industrialized world are not working to capacity and are in need of contracts. We are willing to come to an agreement by which our resources can be made

\[25\text{Ibid.}, \text{p. 6}.\]

\[26\text{Ibid.}, \text{p. 5}.\]
available provided that this happens in a way consistent with our development objectives. The attitude of SADCC states to international cooperation is based on the recognition of overlapping interests and agreements freely negotiated between equals.27

Gavin Shreeve, Roy Laishley and Ian Leslie-Smith previewed SADCC's meeting at Blantrye, Malawi of November 9-10, 1981 and assessed its achievements. They say that the task facing SADCC is huge and that the results of the first year of SADCC's activities have not been earth-shattering, but the stage has been set for some significant gains. SADCC had gained the reputation for being level-headed and practical. Diplomatic representatives who have watched SADCC's birth closely have been impressed by the obvious determination to avoid an unwieldy bureaucracy.

The most hopeful sign is that there will not be yet another civil service to run SADCC. Cooperation in each field will be at the senior official level, where the problems are best understood and are most likely to be solved.28


Agrippah T. Mugomba looks at the impact of ideology on Inter-African alignment in one important area of the continent, with the aim of identifying some of the major variables that appear to be exerting powerful influences on regional integration, development and liberation. He studied the East African Community and concluded that it failed because of growing radicalization of regional politics and external penetration of the region and the organization.\(^{29}\) The political differences within SADCC are real and should not be overlooked.

John Ravenhill says that all regional economic unions in Africa face the formidable problem of devising a means for the equitable sharing of gains from cooperation. Failure to do so may sour the political atmosphere to such an extent that relatively minor problems will have a calamitous impact on the regional endeavor. Ravenhill highlighted five categories for the breakdown in regional cooperation and integration, namely,

1. background factors which inhibit the realization of potential gains from regional cooperation;
2. the inadequate institutional structures created in support of regional arrangements;
3. unequal distribution of gains arising from regional cooperation;
4. the asymmetrical interdependence that characterized economic relations between African

states and the rest of the world; and
(5) ideological difference and
political volatility (both within and
between) African States.\(^30\)

Most of the SADCC officials have emphasised the need
and importance of economic cooperation in the region for
their economic development. As President Jose Eduardo Dos
Santos put it,

> Our unity of efforts in the struggle for
economic independence for our peoples
becomes the necessary condition to
guarantee our own sovereignty and
security. The successes which SADCC can
achieve constitute a great contribution
to the struggle of the people's of
Southern Africa against oppression,
exploitation and discrimination.\(^31\)

Colin Legum, in his analysis of SADCC, spelled out five
major constraints that face it.

They are (1) continuous military efforts
by the Constellation of Southern African
States (CONSAS) to attempt to topple the
governments of Angola, Mozambique and
Zimbabwe through intensifying
activities; (2) use of economic
inducements of development to bind
African economies to South Africa; (3)
seek to break African unity and to
divide African States from one another;
(4) involve military and
counter-insurgency methods; (5)

\(^{30}\)John Ravenhill, "Regional Integration and
Development in Africa. Lessons from the East African
Community," *Journal of Commonwealth and Comparative Politics*
17:3 (November 1979): 227-246.

\(^{31}\)President Jose Eduardo Dos Santos statement, Heads
of State and Government at SADCC Summit held in Maputo
use economic project for political ends
namely strengthening of the apartheid
state.32

Carol B. Thompson says that regional coordination is to
promote economic development in Southern Africa and that
SADCC's economic cooperation is based on two major
premises. The first asserts that there is little
possibility for "autonomous" national development. No one
economy has both the resource base and the infrastructure
linkages to develop without collaboration with the
neighbors. Second, given the constraints of the dependent
capitalist development, economic cooperation in the region
is not a natural consequence of market forces. It must be
created.33 She notes that

Economic integration is necessary to
overcome the international division of
labor established under colonialism.
The majority of dynamic industrial
activities require a scale of production
exceeding that of the domestic markets
of most post colonial economies. In
addition, the unit cost of manufactures,
often is not competitive with similar
products provided by transnational
corporations. Regional economic
coordination at least reduced trade

32 Colin Legum, "Constellation, Association
Liberation, Coordination and the Struggle for Southern

33 Carol B. Thompson, "Toward Economic Liberation:
Zimbabwe in Southern Africa Regional Development,"
Contemporary Marxism 7 (Fall, 1983):101.
barriers for the region and increases the size of the market to encourage industrial production.

SADCC was formed as a conscious rejection of the traditional customs union approach to integration and as an attempt to accrue the benefits from transforming neo-colonial linkages. Learning from the problems of previous unions on the African continent (examples South African Customs Union, East African Community), SADCC is pursuing coordination at the level of production, not simply exchange. She says that SADCC has the following priorities (1) political experience as the basis of economic accord, (2) transformation of colonial infrastructure, (3) coordination of production, and (4) coordination of national plans. 34

The same author analyzes and explains briefly the first priority of SADCC

the political experience as a basis for economic accord. The new Southern African coordination originated in the political cooperation to promote majority rule throughout the region. As far back as the 1969 Lusaka Declaration, followed by the Dar es Salaam Declaration of 1975, the political priority of liberation from white minority rule was designated as the path toward 'total' economic liberation. This important political base of SADCC is readily apparent in the approach to economic agreements. Discussion about priorities is considered first political and only later are more

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34 Ibid., p. 102.
technical decisions of implementation based on economic criteria. For example, the countries in SADCC do not want any one economy to dominate; each is given responsibility for an important development sector.35

Finally, political priorities are also important in relating to South Africa. The goal here is to reduce the region's dependence on South Africa therefore it is a major political priority for SADCC.

The second priority—transformation of colonial infrastructure

The transformation of the colonial infrastructure of transport and communication are overwhelming priorities for two reasons: the present state of disrepair of the transport sector and the fact that most roads lead to South Africa. The roads and rail systems are in disarray in the region due to sabotage. Second, Zimbabwe, Zambia and Botswana are linked to South Africa's rail and port system.

To reduce this dependence and to increase exchange among the nine, SADCC wants to rehabilitate the existing facilities and the construction of new road, rail, air and lake transport systems.

The third priority—coordination of production

The urgency of food production coordination is second only to the transport sector for several reasons. The use of food as a weapon is well known in the region.

The fourth priority—coordination of national plans

The most ambitious goal of SADCC is to eventually coordinate national economic plans for each economy. This long-term goal is essential to achieve rationalization and complementarity in production, and several leaders have already suggested that a regional investment code could be an early step toward planning coordination.

Coordination of national plans will be the most difficult goal to achieve because it is here that political and ideological contradictions among different relations of production will surface.

Participants and observers alike credit the first successes of SADCC to the fact of maximizing individual states' roles and minimizing the growth of a centralized bureaucracy. SADCC emphasized the sovereignty of each state in several ways. In contrast to the models of integration under colonialism (Example: South African Custom Union and the Central African Federation), membership and participation are voluntary. Major decisions within SADCC
are made only by consensus. The program also overtly constrains the centralized bureaucratic authority; each state takes national control and responsibility for one or two development sectors. Most of the decision-making is, therefore decentralized and does not threaten national sovereignty.

This study disagrees with SADCC's analysis and argues that only the initial stages of economic coordination (Example, SADCC today) can sustain high levels of national sovereignty over fundamental economic decisions. To overcome the vagaries of the international market and to increase substantially the growth of investment capital, higher levels of coordination are necessary; centralized decisions will begin to conflict with domestic economic priorities, based on choices between capitalist and socialist modes of production.

Theories of international integration suggest that success of coordination depends on the terms of centralization and the limits imposed by national control. Centralized decisions are needed to direct which country produces which product, but decisions of how much, when and how to produce can be decentralized. Decisions about regional marketing (tariffs, etc.) and technical developments are also centralized but regional coordination does not have to determine the size of the national public sector or the role of the state in production. It does not
need to interfere with questions of income distribution or direct the range of domestic taxes (not tariffs) on such items as luxury consumer goods. In short, many theorists claim that states can ignore their ideological differences in economic matters. Such differences do not necessarily defeat the purpose of integration. The research tends to agree with this view, and SADCC's economic integration needs a centralized type.

Jacqueline Matthews attempts to analyze the present trends in Southern Africa and to consider whether economic integration in the region is making progress despite these new developments.

However, she contends that the emergence of new economic groups in Southern Africa suggests a renewed interest in economic integration in the region. That among the five groups operating in Southern Africa today, only two can be regarded as examples of economic integration: The Southern African Customs Union (SACU) and the RAMD Monetary Area. The status of the Constellation of Southern African States (CONSAS) remains undefined and is limited to the borders of South Africa. The Preferential Trading Area (PTA) has not yet been ratified by all the eighteen prospective members. SADCC, she contends aims at economic cooperation and at loosening of economic ties with South
Africa. Thus, she concludes, that economic integration in Southern Africa is declining. 36

She says that within the confines of economic cooperation the future of SADCC is very promising. It is also important to note that she differentiates between economic integration and economic cooperation. The difference is qualitative as well as quantitative; whereas economic cooperation includes actions aimed at lessening discrimination, the process of economic integration comprises measures that entail the suppression of forms of discrimination. For example, international agreements on trade policies belong to the area of international cooperation while the removal of trade barriers is an act of economic integration like the European Community and the Southern African Customs Union. 37

Peter Yates takes the position that the recent integration schemes in Southern Africa SADCC also share similar characteristics with the previous attempts of the East African Community. Obstacles that might seem to foster disintegration are evident. The challenges that confront the new organization SADCC are the latest offensive strategy


by South Africa. The Constellation of Southern African States tries to destabilize gains already made by SADCC. Even though the obstacles within SADCC are clearly apparent, Peter Yates notes that South Africa has in fact failed in its aims to try to divide eleven different African states into groups.  

Bingu W. T. Mutharika stresses that regional integration in Africa has been discouraged by the periphery's economic dependency on the center nations. In his evaluation of the multinational corporations, Mutharika demonstrated that through the control of developmental resources by the multinational corporations (MNCS), integration has been prevented. The control of some resources by the MNCS prevents the government from making final decisions on economic projects.  

As Elenga M'buyinga reminds us in his book quoting Kwame NKrumah rightly denounced the erroneous neo-colonial economic theories which claimed that the real independence and unification of Africa could be achieved or even furthered by invoking the miraculous virtues of an African Common Market or by means of economic agreements amongst

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neo-colonial states still under the
economic and political yoke of
international imperialism.
As long as we remain under the
control of capitalist imperialism and
its multinational corporations—and in
certain African states this control is
almost total—no viable strategy for
liberation and unification can be based
on economistic theses.40

According to Reginald Herbold Green, SADCC is a very
atypical economic cooperation grouping, and it has been
criticized for its refusal to adopt the neoclassical free
trade route to integration which (in modified form) was
central to the ECA—led 1960–82 economic integration
efforts; for declining to accept outside designs for
national or regional political economic ideology, ranging
from "transition to socialism" to "free market forces;" and
for setting joint priorities that, apparently, sometimes
startle outsiders. While SADCC may be quite ready to
discuss these topics, it is also firm that they represent
considered decisions of the member states and will only be
modified if the members see such changes as being in the
interests of their peoples.41

It should be stressed, however, that each regional
scheme had distinct internal and external conditions that

40Elenga M'buyinga, Pan Africanism or
Neo-Colonialism—the Bankruptcy of the OAU (London: 2ed

41Reginald Herbold Green, "SADCC and South Africa in
Confrontation, Liberation versus Destabilization," Africa
existed at the time regional efforts were attempted. Note that it is also with this consideration that strategies employed to deal with regional cooperation in Africa differ from region to region. It appears to assume that any integration scheme must be either free market-oriented like the EEC—or a centrally planned economy coordinating model like COMECON (CMEA). SADCC's members—who may, of course, be wrong—have consistently rejected both as inappropriate to their particular situation and needs, but this may create a problem for economic integration may not be realized.

Thus, this study is to look into the next variable "self-reliance" another strategy or method in solving the problems of economic development of SADCC.

B. Self-Reliance

According to Paul Streeter,

self-reliant development is a complex process in which many variables act upon one another and in which policies must set upon several objectives either simultaneously or in an appropriate sequence. A unified self-reliant strategy provides an opportunity to overcome the fragmentation that some critiques have discerned in national policy-making and also in the organization of the United Nations specialized agencies. It is a challenge to organize and integrate all development efforts aimed at improving
the lot of the poor people of the world.42

Claude Ake sees self-reliance as a development strategy through regional integration. The idea of regional integration as a means to collective self-reliance has been used by the United Nation's development agencies in Africa in the effort to break out of dependence and underdevelopment. 43

Ake further says that

the problem with this strategy of collective self-reliance is that it presupposes a considerable degree of regional economic cooperation and integration. Africa has however tried for a long time to promote these objectives with limited success. . . . This strategy through economic integration is still maintaining the problems of underdevelopment and imperialism.44

Timothy M. Shaw in his analysis contends that

regional integration in Africa cannot produce self-reliance and integrated economies when some of its major advocates are foreign actors with interests of their own. . . . That "unless regional integration is firmly based on a new kind of political


44Ibid., p. 170.
commitment, it may not be a very substantial vehicle for economic development."\textsuperscript{45}

The Hungarian economist, T. Szentes, notes that the leadership in the underdeveloped countries recognizes the incapacity of the international capitalist system, to eliminate underdevelopment and initiate autonomous and self-reliant development of the broad mass of their people. In other words, "without fighting for economic independence and cutting down on the income drain to transform the economic and social structure, there is no chance at all for overcoming underdevelopment and dependence."\textsuperscript{46}

Owing to the importance of the concept of self-reliance and it being also one of the aims and goals of SADCC, most SADCC members have stressed the need to achieve it. Sir Seretse Khama noted this fact at the Lusaka Summit when he said:

\begin{quote}
although SADCC is individually small and economically weak, collectively our nine states are not insignificant. It is only in coordinated action that the small independent states of Southern Africa can achieve the economic strength and power necessary to resist those who are tempted to exploit SADCC and to
\end{quote}


\textsuperscript{46}T. Szentes, \textit{The Political Economy of Underdevelopment} (Budapest Akademi Kiado, 1976), p. 16.
perpetuate the economic fragmentation and dependence.⁴⁷

President Samora Machel expressed similar sentiments at the same summit in Lusaka, Malawi, he said that

SADCC may be poor and desperate for help, but it is not so poor as to allow the donors and investors to call the tune. Our economic plans have to be conceived and prepared by ourselves. No one knows our needs and our priorities better than ourselves. We must not accept the habit of plans made outside the region.⁴⁸

At the Harare Summit on July 10, 1981, President Julius Nyerere also emphasized the importance of self-reliance and cooperation in the region with the following statement:

Our purposes are not simply greater independence from South Africa. If South Africa's apartheid rule ended tomorrow there would still be the need for the states of Southern Africa to cooperate, to coordinate their transport systems, to fight foot and mouth disease together, to rationalize their industrial development. . . .⁴⁹

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⁴⁸ Ibid., p. 7.

President Ouett Masire had this to say about the need for self-reliance and cooperation at the SADCC Summit held in Gaborone, Botswana in 1982:

Our determination to seek a peaceful, non-racial and prosperous region in which our people can hope for the future develops naturally into a commitment to work together. It was out of this solidarity that SADCC was born. It was not conceived as a platform for rhetoric, nor a plaything for those who desire a large canvas on which to experiment. Rather, SADCC has grown out of a common awareness of common interests.\(^{50}\)

John Edlin made the following observation

SADCC is not organized to threaten anyone. Self-reliance and coordinated action in pursuit of common interests, not economic aggrandizement or economic sabotage, are its goals. It is clear, however, that South Africa has acted ... to hamper the achievement of self-reliance and the pursuit of common interests within SADCC member-states.\(^{51}\)

According to President Samora Moises Machel, SADCC is an indispensable organization for attaining self-reliance and regional cooperation.

Today SADCC is an indispensable interlocutor in multilateral regional cooperation. For the United Nations and its specialized agencies, for many governmental and non-governmental organizations, and for a considerable member of industrialized countries, to

\(^{50}\)President Ouett Masire, SADCC Summit at Gaborone, Botswana, July, 1982. p. 20.

speak of investment involving more than one country in Southern Africa, is to speak of SADCC.\textsuperscript{53}

During the 1984 Annual Conference held in Lusaka, President Kenneth Kaunda in his opening speech emphasized the importance of self-reliance and went on to add that SADCC is internationally recognized and is also a creative and efficient instrument for development and for the mobilization of human and material resources both from the region and from outside, for the achievement of our shared objectives. Through SADCC we shall continue to work together in total harmony to support our respective national development efforts and to achieve regional growth, self-reliance and economic and social progress. Thus our victory is assured.\textsuperscript{54}

C. Dependency

The dependency approach originated from the classical Marxist-Leninist school of imperialism in the 1920's with the works of Lenin.

In his elaboration of a theory of imperialism, Lenin referred to the concept of dependency. He understood capitalist imperialism to be a manifestation of the struggle among the colonial powers for the economic and political division of the world.

\textsuperscript{53}President Samora Moises Machel, SADCC Summit at Gaborone, July, 1982, p. 5.

Not only are there two main groups of countries, those owning colonies, and the colonies themselves, but also the diverse forms of dependent countries which politically are formally independent, but in fact are enmeshed in the net financial and diplomatic dependency.55

The concept of dependency was popularly used in comparative analysis of Third World countries in Africa, Asia and Latin America. Ronald Chilcote says that both orthodox, as well as radical, writers have assimilated dependency into their interpretations of development and underdevelopment, resulting in considerable confusion. There is no unified body of thought called dependency theory and the term represents a wide variety of arguments, and serious criticisms arise in its general use by various authors.56

According to Andre Gundre Frank

Dependence is the result of the historical development and contemporary structure of world capitalism, to which Latin America is subordinated, and the economic, political, social and cultural policies generated by the resulting class structure, especially


by the class interests of the dominant bourgeoisie. 57

According to Theotonio Dos Santos

Dependency is a situation in which the economy of certain countries is conditioned by the development and expansion of another economy to which the former is subjected. The relation of interdependence between two or more economies, and between these and world trade, assumes the form of dependence when some countries (the dominated ones) can do this only as a reflection of that expansion, which can have either a positive or negative effect on their immediate development. 58

Dos Santos outlined several types of dependency. He said that it is a case of the formation of a certain type of internal structure conditioned by international relationships of dependence in African countries.

(1) Colonial dependency characterized relations between Europeans and the colonies whereby a monopoly of trade complimented a monopoly of land, mines and manpower in the colonized countries.

(2) Financial-industrial dependency characterized by the domination of capital by the hegemonic countries, and the investment of capital in the


peripheral colonies for raw materials and agricultural products which would be consumed by the hegemonic centres.

(3) The new dependency was based on investments by multinational corporations. This understands that the possible generating of new investment depends on the existence of financial resources in foreign currency for the purchase of machinery and processed raw materials not produced domestically.59

This new dependency theory attempts to demonstrate that the relationship of dependent countries vis-a-vis the dominant ones cannot be altered without a change in internal structure and external relations.

Outside economic and political influences affect local development and reinforce ruling classes at the expense of the marginal classes. The Chilean economist Osvaldo Sunkel elaborated on this interpretation:

Foreign factors are seen not as external but as intrinsic to the system, with manifold and sometimes hidden or subtle political, financial, economic, technical and cultural effects inside the underdeveloped country. Thus, the concept of 'dependencia' links the postwar evolution of capitalism internationally to the discriminatory nature of the local process by development, as we know it. Access to the means and benefits of development is selective, rather than spreading them, the process tends to ensure a self-reinforcing accumulation of

59Ibid., p. 232.
privilege for special groups as well as the continued existence of a marginal class.\textsuperscript{60}

There are others who have looked at different factors to define dependency. They contend that underdevelopment in the Third World countries is the consequence of economic and political expansion of Europe since the fifteenth century. Paul Baran and Paul Sweezy (1966), Harry Madgoff (1969), Immanuel Wallerstein (1972), Walter Rodney (1974) and Samir Amin (1976) to name a few, subscribe to this line of thinking. Generally speaking, dependency theory stresses the notion that dependency is marked by inequalities and domination of the Third World countries by the Western capitalist countries. While others, David Kay (1973) and Sanhaya Lall (1975), etc., have criticized dependency theorists for bias and failing to consider the full variety of dependency relationships mistakenly claiming that dependency is caused by capitalism. They criticized it for its lack of empirical and theoretical underpinnings.\textsuperscript{61}

\textsuperscript{60} Osvaldo Sunkel, "Big Business and Dependence," FOREIGN AFFAIRS 50 (April, 1972), p. 517.

Samir Amin argues that Black African countries are all characterized by extreme forms of underdevelopment. In his view,

dependency of African states on more developed countries, that is a consequence of the continents common historical experience of economic exploitation by European organized mercantilism, the slave trade, imperialism and neo-colonialism. Moreover, through the mechanisms of Western neo-colonialism, African underdevelopment has been perpetuated and perhaps even increased over the past twenty-five years.62

Amin argues further that the development of capitalism in Western Europe led to the creation of an international political economy characterized by a worldwide division of labor in which metropolitan capitalist countries achieved dominance over underdeveloped areas. This is called a "dependent" satellite-type of relationship because underdeveloped nations lack sufficient resources to act independently in their international political and economic relationships. Dependent countries, because of their subordinate role in the world capitalist system, are unable to make autonomous decisions concerning the pace and direction of growth of their national economies. These are determined by international structures and processes.63


63 Ibid., pp. 510-524.
Clive Y. Thomas, on the other hand focused his attention on the market structure itself. Specifically, Thomas stressed that the penetration of the industrialized world into the Third World has created disequilibrium in trade. Thus, three modes of dependency are identified by him.

(a) **Structural dependence** whereby the developing nations rely heavily on economic and political structure of the industrialized countries or the extent to which the economic structure of these economies depended on foreign trade, payments, capital, technology and decision-making to generate domestic economic processes;

(b) **cultural values, tastes, techniques and ideas** are influenced by the developed nations; and

(c) **structural**, the hierarchical division of labor versus the horizontal division of labor. In the former, there are some types of producers higher in the structure and advantage than others and in the latter division is among equals. 64

Thomas further says that terms of trade in such a case favor the Western World and inflict damage on developing states. In an attempt to break this association, Thomas outlined some basic strategies to follow:

(1) **domestication**—to make the imported version of technology more relevant to the local society; (2) **diversification**—

there is need to diversify the markets, products and techniques, and (3) there is tremendous need for greater exchange among African states and vertical counter penetration to reduce penetration from capitalist countries.\textsuperscript{65}

According to Makidi-Ku-Ntima,

there are three types of dependency; economic dependence which entails direct investment, trade, finance and technology; political dependence refers to formal colonial and neo-colonial or other informal dependence; and cultural dependence refers to linguistic, media, education and religious dependence on the Western Industrialized world.\textsuperscript{66}

The dependency and underdevelopment approach view the Lome Convention as a neo-colonial enterprise designed to serve the interest of neo-colonialism. It argues that the Lome Convention is an institution created by dying colonialism and would not and can not serve contrary interest. It points out that the process of continuous underdevelopment in the ACP states is perpetuated by the existence of an unequal international division of labor which a Lome type of Convention could only exacerbate. Johan Galtung was probably one of the first European writers to conceptualize the Lome Convention in terms of dependency,

\textsuperscript{65}Ibid., p. 25.

underdevelopment and neo-colonialism. In his book, *The European Community: A Super Power in the Making* (1976) and especially in his article in the *African Review*, Fall, 1976, entitled "The Lome Convention and Neo-Capitalism," Galtung described the Lome Convention as "an international trade and manufacturing association of the member states of EEC and the ACP states." He saw it as working for a supranational organization whose activities and goals are oriented towards securing the flow of raw materials, goods, and services that would lead to favorable terms of trade between the member-states of the convention on a non-discriminatory basis. 67

Galtung says that the Lome Convention is economicistic because it focuses on export trade which is likely to facilitate the development of marginal capitalism in the ACP states. It can be implied to SADCC states of the above analysis that some SADCC states are signatories of the Lome Convention and that it will retard its development objectives.

One of the objectives of SADCC is the reduction of economic dependence, particularly, but not only, on the Republic of South Africa. It is with this in mind that President Sir Seretse was heard to have stated at SADCC's Lusaka Summit that:

Our goal is to achieve economic liberation and to reduce our economic dependence on the Republic of South Africa. We seek to overcome the fragmentation of our economies and by coordinating our national development efforts to strengthen them. The basis of our cooperation, built on concrete projects and specific programmes rather than on grandiose schemes and massive bureaucratic institutions, must be assured mutual advantage of all participating states.\textsuperscript{68}

John Edlin, in his assessment of SADCC says that

on both the import and export trade, most of the SADCC states have in varying degrees a relationship of dependence on South Africa. The three so-called 'RAND States' (Botswana, Lesotho and Swaziland) are in their status as member states of the Southern African Customs Union, firmly integrated into the economic ambit of South Africa. That the BLS states have revenues from a customs union with South Africa indicated that three quarters of the governments' income is generated from this union.\textsuperscript{69}

Antonio Johala says that SADCC depends on external aid to run her projects of development. Promises of more than $800 million were made at the SADCC's Maputo Donors Conference from November 26-28, 1980. The conference chairman, Botswana's Finance Minister, Peter Mmusi concludes


"we have enough firm assurances to begin our programmes of development. We are very pleased." Also the Zimbabwe's Economic Planning Minister, Bernard Chidzero says that "the pledges were a good first step." He finds it particularly impressive that so much money has been raised after less than six months' work. 70

According to Reginald Herbold Green, EEC had clearly sought to use SADCC as an opportunity to press Angola and Mozambique to accede to the second Lome Convention, and implied that it could not finance substantial projects in non ACP states. However, a distinct strain remained in respect to the relations of Angola and Mozambique-SADCC's non-ACP states—with EEC because, the EEC is supporting most of the vital transport and communications programme. Logically, any project affecting several SADCC states, as most of SADCC states are ACP members it should be eligible for European Development Fund Support even if part of it was in a non-ACP state. EEC raises objections to projects in Angola and Mozambique initially, but this has changed because Angola and Mozambique have become ACP members. He concludes that SADCC depends on the EEC and other external bodies for their development projects. 71

In his appraisal of SADCC, Moeletsi Mbeki says that Southern Africa has a number of features which make it unattractive to foreign investors in comparison with South Africa, and thus foreign capital cannot be relied to back efforts to lessen dependency on South Africa:

(1) He says that the region is politically unstable, although the Portuguese colonialism has been defeated but there still remains unresolved the existence of UNITA in Southern Angola and the Namibia question whose resolution is uncertain, to say the least. (2) It is probably still more profitable to invest in South Africa which, though it has its own share of problems, clearly is more able to cope. Furthermore, South Africa has an extensive and functioning infrastructure, cheap labor and an abundance of minerals which are the mainstay of the natural resources of the region. These factors tend to attract capital to South Africa rather than its neighbors. (3) Independent Africa, does not have modern industrial and managerial skills. This is at the bottom of the poor performance of Southern Africa's agriculture, industry and transportation systems.\(^{72}\)

Whatever the solution to the problem of dependence may be, it should include measures of developing manpower resources. That it is in the area of manpower that SADCC stands a reasonable chance of obtaining assistance and with

fewer strings attached. He concludes that South Africa is in earnest about making the other countries of the region dependent on it. Food surpluses can be used as a political lever or a means to buy the goodwill of countries unable to feed their own populations. It therefore, tends to emphasize the value of South Africa's food surpluses.

This research disagrees with the analysis that Independent Africa has no managerial and industrial skills, hence there is poor performance in agriculture industry and transportation systems.

Reginald Herbold Green says that SADCC is likely to remain the main economic cooperation dynamic in Southern and Eastern Africa at least for the main time. A number of bilateral and semi-multi-lateral arrangements relating to transport corridors, plus the somewhat broader Kagera Basin grouping, exist and function; but all are fragile in terms of resources and institutions.

Green further says that

the most serious problem facing the SADCC is whether its attempts at economic liberation from South Africa will lead to new forms of economic dependence. Some of the SADCC's donors are former colonial powers in the region and hence have significant political, economic and strategic interests. . . . That because SADCC is almost totally dependent on external financing for its work, their possibilities of influencing SADCC's strategy increase.73

According to Gordon Boreham,

SADCC States have not been able to take any positive steps towards their main aim--economic disengagement from South Africa. However, their positive attitude towards closer economic cooperation with one another has not diminished as a result of this failure. SADCC's belief in the benefits to be reaped from regionalism has moved well beyond the level of rhetoric."74

According to Boreham, the Lusaka Conference has been followed by four summit conferences and a shopping list of ninety-seven projects were proposed to thirty foreign governments, and eighteen international development agencies. Some two billion U.S. dollars was sought for over five years of which only 650 million was pledged mostly for transport and transport and communication projects. Thus, he concludes that SADCC has emerged as a grouping with substantial international support and a firm organizational framework.75

In one of his studies of SADCC and PTA, Douglas G. Anglin seeks to analyze and compare the two newest ambitious initiatives with a view to ascertaining the influences that have shaped them, the nature and interactions between them and the opportunities and obstacles that confront them.

According to this author, "it was the European Economic Community (EEC) or at least certain of its officials served

75 Ibid., p. 98.
in a comparable capacity in discreetly promoting the birth of SADCC." Anglin further argues that

since SADCC is an outgrowth and a by-product of the EEC, it is not likely to do disservice to the institutions or system that gave rise to it. He says that SADCC members are firmly convinced that a massive and sustained input of foreign aid is an indispensable ingredient for success of their strategy of economic liberation from South Africa.

Denis R. Norman briefly examines some of the devastating effects of the drought on agricultural production and on food supply in Southern Africa. He also focuses on the potential role of SADCC food security plan, donor assistance, in increasing and sustaining food production in the region.

There is the existence of food shortages in Southern Africa and the region's dependence on food imports, had been recognized even before the Southern African drought of 1981-1982 has created a severe financial burden for SADCC member states and has jeopardized the region's financial capacity to revitalize its economies and increase food production. Projects for boosting agricultural production and development that had been started in 1980 have not had an opportunity to produce results, because financial, physical and human resources have had to be directed away from these projects toward drought relief and rehabilitation programs.

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Given sufficient incentives, the SADCC region can produce enough to feed its people. The main objective of SADCC food security plan is to work toward satisfying the basic food needs of the population of the region, achieving national self-sufficiency in the supply of essential foods and reducing heavy drains on foreign exchange imposed by food imports.

Joseph Hanlon noted that

the region's (SADCC) fragmentation is exacerbated by its overwhelming dependence on South Africa. Six of the nine states have South Africa as their main trading partner. Six SADCC states also depend in part on South African mining companies for key exports. In four of the nine countries, South African firms dominate retail trade. Four of the nine use South African ports even though it would be cheaper to use SADCC ports; South African shipping and forwarding companies are dominant in the region. Six of the nine have migrant workers in South Africa. Three are members of a custom union with South Africa. Four buy electricity from South Africa. 79

Elaine A. Friedland asserts that

SADCC was established to eliminate economic dependence upon South Africa, and to create regional self-reliance— that is economic development and regional cooperation. That in order to attain these two goals, possible public and private sources of international economic assistance must be sought by SADCC. Consequently, SADCC member states consider transnational

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corporations (TNC) both industrial organizations and commercial banks as possible agents of development assistance because of the problem of financing the industrialization process.80

A cursory examination reveals that underdeveloped countries are enmeshed in a web of economic and political dependence to the world capitalist system. The African countries have in common the fundamental characteristics of being complementing the economies of advanced capitalist countries.

Whatever version of dependency analysis we accept, it remains true that the dependency paradigm alerts us to the fact that much needed reforms are impossible without transforming of the mode of articulation of dependent economies into the world economy. Most dependency theorists argue that this restructuring will be opposed by the ruling class in the dependent countries and by imperialists, and that this resistance will only be overcome by a revolution. This analysis will return to this point in its concluding section.

CHAPTER II

THEORETICAL FRAMEWORK AND METHODOLOGY OF THE STUDY

This chapter deals with the theoretical framework and methodology of the study. This is a longitudinal analysis using the dependency theory as a general framework.

Dependency Theory

The model employed in this study is built on the "neo-colonial dependency theory" which is an indirect outgrowth of Marxist thinking.

According to Timothy Shaw and Kenneth A. Heard, studies of African politics have been transformed in the last five to ten years and have begun to adopt a new and more critical paradigm. The problems of development in Africa have increased rather than decreased in the first and second decades of formal independence. Neither aid, regional integration efforts, political order or socialist rhetoric have solved the problems of development; rather international and internal inequalities have tended to grow. Conflict rather than cooperation, underdevelopment

rather than development, characterize contemporary African Politics.

However, in response to the elusiveness of development and the inappropriateness of established modes of analysis, students of Africa have begun to adopt a new approach to the understanding of African politics. This new paradigm is more critical and controversial than the old orthodoxy. Its origin lies in radical European scholarship rather than the American behavioral social sciences. It has also incorporated the centre-periphery model of Scandinavian scholars and the Latin American intellectuals. Thus, the elusiveness of development and stability in Africa has led to a search for explanations of the perpetuation of underdevelopment and instability. Many of the analyses of Africa's characteristic pathology center on the concept of "dependent development." These analyses all point to the need to take into account the impact of external dependence on the rate and direction of social and economic development.

Timothy M. Shaw and Kenneth A. Heard stress that

there is a new "School" of African politics, also revives the traditions of political economy and political history in Africa, often within the neo-Marxist genre. It presents an African oriented response to the impact of dependence comparable with the new African historiography which places more emphasis on resistance to colonialism than on collaboration and tries to
escape from earlier imperialist perspective. 82

The dependency approach views underdevelopment in terms of international and domestic power relationships, institutional and national and structural economic rigidities, and the resulting proliferation of dual economies and dual societies both within and among nations of the world. In short, neo-colonial dependence view of underdevelopment attributes a large part of the Third World's continuing and worsening poverty to the existence and policies of the industrial, capitalist and socialist countries and their extensions in the form of small but powerful elite groups in the less developed countries. Prominent advocates of this theory are Theotonio Dos Santos (1970), Paul Sweezy (1970), Harry Magdoff (1969) and Paul Baran (1968).

It is within the context of the above approach that the theory of dependence is used to see various relationships that exist between SADCC and the capitalist world and South Africa. In a more specific way, this approach helps the researcher to identify some of the economic and political problems affecting regional integration in Southern Africa.

Even though dependency theory helps in the analysis of the Third World underdevelopment and has its usefulness, the theory has its shortcomings. William Hansen and Brigitte Schulz and others have actually criticized the dependency theory. Critics of the theory say that dependency:

(1) Is static in that it is unable to explain and account for change in underdeveloped economies over time.

(2) It fails to take into account the internal class and productive structure of the periphery and the inhibited development of the productive forces, and

(3) It fails to differentiate capitalist from feudal or precapitalist modes of controlling the direct producer and appropriating surplus.¹³

These criticisms are not convincing enough, and this research does not buy the ideas. Since my topic has to do with reducing the reliance on South Africa, the use of dependency theory is more appropriate than any other theoretical framework. This perspective will enable me to employ longitudinal analysis of the activities of SADCC and to measure the extent of integration within SADCC as well as the degree of self-reliance or diminished dependence on South Africa.

Despite the controversy and criticisms surrounding the dependency theory, this research believe it to have some utility in the kinds of problems SADCC faces. One of the

most distinctive contributions of dependency theory is
that, it considers political and economic underdevelopment
in the Third World not as a residual condition that stems
from a paucity of interaction with more advanced countries,
but rather as the product of extensive but asymmetrical
contact with just such countries.

For dependency theorists interaction among nations or
social groups at very different levels of development tends
to operate within a structure that is

biased in favor of more developed
participants. A high level of
participation within a framework of this
kind is viewed as likely to result in
the solidification of patterns of
relationship, both between Less
Developed and Developed Countries (LDCs
and DCs) and within LDCs themselves that
retard meaningful development.84

There is also another advantage in the use of the
dependency theory. We find in the dependency analyses a
methodology adequate for the analysis of a concrete
situation of underdevelopment. Theorists interested in it
relate a view of dependency to actual experience. In this
light there are a handful of studies that attempt to apply
assumptions of dependency to real situations in the Less
Developed World. For example, Andre Gunder Frank (1967),
offered a historical analysis of Brazil and Chile -- his

84Vincent A. Mahler, Dependency Approaches to
International Political Economy: A Cross National Study
pioneer effort to set forth a theory of capitalist underdevelopment with the case studies of Brazil and Chile. Walter Rodney (1972), presented an overview of Africa, "How Europe Underdeveloped Africa." Norman Gavin (1970), examined dependent underdevelopment in satellite economies structured around mineral-export industries run by large multinational firms in the Caribbean. Clive Y. Thomas (1974), was concerned with providing a broad analysis of certain economic aspects of dependence and underdevelopment in order to indicate the ways in which these factors interact on societies struggling to develop their productive forces during the transition to socialism in the Third World. On the other hand, it attempts to design an economic strategy to cope with the enormous problems of developing indigenous productive forces in the process of transforming the mode of production from one of dependence and underdevelopment to socialism. Norman Long (1975), used the case of Peru to analyze the mechanism by which the expropriation and utilization of economic surplus occur at the local and regional levels; he examined patterns of dependency and dominance as well as inequalities in the national economy and society. Chudnovsky (1974), who after analyzing the effect of multinational corporations in Colombia, goes on to relate it to the theory of imperialism. For other successful attempts at concrete analysis, one can mention the works of
Laclau (1969), Pinto (1965, 1974), Cariola and Sunkel (1976, 1971), and Singer (1971), etc. Pinto (1965, 1974) has made significant contributions to the analysis of structural heterogeneity and of the continuous process of marginalisation of the periphery (with Knake1, 1973). Sunkel provides a global and systematic presentation of this new conceptualization of development (with Paz 1970), and in a subsequent series of contribution analyses the process through which the greater disintegration of societies and economies in the periphery (1972, 1973b, 1974). He has subsequently written with Cariola, a revealing study of the relationship between the expansion of nitrates in Chile and the socio-economic transformation which came with it.85

Dependency theory has recently attracted considerable attention as an important, if highly controversial, perspective on the problems of underdevelopment in the Third World hence it is necessary to use this approach.

Methodological Approach

Longitudinal Analysis

In an attempt to examine economic integration, liberation and economic development in SADCC states, we selected the longitudinal analysis as our main

methodological tool. This study uses the longitudinal studies approach because it is an evaluation of the activities of SADCC. This will enable us to draw a conclusion as to what SADCC had done to accomplish its objectives in the context of time and space.

The advantage of a longitudinal study is that changes over time can be studied hence anyone wishing to examine trends will have to conduct a longitudinal study.\textsuperscript{86}

**Data Sources**

The data is derived from both primary and secondary sources. The primary sources include SADCC's publications and meeting proceedings from SADCC's secretariat at Gaborone-Botswana and SADCC member embassies, government documents and World Bank records. The secondary sources of data are periodicals, newspapers, scholarly articles as well as books and unpublished dissertations and theses, etc.

**Data Analysis**

The analysis uses data collected from the above sources to carry out the longitudinal study on SADCC.

Statistical data is used to measure performance of stated and implied objectives and goals of SADCC. Significant indices of trade, transportation and communications, energy, agriculture, industry and other economic activities of individual member states among

themselves and between them and South Africa before and after the creation of SADCC are used to measure economic integration and reduction of economic dependence in SADCC. We assess and measure economic development by income -- the sum of valued goods and services flowing to an individual SADCC country. The above analysis did help to determine the nature and measure of dependence, as well as the degree to which SADCC is trying to accomplish its goals of economic integration, prosperity and economic liberation from South Africa and other countries.

**Definition of Concepts**

This study defines the following concepts as follows:

**Dependence** - means a state of being determined or significantly affected by external forces. This may mean dependence is a dialectical concept in that it involves two or more actors. A relationship between actors seldom implies total dependence for one on the other. Thus, the latter cannot discard the former without any effects whatsoever.

This is a situation where the less developed countries have to rely on the domestic and international economic policy of developed countries to stimulate their economic growth. Dependence can also mean that the less developed countries are forced to adopt the education systems, technology, economic and political systems, attitudes, consumption patterns, dress, etc., of developed countries.
The major decisions affecting socio-economic development are made by individuals and institutions outside of the underdeveloped countries. This is due to a reliance on the developed world for infusion of capital and technology. These relations of dependence drain the dependent nations of the benefits derived from economic activities, thus preventing local accumulation. The consequence is a self-perpetuating situation of blocked capitalist development.

**Development** - This is a political as well as an economic process, which improves the quality of life for the people of a country. The process of development is not simply a matter of increasing Gross National Product (GNP) as stated by traditional economists. It involves certain social transformations involving values, institutions, ways of doing things, all of which are seen to enhance efficiency, productivity and the standard of life.

This is the process of improving the quality of human life which entails three aspects of social change (a) raising people's living levels, that is their incomes and consumption levels of food, medical services, education, etc., through relevant economic growth processes (b) creating conditions conducive to the growth of people's self-esteem through the establishment of social, political and economic systems and institutions which promote human dignity and (c) increasing people's freedom to choose by
enlarging the range of their options, example, type of occupations, of consumer goods and services. However, when all of the above are taken together they form a working description of the concept.

This study subscribes to the unified approach of development espoused by the United Nations. It is the most comprehensive method to be used by the Third World Countries.

**Economic Integration** - The merging of the economies and economic decision-making of two or more countries in a given region. It is reflected in common markets, custom unions, free trade areas, an example is the European Economic Community (EEC). The integrated community has to be centrally controlled.

**Common Market** - A form of economic integration in which there is free internal trade, a common tariff, plus the free movement of labor and capital among partner states.

**Customs Union** - A form of economic integration in which two or more nations agree to free all internal trade from tariffs while levying a common external tariff on all non member countries.

**Free Trade Area** - A form of economic integration in which there exists free internal trade among member

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37For a better understanding and details, see Claude Ake, *A Political Economy of Africa*, p. 152.
countries but each member is free to levy different external tariffs against non member nations.

**Self-Reliance** - This means to rely on one's own capabilities, judgment, resources and skills in a bid to enhance political, economic, social, cultural attitudinal and moral independence. Countries may also desire to be self-reliant in particular aspects such as food production, manpower and skills. The term collective self-reliance is used more in the Less Developed Countries.
CHAPTER III

AN ANALYSIS OF SADCC'S SECTORAL AREAS ON
(A) TRANSPORT AND COMMUNICATIONS (B) INDUSTRY
AND (C) ENERGY TO SEE WHETHER THERE IS
REDUCTION ON DEPENDENCE AND ECONOMIC
INTEGRATION IN THE REGION

Introduction

A brief background of the relationship that exists between SADCC and South Africa and the formation of SADCC with its objectives were noted in Chapter I. The picture portrayed indicates that economic and political activities of SADCC member states depend on South Africa and other external nations. The world economy is dominated by the capitalist mode of production and it is characterized by exploitative methods, unequal levels of economic, political and military relations. In other words, because of the unequal political, military and economic relationship between the dependent economy and the dominant external economy, the structure of SADCC states is shaped as much or more by the requirements of the external economy as by its own domestic needs. Thus, the dependence is reflected in the structure of both the economy and the political relationships of the SADCC states' economy.
To varying degrees, dependency relationships between SADCC states and South Africa spreads across all spheres of interaction and exchange. In general terms, the SADCC countries are more dependent on South Africa than vice versa in terms of food and agriculture, transport and communications, industry, mining, trade, etc.

It is this inherent problem that induced the nine countries of Southern Africa to form SADCC in order to disengage themselves not only from South Africa, but also from any single external state or group of states. With a wide variety of problems experienced by each country, the researcher in this dissertation will precisely consider and analyze SADCC's specific areas on a regional or macro-economic basis rather than on a national or state basis. This assessment of SADCC's sectoral areas will show whether economic integration and self-reliance is taking place.

The issues raised in this work are studied through longitudinal analysis of SADCC's specific areas on transport and communication, industry and energy. This means that this study is to analyze the dependence relations between SADCC and South Africa and the efforts of SADCC to reduce them. Also, the theoretical framework of this study is dependency, therefore it is appropriate to deal with the dependency to prove my hypothesis.
Consequently, this chapter starts with transport and communications systems.

A. Transport and Communications

Transport is probably the most significant sector in terms of dependence on South Africa. This regional dependence of SADCC states on South Africa is reflected in the transport and communications sectors where the regional dominance of South Africa is pronounced and acutely felt. The SADCC countries are dependent on the South African transport network for their trade links outside the African continent. This is because six of the nine SADCC states (Botswana, Lesotho, Malawi, Swaziland, Zambia and Zimbabwe) are landlocked, and they are dependent on South Africa's railways for access to the sea. Since these countries are without their own access to harbours on the coasts of the Indian or Atlantic oceans, they are compelled to use the South African transport and harbours for goods in transit.

The main modes of long distance transportation of goods in the region are by rail, by road, by air and by sea, in that order of importance. The bulk of the goods traffic in the region is by railway. It is the most economical means of transportation over long distances given the existing networks. The railways were built mainly to take the region's mineral and agricultural products to the sea thence to be shipped to the metropolitan countries. The ending of colonialism did not
shift the main use of these lines. Indeed, Southern Africa has quite a remarkable interconnecting network of railways, all of the same gauge. There is an estimated 39,000 km of railways throughout Africa, of which 23,400 km is found in South Africa and Namibia more than all in all nine SADCC countries. 88

South Africa has a more superior railway system than the SADCC states. The following are the principal railway lines in Southern Africa:

(i) The Benguela railway
(ii) The Tazara railway
(iii) The Southern Route
(iv) Harare-Gueru-Chicualacuala-Maputo
(v) Harare-Mutare-Beira
(vi) Blantyre - Villa Fronteira-Sena Beira
(vii) Maseru-Bloemfontein
(viii) Mbabane-Goba-Maputo
(ix) Balaka-Entre Lagos-Nacala
(x) Balaka-Blantyre-Beira 89

The operation of these railway lines present a number of problems. They relate to worn-down tracks, shortage of manpower, lack of locomotives and rolling stock,


89 Ibid., pp. 61-63.
inefficiency, freight structures and sabotage. The seriousness of the problems are such that some of the lines are periodically rendered inoperative or continually running far below capacity, thus forcing traffic over the South African connections.\textsuperscript{90}

South African ports like the South African railway system remain vital for the trade of all SADCC countries apart from Angola and Tanzania. In fact, the export and import trade of most of the SADCC states are interwoven with South Africa. For instance, 18% of Mozambique's imports, 29% of Malawi's, about 66% of Botswana's and over 90% of Swaziland's and Lesotho's imports originate in South Africa.\textsuperscript{95} In the colonial era, five ports were developed in the countries that are now in SADCC. These are Maputo, Beira, Nacala, Dar Es Salaam, and Lobito.

\textbf{Maputo}, Mozambique, was built to serve the South African Transvaal and is still the nearest port to Johannesburg. An adjoining port at Matola, which has bulk ore and fuel terminals, is considered part of Maputo. Maputo was (until the early 1970's) the second largest port in Africa, after Durban.

\textsuperscript{90}Ibid., p. 63.

Beira, Mozambique, was developed to serve Zimbabwe and Malawi and is now also used for Mozambican coal exports.

Nacala, Mozambique, is the best deep water port on the East Coast of Africa, but carries relatively little traffic. A railway to Malawi was built in the late 1960's, partly with South African funding.

Dar Es Salaam, Tanzania, was linked to Zambia by a road, railway and oil pipeline in the 1970's. It serves as the export route for 45 percent of Zambian copper and as the import route for all Zambian crude oil. A road line from Tanzania to Malawi will also allow Malawi to use this route.

Lobito, Angola is at the end of the Benguela Railway, which serves Zaire and Zambia but has been effectively cut by South African backed Unita guerillas since 1978.  
(See the map on transportation in SADCC.)

The SADCC member states accord the highest priority to the development of this sector, in particular, surface transport. The member states have stressed the strengthening of their transport and communication as their

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Figure 3-1
Southern African Development Coordination Countries
Main Ports, Railways and Roads

Source: SADCC Transport and Communications Mbabane, 1985, p. 16.
principal objective of regional integration and reducing dependence on South Africa without which all strategies of regional cooperation in Southern Africa would be impracticable. With this in mind, the heads of states of SADCC noted that:

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. . . . Further 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. 93

That a reliable and efficient transport system is a prerequisite for an intensified and coordinated development of the region was recognized from the founding of SADCC. In light of this, transport and communications was accorded the highest priority. Building regional cooperation in this sector started soon after the Founding Summit Meeting of April, 1980 with the establishment of the Southern African Transport and Communications Commission (SATCC), the only part of SADCC to have separate legal status. 94


94 Ibid., p. 5.
During the convention on the establishment of the Southern African Transport and Communications Commission (SATCC), the following objectives were set out:

Objectives of SATCC. In addition to the objectives of SADCC, which every coordinating unit should pursue, the legal instrument that set up SATCC has laid down the following specific objectives:

(a) to promote rational and integrated utilization of the various systems existing in the region;
(b) to promote concrete development programmes and projects and the modernization of existing systems; and
(c) to seek participation of the independent states in the region. 95

Operational Guidelines.

The Programme of Action, as approved by the Committee of Ministers in January 1981, included specific recommendations concerning efficient utilization of existing systems. It stated that Transport and communications bodies of the member states should establish among themselves specific operational agreements at bilateral or multilateral levels, with a view to achieving the objectives defined in the Lusaka Declaration and SATCC Treaty for the optimum use of existing systems and reducing

dependence. It was also stated that among the activities of the Commission emphasis should be placed on operational matters to obtain optimum utilization of the existing transport and communications facilities. Thus, in addition to capital investment projects, operational coordination and training must be considered and given priority when outlining future activities.96

The Programme of SATCC is divided into three main activities: (i) operational coordination, (ii) training, and (iii) capital investment projects.

Capital Investment Projects.

The implementation programme for the capital investment projects is mainly based on the following principles, that first priority shall be given to - the Rehabilitation and Upgrading of the existing facilities and - Projects reducing economic dependence, and promoting regional trade.

The capital investment projects are divided into five main groups:

(i) surface transport systems, (ii) civil aviation, (iii) telecommunications, (iv) meteorology, and (v) postal services. However, meteorology and postal services were recently added to the SATCC programme in January 1985.97

96Ibid., p. 9.

97Ibid., pp. 5-6.
Therefore, due to limited scope for implementation to date, meteorology and postal services may not be adequately covered by this research.

**Surface Transport**

SATCC has concentrated its work on the region's interstate transport system. In surface transport, it means the major ports, the railways and the highway system. The whole regional surface transport system has been grouped into six systems. These are the five port transport systems:

- Maputo
- Beira
- Nacala
- Dar Es Salaam
- Lobito (including the Port of Luanda).

Including regional ports, railways and roads converging on them and interstate surface transport which is not directly related to the five port systems. 98

During the first years of SADCC activities, the emphasis was defining capital investments projects to be included in the regional programme. Most of the present capital investment projects were defined by the end of 1981. From 1982 onwards, strong efforts have been made to

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improve operational coordination. See appendix A on capital investment projects.

Substantial progress in the implementation and completion of the regional programme has taken place since the SADCC Mbabane Conference January-February, 1985. SADCC has completed seventeen capital investment projects and the total cost of the projects amount to U.S. dollars $133 million. They included upgrading a section of Botswana's road to Zambia ($28 mn from the European Community, Norway, the USA and local funds); building a satellite earth station in Swaziland (3.5 mn Canadian suppliers' credit); building a railway yard on the Mozambique-Swaziland border; work in Luanda port; and rehabilitating two open wire telecommunications links (Bulawayo to Francistown; Harare to Lusaka).  

Mechanism of Dependence Relations

It is necessary to have a fuller assessment of the tasks facing SADCC in terms of my theoretical framework - the dependency relations in SADCC.

The mechanism of dependence of the SADCC region in the transport and communications sector is expressed in several different ways. In the landlocked member states of SADCC dependence is reflected in the use of South African roads, railways and ports for their overseas trade. It is

99Ibid., SADGC Harare 1986 Section Two pp. 9-10.
an important part of the SATCC Regional Programme of Projects to rehabilitate and upgrade the regional surface transport system in order to help the landlocked member states to reduce and ultimately to end use of the South African transport system. 100

The destabilizing policy of South Africa and especially the support of the armed bandits in Mozambique and Angola in the sabotage and destruction of the Mozambican and Angolan railways, bridges and other transport system has counterblanced the efforts of the SADCC member states to reduce their dependence on the South African transport system. 101

A further damaging effect is achieved when South Africa diverts traffic from the Transvaal hinterland of the port of Maputo to South African ports in order to reduce the commercial and competitive position of the Maputo port system. 102

The size of the South African railway system compared with the railway system of the SADCC region at first glance implies that South Africa is likely to dominate every kind of cooperative or competitive relationship related to

100 Roger Leys and Arne Tostensen, Regional Cooperation in Southern Africa: The Southern African Development Conference, p. 61.


railways in Southern Africa. The same applies to the relationship between the South African ports and the SADCC regional ports and especially the Mozambican ports.

This dominance means that the transport authorities in the SADCC member states often will have to consider how coordination among themselves will influence their relationship with the South African Transport System. Sometimes, directly or indirectly, this causes obstacles to SADCC cooperation. In some cases, South Africa had established formalized coordination with SADCC member states before the creation of SATCC. This gives South Africa the best possible position to counteract cooperation among the member states. 103

The trade link and other commercial relationships between most of the SADCC member states and South Africa and also with the former colonial powers have been stronger and more developed than the internal links among the member states. On both the import and export trade, most of the SADCC states have in different degrees a relationship of dependence on South Africa. The three so-called "RAND STATES" Botswana, Lesotho and Swaziland (BLS) are, in their status as member states of the Southern African Custom Union (SACU), firmly under the economic ambit of South

Africa.\textsuperscript{104} This, too, has important implications for transport services. This typical example can be found in civil aviation, where the flight connections between half of the SADCC member states and South Africa are more frequent than among the regional airports of the SADCC region, basically because flight connections follow trade and tourism flows, and partly because Johannesburg is a sub-continental hub with frequent direct flights to Europe.

Also, financial links between SADCC member states and Western industrial countries and South Africa are stronger than intra regional links. For example, projects in the transport and communications sector are to a large extent financed by loans and grants from cooperating partners through bilateral and regional financial assistance. In addition, private capital, lent on normal commercial terms, is received mainly from North America, Western Europe and South Africa. This high degree of dependence extends to the implementation of projects where the main contractors are often companies that use imported manpower, equipment and materials.\textsuperscript{105}

\textsuperscript{104} Roger Leys and Arne Tostensen, \textit{Regional Cooperation in Southern Africa: The Southern African Development Coordination Conference}, p. 61.

\textsuperscript{105} Ibid., p. 54.
South Africa's "aid" has been channeled almost exclusively to the Southern African region. It included financial and technical assistance. Lesotho has benefitted, for instance, from loans for the improvement of the rail link to South Africa; from financial and technical assistance to hydro-electric development, etc. Malawi has received loans from the Industrial Development Corporation (IDC) in conjunction with the construction of the new capital, Lilongwe. Finally, South African civil servants have been recruited to serve in Swaziland's state apparatus.\(^{106}\)

The transport and communications sector is also very dependent on the external world for technical assistance. For example, most of the training for high level positions takes place outside the region because of the major projects carried out by the transport and communications sector.

The mechanisms of dependence explained above are reinforced by the activities of freight forwarding firms which are controlled by South African companies. These firms are active in all but two SADCC member states and are believed to be obstructing the movement of cargo through SADCC ports with a view to diverting it through South

Africa. Furthermore, they handle most of the containers in Southern Africa and complicate their use to shippers in SADCC member states if they want to export through Mozambique.107

The description of the trends and developments of SADCC since 1980 or the analysis is to focus on dependence reduction aspects. It has not been easy in quantitative terms to describe all aspects of dependence mainly because of lack of reliable data and their complexity.

One simple method again to illustrate part of the dependence is to analyze the total overseas trade and its allocation among regional ports. Table 3-1 sets out the structure of overseas trade in 1981. According to the data in the table, almost 26 percent of total overseas trade of the SADCC went through ports in South Africa. This allocation was partly due to inefficiencies in the surface transport system in the SADCC region including those caused by South African sabotage and partly a result of the marketing and pricing policies of the South African ports and railways.108

The objective of SATCC is to reduce the use of the South African surface transport system in respect of the


Table 3-1
Total Oversea Trade Through Regional Ports in 1981 ( Million Tonnes)

<table>
<thead>
<tr>
<th>Country Port</th>
<th>Angola</th>
<th>Botswana</th>
<th>Malawi</th>
<th>Mozambique</th>
<th>Swaziland</th>
<th>Tanzania</th>
<th>Zambia</th>
<th>Zimbabwe</th>
<th>Total SAOCC Countries¹</th>
<th>South Africa</th>
<th>Total Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maputo</td>
<td>0.87</td>
<td>0.69</td>
<td></td>
<td>0.04</td>
<td>0.57</td>
<td>2.17</td>
<td></td>
<td></td>
<td>1.62</td>
<td>3.79</td>
<td></td>
</tr>
<tr>
<td>Matola</td>
<td>0.60</td>
<td>0.04</td>
<td></td>
<td>0.17</td>
<td>0.18</td>
<td></td>
<td></td>
<td></td>
<td>1.36</td>
<td>2.17</td>
<td></td>
</tr>
<tr>
<td>Beira</td>
<td>0.50</td>
<td>0.71</td>
<td></td>
<td>0.06</td>
<td>0.13</td>
<td>1.40</td>
<td></td>
<td></td>
<td>1.40</td>
<td>1.40</td>
<td></td>
</tr>
<tr>
<td>Ncala</td>
<td>0.33</td>
<td>0.28</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.61</td>
<td>0.61</td>
<td></td>
</tr>
<tr>
<td>Dar es Salaam</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.10</td>
<td>0.84</td>
<td></td>
<td>1.94</td>
<td>1.94</td>
<td></td>
</tr>
<tr>
<td>Lobito</td>
<td>0.40</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.40</td>
<td>0.40</td>
<td></td>
</tr>
<tr>
<td>Luanda</td>
<td>0.60</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.60</td>
<td>0.60</td>
<td></td>
</tr>
<tr>
<td><strong>Total SAOCC Ports</strong></td>
<td>1.00</td>
<td>0.83</td>
<td>2.46</td>
<td>0.73</td>
<td>1.10</td>
<td>0.94</td>
<td>0.87</td>
<td>7.93</td>
<td>2.98</td>
<td>10.91</td>
<td></td>
</tr>
<tr>
<td><strong>SA Ports</strong></td>
<td>0.32</td>
<td></td>
<td>0.36</td>
<td>0.54</td>
<td>1.72</td>
<td></td>
<td></td>
<td></td>
<td>2.94</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1.00</td>
<td>0.32</td>
<td>0.83</td>
<td>2.46</td>
<td>1.09</td>
<td>1.10</td>
<td>1.48</td>
<td>2.59</td>
<td>10.87</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ Total overseas trade to and from Lesotho was about 3000 tonnes in 1981.

² Excl. Bulk Oil.

overseas trade of the SADCC region and in this manner reduce dependence on South Africa.

**Civil Aviation**

There are 456 aerodromes open for public use in the SADCC region. However, international aerodromes are very limited in the region and it has only 29 international airports. These international airports are of primary importance in the region. This is because these international airports are responsible for intra-regional network and also for intercontinental operations. SADCC embarked on two main civil aviation projects relating to the improvement of the airport of two countries that have the poorest links with other SADCC states: Lesotho and Swaziland.\(^{109}\)

Air transport in the region can be divided into domestic, regional and international traffic. When SADCC was established there were very few direct flights among the SADCC member states and thus transit through South Africa was needed or more convenient for many regional connections among SADCC member states.

The number of flights per week among the capitals of the SADCC countries in 1980 was very low. Air transport between the region and other African countries, as well as

other continents, existed to a certain extent in 1980; however, frequencies were limited to one or two flights per week and for many trips to/from the region. The most convenient connection was via Johannesburg. The situation today shows roughly the same picture and dependence on South Africa still exists, although a substantial progress has been made in rearranging and extending flights in the region.¹¹⁰

**Telecommunications**

Telecommunications is the weakest link between SADCC members as facilities were not developed in colonial times (apart from links to South Africa). This lack of telecommunications disrupts trade, and is an important restriction on the use of SADCC ports.

The regional telecommunications services consist of terrestrial links (including those forming part of PANAFTEL) and satellite links. Dependence of the SADCC member states in telecommunications exists in various fields not only on South Africa, but also with respect to the former colonial powers.

In the early eighties the regional telecommunications services were dependent on going or routing through South Africa or West European countries. This situation is changing following the completion of the SATCC regional

¹¹⁰Ibid., pp. 53-55.
investment projects—the implementation of the microwave system Francistown—Bulawayo allows the establishment of direct communications from Botswana to Zimbabwe, Malawi and Tanzania.111

Measured by the percentage of total trade passing through South African ports, a fair amount of dependence on the South African transport and communications sector existed in 1980, attributable to trade links between some of the SADCC member states and South Africa, provision of technical assistance by South Africa to SADCC member states in the field of transport and communications and the competitive position of the South African transport and communication system which is highly developed and advanced. Since the inception of SADCC, the degree of dependence has increased because of the South African destabilization has affected and even paralyzed the surface transport system that feeds ports in the SADCC region.

Despite the efforts made by SADCC, South Africa has employed sabotage. Most important, however, South Africa has supported anti-government guerillas, attacked and closed those lines which could be used to direct SADCC traffic away from South Africa. Just before the SADCC meeting in Blantyre in November 1981, South African commandos damaged the road, railways, bridges and pipelines

111Ibid., pp. 56-68
linking Beira and Zimbabwe, and marker buoys in Beira port cutting traffic to Malawi. Intimately linked with sabotage is South African control of the major shipping and forwarding firms throughout most of the SADCC region, including Mozambique, are Monica (owned 40 percent by Anglo-American Corporation of South Africa and 60 percent by the South African National Shipping Line SAFMARINE) and RENNIES owned by Old Mutual of South Africa with other South African partners in some countries.

It may be naive to expect South African agencies to give active support to SADCC efforts to move cargo away from South African ports.

With respect to civil aviation the number of weekly direct regional flights between the SADCC capital cities is still low, but it does not pass through Johannesburg. As regards telecommunication, there is some change following the completion of the SATCC regional capital investment projects in the region.

Regarding operational coordination and training, increasing stress is being put on making sure that railways, communications systems and airlines mesh, and on


113Joseph Hanlon, SADCC: Progress, Projects and Prospects, p. 35.
ways in which joint work can be done in a whole variety of areas, from training to equipment calibration.

To sum up, dependence has in relative terms declined slightly in civil aviation and telecommunications. In surface transport, it has been increased because of the various factors that have been noted above.

B. Industry

The subject of industry is of particular importance because the development of primary and secondary industries is the principal objective of most of the Third World countries policies aimed at economic growth. Moreover, the degree of industrialization attained by underdeveloped countries is frequently used to mark the stages in their upward progress from unindustrialized beginnings.

Industrial development is critical to economic liberation in SADCC. It is critical to reducing dependence on South Africa—-at present a dominant source of manufactured goods for most of the member states. SADCC's regional plan of industrial cooperation was approved at the Council of Ministers at the 1981 Blantyre Conference. The Council declared three objectives:

(i) Reduce external dependence on imports of industrial products and inputs from outside the region.
(ii) Increasing the size, scope and diversity of the industrial sector's ability to manufacture goods both nationally and regionally.

(iii) Developing the regional coordination and linkages for industrial activity as a means of creating an integrated and self-reliant regional economy. 114

In light of the objectives in respect of the industrial sector, the priority subsectors are designed to meet the basic needs (food, clothing, housing, health, education, transport, water supply and power). The Programme of priority sectors includes the development of core industries (examples: iron and steel, natural gas based fertilizers and chemicals, metal and engineering, pharmaceuticals, basic chemicals) underlying the production of basic needs oriented goods. On the basis of the above criteria, nine sub-sectors were identified. These are salt, textiles, wool and mohair, tractors and farm implements, pesticides and insecticides, pulp and paper, fertilizers, cement and electrical transmission and distribution equipment and a further eight subsectors were identified and approved by SADCC Industry Ministers in January 1984 at Lusaka. These include machine tools; irrigation pumps; railway wagons, rolling stocks and equipment; pharmaceutical and veterinary drugs; baby food

and cereal processing; hospital equipment and material; industrial chemical and mining equipment. Projects have been identified in these sub-sectors and these projects are at various levels of implementation. For fifty-two projects, studies have been completed, while thirty-five others are still under study. See Appendix on Industrial projects.

Industry in SADCC: Status and Trends

Industrial development in the SADCC region is at a relatively low level. Table 3-2 indicates that in absolute terms the industrial sector in SADCC countries is relatively small. Zimbabwe has by far the largest industrial sector in the region while the smallest industrial sector is found in Lesotho. The level of industrial activity is low in the region but it shows that there is a variation among member countries.

Recent trends in industrial growth within SADCC seem to have been generally downward. This picture, however, is far from across the board (homogeneous) in the region. In some countries, the rate of growth of industry since 1980 has been quite high, example, Botswana, Lesotho, Malawi and Swaziland. These are countries with quite small industrial

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115Ibid., pp. 2-3.
116Ibid., pp. 1-2.
Table 3-2

SADCC's Contribution of the Manufacturing Sector to the GDP

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Angola</strong> MVA (mill kw)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of MVA in GDP</td>
<td>3.99</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Botswana</strong> MVA (mill Pula)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of MVA in GDP</td>
<td>4.1</td>
<td>3.7</td>
<td>9.0</td>
<td>7.7</td>
<td>7.3</td>
</tr>
<tr>
<td>MVA (mill US$)</td>
<td>63.5</td>
<td>85.5</td>
<td>80</td>
<td>83.5</td>
<td>84.5</td>
</tr>
<tr>
<td><strong>Lesotho</strong> MVA (mill maloti)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of MVA in GDP</td>
<td>4.5</td>
<td>4.6</td>
<td>5.1</td>
<td>5.5</td>
<td></td>
</tr>
<tr>
<td>MVA (mill US$)</td>
<td>15.3</td>
<td>16.9</td>
<td>16.5</td>
<td>18.9</td>
<td></td>
</tr>
<tr>
<td><strong>Malawi</strong> MVA (mill K)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1978 prices)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of MVA in GDP</td>
<td>11.7</td>
<td>12.8</td>
<td>12.4</td>
<td>12.8</td>
<td>12.3</td>
</tr>
<tr>
<td>MVA (mill US$)</td>
<td>109.6</td>
<td>102.8</td>
<td>86.9</td>
<td>83.5</td>
<td>71.8</td>
</tr>
<tr>
<td><strong>Mozambique</strong> (MVA mill Esc)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of MVA in GDP</td>
<td>30.7</td>
<td>30.8</td>
<td>29.7</td>
<td>27.6</td>
<td></td>
</tr>
<tr>
<td></td>
<td>37.3</td>
<td>37.8</td>
<td>34.9</td>
<td>35.2</td>
<td></td>
</tr>
<tr>
<td><strong>Swaziland</strong> MVA (mill E)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1980 prices)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of MVA in GDP</td>
<td>21.8</td>
<td>22.3</td>
<td>22.8</td>
<td>23.5</td>
<td></td>
</tr>
<tr>
<td>MVA (mill US$)</td>
<td>102.3</td>
<td>101.6</td>
<td>89.3</td>
<td>84.5</td>
<td></td>
</tr>
<tr>
<td><strong>Tanzania</strong> MVA (mill T.Shns.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1976 prices)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of MVA in GDP</td>
<td>9.4</td>
<td>7.5</td>
<td>6.1</td>
<td>5.5</td>
<td>4.7</td>
</tr>
<tr>
<td>MVA (mill US$)</td>
<td>279.1</td>
<td>217.8</td>
<td>159.6</td>
<td>121.2</td>
<td>76.6</td>
</tr>
<tr>
<td><strong>Zambia</strong> MVA (mill K)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1980 prices)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of MVA in GDP</td>
<td>18.5</td>
<td>19.6</td>
<td>20.6</td>
<td>19.8</td>
<td></td>
</tr>
<tr>
<td>MVA (mill US$)</td>
<td>206.6</td>
<td>207.3</td>
<td>186.4</td>
<td>147.5</td>
<td></td>
</tr>
<tr>
<td><strong>Zimbabwe</strong> MVA (mill K)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of MVA in GDP</td>
<td>24.9</td>
<td>25.1</td>
<td>30.0</td>
<td>30.0</td>
<td></td>
</tr>
<tr>
<td>MVA (mill US$)</td>
<td>1333.6</td>
<td>1575</td>
<td>1568.7</td>
<td>1195.3</td>
<td></td>
</tr>
</tbody>
</table>

sectors in 1980 which have generally not experienced serious balance of payment crisis.

The other countries (Angola, Mozambique, Tanzania, Zambia and Zimbabwe) have had their industrial sectors grow slowly or even decline. These countries had substantially larger industrial sectors as of 1980 but have also experienced a number of problems. The problems include balance of payment crisis, drought (in all the five countries), South African and proxy military aggression and economic destabilization (Mozambique and Angola). These factors have impaired capital formation, but have had a much greater negative impact on utilization and maintenance of existing industrial capacities. 117

There are some sectors which have grown relatively fast. We can mention textiles, building materials, metal products, chemical and rubber products in Botswana; food, beverages and tobacco in Malawi; footwear, textile and clothing in Swaziland; textiles in Zambia and chemicals, transport equipment, textiles and food stuffs in Zimbabwe.

Within the group of countries with relatively fast growing industrial sectors, the present economic indicators do not point to a rapid growth.

---

Main Constraints of SADCC's Industrial Sector

In order to throw some light on the future strategy toward industrial development in SADCC, it is useful to examine some of the major constraints which have retarded the process of industrial development in the region. These constraints have been identified by reading through various SADCC documents on industrial development related problems in SADCC.

(i) Economic Destabilization/Military Aggression.

The negative impact of destabilization and aggression by South Africa has been felt most in Mozambique and Angola where not only have circumstances necessitated reallocation of resources away from industry, but even some of the existing industrial capacities and their supportive structures have been physically destroyed.\textsuperscript{118} Further, transport within these countries has been difficult interrupting the inter-linkages which had been created between the different sectors of the economy.

(ii) Inadequate Investment.

The economic crisis in the region has reduced the investible surplus resulting in decline in the investment ratios in SADCC. However, this decline in investment has not in fact prevented commissioning of substantial new plants in several countries of the region.

\textsuperscript{118}Ibid., pp. 8-9.
(iii) **High Import Content of Manufacturing.**

However, the import dependence is neither as high as uniform nor as homogeneous as is sometimes assumed. The direct and indirect import requirements of fixed investment in manufacturing appear to be high in every SADCC member state.

(iv) **Smallness of the Market.**

The SADCC member countries taken individually are in many cases too small to constitute a market for efficient industrial production in many product categories. The problem of a small market size is of particular concern to Botswana, Swaziland, Lesotho and Malawi.

(v) **Balance of Payment Crisis.**

The balance of payments crisis has been caused by the world economic recession, the oil crisis, drought, declining volume of exports and deteriorating terms of trade. It has applied with widely varying degree of intensity from one member state to another.\footnote{119}

The result of the balance of payments crisis has been reflected in the cut-back on imports, a substantial proportion of which are intermediate inputs for capacity utilization, spares for maintenance, petroleum products, 

\footnote{119Ibid., p. 4.}
for direct or indirect power generation, and transport requirements of the industrial sector, and capital goods for expansion or replacements of old machinery and equipment. This resulted in reduced levels of industrial utilization, a problem which has assumed serious proportions in the region at present.

Degree of Dependence

The available data and the capital investment projects indicate that the degree of dependence in terms of source of imports has not declined in the countries whose dependence, especially on South Africa, was high at the inception of SADCC. In response to the balance of payments crisis, imports of industrial goods have declined in real terms in the region. This, however, does not necessarily indicate reduced dependence on the outside world rather than general reduced availability of manufacture.

C. Energy

The SADCC region is well endowed with a wide variety of energy resources, including oil and gas, coal, hydropower, uranium and thorium, wind and solar power, fuel-wood, charcoal, animal dung and crop residue. In number, but particularly in amount, these resources vary between member states. However, all member states have some hydropower potential, coal, wind and solar power, as well as traditional woodfuel resources.
Energy is a major constraint on development for several countries in the region whose petroleum, and in three cases, electricity, imports bills exceed 25 percent of export earnings. On the other hand, there are great opportunities for development through exploitation of hydroelectric power, as well as the maximization of coal, natural gas and petroleum resources in the region. It is also a priority of the SADCC states to develop new and renewable sources of energy to reduce dependence on non-renewable sources and on imports, and to prevent environmental degradation.

In accordance with the overall SADCC objectives, the energy sector adopted a policy where the member states committed themselves to developing a coordinated approach to the problem of energy development, conservation and security in the region. The following are the main objectives:

(i) Reduce the drain on foreign exchange reserves caused by expensive import of petroleum products;
(ii) reduce the depletion of wood fuel resources.
(iii) develop expertise in energy technologies and promote technology transfer to the region;
(iv) establish detailed knowledge of the energy situation and its inter-relation with macro-economic development in the region.
(v) strengthen regional cooperation in the various energy subsections;
(vi) establish emergency supply and distribution mechanisms;
(vii) promote better knowledge of the capital and technology requirements of the region; and
(viii) continue rehabilitation programmes.\textsuperscript{120}

The long-term goal of SADCC is to reduce energy dependence on a regional basis. This is to be attained through the implementation region-wide of concrete programmes and projects designed to increase energy production or exchange between member states. Programmes and projects are included in the sectoral programme of action as long as they meet the set criteria, and in addition, they are regional in character, technically and economically feasible, and can attract local and external resources.\textsuperscript{121}

There are six sub-sectors in energy within the organization - SADCC. These are (1) overall coordination, (2) petroleum, (3) coal, (4) electricity, (5) new and renewable services of energy, and (6) woodfuels.\textsuperscript{122}

Almost all countries in the region are implementing programmes designed to expand their electricity generating capacity. There are also under implementation a number of projects that have been promoted under the auspices of SADCC to interconnect some of the national electricity grids. The execution of those programmes will ensure


\textsuperscript{121}Ibid., pp. 1-5.

\textsuperscript{122}Ibid., pp. 8-22.
self-sufficiency in electricity for a larger number of member states and to reduce dependence among those states that do import energy.

For coal, the total amount of exploitable reserves look vast, particularly in Botswana, Mozambique, Swaziland and Zimbabwe. Oil and gas resources are mostly concentrated in Angola whose oil resources amount to 250 million tons and natural gas reserves to about 80 billion cubic meters. Natural gas has also been discovered in Tanzania and Mozambique. The hydroelectric potential of the region is also very large with a capacity of 39,000 MW of which only 5,070 MW capacity was installed in 1980, as shown in Table 3-3. 123

The overall energy balance or situation, that is energy demand and supply 1980-1986, should be discussed briefly.

As a group, the SADCC member states are a net energy exporter. They produce more than twice as much oil, and more electricity and coal than they need. Angola currently produces and exports all the crude oil. It is highly dependent on it as a source of foreign exchange receipts and government revenue. Mozambique, Tanzania and Zambia export small quantities of refined oil. Mozambique,

Table 3-3

Hydro-Electricity Capacity in SADCC Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Installed Capacity 1980 (MW)</th>
<th>Additional Hydro-Potential (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angola</td>
<td>287</td>
<td>15,458</td>
</tr>
<tr>
<td>Botswana</td>
<td>0</td>
<td>3,000</td>
</tr>
<tr>
<td>Lesotho</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Malawi</td>
<td>125</td>
<td>375</td>
</tr>
<tr>
<td>Mozambique</td>
<td>2,151</td>
<td>9,986</td>
</tr>
<tr>
<td>Swaziland</td>
<td>21</td>
<td>22</td>
</tr>
<tr>
<td>Tanzania</td>
<td>150</td>
<td>2,230</td>
</tr>
<tr>
<td>Zambia</td>
<td>1,669</td>
<td>2,089</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>666</td>
<td>2,089</td>
</tr>
<tr>
<td><strong>SADCC TOTAL</strong></td>
<td><strong>5,069</strong></td>
<td><strong>33,910</strong></td>
</tr>
</tbody>
</table>

Swaziland and Zimbabwe export coal; Mozambique and Zambia export electricity. However, it is only Angola that is virtually energy self-sufficient, all other import oil and several import electricity and coal as well. A long-term goal of SADCC is therefore to attain energy self-sufficiency on a regional basis.

The total consumption of energy in 1980 in the SADCC region was 49.5 million tons coal-equivalent. Of this amount, 21 percent was consumed as modern commercial fuels, primarily electricity, coal and petroleum products. The remaining 79 percent was derived from traditional fuels, predominantly produced or collected by users rather than commercialized.\(^{124}\) See the table on energy consumption in 1980.

**Petroleum**

Although the situation varies greatly among the SADCC member states, all countries with the exception of Angola suffer large petroleum import bills. Petroleum imports are equivalent to from 20–50 percent of total export value, which adds to an already unfavorable balance of trade for many countries.

\(^{124}\) Henry Harrington, "SADCC and Energy, p. 5."
Table 3-4

Electricity Consumption 1980-1984 (GWH)

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Angola</td>
<td>626</td>
<td>650</td>
<td>695</td>
<td>685</td>
<td>n.a</td>
</tr>
<tr>
<td>Botswana</td>
<td>401</td>
<td>442</td>
<td>459</td>
<td>533</td>
<td>602</td>
</tr>
<tr>
<td>Lesotho</td>
<td>68</td>
<td>76</td>
<td>92</td>
<td>100</td>
<td>108</td>
</tr>
<tr>
<td>Malawi</td>
<td>354</td>
<td>343</td>
<td>357</td>
<td>343</td>
<td>406</td>
</tr>
<tr>
<td>Mozambique</td>
<td>596</td>
<td>619</td>
<td>626</td>
<td>640</td>
<td>625</td>
</tr>
<tr>
<td>Swaziland</td>
<td>485</td>
<td>515</td>
<td>585</td>
<td>540</td>
<td>n.a</td>
</tr>
<tr>
<td>Tanzania</td>
<td>739</td>
<td>750</td>
<td>729</td>
<td>n.a</td>
<td>n.a</td>
</tr>
<tr>
<td>Zambia</td>
<td>5,417</td>
<td>5,880</td>
<td>5,883</td>
<td>5,935</td>
<td>n.a</td>
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<tr>
<td>Zimbabwe</td>
<td>7,089</td>
<td>7,147</td>
<td>7,500</td>
<td>7,288</td>
<td>n.a</td>
</tr>
<tr>
<td>Total SADCC</td>
<td>15,855</td>
<td>16,440</td>
<td>16,928</td>
<td></td>
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</tr>
</tbody>
</table>

The current fall in real prices for crude oil does not significantly change the situation and depletion of foreign exchange reserves caused by petroleum imports will continue to constitute a severe constraint on development.

Angola, however, has a problem arising from a surplus of fuel-oil. Although Angola produces LPG in Cabinda, a conversion is necessary to meet the needs of the country. There also exists a deficit of jet fuel B. Increasing the distillation capacity might solve the problem but this would create a problem of surplus production for all other refined products.

Apart from Angola, three other countries operate refineries: Mozambique, Tanzania and Zambia. Some of the countries which have refineries are unwilling to give them up. Refineries give these countries more control over their energy supplies because they can buy oil from a variety of sources or as in the case of Mozambique, beg credit from several oil producers.

Given the current prices for crude oil and refined products and high costs of the technologies to reprocess residues, investments to increase refining and residue processing capacity has declined. This is because profitability in relation to current market prices is not assured.125

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There is a shift in demand away from oil products in the region towards low cost electricity. These developments are attributable to the pursuit of energy conservation measures by member states, including formal petrol rationing, restrictions on purchases at night and weekends, the difficulty of maintaining supplies due to shortages of foreign exchange or disruptions on supply routes, higher oil product prices, technical problems on some of the pipelines, as well as refineries, and the substitution of other fuels: examples, coal, electricity and ethanol for petroleum products.\textsuperscript{126}

With regard to the source of imports of oil products, there have been few changes in the pattern of dependence. Botswana, Lesotho and Swaziland have continued to get all their supplies from South Africa. Malawi gets some from South Africa partly because its traditional supply routes through Mozambique have been paralyzed. All other importing member states get their supplies from global sources. Although Angola has been self-sufficient in oil as a consumer, it has been dependent on industrialized countries for its export market and for much of its capital, technology and managerial and skilled manpower. Other member states have been partially dependent in

\textsuperscript{126}Ibid., p. 6.
respect of capital, technology and managerial and skilled manpower in relation to oil refining, distribution and exploration.

Electricity

The present structure of the electricity sector in SADCC is characterized by a large surplus in generation capacity in the region as a whole, yet electricity is not available to most people in the region. Of the total capacity of 6,300 MW in 1980, about 81 percent was hydro and the remainder coal and oil fired. The electricity consumption in the region in 1980 was 15,855 GWH but here too the diversity throughout the area is wide—Botswana, Swaziland, Zambia and Zimbabwe range first while other countries are less.127

Despite the above figures, the countries in the SADCC region import electricity; Lesotho imports all its requirements from South Africa, while Swaziland meets about 40 percent of its needs from the same source. Also, Zimbabwe and Mozambique, which have internal capacity, import 24 and 3 percent of requirements, respectively. The data in table 3-5, electricity consumption 1980-1984, indicates that electricity consumption has

Table 3-5

Electricity Imports from South Africa
1980-1984 (GWH)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Lesotho</td>
<td>67</td>
<td>70</td>
<td>92</td>
<td>100</td>
<td>108</td>
</tr>
<tr>
<td>Botswana</td>
<td>-</td>
<td>-</td>
<td>27</td>
<td>101</td>
<td>176</td>
</tr>
<tr>
<td>Swaziland</td>
<td>188</td>
<td>209</td>
<td>227</td>
<td>330</td>
<td>309</td>
</tr>
<tr>
<td>Mozambique</td>
<td>20</td>
<td>234</td>
<td>293</td>
<td>293</td>
<td>280</td>
</tr>
</tbody>
</table>

Table 3-6

Energy Consumption in the SADCC Region 1980
(in million tons coal equivalent)

<table>
<thead>
<tr>
<th>Grand Total</th>
<th>Commercial Fuels</th>
<th>Traditional Fuels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TCE 49.5</td>
<td>10.4</td>
<td>1.95</td>
</tr>
<tr>
<td>% 100</td>
<td>21</td>
<td>3.9</td>
</tr>
</tbody>
</table>

increased in all the SADCC member states in absolute terms since 1980. In some countries, such as Botswana, this development has reflected an expansion in demand for energy in general, following an increase in economic activity. In all SADCC countries, there has been some substitution of electricity for oil, as already noted above.\textsuperscript{128} See table on electricity consumption.

The shift seems to have been motivated by higher oil prices and grew faster in countries that formerly used oil in generating electricity. The widespread availability of hydropower and coal in the region facilitated the shift from oil to electricity.

Over the whole period under review, Angola, Zambia, Malawi and Tanzania have maintained complete self-sufficiency in electricity supply. Zimbabwe has been partially dependent on Zambia. Botswana, Lesotho, Swaziland and Mozambique have purchased increasing quantities of electricity from South Africa. These are significant in relation to their respective requirements. See table on electricity imports from South Africa 1980-1984 (gwh). Mozambique has also been dependent on South Africa as a market for its electricity. However, overall, the imports of electricity from South Africa represent less than 5 percent of total electricity

\textsuperscript{128}Ibid., pp: 30-31.
consumption in the SADCC region, while exports to South Africa amount to about 13 percent of SADCC and South Africa supply until halted by destabilization.\(^{129}\)

**Coal**

The region has vast coal reserves and the SADCC states probably have more exportable coal than South Africa. The world production capacity of coal is rising rapidly, which seems likely to keep the price low for some time to come. This makes many SADCC coal reserves uneconomic to exploit, especially because of the high transport costs needed to bring the coal to a seaport. Reflecting this development, weak export demand and other factors which go with the output of coal has declined in the SADCC region.\(^{130}\)

Five coal projects were being put to donors at Mbabane. Malawi is one of the few SADCC countries that currently imports coal, yet studies indicate that it has small reserves. So there are three projects worth $2.4 mn, for further exploration and trial mining. There are also two small projects to try to increase household use of coal experimental briquetting in Zambia ($235,000) and a rural coal stove trial in Zimbabwe ($105,000).\(^{131}\)

\(^{129}\)Ibid., pp. 30-32.


\(^{131}\)Ibid., pp. 25-26.
Like many other mining industries in the region, coal has depended on foreign capital, technology and skills (a reflection of lack of adequate local skilled personnel).

The SADCC region is well endowed with energy resources. The region produces more commercial energy than it requires. However, several member states import electricity and coal and the region – except Angola – is particularly dependent on imports of oil.

The major recent changes in the energy situation in the region have been the substitution of cheaper hydro-electric power for coal and oil and consequent increase in demand for electricity and decline in demand for coal and oil. There has been little change in the use of wind and solar energy which remain insignificant, while the use of fuel wood has grown at an alarming rate.

A number of countries have maintained self-sufficiency in electricity and coal. Some continue to import them. All but one have had to depend on external sources for their oil supplies.\textsuperscript{132}

\textbf{Woodfuel}

One of the most crucial problems that SADCC member states are facing today is the depletion of forests, which in the long run can contribute to erosion and drought.

\footnote{\textsuperscript{132}Ibid., p. 37.}
At present, the situation is characterized by woodfuel shortages affecting a substantial portion of the populated rural areas, deforestation for charcoal supply around urban areas, and acute but limited local shortages of woodfuel.

A Luanda Woodfuel Seminar in October 1983 recognized the seriousness of the woodfuel situation, its long-term consequences for the ecological system and the negative way it affects the population which is dependent on woodfuel supplies. A series of actions were recommended which require joint efforts from both the forestry and the energy sectors.133

The security situation in the region will continue to obstruct the infrastructural development required for energy integration. The Benguela railway, the Beira-Umtali pipeline, the Ruacana hydro scheme and the trans-Kalahari railway are all subject to disruption or delay because of the need for a settlement in Namibia or because of the actions of anti-government guerillas supported by South Africa. The uncertainty in the region has led to the diversion of the resources to strategic rather than productive use, such as the 35,000 ton oil tank farm Lesotho has built as a hedge against sanctions. Lesotho and Zimbabwe have both experienced disruption of traffic

after incurring the displeasure of the South African government.

Until greater stability and unity is achieved, the foreign investment which is needed to exploit commercial energy sources is unlikely to be forthcoming. Lack of foreign participation is also likely to hinder the acquisition of technical skills for the management of the region's own energy industry.

Energy is a challenge to SADCC and regional cooperation is proving difficult to achieve except on a small scale. Energy and minerals will be the basis of SADCC's industrial development, both as industrial inputs and as the exports to pay for it. This strategic sector is attracting more interest and considerably more competition and infighting among donors, while member states have been more concerned with achieving their own energy self-sufficiency than with regional cooperation. From SADCC's programme of actions, Angola was given responsibility for the energy sector in the clear hope that its oil would become more available to the other SADCC members. But will Angola give up its most valuable export? Secondly, SADCC member states do want their own refineries, rather than follow the more sensible course of pooling refining capacity in the region. Similarly, Zimbabwe has gone ahead with a massive expansion of a coal fired power station, which will lead to less
electricity cooperation in SADCC. This problem is admitted by SADCC at its meeting in Lusaka in February 1984, no projects for the interconnection of lines between states are taking shape. On the contrary, the analysis of supply and demand between now and 1990 has shown that each country has developed its own specific programme, designed to meet its future requirements.134

The SADCC's response has been to try to build a "habit of cooperation" that will lead to mutual trust, and a willingness to become increasingly dependent on neighbours. This is being done through a series of small projects linking electricity lines and borders; initially, they will merely provide additional security and balance demand with no net imports or exports.

In terms of the simple abundance of energy reserves, SADCC has the resources to pursue development, modernization and reduce dependence on South Africa. However, the region's potential for energy self-sufficiency is being undermined by a number of factors apart from the ones that had been stated above. The failure of the group (SADCC) to adopt a regional industrialization policy is indicative of the lack of political will to cooperate, which has its roots to some extent in the different ideologies of the member countries. Part of the organization's ineffectiveness may arise from the lack of

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134 SADCC Meeting, Lusaka, 1984, p. 16.
institutional framework. The secretariat based in Gaborone has been kept deliberately weak to avoid the pitfalls of past African economic groupings.

Conclusion

The overall conclusion from the analysis of the specific areas of SADCC is that there is danger of new dependencies. The Lusaka Declaration clearly states that SADCC's future development must aim at the reduction of economic dependence, not only on the Republic of South Africa, but also on any single state or group of states. Despite this formulation, SADCC efforts have almost exclusively been directed toward the objective of reducing dependence on the Republic of South Africa. Dependency relations vis-a-vis extra-regional power has been a secondary concern thus far. The danger is that new or reinforced old dependencies may develop to the extent that SADCC runs the risk of substituting one set of dependencies (on the Republic) for another (on extra-regional states). Two factors point in that direction. Firstly, the overwhelming initial emphasis on transport and communications. And secondly, there is too much reliance on the donor community for finance and technical assistance. Alternative strategies will be suggested in chapter five.

SADCC's chronic economic dependence on South Africa and other external states raises the doubts of its ability to
accomplish its developmental objectives set out in the Declaration: Toward Economic Liberation. It is possible to believe that the politically independent African States are still "dependent" on other external states, and for a great majority of them, it may be difficult to achieve a significant degree of self-reliance in the near future. This dependence is the product of their small size and extreme poverty and their very limited power in international markets and institutions. As it is noted by Reginald H. Green in his Stages of Economic Development, most SADCC states fit into this category of dependency

No state without an economy basically oriented to production for national needs, without a high level of technological capacity, or without the capacity for generating nationally at least the bulk of the investible surplus and educated-skilled manpower necessary for rapid and sustained growth has the economic base for fully meaningful independence. Without them, a state remains dependent on other more economically powerful states or on large economic interest groups based in such states.135

CHAPTER IV

ANALYSIS OF SADCC'S SPECIFIC AREAS: (1) FOOD AND AGRICULTURE (2) MINING, MANPOWER, (3) TRADE AND OTHER AREAS

Introduction

This chapter is a continuation of Chapter III and it is to analyze more of SADCC's specific areas to see whether economic integration and self-reliance is taking place in the region. We therefore proceed with the analysis of food and agriculture first.

I. Food and Agriculture

Everybody knows the importance of agriculture in the economies of the World. Agriculture is the most important sector in the SADCC region although it is not the largest in all member states. Agriculture forms the mainstay of the economies of SADCC and the Third World. It constitutes the base of the economies of SADCC countries and provides directly the livelihood for 60% of the region's population. From 1980 to the present, agriculture has contributed an average of 34% of the region's GDP, employed 78% of its total labour force and accounted for about 26% of its foreign exchange earnings. The role of the sector
in earning foreign exchange is about 60% for the five countries without dominant export oriented mining sectors. 136

The SADCC countries are well endowed with basic resources of land, labour, water and sunlight for agricultural production which includes crop production, animal husbandry, forestry and fisheries. One can hardly maintain that the absence of a sufficient resource base is the sole cause for the low agricultural performance being experienced in these subsections. In all countries of the region, agriculture, agricultural exports and import substitutions play a major part in national economies yet agricultural production is declining in every country except Swaziland and within the region in per capita terms. 137

One of the aims of SADCC was to reduce member states economic dependence particularly, but not only, on South Africa. SADCC's founding declaration, *Southern Africa: Toward Economic Liberation*, addresses itself specifically to the problems of agricultural development.

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137 Ibid., p. 2.
A majority of the people of Southern Africa are dependent on farming and animal husbandry. Their future livelihood is threatened by environmental degradation and in particular, by desert encroachment, as well as recurrent drought cycles. Even today few of the states of the region are self-sufficient in staple foods. Both environmental protection and food security are major challenges nationally and regionally.\textsuperscript{138}

SADCC gave initial priority to areas like transport which has more obvious regional implications and thought that the problem of agricultural and rural development are fundamentally national rather than a regional issue. The food production in the region has not kept up with the rapid population growth in SADCC and the impact of the Southern African drought on development projects induced SADCC to change its priority. From SADCC's standpoint now food problems are partly regional and took a coherent and positive approach to the agricultural problems of the region and have the following three objectives:

- to satisfy the basic need for food of the whole population of the region and progressively to improve food supplies to the people irrespective of the specific economic situation of each person or their position in society.
- to achieve national self-sufficiency in food supply in order to free the region from the constraints which the present situation of dependence imposes on its development.

to eliminate the periodic food crises which affect areas or countries in the region and which, besides having catastrophic social consequences, reinforce dependence and underdevelopment.\textsuperscript{139}

In order to translate these objectives into concrete programmes of cooperation, specific sectoral areas have been identified and member states charged with responsibility for their coordination: Food Security is coordinated by Zimbabwe; Animal Disease Control and Agricultural Research by Botswana; Fisheries, wildlife and forestry by Malawi; and soil and water conservation and land utilization by Lesotho. Overall, coordination is maintained through regular meetings of Ministers of Agriculture and through the SADCC Council of Ministers which receive reports from all the sectors.\textsuperscript{140}

\textbf{Agricultural Production Structure in SADCC}

All SADCC countries inherited dualistic agrarian structure from colonial regimes. On the one hand there is a modern commercial sector of large farms which usually

\textsuperscript{139}SADCC Food and Agriculture, SADCC Gaborone, Botswana (January, 1983), p. 3; SADCC Food and Agriculture, Gaborone, Botswana (January 31-February 1, 1985), p. 4.

\textsuperscript{140}SADCC Food and Agriculture, SADCC Gaborone, Botswana (31st January-1st February, 1985), p. I.
occupy the best lands, have relatively easy access to credit, improved technology, agricultural services, and national and international markets. On the other hand, there is a peasant or small holder farm sector employing the overwhelming majority of the labour force and producing food mainly for family subsistence.

The small holder farm sector in the region displays great variability depending on soil and climatic conditions and it is characterized by simple technologies utilized and low levels of productivity. Production in this sector is modest and subsistence oriented and there is very little generation of surpluses for sale. Compared to large scale farms, the small holder farms are undercapitalized and in general, they are poorly provided with services. There has been some opinions in the region and by some donors that improved overall agricultural performance in the region depends on success in raising productivity in the small holder section in which the bulk of the population resides.

At the SADCC's 1984 Annual Conference in Lusaka, the Nordic states issued a position paper saying that drought was not entirely to blame for SADCC's food problems. Rather, they argued that the SADCC states were giving the small farmers inadequate attention. More stress should be put on incentives with higher producer prices and more
consumer goods for peasant farmers, correcting the urban bias. 141

SADCC embarked on national and regional level projects/endeavours seeking to break the legacy of dualism and to transform the present sector into a more productive and commercially oriented agricultural sector in the region. (See some of the regional projects in the Appendix A.)

Performance Trends Since 1980

The total agricultural and food production in the SADCC region have shown very low annual growth rates since 1980. Consequently, per capita total agricultural and food production have continued to decline in the face of a rapidly rising population. The statistics in Table 4-1 tell the story for the period 1978-1982. It can be observed that of the nine (9) states, only Swaziland recorded a positive growth rate in per capita total agricultural and food production for the period.

It should be noted, however, that the non-food or the agricultural export sector performed much poorer than the food sector for the period under review. This is clear from the data shown in Table 4-1. It can be observed that per capita total agricultural production either declined

### Table 4-1

Annual Growth Rates of Agricultural and Food Production 1978-1982 (Percentages)

<table>
<thead>
<tr>
<th>Country</th>
<th>All Agricultural Production Total</th>
<th>Per Caput</th>
<th>Food Production Total</th>
<th>Per Caput</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angola</td>
<td>-0.2</td>
<td>-2.7</td>
<td>0.9</td>
<td>-1.6</td>
</tr>
<tr>
<td>Botswana</td>
<td>2.6</td>
<td>-0.5</td>
<td>2.6</td>
<td>-0.4</td>
</tr>
<tr>
<td>Lesotho</td>
<td>-3.7</td>
<td>-6.0</td>
<td>-4.4</td>
<td>-6.7</td>
</tr>
<tr>
<td>Malawi</td>
<td>2.8</td>
<td>-0.5</td>
<td>2.8</td>
<td>-0.6</td>
</tr>
<tr>
<td>Mozambique</td>
<td>0.8</td>
<td>-1.9</td>
<td>0.9</td>
<td>-1.8</td>
</tr>
<tr>
<td>Swaziland</td>
<td>0.6</td>
<td>3.5</td>
<td>6.8</td>
<td>3.7</td>
</tr>
<tr>
<td>Tanzania</td>
<td>0.8</td>
<td>-2.3</td>
<td>1.6</td>
<td>-1.5</td>
</tr>
<tr>
<td>Zambia</td>
<td>-1.2</td>
<td>-4.4</td>
<td>1.2</td>
<td>-4.4</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>1.8</td>
<td>-1.7</td>
<td>2.7</td>
<td>-0.8</td>
</tr>
<tr>
<td>Total SADCC (1986-1981)</td>
<td>1.1</td>
<td>-1.7</td>
<td>2.0</td>
<td>-0.8</td>
</tr>
</tbody>
</table>

**Source:**


SADCC Food and Agriculture, 1985, p. 74.
much faster or increased much less than it did for food production. Agricultural exports are in several countries the main source of foreign exchange, the poor performance of the export sector has had negative far-reaching effects on food production by reducing the ability of the region to import necessary inputs for the food sector.

The unsatisfactory performance of SADCC agriculture is a result of a conjunction of a number of factors, including (i) unfavorable weather conditions - drought; (ii) rapid population growth rates; (iii) weakness in agricultural development policies; (iv) a hostile external economic environment; and (v) South African destabilization of the five factors, drought is by far the most important, explaining the marked deterioration of agriculture throughout the region for the period 1980-1984. Thus, countries with previously relatively creditable agricultural production performances such as Zimbabwe have been affected by 3-4 years of continuous drought. In Mozambique, drought and destabilization have been responsible for the substantial reduction in agricultural output over the 1981-1984 period.\footnote{SADCC Food and Agriculture, 1986, pp. 1-10; SADCC Food and Agriculture, 1985, p. 3.}

Rapid rates of population growth have increased dependency ratios and thus lowered average rural output in
per capita terms. Because in many rural areas in the region women's labour input in farming is considerable, it follows that high birth rates cause the diversion of labour from agricultural work to the bearing and nursing of children. In some countries the performance of agriculture has been adversely affected by this relative neglect. This is particularly true for small holder agriculture.

SADCC's agriculture has also been adversely affected by the hostile external political and economic development. On the one hand South Africa has stepped up its actions of destabilization thus causing civil and military strife. Angolan, Mozambican and to some extent Zimbabwean agriculture have been adversely affected. Further, the region like other primary commodity exporters has been negatively affected by the prolonged world recession and deteriorating terms of trade. Foreign exchange earnings have deteriorated as it has been highlighted previously in Chapter III, shortage of foreign exchange has slowed or even halted the process of capital formation in agriculture and limited the timely supply of adequate seasonal inputs such as fertilizer and improved seeds. Agricultural productivity has therefore deteriorated in the region. In some countries notably Mozambique and Tanzania, foreign exchange shortage has also resulted in scarcity of consumer goods in the rural areas,
thus reducing incentives for the full utilization of available local productive capacity.\textsuperscript{143}

There are major food products in the region, namely cereals, starches, pulses, oil, seed crops, milk and milk products.

The trend in the production of specific major food commodities in the region showed a general decline. Cereal production declined at a fast annual rate in the region. In view of the importance of cereals in diets of people in SADCC region and their special place in the commercial food system, this negative trend is a cause for concern. Beans and pulses declined in the region and the production of oil seed crops exhibited a negative growth trend.

Livestock

Despite a large number of livestock in the SADCC region in general, and even more livestock concentrations in some individual countries like Tanzania, the productivity of the livestock sector is very low. Most of the cattle herd is the local low grade animals which do not produce much meat or milk.

It is necessary to note that the increase in the cattle herd varied widely between countries in the region, Malawi, Zambia and Angola had relatively high growth rates

\textsuperscript{143}Ibid., p. 3.
respectively. In Zimbabwe and Lesotho the cattle herd declined, but cattle herd increased marginally in Botswana. Figures also show that sheep and goats performed better under the drought. Pigs also declined substantially in the region.

There is an urgent need to explore means and ways of improving the productivity of livestock in the region. In this regard some regional programmes for the development of livestock have been undertaken. In addition to the programmes, SADCC is embarking upon a comprehensive short and long-term training programme to develop the livestock industry in the region. 144

Fisheries and Wildlife

Although the potential is high and important, the fisheries sector is relatively under-developed in the region. Nevertheless, for the period 1978-1982, output from freshwater sources, which are largely caught by small scale fishermen, increased dramatically. Since there are instances of successful programmes throughout SADCC under this period, SADCC added some specific projects dealing with, for instance, the development of fishing on lakes Kariba and Malawi/Nyasa, as well as in Botswana. 144

143Ibid., pp. 9-10.
144Ibid., p. 10.
Forestry Products

Forests are important and vital for the economy and the well-being of the people of the region. The output from the forestry section is also limited because of the low level of management. Indeed, except for countries like Swaziland and to a lesser extent Tanzania, which have extensive man-made forests, forestry activities are mainly confined to the exploitation of the indigenous forests often without replacement. Thus, the collection and cutting of branches, bushes and trees for fuelwood grew at rates close to increases in population. This is because fuel wood is the most important source of household energy in the region. This trend in the production of the various forestry products, including fuel wood, industrial round wood, sawn wood and paper varies widely although is relatively high in some member states. 146

Agricultural Trade and Dependence in the Region

SADCC's agricultural sector shows a table which provides or shows statistics on the growth of total agricultural trade (exports and imports) for the period 1978-82. Agricultural exports declined in Angola (25.2%), Lesotho (0.2%), Tanzania (1.9%), Zambia (19.4%), and

146Ibid., p. 10.
Zimbabwe (1.2%). In other countries, there was positive growth to varying degrees. The agricultural exports increased in Swaziland (10.3%), Botswana (6.0%), Malawi (3.2%), and Mozambique (1.1%). The volume of total agricultural imports increased in all the SADCC countries except in Angola where a decline of 0.8% was recorded. Indeed in value terms from the Table, agricultural imports grew at much faster rates than did exports in all the countries except Zambia where agricultural exports are in any event very small. 147 See Table 4-2 on annual rate of change in trade in all agricultural products 1978-1982.

Table 4-3 below provides a Summary of the major agricultural exports in each country; their share in the total agricultural export income on the one hand; and in the total export income on the other. It can be observed that for most SADCC's member states agricultural exports are concentrated on two or three products, and few commodities are important. See Table 4-3.

The composition of agricultural imports in the SADCC region can be ascertained that most of the important items are food products. For example, maize was imported in all the countries except Zimbabwe, which normally is in fact a net exporter. Wheat flour is also an important import in

Table 4-2

Annual Rate of Change in Trade in All Agricultural Products, 1978-1982, Percentages

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>EXPORT</th>
<th></th>
<th>IMPORT</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Value</td>
<td>Volume</td>
<td>Unit</td>
<td>Value</td>
</tr>
<tr>
<td>Angola</td>
<td>-26.2</td>
<td>-25.2</td>
<td>-3.1</td>
<td>8.2</td>
</tr>
<tr>
<td>Botswana</td>
<td>13.1</td>
<td>6.0</td>
<td>6.7</td>
<td>13.2</td>
</tr>
<tr>
<td>Lesotho</td>
<td>8.4</td>
<td>-0.2</td>
<td>7.6</td>
<td>3.0</td>
</tr>
<tr>
<td>Malawi</td>
<td>9.1</td>
<td>3.2</td>
<td>5.5</td>
<td>26.8</td>
</tr>
<tr>
<td>Mozambique</td>
<td>8.5</td>
<td>1.1</td>
<td>5.6</td>
<td>14.1</td>
</tr>
<tr>
<td>Swaziland</td>
<td>9.8</td>
<td>10.3</td>
<td>1.2</td>
<td>11.8</td>
</tr>
<tr>
<td>Tanzania</td>
<td>n.a</td>
<td>-1.9</td>
<td>-5.6</td>
<td>24.2</td>
</tr>
<tr>
<td>Zambia</td>
<td>7.1</td>
<td>-19.4</td>
<td>-1.8</td>
<td>4.0</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>11.2</td>
<td>-1.2</td>
<td>15.9</td>
<td>28.3</td>
</tr>
</tbody>
</table>

Source: Adapted from FAO, Country Tables, Basic Data on the Agricultural Sector, Rome 1984, p. 84.
Table 4-3

Degree of Dependence on Agricultural Export Commodities, 1981

<table>
<thead>
<tr>
<th>Country</th>
<th>No. of Commodities</th>
<th>Commodity &amp; % Share</th>
<th>% Total Agricultural Export Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angola</td>
<td>1</td>
<td>Coffee 73%</td>
<td>73</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3.7</td>
</tr>
<tr>
<td>Botswana</td>
<td>1</td>
<td>Beef/Veal 82.2%</td>
<td>82.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>16.44</td>
</tr>
<tr>
<td>Lesotho</td>
<td>3</td>
<td>Cattle 35.2%; Wool 29.0%; Hair 29.6%</td>
<td>94.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>28.87</td>
</tr>
<tr>
<td>Malawi</td>
<td>3</td>
<td>Tobacco 58.5%; Gnuts 18.3%; Raw Sugar 12.1%</td>
<td>89.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>78.50</td>
</tr>
<tr>
<td>Mozambique</td>
<td>4</td>
<td>Cashew nuts 24.6%; Tea 21.6%; Raw Sugar 20.2%; Cotton Lint 15.4%</td>
<td>81.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>18.00</td>
</tr>
<tr>
<td>Swaziland</td>
<td>2</td>
<td>Raw sugar 43.7%; Wood Pulp 24.9%</td>
<td>68.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>33.61</td>
</tr>
<tr>
<td>Tanzania</td>
<td>4</td>
<td>Coffee 33.3%; Cotton Lint 15.5%; Cloves 12.7%; Cashew 11.9%</td>
<td>73.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>56.52</td>
</tr>
<tr>
<td>Zambia</td>
<td>2</td>
<td>Cotton Lint 60.2%; Tobacco 32.7%</td>
<td>92.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0.92</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>4</td>
<td>Tobacco 51.6%; Cotton Lint 16.5%; Maize 11.3%; Raw Sugar 4.4%</td>
<td>83.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>36.87</td>
</tr>
</tbody>
</table>

Source: FAO, Country Tables Basic Data on the Agricultural Sector, Rome 1984, p. 94.
SADCC. It can be observed or said that the volumes of food imports have increased much faster than those of food exports in all SADCC countries except Swaziland. The region has thus experienced net increases in the importance of food products.

**Food and Food Security**

Owing to the shortages of domestic food on the one hand and of the declining foreign exchange earnings on the other, it has meant that SADCC's food imports necessary to maintain domestic food supplies have come to rely heavily on food aid.

Much of the drastic upsurge of food imports in the SADCC region in the recent years has been caused by drought as has been stated previously. Therefore, it is necessary to fill this gap with food aid but this food aid conflicts with the region's declared objectives of reducing external dependence. The attainment of food self-sufficiency and food security is one of the most important and fundamental ways to achieve this goal.\(^{148}\)

The increasing food aid is a clear proof that food supply in the region is highly insecure. Unless there is a quick remedy to improve the food production in the region, food aid will continue to be available in the SADCC

\(^{148}\)Ibid., pp. 15-18.
region. This is an indication that SADCC depends on external countries to feed her people.

The agricultural sector in SADCC is not in a healthy state in spite of the efforts of SADCC to improve food production. Although some of the problems of SADCC agriculture are externally caused, SADCC should recognize that there is much that can still be done by it to improve productivity. SADCC needs substantial support from the international cooperating partners and more of self-sacrifice on its part.

Also, the poor agricultural performance trend characteristic of the SADCC region since 1980 was improved slightly as a result of better weather. With the shortage of foreign exchange on the one hand, and the unreliability and undesirability of dependence on food aid on the other, it is imperative to increase food production within the region.

Most SADCC states do receive South Africa's aid and are members of regional organizations established on South African initiative and control. The most important of such organizations is the Southern African Regional Commission for the Conservation and Utilization of the Soil (SARCCUS), which was established in 1960. Originally, the member states included South Africa, the BLS-states – Botswana, Lesotho, and Swaziland, Malawi, Mozambique, Angola, Rhodesia-Zimbabwe, Sao Tome and Principe. In September
1980, Zimbabwe pulled out and all former Portuguese colonies pulled out after their independence. This organization deals with practically all matters related to agriculture. It has ten permanent committees which meet annually and is headquartered in Pretoria.

The second major regional organization controlled by South Africa is the Southern African Regional Tourism Council (SARTOC), which was set up in 1973 and it is to promote tourism in the region through cooperation between the member states. The main recipients of "aid" through this organization are the BLS-states and Malawi.149

2. Mining, Manpower and other Areas

(a) Mining

Resources. The mining industry provides a foundation for economic activity in the region and its development is crucial to the success of the other sectors of the SADCC programme of actions. The mineral wealth of the region is substantial and all the member states of SADCC possess minerals in varying numbers and quantities. The region as a whole is well endowed with industrial, constructional, metallic and energy minerals. Amongst the non-energy minerals that are currently being exploited, some of

the most important are copper, gold, diamonds, asbestos, chromium, iron ore, limestones, fertilizer and chemical minerals. 150

The important role of the mining sector has been recognized and emphasized in the Lusaka Declaration, Southern Africa: Towards Economic Liberation and in many of Africa's major economic and political declarations. The 1980 Lagos Plan of Action lays down a general strategy for the development of Africa's mineral resources in the 1980's. In fulfilment of these directives, intensive work has been initiated by SADCC to elaborate a coherent programme, aimed at strengthening the region's mining sector. Mining and minerals account for approximately 12 percent of the gross domestic product and some 35 percent of exports in the region.

Export Focused Mining Development

In most of the member states that produce substantial quantities of minerals, mining has been developed mainly to provide raw materials or unprocessed metals for the industries of the metropolitan or industrialized countries. They produce and export priority metals and import manufactured metal products. Only in one country, Zimbabwe has a sizeable manufacturing sector developed that uses local mineral products to make iron and steel

equipment, machinery, tools and other manufacture. Even in that case over 50 percent of steel output is exported in basic forms, rather than used locally or further processed before export. For the region as a whole, the only major material produced primarily for domestic use is limestone.\footnote{151}{Ibid., p. 4.}

There is a structural decline in demand for minerals world wide. The most important factor that has influenced mineral production in the region in recent years has been the protracted decline in prices caused by the downward shift in consumption of most minerals in industrialized countries.

The slowdown in the growth of mineral consumption in industrialized countries reflects the widespread grip of recession and this also affects mineral prices in the world. In addition to the above, there is also rising operational costs of mineral production in SADCC for various reasons. These trends particularly affect SADCC's mineral sector.

The Lusaka Declaration emphasizes the need for the region to reduce its dependence, particularly but not only, on South Africa, for manufactured goods and expertise. The Declaration also emphasizes the need for self-reliance of the region in terms of material requirements and the need to develop a rational strategy which would benefit
the member states both individually and collectively. SADCC also sets out three other main objectives for mineral development:

(i) Establishment of sovereignty over natural resources;

(ii) Development of mineral based industries; and

(iii) Development of indigenous skilled manpower capability. 152

With the above objectives, it is necessary to know the production trends in SADCC from 1980 to date. (See table 4-4 on major mineral production in SADCC member states.) The table describes the trends in the production of minerals in the region. For these minerals the trend is generally downward in the region as a whole. It has led to the decline in the level of mining employment in some countries in the region. See also Table 4-5 on mineral production exports in the region.

In some of the countries in SADCC there was an upward trend in the production of some minerals. This increase in some countries did help in the national economies of the affected countries in SADCC.

Pattern of Dependence

In the mining sector, Botswana and Zambia are mainly dependent on diamonds and copper, respectively, and South African companies were involved in the mineral

152 Ibid., p. 5.
Table 4-4
Some Major Mineral Production in SADCC Member Countries

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ZA-Copper ('000 mt)</td>
<td>713</td>
<td>610</td>
<td>555</td>
<td>584</td>
<td>574</td>
<td>-5.9</td>
<td></td>
</tr>
<tr>
<td>ZA-Zinc ('000 ton)</td>
<td>37</td>
<td>32</td>
<td>33</td>
<td>39</td>
<td>39</td>
<td>+21.9</td>
<td></td>
</tr>
<tr>
<td>ZA-Cobalt (mt)</td>
<td>1620</td>
<td>3300</td>
<td>2560</td>
<td>2440</td>
<td>2440</td>
<td>-27.3</td>
<td></td>
</tr>
<tr>
<td>ZW-Asbestos ('000 ton)</td>
<td>281</td>
<td>250</td>
<td>247</td>
<td>194</td>
<td>153</td>
<td>-38.8</td>
<td></td>
</tr>
<tr>
<td>ZW-Chrome Ore ('000 ton)</td>
<td>863</td>
<td>553</td>
<td>536</td>
<td>431</td>
<td>431</td>
<td>-22.1</td>
<td></td>
</tr>
<tr>
<td>ZW-Copper ('000 ton)</td>
<td>41</td>
<td>27</td>
<td>24</td>
<td>24</td>
<td>20</td>
<td>-25.9</td>
<td></td>
</tr>
<tr>
<td>ZW-Nickel (ton)</td>
<td>14.6</td>
<td>15.0</td>
<td>13.0</td>
<td>13.3</td>
<td>9.9</td>
<td>-34.0</td>
<td></td>
</tr>
<tr>
<td>ZW-Iron Ore ('000 ton)</td>
<td>1350</td>
<td>1620</td>
<td>1100</td>
<td>837</td>
<td>924</td>
<td>-43.0</td>
<td></td>
</tr>
<tr>
<td>BO-Diamonds ('000 Carats)</td>
<td>-</td>
<td>5101</td>
<td>4960</td>
<td>7768</td>
<td>10731</td>
<td>+110.4</td>
<td></td>
</tr>
<tr>
<td>ZW-Gold ('000 fine oz)</td>
<td>387</td>
<td>367</td>
<td>371</td>
<td>426</td>
<td>453</td>
<td>+23.4</td>
<td></td>
</tr>
</tbody>
</table>

(1) ZA - Zambia, ZW - Zimbabwe, BO - Botswana
(2) mt - metric tons

Source: Mining SADCC 1986, p. 84.
## Table 4-5
Mineral Production Exports on Percentage

<table>
<thead>
<tr>
<th>MEMBER</th>
<th>MINERAL PRODUCTION</th>
<th>MINERAL EXPORTS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Value (Million US$)</td>
<td>% of GDP</td>
</tr>
<tr>
<td>Angola</td>
<td>2000</td>
<td>1700</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(180)*</td>
</tr>
<tr>
<td>Botswana</td>
<td>260</td>
<td>477</td>
</tr>
<tr>
<td>Lesotho</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>Malawi</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Mozambique</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>Swaziland</td>
<td>23</td>
<td>0</td>
</tr>
<tr>
<td>Tanzania</td>
<td>35</td>
<td>45</td>
</tr>
<tr>
<td>Zambia</td>
<td>850</td>
<td>1066</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>547</td>
<td>547</td>
</tr>
<tr>
<td>SADCC</td>
<td>3756</td>
<td>3992</td>
</tr>
<tr>
<td></td>
<td>(2242)*</td>
<td>(19.7)*</td>
</tr>
</tbody>
</table>

* Excluding oil and assuming US$ 50 million of other mineral production, largely diamonds

exploration such as Johannesburg Consolidated Investment Co., Ltd.; International Nickel (S.A.) Pty. Ltd., etc. The dependence on single commodities may subject the countries concerned to larger risks, and once again underscores the importance underlying national and SADCC policy to diversify the mining sector.

There is dependence on foreign capital. Throughout the SADCC region multinational companies exercise significant though varying degrees of control over the mining sector. This control is exerted directly through ownership and indirectly at various points in the mineral cycle from inputs to the extractive phase, mineral processing and refining. Frequently, they also exert indirect control through the provision of managerial and technical services. Control through equity and loans is measurable and enormous. In some countries, governments are minority shareholders, allowing foreign partners a stake of 70–75 percent. In other countries there is equal shareholding. But the foreign shareholder often exercises considerable control especially if he is also a creditor to the company. 153

Dependence on foreign capital impedes the development of independent business policy since multinationals

are only interested in those fields that provide them with stable, cheap and unprocessed materials for their industries abroad. These conditions limit the creation of independent industries and thus hamper general development.

Deeply tied to foreign capital is dependence on foreign technology, skilled manpower and transport. Technology is often made available to mining industries in the region at extremely high cost. With the long-term worsening of the terms of trade, the importation of technology not only creates one more link of dependence, but also reduces the profitability of mining in SADCC. This condition is applicable to all multinational oil companies operating in the Third World.

There is also a large number and costly dependence on expatriate manpower in the mining industry and to do without any permanently resident expatriate personnel as a result of a successful citizenisation or nationalization programme will be difficult.

The export of minerals for the major producing states in the SADCC region has become more dependent on the South African railways system since 1980, as a result of the fact that the routes through Angola have been rendered non-operational and those through Mozambique only partially operational by South African sabotage. Also, the Tazara, linking Zambia to the port of Dar-es-Salaam, has not been
operating at full capacity due to bottlenecks in the operations and sabotage. This issue has been treated in the industrial and transportation and communication sectors in this research. This dependence may decline in the future. 154

To conclude this section, a brief summary is necessary. The rising input costs and declining product prices among other things, have led to a decrease in output in most of the mining industries in the region. Mining employment has also fallen in all of the major mining countries in the region except Botswana.

The region's mining sector depends to a large extent on industrialized countries for export sales. Mining also depends to a large extent on the same industrialized countries and South Africa for the supply of the physical inputs. Other forms of dependence exist in regard to foreign capital and technology, transport and skilled manpower all retard the development of the sector. This dependence poses a challenge to the aims and objectives of SADCC.

(b) Manpower Development

Swaziland was assigned to coordinate the region's manpower development. A Regional Training Council (RTC) was formed in 1981 to carry out the SADCC objectives of

manpower development. This Regional Training Council headquartered in Mbabane is responsible for a range of issues relating to manpower development and utilization.

Cooperation in this area and the implementation has taken the form of regional development programmes and activities that are complementary to the national activities of the member countries. In essence, the driving force behind regional cooperation is the realization of shared problems, shared interests and a shared commitment to the need for joint action within the region. 155

The shortage of skilled people is undoubtedly one of the most serious constraints on regional development. It should be possible to train people on a regional basis, as much the same skills are needed throughout the region. The SADCC Regional Training Council is to focus on training to meet the needs of other SADCC priority areas. Its principles are that training should take place within the region with nationals as instructors. Existing institutions should be used and expanded, but where new facilities are required, care should be taken to spread

institution as widely as possible throughout the region. 156

The practical reality of meeting the goals on a regional basis poses a unique challenge to the Regional Training Council. For example, past experience has clearly shown that the manpower data base in each of the nine SADCC member states differ drastically in its level of comprehensiveness, accessibility and sophistication. As a result of such differences, the practical day-to-day coordination of regional manpower development programme is highly complex and uncertain task. 157

Donors' rhetoric, at SADCC meetings and elsewhere in the region, has always stressed the need for training and donor commitment to it. In practice, this has proved the most difficult area to fund; one reason may be that there are few contracts for companies in donor countries. Thus, despite Swaziland's commitment to the area, and consistent work on its part, training studies started slowly. 158 Eventually, money was found, and seven


157Ibid., p. I.

studies or more are now underway or completed. To support the above, two can be mentioned. Two projects have been funded to expand existing training institutions to cater for SADCC. The European Community (EC) has paid $1 million to expand the Managa Agricultural Management Centre in Swaziland, and Sweden has paid $800,000 for a hostel at the University of Zimbabwe for SADCC students and South African refugees.159

It must be stated that there is not much to analyze in this sector because no substantive progress has been recorded. Doing this analysis on the progress of the different sectors, the shortage of skilled personnel has been noted. National training programmes in various fields have been noted, but in many cases these are not large enough to meet the needs nor did they have the capacity to produce higher levels of professionals and technical personnel. It is necessary that further regional cooperation in the field of training be encouraged. While the Council of Ministers should give priority to manpower and training projects, it is necessary to secure more donor funding.

(c) Tourism

Tourism was only adopted at its May 1984 Council of Ministers meeting as a SADCC area and Lesotho was made responsible for the coordination of this sector.

Tourists provide foreign exchange to seven of the nine SADCC states and could become important to the other two (Angola and Mozambique). Data on earnings from tourism are not available for all countries. Therefore, I cannot indicate economic trends in the tourist sector. However, from the information available, it appears that because of closeness and substantial purchasing power, South Africa has continued to supply the bulk of the tourists into the SADCC region. Malawi and Swaziland are in joint tourism promotion organizations with South Africa. South African dominance in the tourist sector has extended beyond patronage into the ownership of hotel chains and tourist organizations. 160 Everything seems to indicate that there is a large field for common action if that dependence is to be reduced. Tourism is also an important area of dependence on South Africa.

Progress in this area is slow and initial projects look at the tourism marketing potential in Europe,

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and at ways to encourage visitors through tours including SADCC countries such as Botswana, Mozambique and Zimbabwe.

(d) **Southern African Development Fund**

At the original Lusaka meeting of April 1980, SADCC heads of state agreed to develop a proposal for a regional development fund. Zambia has been charged with coordinating preparation of a report on the possibility of setting up a Southern African Development Fund to assist in the financing of a regional development project. However, it became clear to the eight SADCC members that there was already a shortage of capital for the existing regional institution, the African Development Bank (ADB), and that it was pointless to create yet another financial institution which would have high overheads and offer little benefit. Therefore, the idea of setting up of a regional development fund was abandoned.\(^{165}\)

3. **Trade**

The traditional theory of trade holds that (a) trade is an important stimulator of economic growth. It enlarges a country's consumption capacities, increases world output and provides access to scarce resources; (b) it tends to promote greater international and domestic equality by equalizing factor prices, raising real incomes of trading countries and making efficient use of each nation's and

\(^{161}\)Ibid., p. 16.
world's resource endowments; (c) that trade helps countries to achieve developments by promoting and rewarding those sectors of the economy where individual countries possess a comparative advantage whether in terms of labour efficiency or factor endowment. Comparative advantage theory claims that the general welfare of two or more countries will be higher for all if full trade among them is permitted than if each attempts a policy of restricting trade and producing only for itself.\footnote{162}

SADCC recognizes that increasing intra-SADCC trade is vital for regional development and cooperation, and this was explicitly noted and specified in the Lusaka Declaration of April 1980 which says that

For trade development we recognize that many of us have existing bilateral and multilateral trade and customs arrangements. But even within these constraints we believe that there is room for substantial increases in trade among ourselves. To this end existing payment systems and customs instruments will be studied in order to build up a regional trade system based on bilaterally negotiated annual trade targets and product lists.\footnote{163}

In respect of the above dependence and difficulties in trade, SADCC has two major objectives to pursue, (i) to


\footnote{163}{Amon J. Nsekela, \textit{Southern Africa: Toward Economic Liberation}, p. 6.}
increase intra-SADCC trade which is vital for regional development; (ii) to reduce dependence on South Africa.\footnote{SADCC, Proceedings of the 1984 Annual Conference, Gaborone, Botswana (January 1984), pp. 20–21.}

It is a known fact or common knowledge that increasing trade between SADCC members is essential if SADCC is to develop regional cooperation. Trade within SADCC was a tiny $283 million in 1981; for no country does it constitute even one-tenth of total foreign trade. Trade is not yet a specific SADCC subject area and it is not included in the Programme of Action, but all of the other areas are linked to it. Improved transport and communications will facilitate increased trade; industrial development depends on selling some of the production to SADCC neighbours; more efficient energy production will also involve regional sales; and self-sufficiency in food will inevitably mean more trade in foodstuffs within the region. Therefore, increasing intra-SADCC trade will help and lessen the dependency on South Africa by the SADCC member states.

Changing regional trade patterns is also essential to reduce dependence on South Africa. However, all SADCC members except Tanzania trade with South Africa; each has
more trade with South Africa than with all its SADCC partners combined.165

The SADCC region is dependent on the outside world for the supply of goods and services which it requires and for the disposal of its own production of goods and services. The degree of openness or dependence of the economies of SADCC member states is illustrated in Table 4-6 which shows merchandise exports and imports as percent of Gross Domestic Product (GDP). As far as exports are concerned, the economies that produce high valued minerals have a larger export share than the ones that depend on agriculture. With regard to imports, the import share is larger in economies that are less diversified or less industrialized than in those that are able to produce more of the goods that they require. On the balance, the merchandise import share generally exceeds that of exports reflecting both the low level of industrialization of the region and weak export sector performance.166

About 7 percent of the total exports of SADCC are estimated to be going to South Africa against 30 of total imports which originate there. Most of the rest of the

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165Arne Tostensen, Dependence and Collective Self-Reliance in Southern Africa, p. 43.

166Ibid., p. 46.
### Table 4-6

Merchandise Exports and Imports as Percentage of GDP

<table>
<thead>
<tr>
<th>Country</th>
<th>Exports Minimum %</th>
<th>Exports Maximum %</th>
<th>Imports Minimum %</th>
<th>Imports Maximum %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Botswana</td>
<td>43 1981</td>
<td>69 1983</td>
<td>66 1982</td>
<td>76 80/83</td>
</tr>
<tr>
<td>Lesotho</td>
<td>7 1983</td>
<td>14 1980</td>
<td>112 1980</td>
<td>146 82/83</td>
</tr>
<tr>
<td>Mozambique</td>
<td>7 1983</td>
<td>12 1981</td>
<td>33 80/83</td>
<td>37 1982</td>
</tr>
<tr>
<td>Swaziland</td>
<td>51 1983</td>
<td>63 1982</td>
<td>81 1981</td>
<td>87 1980</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>19 1983</td>
<td>26 1980</td>
<td>18 1983</td>
<td>24 80/81</td>
</tr>
</tbody>
</table>

exports and imports are conducted with trading partners outside of the African region. As shown in Table 4-6, the short-term trend in both total exports and total imports as percentage of GDP has generally been downward. For exports, the trend can be explained in terms of a reduction in sales and prices, and for imports it can be explained in terms of difficulties in maintaining purchases in the face of rising prices and shortages of foreign exchange.  

Several SADCC member states have special trading relationships with South Africa. Although under some of these relationships they obtain substantial revenue flows, there is a big opportunity cost involved, including that of higher than world prices for fuel and other goods, and a loss of ability to develop industry. The SADCC secretariat had noted that during the past five years such relationships have cost them a lot of money.

There are also two member states, Lesotho and Swaziland, which have special monetary arrangements with South Africa (the Rand Monetary Area). These entail maintaining reserves related to currency in circulation in the South African Rand, pegging the value of their

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167 Ibid., pp. 48-49.
currencies to the rand and allowing the rand to have legal tender status. 168

Trade in Foodstuffs

Owing to an extensive trade in foodstuffs in Southern Africa, there is need for a special and brief treatment. Besides, food is a basic need hence it should be given priority and to be treated as a special commodity. Food imports make up a substantial proportion of total imports in many SADCC countries.

In 1980, the SADCC countries imported a total of 1,403,000 tons of cereal of which 700,000 tons was maize after a poor harvest due to the drought. The total import bill for all cereal came to more than U.S. $340 million. For many years, South Africa has been the exporter of maize to many SADCC countries, although other world producers are suppliers too.

There was a fair harvest after the 1980 drought, but the fortunes changed again in food production. Since food is a basic need, these imports put the SADCC countries in a weak and vulnerable position. A country which cannot feed its population is in poor straits and can be forced to pay high prices on a sellers' market. This reliance on food importation can also induce SADCC to accept political

conditions. Hence it is very essential and necessary for SADCC to concentrate on increased food production.  

**Intra-regional Trade**

The intra-regional trade is very low when compared to trade flows between the government of South Africa and individual SADCC states. This low level of intra-SADCC merchandise trade (estimated at 4.5 percent of the total) is accounted for by a number of factors, which includes inadequate complementarity of their production structures, shortage of foreign exchange, the high customs tariff of the Southern African Customs Union which excluded the goods of most of the member states from the BLS market, inadequate knowledge of source and market opportunities, weak transport and communication links and near total absence of regionally oriented commercial institutional and enterprise capacity except in Zimbabwe and Malawi. 

Extra-regional trade patterns are largely a colonial legacy. Former colonial powers are still today in most cases major trading partners of their ex-colonies. Several SADCC member states have special trading relationships with South Africa.

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The value of exports of SADCC member states to fellow member states and South Africa, and the value of imports of SADCC member states to fellow member states expressed as percentage of each country's total exports and imports are shown in Table 4-7. The figures in the table confirm that intra-SADCC trade is relatively important in the region and more important for Botswana, Malawi, Mozambique, Zambia and Zimbabwe. They confirm that South Africa is an important export market for the BLS countries and Zimbabwe. But South Africa is an even more important source of imports for many SADCC member countries.

The search for an increased intra-regional trade is now gaining momentum as the nine member states realise its importance in complementarity programmes in areas like energy, mining and industry. Coordinated industrial development will assist in raising the degree of complementarity between different national economies. The constraint imposed by insufficient foreign exchange underlines the need for improved cooperation in the field of balanced bilateral trade "countertrade" and the need to establish more export guarantee schemes and special funds to facilitate imports.171

Thus, SADCC's task has been to encourage trade patterns that in many cases would make geographic or

171Ibid., p. 49.
Table 4-7

Direction of Trade for the Nine SADCC Countries (Percent)

<table>
<thead>
<tr>
<th></th>
<th>Exports to:</th>
<th></th>
<th></th>
<th>Imports From:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Angola</td>
<td>0.0</td>
<td>0.1(1982)</td>
<td>-</td>
<td>1.2</td>
<td>0.9(1982)</td>
<td>-</td>
</tr>
<tr>
<td>Botswana*</td>
<td>9.1</td>
<td>8.2</td>
<td>16.6</td>
<td>8.3</td>
<td>6.3</td>
<td>7.4</td>
</tr>
<tr>
<td>Lesotho*</td>
<td>0.4</td>
<td>0.1(1982)</td>
<td>46.7</td>
<td>41.3(1982)</td>
<td>0.4</td>
<td>0.1(1982)</td>
</tr>
<tr>
<td>Mozambique</td>
<td>9.6</td>
<td>3.9</td>
<td>2.8</td>
<td>3.5</td>
<td>2.5</td>
<td>5.0</td>
</tr>
<tr>
<td>Swaziland</td>
<td>2.3</td>
<td>2.6(1982)</td>
<td>34.1</td>
<td>36.9(1982)</td>
<td>0.6</td>
<td>0.8(1982)</td>
</tr>
<tr>
<td>Tanzania</td>
<td>0.9</td>
<td>1.0</td>
<td>-</td>
<td>-</td>
<td>0.5</td>
<td>2.6</td>
</tr>
<tr>
<td>Zimbabwe**</td>
<td>10.8</td>
<td>11.0</td>
<td>21.6</td>
<td>18.5</td>
<td>7.8</td>
<td>8.2</td>
</tr>
</tbody>
</table>

* Belongs to SACU (Southern African Customs Union) together with S.A.

** Have Preferential Trade Agreement with S.A.

1. Percentages include goods imported from other countries transshipped through S.A.

The value of exports of SADCC member states to fellow member states and South Africa, and the value of imports of SADCC member states to fellow member states expressed as percentage of each country's total exports and imports are shown in Table 4-7. The figures in the table confirm that intra-SADCC trade is relatively important in the region and more important for Botswana, Malawi, Mozambique, Zambia and Zimbabwe. They confirm that South Africa is an important export market for the BLS countries and Zimbabwe. But South Africa is an even more important source of imports for many SADCC member countries.

The search for an increased intra-regional trade is now gaining momentum as the nine member states realise its importance in complementarity programmes in areas like energy, mining and industry. Coordinated industrial development will assist in raising the degree of complementarity between different national economies. The constraint imposed by insufficient foreign exchange underlines the need for improved cooperation in the field of balanced bilateral trade "countertrade" and the need to establish more export guarantee schemes and special funds to facilitate imports.171

Thus, SADCC's task has been to encourage trade patterns that in many cases would make geographic or

171Ibid., p. 49.
economic sense quite apart from SADCC's attempts to delink from the apartheid regime in South Africa.

**Conclusion**

In an attempt to assess SADCC's present trends to see whether economic integration and reduction of dependence as set out in its development objectives, we conclude the chapter with the following:

Economic integration may be taken as a process and a state of affair, respectively. As a process, it encompasses measures designed to abolish discrimination between economic units belonging to different national states; viewed as a state of affairs, it can be represented by the absence of various forms of discrimination between national economies. From this brief discussion on economic integration, we regard such variables as the volume of transaction flows such as trade, travels, mail, radio, telephone and other forms of technical communications as indicators of economic integration.

As regards intra-SADCC trade, it is very low and insignificant compared to the extra-SADCC regional trade. South Africa is the main trading partner of BLS (Botswana, Lesotho and Swaziland) and Malawi, and an important partner of Zimbabwe and Zambia. Some SADCC members states are members of the South African Customs Union and this seems to hinder attempts at diversification of trade flows in the region. Also, SACU discriminates non-SACU members and
creates problems of the prohibitions, protectionism and tariffs barriers. Therefore, economic integration is not taking place in the region.

There is also dependence on the use of South African ports by SADCC. A large part of SADCC's trade passes through South African ports as has been shown previously.

In the process of implementing their programmes, SADCC states still face several obstacles. There is an evidence of continued dependence on South Africa and other external nations economically imposes serious constraints on their ability to execute any self-reliant policies.

Their chronic dependence on "food aid" from outside continues to affect their ability to reduce dependence on South Africa. In this respect, the major problem facing SADCC is the issue of the ability of Zimbabwe and Zambia to play their assigned roles in food security and agricultural developments in the region.

SADCC also faces the problem of lack of capital and funds for the execution of its capital projects, and depends on the international community for finances, therefore.
CHAPTER V

ASSESSMENT, CONCLUSION AND RECOMMENDATION

Although a comprehensive assessment of SADCC may be premature at this juncture it is nonetheless useful, we believe, to reflect on its successes and failures to date to gauge the chances of this organization to meet its overall goal of regional integration in the near future and thus, with the knowledge that the socio-economic and political environment in which it operates is complex, dynamic, elusive and, above all, unpredictable.

ASSESSMENT

Development became an obsession in Africa after the early 1960s when many African countries gained their political independence. This desire for development in African economies may be described as a passion. Many an African leader is convinced that there is a link between the underdevelopment of their countries and the most fundamental problems which plague their states; such as poverty; the high incidence of disease; unemployment; military weakness; analphabetism; technological
backwardness; economic deprivation; short life expectancy; social disorganization; and a high incidence of political instability. They see the development of their economies as the necessary condition for dealing decisively with these problems. Hence many African countries have engaged or spelled out some strategies for development.

Some people see development as two sides of the same coin, both arising from the contradictions of world capitalism. Some equate development and underdevelopment with industrialization or lack of it, respectively and some limit the concept of development to the development of the productive forces. This confusion casts doubts on the usefulness of talking generally of the prospects for development of a particular socio-economic formation.

It is often said of the developing nations that their most central problem is the achievement of economic integration rather than economic development. The term integration is widely used to cover an extraordinary large range of political and economic phenomena.

In light of the above brief discussion, it would seem highly appropriate to assess SADCC's regional economic integration scheme as an effort to reduce dependence and to promote economic and political development in the region and in each member states. It is also necessary to make a summary of the various areas that had been analyzed in Chapters III and IV.
Transport and Communications

The transport and communications sector concentrates on improving roads, rails, airports, and telecommunications links (both regional and international in case of telecommunications).

As has been stated in Chapter III, the majority of the transport projects serve to upgrade and rehabilitate the existing systems which include the five ports Beira, Dar Es Salaam, Lobito, Maputo, and Nacala. These ports provide sea outlets to the region for their goods and services. The Southern African Transport and Communications Commission (SATCC) was established in 1980 to oversee the development of the sector. This is the only body that has regional and legal status. The Nordic countries (Denmark, Finland, Norway and Sweden) are helping in financing and staffing SATCC.

This sector was given a priority and special treatment by SADCC and it embarked on many projects. The total cost of the 116 projects in the sector amounts to U.S. $3.1 billion and financing is fully secured for thirty-six projects and partly secured for a further twenty-two. U.S. $726 million (22% of the total) has been secured for the implementation of those projects and further U.S. $689
million (again 22%) is under active negotiation with cooperating partners.\footnote{172}

As measured by trade flows through SADCC and non-SADCC ports, the region has become more dependent on the latter (non-SADCC ports) since 1980, due to the military and economic aggression perpetrated by South Africa which supports and direct armed bandits to destroy transport routes in Mozambique and Angola and by offering special tariff rates for Zambian and Zimbabwean traffic to an extent that it is cheaper to route this traffic through South African ports than through Mozambican ports. With respect to telecommunications, fewer international telephone calls are now being routed through South Africa because of the improvement in infrastructure. While in the field of civil aviation there are now more direct connections between SADCC capitals as a result of operational coordination between airlines, and improvement in airports. Hence, in this domain one can assert that the degree of dependency on South Africa has been considerably reduced.

The implementation of the capital investment projects in the ongoing or planned SATCC Regional Scheme Programmes for the next five years will assist in raising the amount

\footnote{172}SADCC Transport and Communication, Gabarone, Botswana (1985), pp. 63.
of trade passing through SADCC ports in the future and in eliminating the need to route international telephone calls through South Africa. Furthermore, it will assist in reducing the need for air passengers to transit through Johannesburg. However, the achievement of these objectives demands a greater cooperation and coordination among member states in all aspects of their development efforts, especially in routing and tariff policies to prevent shipping and forwarding agencies from diverting traffic to South African ports. It also demands a better coordination and operational efficiency among national railways and airlines. In this regard, strengthening services, repair and training facilities and improving availability of spare parts within the region should be stressed. It is necessary to eliminate South Africa's sabotage efforts by developing a well coordinated regional defense apparatus.

SADCC has completed seventeen capital investment projects and the total cost of the projects amount to U.S. dollars $133 million. They included: upgrading a section of Botswana's road to Zambia ($28 mm from the EC, Norway, the USA and local funds); building a satellite earth station in Swaziland (3.5 mn, Canadian suppliers' credit); building a railway yard on the Mozambique-Swaziland border; work in Luanda port; and rehabilitating two open wire telecommunications links (Bulawayo to Francistown; Harare
to Lusaka). See the Summary or details of the finished capital investment projects.

1. Nata - Kazungula Road, Botswana.
2. Airport Rescue and Fire Services, Zimbabwe.
3. Microwave Link Francistown-Bulawayo, Botswana.
5. Rehabilitation of the Border Station by Establishment of an Exchange Yard, Mozambique/Swaziland.
7. Earth station, standard B, in Swaziland.
8. Upgrading of open Wire Carrier System Bulawayo - Francistown.
10. Rehabilitation of the Harare - Chirundu Road, Zimbabwe.
11. Acquisition of New Aircraft to Air Lesotho.
12. Rehabilitation of Airport lights, Mozambique.
15. ITSC at Gweru, Zimbabwe.
17. Industry

The growth of industrial output has fallen in several member states since 1980 partly due to sabotage, a decline in investment and above all shortages of foreign exchange for importing operating inputs. This development has given rise to underutilization of productive capacity which is a form of waste. It has also made it difficult to reduce dependence on imports.

The scope for further industrialization is limited by the large import requirements of manufacturing industries.

which necessitate substantial use of scarce foreign exchange, by the low level of technology, managerial and entrepreneurial skills and by the small size of each national market. Although projects are implemented or being implemented, areas of regional cooperation need to be identified and developed in relation to the production of import substituting raw materials, the development of technical and managerial skills and regional market coordination.

SADCC embarked on seventeen industrial subsectors on regional basis, namely, salt, textiles, wool and mohair, textile chemicals and pesticides, tractors and farm implements, fertilizer, pulp and paper, cement, electrical goods, machine tools, irrigation pumps, railway wagons rolling stock and equipment, pharmaceuticals and veterinary drugs, baby food and cereal processing, hospital equipment and material, industrial chemicals and mining equipment.

There are eighty-five projects of which thirty are for feasibility studies. The costs of all the studies have now been met and most are either under way or have been completed. There are twenty-three capital projects. 174

Energy

The energy sector which is coordinated by Angola has been given special priority within SADCC programmes. Of

the fifty-six projects in this sector, three have been completed; thirty-eight have funding secured for their implementation; three have received expressions of interests from potential sources of funding and twelve have yet to secure any support.

The energy programme has three (3) subsectors namely, oil, coal and electricity.¹⁷⁵

In aggregate terms, the SADCC region has since 1980 continued to produce more commercial energy than it requires. But only Angola has been self-sufficient in oil products. Several states have maintained self-sufficiency in electricity supplies, aided by expansion in domestic generating capacity, and in coal. However, some have had to import both electricity and coal, in certain cases from South Africa. As electricity consumption has increased, the direct consumption of oil and coal has declined, while imports of oil and electricity from or – in the case of oil – through South Africa satisfy a significant proportion of demand in importing countries, for the region as a whole, they constitute a small proportion of total supply. Specifically, projects and programmes are being implemented

to minimize critical dependence on South Africa by Lesotho, Swaziland, Botswana and Mozambique or the region.\textsuperscript{176}

The planned expansion of electricity generating capacity means that more states will be self-sufficient in electricity in the future. Those that will continue to depend on imports will have their extraregional dependence reduced, partly through the interconnection of national grids, implemented as a regional programme.

Not much change is expected in the coal energy sector in the near future, although the decline in output in some member states with ample reserves is a cause for concern. It is recommended that some priority be given to the study of alternative uses of coal with the aim of substituting it for fuelwood and so as to prevent the depletion of forests which SADCC is also concerned with. Not much change is expected in the oil energy balance either, unless ways and means of utilizing regional resources can be found. The regional economy has reduced oil consumption as much as possible in the past, through conservation programmes and through whenever economically feasible, substitution of indigenous sources of energy for oil. There is lots of prospects for oil extraction in the region.

Woodfuel and charcoal are and will continue to be the main sources of energy for the foreseeable future. If this is not carefully controlled, it will create serious ecological problems too. It is recommended that greater attention be given to this area.

Lastly, but not the least, the regional cooperation is proving difficult to achieve. This is because member states have been more concerned with achieving their own energy self-sufficiency than with regional cooperation.¹⁷⁷

**Food and Agriculture**

Recently, emphasis has been placed on food and agriculture in SADCC's programmes and in its consultations with cooperating partners. Agricultural growth is crucial to economic stabilization and to improving the living conditions of the vast majority of the population of the region. Accelerated agricultural development and increased agricultural production are primary objectives of all SADCC member states.

Food and agriculture comprise seven sectors which are coordinated by four member states: Botswana – Agricultural Research and Animal Disease Control; Lesotho – Soil and Water Conservation and Land Utilization; Malawi – Fisheries, Wildlife and Forestry; and Zimbabwe – Food

security. The role of these seven sectors is closely interrelated and is reviewed together by Ministers of Agriculture at their regular meetings. Such meetings are organized by Zimbabwe which is responsible for intersectonal coordination.

The overall objective of the Food Security sector is to increase agricultural production so that the region can become self-sufficient in meeting its basic food needs. To achieve this objective, the sector is establishing a comprehensive network of institutions aimed at strengthening SADCC's capacity to respond, at both national and regional levels, to the problems which have undermined the ability of member states to achieve food security. The sector seeks to provide support for a series of projects which though national in character, when taken together contribute significantly to the achievement of SADCC's overall food security objectives. It has proved particularly difficult to mobilize resources for the implementation of those national projects.  

Before the formation of SADCC and up to 1982, agricultural performance in member states was mixed. Total food production rose in all but two states. In per capita

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178 SADCC Food and Agriculture, Gaborone, Botswana 1985, p. ii.

179 Ibid., pp. 17-19.
terms, there was a decline in a majority. Most of the growth was concentrated in pulses and oil seed crops. Cereal production fell in six states. This development largely reflected widespread unfavourable weather conditions, but there were other factors like rapid population growth rates, inappropriate development policies, and unfavourable external economic conditions. Then there were institutional and technological factors of both general and specific kinds, such as inadequate agricultural services and incentives, and unimproved techniques. As a result of shortfalls in production, several countries in the region have become dependent on imports for a significant proportion of food supply.

Improved performance of agriculture requires increases in resources allocated to its development, especially in regard to infrastructure, crop extraction roads and inputs to enable technological advancement to take place. It also requires improving the access of small holder farmers to land, credit, agricultural services and modern inputs. Further, areas of regional cooperation should be identified and developed in projects and joint programmes.

**Mining**

It is coordinated by Zambia and it is relatively new. There was considerable progress achieved in the course of its inception. There were nine original project studies and most of them were implemented. These projects cover
foundry, fabrication and machining facilities, the repair reconditioning and manufacture of Mining Machinery, Production of Mining Chemicals, explosives, skilled manpower survey, small scale mining, processing and marketing and an inventory on geology, minerals and mining. 180

Owing to low export prices and high input costs, the volume and value of mineral output have continued downward trends that were apparent before 1980 in most of the member states, making recovery from recession more difficult. The mining sector has continued to export the bulk of its output to Western industrialized countries and to import most of its physical inputs from the same countries and from South Africa. It has also continued to rely on foreign capital and technology and on expatriate management and technical personnel.

The programmes and projects for expansion in production and diversification within the region are constrained by unfavorable price prospects. It is difficult to attain self sufficiency in industrial development in the region.

**Manpower Development**

The manpower sector is coordinated by Swaziland and its programmes overlap with and are central to those of all

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other sectors. SADCC programmes in transport and communications, agriculture, energy, mining, etc., can be ultimately be successfully only if the region has the indigenous trained personnel to run them.

Manpower development is important in the SADCC region because in all the countries development is slowed by severe scarcities of middle and high level personnel, especially in technical field. The regional Training council has been established and has been working to build up a framework for coordinated action to overcome this barrier. There are about seventy projects in the manpower programme.  

Trade

Trade is specified in the Lusaka Declaration as one of the fields in which cooperative action is needed among SADCC member states. It has not yet been delegated to a member state for coordination and initiation of programme activity. Increased intra-SADCC trade is an objective of the programmes for improved transport systems and for industrialization and is critical to increasing regional food security. Studies were being undertaken on appropriate measures to enhance intra-SADCC trade, building on the transport and other SADCC development projects.

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181 SADCC Manpower, Gaborone, Botswana, 1986, pp. I.
There is a sharp contrast to trade flows between South Africa and individual SADCC states, and intra-regional SADCC trade. Intra-regional trade is very low in the SADCC region. Up to now, the replacements of imports has been conceived as of a strictly national phenomenon in each country; and intraregional trade has been more the expression of a natural complementarity of geographic proximity, and of isolated and sporadic efforts to sell occasional surpluses of industrial or agricultural production. In the region as a whole, no systematic exchange of goods has existed among the SADCC states. This low intra-regional trade had an adverse effect on SADCC.

**Structure of SADCC**

SADCC operates with a simple organizational structure and a very small central secretariat based in Gaborone, Botswana (SADCC). It allocates responsibility to each one of the member states to coordinate the functions in the different sectors which constitute the regional program of action. SADCC is not bound by a formal treaty or convention, but rather, by the political will and commitment of its member-states. Its survival does not depend as much on obligations enumerated in legal documents as on the recognition of the need to work together. There is no single SADCC headquarters. The secretariat, consisting of four professionals and four support staff, established in Gaborone, Botswana, and is funded by the
Swedish government. Its small size was to limit the cost imposed on the national governments both financial and in terms of encroachment on the autonomy of national decision-making.

SADCC says it has a distinctive innovation of an institutional structure which emphasizes actions but not institutions. Therefore, it has consistently sought to develop concrete areas of activity and to identify their actual servicing requirements first and only then to create institutional structures. Rather than creating an elaborate regional superstructure, cooperation would be designed and implemented by national governments. At a SADCC summit in July 1981, agreement was reached on an institutional framework which includes summit meetings, a council of ministers, a standing committee of officials, functional commissions and a secretariat. Bureaucratization at the regional level would be kept to a minimum. The functional commissions were to be located in the member state, assigned major responsibility for that area of cooperation; each state therefore would gain a share in the revenues spent in support of regional activities. An approach to cooperation based on specific projects minimizes the problem of imbalances in the distribution of gains from regional cooperation - countries within the SADCC are not obliged to undertake all projects, they are free to choose those which they perceive as
offering concrete benefits while not impinging on other national development goals.

The research is to review and analyze the two development objectives - self-reliance and economic integration.

(i) The reduction of economic dependence, particularly, but not only, on the Republic of South Africa.

The assessment of the efforts of SADCC with regard to its reduction on dependence requires a broader and detailed work and time. But time has been a constraint.

However, the strategies of the SADCC states represent a blueprint for regional self-sufficiency in energy, food and agriculture, industrialization, transport and communications, mining, manpower and trade. SADCC did map out programmes that revolve around the execution of the projects. More important, SADCC's reliance on external sources for finance to carry out the projects has also made it vulnerable to both internal and external pressures. A lot of SADCC's programmes have not been implemented simply because the expected funds from external sources have not come. This is a contradiction to its aims and objectives in the Lusaka Declaration - the reduction of dependence.

There is danger of a new dependency on other external states by SADCC. The imminent danger at present is that as a result of the growing dependence on foreign aid and the institutionalized flows of funds into SADCC's economy,
SADCC is inclined to look at the international arena for her solutions. This dependence is clearly shown in the projects that had been dealt or analyzed in Chapters III and IV. Economic strength and growth through international support will be realized or successful once the structural limitation inherent in its economies have been overcome (notably the weakness of SADCC as an instrument of change). SADCC must first of all change its structural limitations in order to be an effective instrument of change. There are domestic and international or internal and external limitations within SADCC. Therefore, the structural changes involve virtually all economic functions or activities including the transformation of production and changes in the composition of consumer demand, international trade and resource use as well as changes in socio-economic factors such as urbanization and the growth and distribution of SADCC's population. In order to change or transform their domestic economic structures from a heavy emphasis on traditional subsistence agriculture to a more modern, more urbanized and more industrially diverse manufacturing and service economy, it should employ the tool of resource allocation theory to bring about the change.

The domestic ones include economic constraints such as SADCC's resource endowment and its physical and population size as well as institutional constraints such as SADCC's
policies and objectives. For example, for the first six years, SADCC concentrated on the infrastructure particularly in transport and communications. But over this period, it became clear that rehabilitating ports, railways and roads, interconnecting power lines, building more power stations and training people cannot necessarily improve the standards of living of the people in SADCC region or strengthen the economic capacities of the countries. In other words, they are not an end in themselves but rather a means toward strengthening the productivity of the economies. Therefore, SADCC should embark upon the structural change in order to emphasize the development of the productive sectors of agriculture, industry and trade in their economy. One of the most conspicuous characteristics of the structural dependence was the lack of interdependence between the sectors of the SADCC economy. To put it in a more direct and different way, the main feature of SADCC's economy is the lack of inter-industry linkages responsive to local needs. Furthermore, SADCC had to rely on foreign trade rather than on local industry for the transformation of local raw materials into manufactured capital and consumer goods. There are international or external constraints which include access to external capital, technology and international trade. The international trade agreements must be renegotiated to correct the imbalance.
It is very important to transform SADCC's economy to meet the needs of the domestic markets and SADCC's economy needs a coherent plan for developing an integrated economy responsive to the needs of the population and based on local technology and resources. Such an economic transformation would require an equitable and thorough redistribution of income to broaden the base of effective demand for locally produced goods and an end to SADCC’s practice of favoring urban areas at the expense of rural areas. It is also necessary to improve the small farmers in the region who are the main supporters of the economies. SADCC needs strong centralized economics planning because this can direct SADCC's activities better and more effectively.

SADCC needs to broaden the political base to include peasants growers, migrant labourers and unskilled workers to carry out the socialist revolution. The fact that the capitalist economic system inhibits development in the less developed countries and it shifts therefore the idea of socialist planning and socialist revolution will diminish the dependence.

The international aids can become effective in assisting SADCC, only once there are macroeconomic institutions and a firm central body in place and at work. This research also realizes that SADCC for the most part lacks a sound capital accumulation basis to support their
efforts. In any society the major factors or components of economic growth are capital accumulation, including all new investments in land, physical equipment and human resources. Economic growth also entails growth in population, growth in the labor force and technological progress.

Capital accumulation results when some proportion of present income is saved and invested in order to augment future output and income. New factories, machinery, equipment and materials increase the physical capital stock of a nation and make it possible for expanded output levels to be achieved. These directly productive investments are supplemented by investments in what is often known as social and economic infrastructure roads, electricity, water and sanitation, communications, etc., which facilitate and integrate economic activities.

SADCC's investment in human resources can improve its quality and thereby have a powerful effect on production as an increase in human numbers. Formal schooling, vocational and on the job trainings and other trainings will be more effective in augmenting human skills and SADCC resources.

Above all, capital accumulation may add new resources and upgrade the quality of existing resources. This will enable SADCC to stand on its own rather than begging for external donors to carry out and implement their projects.
Owing to the external economic, cultural and political constraints on SADCC and its inability to delink completely from the world capitalist system, the researcher is of the opinion that no SADCC state is entirely free to shape its policy without regard to external influence. Therefore, SADCC's efforts to delink from South Africa and from any other single external state or group of states tend to be difficult as of now. In this regard, SADCC may make use of the idea of "global interdependence" though critics of the term stress the asymmetry in its relationship. The term global interdependence is laden with so many meanings and has varied usages. My special concept of global interdependence refers to a mutual cooperation in international organizations and states based on the incentive of economic gains for each party. It is to depend upon an awareness of common interests and agreed purposes.

In today's world, no nation exists in economic isolation. All aspects of a nation's economy—its industries, service sectors, levels of income and employment, living standard are linked to the economies of its trading partners. This linkage takes the form of international movements of goods and services, labour, business enterprise, investment funds, and technology. Indeed, national economic policies cannot be formulated
without evaluating their probable impacts on the economies of other countries.

The high degree of interdependence among today's economies reflects the historical evolution of the world's economic and political order. At the end of World War II, the United States was economically and politically the most powerful nation in the world. But with the passage of time, the U.S. economy became increasingly dependent on the economic activities of foreign countries. The formation of the European Economic Community during the fifties, the rise in importance of the multinational corporations during the sixties, and the power in world oil markets previously enjoyed by the Organization of Petroleum Exporting Countries during the seventies all resulted in the evolution of the world community into a complicated system based on a growing interdependence among nations. 182

In recent years, nations have known the importance of global economic interdependence. The developed nations are beginning to recognize their own ultimate economic dependence on the developing countries both as a market for their products and as a major source of raw materials and natural resource imports. Even though there is enough statistics to show that there is a global interdependence

the Third World nations as a whole still depend on the economic and political policies of the dominant countries. The North-South economic dialogue is a result of the above condition.

However, any study of SADCC's economic development that does not address and deal with this phenomenon of the persistent SADCC's economic, technological and institutional dependence on the rich western nations is missing an important issue. SADCC had difficulties in delinking completely therefore the concept of global interdependence can be used in the context of my definition.

Recalling the earlier discussions of interdependence it is important to keep in mind that the flow of international trade and other economic activities is uneven in the world. More so, not all countries are equally involved in the international economy and are not all sharing equally in the global product. Some countries deliberately choose not to become more involved, while others seek to expand their participation, but are prevented from doing so by various barriers that inhibit free economic transactions among states. Attempts to eliminate these impediments and to integrate the international economy through global institutions in the UN system have proved difficult. However, as a classical economic concept the global interdependence may be tried, but this is a permanent solution.
However, given the political and economic importance of the SADCC region to the very Western sources from whom assistance is being sought as well as SADCC's objectives, it is doubtful whether the West would want to see a situation which would make the SADCC region strong enough to pose an economic and military threat to South Africa which is still considered to be a vital link in the West's strategic and economic thinking. South Africa has been the primary source of racial and military destabilization and tension for more than twenty years in the region of Southern Africa. Apartheid, South Africa's inhumane and infamous system of racial separation, has provoked violence within the region and across its border. Although the nations of the world continue to condemn this unique and abhorrent system of racial separation on political and economic lines, the precious metals reposited within the republic have protected it from total isolation.

South Africa's minerals have attracted massive investment from many foreign powers, but the country has been especially important to the three world empires: the Dutch, the British, and in recent times, the informal American empire. Knowing or given the prominence of American economic and political interests in South Africa (which have increased under the Reagan administration's policy of "constructive engagement") many people look to the United States and the West to promote change in the
system. But this is an illusion. South Africa's racism and minerals are not the only factors which have attracted outside attention. South Africa's claim that it represents the front line for the West against the encroachment of communism in Africa has appealed to many foreign politicians in the West such as Reagan, Thatcher, Jesse Helm and Franz Josef Strauss's etc.

Several Western governments have worked on Southern African matters, especially the United States. The United States, which is the leader of Western capitalist countries, has economic ties and interest with South Africa. According to Ann Siedman, "American economic interests in South Africa are small and have remained stable. These investments have yielded substantial rates of profit for some American corporations though smaller than profits elsewhere in Africa." South Africa is a major source of key minerals for the U.S. and other western economies. In view of the dependence of the West on supplies of strategic minerals from South Africa, the Western countries have always supported it. The southern tip of Africa has been of strategic importance to Western shipping for several centuries. At present, up to 65

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percent of Western Europe's and 28 percent of U.S. oil imports pass around the Cape.

The military/security interests must be considered. Strategic intelligence also links South African and U.S. defense interests. According to some statistics, South Africa’s defense capabilities are reportedly impressive and may provide a rationale for some continuing contacts between the U.S. and South African intelligence services. The core of South Africa's activities are in Project Avokaat, a sea and air surveillance system covering large areas of the South Atlantic and Indian oceans.\(^{193}\) South Africa remains the primary military power in Southern Africa or the whole continent. Its technological capacity to produce atomic weapons and tactical delivery systems ensures that its military power will not be overlooked.

Therefore, the western countries are not serious in trying to bring about the changes needed by SADCC in the region nor to antagonize South Africa in their efforts. For years, Western countries insisted that apartheid was a domestic affair of the republic, and Britain in particular claimed that it had vital strategic interests in South Africa, notably the Simonstown Naval Base and the Cape sea

route. It was the British that propounded the view that only by maintaining friendly cooperation with South Africa could the West hope to influence its leaders away from their universally condemned racial policies. But these reasons were designed to deceive the rest of the World, especially Africa.

However, it is clear to the West that SADCC has become for them a soft option, a face-saving commitment, a dubious counter-balance to their continuing involvement with South Africa. Representatives of Western Countries attended (indeed they are invited to most SADCC meetings) two most important meetings held in November 1980 and 1981 in Mozambique and Malawi, respectively. These meetings set priority projects and sought international financial support. The western countries and transnational corporations and multinational development institutions pledged U.S. $650 million towards an estimated U.S. $1 to 2 billion.\(^{185}\) There are many specific and broad contradictions in Western support. For example, the United States pledged $50 million to SADCC in 1981 and an initial $27 million was received and at the same time it supports antigovernment forces in Angola, Mozambique and South Africa. South African military force destabilized SADCC economies and the South African support.

South African support has enabled the National Union for the Total Independence of Angola (UNITA) and Mozambique National Resistance (MNR) (and other insurgents in the region) to paralyze the Benguela railway which is crucial and critical to the SADCC development strategy. Western double dealing has a long history. Between 1964 and 1973 they provided Portugal with U.S. $735 million in military and development funds. Portugal was a (NATO) North Atlantic Treaty Organization member and also a colonial master of Angola and Mozambique fighting against the wars of liberation in order to maintain its colonial domination in the region. These funds were used by Portugal to maintain the war activities. There was an economic link between South Africa and Portugal.

In 1974, the western countries, including the U.S., Britain and France, joined in vetoing a resolution which would have ousted South Africa from the United Nations. In 1975, the western countries vetoed again a United Nations proposal to compel South Africa to end its colonial rule over Namibia.

The politics of the region vis-a-vis apartheid then becomes increasingly dependent on moral suasion directed toward the West. The impact is limited here. The EEC countries have been quite vocal in their condemnation of apartheid at SADCC meetings. They have been much less
effective, however, in translating their abhorrence of South Africa into effective sanctions.

The U.S. has severely handicapped itself by its own short-sightedness or double dealing policies in the region. Its policies of "constructive engagement" with South Africa and its support of Jonas Savimbi UNITA leader in Angola are clear examples of the Western double dealings in the region to support South Africa. Also, the U.S. refusal to extend aid to Mozambique and Angola until the signing of the Berlin clause by Angola and Mozambique is another example. The Berlin clause asserts the recognition of the continuing rights of the Western countries in the City of Berlin.

Furthermore, the western countries and multinational and multilateral development institutions have generally supported precisely those projects such as railway transportation which strengthen the export oriented structure of SADCC. This follows a historical pattern of emphasizing Western investments in relations with South Africa and the region and discussing the viability of liberation movements and economic self-reliance.

However, SADCC hopes that Western support would facilitate the development of industries and infrastructure which would reduce external dependence. The ambition of SADCC to reduce external dependence while counting on outside support raises the question of the significance of
self-reliance. Consistent with this confrontation of contradictory realities in the region, SADCC's development strategy is elusive, superficial and ahistorical.

Thus, the problems of funding of cooperation programmes and the dependence on the West for international capital remain interconnected.

In trade relations, the dependency situation is characterized by extreme asymmetries. The Republic of South Africa trades proportionately far less with its neighbours than vice versa.

(ii) **Genuine and Equitable Integration**

From this analysis, this research shows that SADCC is less specific concerning the "genuine and equitable regional integration" projected in its Lusaka Declaration. Nor is there much evidence yet of serious concern and interest in pressing ahead with the "development objective of regional integration." On the contrary, many SADCC members are skeptical of the value of integrative schemes, some even regard them as dysfunctional, especially the classic laissez-faire variety with which they are familiar. As Seretse Khama explained:

Intra-regional trade can increase without the creation of a free trade area or a common market. Each of our states in SADCC has experience with those models of trade creation. The Federation of Rhodesia and Nyasaland, the Portuguese Colonial Economic Union, the East African Common Market, the Southern African Customs Union, all were or are free trade areas or
common markets. All have served to limit our development to enrich externally based firms and interests to hamper national planning. 186

The lesson SADCC governments appear to have drawn from their unhappy experience is that common market mechanisms to promote genuine regional integration will not work. They have abandoned these mechanisms in favour of national decision-making, qualified only by a moral commitment to a measure of consultations and voluntary coordination, both regional and bilateral. The insistence on the sanctity of national sovereignty is fundamental to SADCC's modus operandi. With painful memories of the Federation of Rhodesia and Nyasaland and especially the East African Community fresh in their minds, the frontline state leaders were determined that SADCC should not be in a position to dictate economic policy to its constituent members. Julius Nyerere, in particular, was determined to avoid creating a "community" or even a "common market" hence the voluntarist basis of cooperation implied by the term "coordination conference." Coordination implies a little more than working in concert and harmony instead of working separately without a common objective. SADCC is a project for cooperation. Its main aim is to identify projects of

national interest for each of the nine states and to also work toward regional development without sinking national interest. 187

Cooperation as the name implies, is the building of a few bridges between national units. The existence of ravines of disagreements is explicitly recognized hence the bridges. In fact, the nation-state is taken as the starting point. It is because the interests and objectives of nation states tend on occasion to clash that the bridges are needed. These bridges are institutionalized in periodic meetings of heads of state, joint consultative assemblies, ministerial meetings and the like.

The emphasis on national interests of governments to preserve whatever policies they judge fit may be the price that has to be paid to ensure that the inevitable ideological tensions between Marxists and Capitalists governing elites are kept within manageable limits in SADCC.

Also, SADCC spokesmen point with undisguised pride to its institutional structure as its most distinctive innovation. Building on the experience of the frontline states and the non-aligned movement and in contrast to the more traditional organizational pattern of Preferential

Trading Area (PTA), and East African Community, SADCC is pioneering what it claims is a radically different and superior institutional framework. The rationale for this as one secretariat document explains is that SADCC has viewed institutions as facilitating and consequential rather than causative forces or ends in themselves. Therefore, it has consistently sought to develop concrete areas of activity and to identify their actual servicing requirements first only then to create institutional structures. 188

SADCC says it offers an alternative approach to regionalism or integration, one which is better grounded in the realities of the African situation and which draws on the past experience of failed regional schemes. It has chosen to identify concrete projects where gains from cooperation may be realized in the immediate future: projects which can lay the foundation for further cooperation once the basis for trade has been established. In its flexible institutions, with their minimal demands on national decision-making autonomy, SADCC appears to point to the only feasible route for regional cooperation in the continent that is likely to be increasingly characterized by a growth in inter-country inequalities and political instability. There are problems with this incrementalist

and functionalist approach taken by SADCC: (i) regional cooperation based on a number of bilateral agreements may miss opportunities for wider participation and thus be sub-optimal in terms of the realisation of potential gains; (ii) a further weakness of a project-based approach is that it lacks the automatic spillover effects associated with market integration, there is a danger that cooperation will become encapsulated in a limited number of projects unless efforts are continuously made to identify new prospects for cooperative action. Here the role of the regional secretariat will be vital. If it is to have a staff of only four or more professionals, as in the SADCC case, considerable support will be required from the national bureaucracies. Certainly the approach adopted by SADCC is no guarantee of success for any regional integration scheme in Africa, given the formidable economic and political constraints under which they must operate, but it does appear to offer greater potential than the wishful thinking and grandiose schemes proposed by Africa's continental organizations.

Although theorists of integration have suggested a series of indicators for assessing the level of integration, the theory has not sufficiently advanced that there exists either a commonly accepted definition of integration or general agreement on the relevant indicators of integration. However, economic integration as has been
discussed previously in this research is the process whereby discrimination is abolished between economic units belonging to different states in the organization. We therefore emphasize and use the volume of transaction flows such as trade, travel, mail, phone, radio, telephone and other forms of technical communication as indicators of economic integration in SADCC.\textsuperscript{190}

As it has been discussed or shown in the research, intra-regional SADCC trade is very low and minimal, but there is more of extra-regional trade. Since there are no sizeable volume of transaction flows in the region to bring about economic integration, economic integration remains uncertain and has not been achieved.

Hence, it seems safe to me to assume that any integration scheme may be either free market-oriented like the EEC or a centrally-planned economy coordinating model like COMECON (CMEA). SADCC's members - who may of course be wrong, have consistently rejected both as inappropriate to its particular situation and needs. This is because SADCC leaders are not ready to make the sacrifices that economic integration entails in both types.

\textbf{Conclusion}

In light of the overall analysis, the research concludes that SADCC has a lot of financial problems and

there is a new economic dependency on other external states in its attempts at economic liberation from South Africa. Some of SADCC's donors are former colonial powers in the region and hence have significant political, economic and strategic interests. Non-colonial powers, such as the USA, the European Common Market countries and Scandinavia, have also entered the arena. All these powers have their own Southern Africa policy which is often far from identical with that of SADCC. Reflecting back on the starting point, the original initiative behind the formation of SADCC underscores this point. If certain Western powers were interested in a form of regional "MARSHALL AID" one would expect this to be reflected within the SADCC organization today. Since SADCC is almost totally dependent on external financing for its work, their possibilities of influencing SADACC's strategy increases daily.

One can illustrate the new dependency and danger by looking at the transport sector. SADCC has given high priority to the transport sector and several external countries pledged large sums of money to carry out the projects at the Maputo Conference in November 1980. There were about thirty external governments and bilateral aid organizations sent in delegations. In addition, nearly twenty multilateral donor agencies and international
organizations were present. The Southern African Transport and Communications Commission (SATCC) was established to oversee the transport sector which is the only legal body in SADCC. At the Maputo meeting the Nordic countries (Denmark, Finland, Norway and Sweden) agreed to finance and staff the SATCC. Other countries such as Italy, Belgium and Bulgaria have also pledged assistance to SATCC for its technical units.

There is a growing reliance on the donor countries. The Nordic countries have led all others in providing support and assistance for the telecommunications and transport projects. In turn, equipment and personnel from these countries are the most extensively used. Therefore, the Nordic countries in particular, are in a position to reap the benefits as the SADCC countries try to lessen their dependence on South Africa. The investment opportunities for these countries also appear to be quite favorable.

SADCC also appears to rely on the EEC. Although certain of the member states of EEC (especially Britain and West Germany) have major economic ties to Southern Africa,

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the EEC itself has attempted to distance itself from Pretoria and had supported SADCC capital investment projects.

There are several reasons why a priority was given to transportation. Primarily because the transport problem is acute and because, in the first phase, it involves rehabilitation rather than starting up new projects. But clearly also, because it is easier to get money for such projects than it is for more long-term plans for cooperative production. From the point of view of the donors such transport projects are welcome for a variety of reasons. These prospects are straightforward administratively and technically; they are more easily delimited in time and space; relatively precise cost estimate can be made and the final product is a standing structure with the stamp of the donor on it. Furthermore, such projects satisfy donor countries' commercial interests. By such means as tied aid, donor countries can ensure delivery of their own manufactures of locomotives, rolling stock, trucks, electronic equipment, and planes. However, a more important consideration is whether such projects tend to consolidate existing physical infrastructure networks that are a classic colonial product, i.e., that serve the import-export trade linking mining and commercial agriculture to the world market rather than internal markets. Since intra-regional trade
is today only 2-3 percent of total trade, it is vital that SADCC take seriously that part of the Lusaka Declaration of economic dependence not only on the Republic of South Africa, but also on any single external state or group of states.

SADCC's committed strategies have not produced self-reliance and economic integration in the region. Since this study is using transaction flows as one of the indicators to assess or measure the level of SADCC's economic integration, the evidence in the research shows that there has been no increases in intra transaction flows in the region. The intra-regional SADCC trade has been in the decline since the formation of SADCC while that trade between SADCC and other external countries was been increasing. Unless economic integration is firmly based on a new kind of political and economic commitment to greater self-reliance and disengagement from international capitalism, SADCC's type of integration may not be a very substantial vehicle for economic development. It is my opinion that development will require a basic reorientation of the colonial economy which, in turn, will require a radical change in the political and economic structures of various groups in the SADCC states or region. By basic reorientation of the colonial economy, one refers to the intentions and actions of policy-makers in SADCC to restructure their nations colonial economic relationships.
For example, most SADCC countries' external relations numerous actions and transactions - military commitments, trade patterns, communications, etc. which reveal important and solid external ties. Naturally, these patterns change over the years if SADCC requires a radical change to bring about the desired development objectives. To bring about these changes, it requires a radical change in the political and economic positions and thinkings of various groups in the SADCC states or region as government officials and thousands of private individuals respond to the new conditions and opportunities in the environment or economy.

There are, in short, a number of private individuals and groups in SADCC having a considerable amount of power in these economies as they are now organized. Some are occupying strategic positions which for one reason or another have been legally guaranteed in the recent past or virtually so, they have determined to a large extent the direction of the economy's development and in the process have appropriated to themselves very considerable profits. To date, most of these appropriated profits have been exported rather than reinvested in the region and the small portion that has been reinvested has gone into activities unrelated to the development of an integrated industrial base. Furthermore, in the absence of planning that deals
directly with the internal organization of the economy, the likelihood of this pattern continuing in the future is high.

To advocate reliance on the emergence of internal capital accumulation and other economic activities, those now having economic power will not permit such activities to emerge. Rather, in order to increase internal capital accumulation, and in particular, in order both to prevent capital from leaving the SADCC countries and to direct it from mercantile and into industrial operations, a substantial reorganization of the modern part of the economy is necessary.

Any such attempt comes up against a number of difficulties. In particular, the existing interests have many ways in which they can in effect convert their economic power into political power and thereby threaten not only the success of a particular plan, but the fruition of the national revolution.

Nevertheless, it should be remembered that corruption is not going to recede with time in Africa and is likely to increase. Its elimination at the source, through a reduction in the economic power of those liable to use it, would appear to be a condition not only of economic development, but of the success of the nation and revolution as well.

It is our contention that to bring about a social, political and economic change in SADCC a radical means or a
socialist approach is an option and ideal for SADCC economies although we may experience difficulties as explained above.

Some of the Western governments and international organizations have supported SADCC and free trade to improve their own markets and manufacturing opportunities and to create dependency on them. The European Community (EC), Western Imperialist states, multinational corporations in association with national elites, and entrepreneurs in SADCC have been major advocates of economic integration. Therefore, the involvement of non-Africans in SADCC raises the question or issue of who benefits from this political and economic change and growth which may be generated by such integrative efforts? SADCC's continued dependence on foreign capital, technology and personnel may prevent advances towards autonomy and development because of inappropriate investments.

Although SADCC is playing a major political and economic part in the region, it has not addressed Africa's fundamental contemporary problem - the problem of neo-colonialism precisely because it is itself a product of neo-colonialism.

However, SADCC represents another phase in the continuing struggle for real independence from white economic domination. In this regard, substantial gains have been made since the Lusaka Declaration in April 1980.
Work has been effected and completed on railway rehabilitation in Malawi and Angola, on telecommunication links between Botswana, Zambia, Zimbabwe and a new airport in Lesotho. These constitute physical evidence that SADCC is making some progress. That the South African government's sabotage efforts are a great impediment to SADCC's development objectives and these efforts should not be underscored or underwritten, therefore, efforts should be made to overcome this problem. A joint military force should be undertaken by SADCC against this.

SADCC is six years old and has raised substantial amounts of money and demonstrated that it can cooperate in a way that reduces conflicts while capitalizing on the positive. The commitment to progress through national action is clearly seen in the devolution of primary responsibility of coordinating SADCC activities to individual national governments. This was done in the spirit of maintaining a weak secretariat deprived of all initiative power.

In this analysis, the researcher posited that the present structural and administrative arrangements make it difficult if not impossible for SADCC to achieve its double objective of reducing dependence to achieve regional economic integration.

In terms of my research questions, whether economic integration would bring about economic development in the
region, the answer is a capital yes. Yet it must be pointed out that under the direction of SADCC integration is not taking place. The data presented in this study supports our contention.

Conclusively, it is because of the problems that had been identified and analyzed in this research economic integration has not taken place in the region. Conventional theories of modernization and economic development imply that investment by private foreign firms will foster economic growth in the less developed countries. The dependency theory and the world-system perspective which focus on the hierarchial development in the capitalist world economy, predict that penetration of the peripheral national economies by large corporations based in the most powerful states will distort economic growth and extract resources which might otherwise be used for national development. Also, SADCC officials believe that external financial aid will foster their economic growth. Indeed, in the research I find that, while flows of foreign investment have short-term positive effects on economic growth, accumulated stock of foreign capital indicating a high degree of penetration and control by transnational corporations has a long-run retardant effect on economic growth and is associated with greater income inequality in the SADCC region.
The success of regional integration schemes at present or in the future of SADCC and others would require a lot of political will, planning and sacrifice on the part of SADCC leaders and the masses. The researcher believes that a strong political will and careful planning coupled with what I may call the "favourable external responses" would augur or do well for economic integration and reduction of dependence at subregional and continental level. Owing to the impact of the adverse external environment which has resulted in declining and/or stagnant economic growth in SADACC states and the lower prices for Africa's or SADCC's export commodities in the face of much higher prices for imports, it can be attributed to the activities of hostile external environment. International economic organizations create elaborate mechanisms for the recycling of revenues back to western financial centers. Beggar thy neighbour trade policies are seen as realistic alternatives established by the external environment. Hence, if such external environment can slacken the unequal relationships and activities, SADCC's development objectives can be achieved.

The political and economic heterogeneity of the SADCC group could create inner conflict that South Africa can exploit. The political contradictions are more manifest and concrete in the question of member states policy towards the apartheid regime. Not all member states see
their relationship to South Africa as a private issue. After all reducing dependence on South Africa is only one of SADCC's objectives. The more conservative regimes see advantages in SADCC quite distinct from their relationship to South Africa. They are more interested in the specific projects in which they see an economic advantage. Whether such projects reduce their dependence on South Africa is, to them not so important. In sum, the SADCC states do not have a distinct and unanimous policy towards South Africa.

**Recommendation**

1. From the above analysis this research recommends that more priority should be accorded to food and agriculture, and industry which will produce most of the goods that could replace imports from South Africa. In general, energy and mining deserve less dependence on South Africa because dependence is not and will not be as critical as in food and agriculture and industry. Intra-SADCC trade should be encouraged to the fullest degree.

Appropriate ways of encouraging agricultural productivity locally need be spelled out here since they belong to the competence of both agronomists and to political scientists. It is possible technically speaking to raise food productivity. This would lessen dependence upon South Africa and other industrialized nations.
Food and Agriculture

It is essential and urgent to favor an increase in agricultural activity and the utilization of under-employed rural manpower. These could boost the agricultural development of the region. Also, SADCC should establish rural marketing boards and cooperatives which would carry out public works and encourage greater agriculture productivity.

In the industrial sector, we have the extractive and manufacturing industries. So far as the manufacturing industry is concerned it should be encouraged. SADCC policy-makers should set up tariff barriers to protect local industries. It seems essential for a central strong SADCC body-secretariat to play a leading role in industrial investment since the research has opted for a socialist approach.

However, the extractive industry faces the difficult question of expendable resources. Just because these resources are nonrenewable, it might well be unwise to encourage too great an expansion, particularly since the locally induced effects are generally very small. In most cases, it would probably be more prudent to hold back development of mining until the SADCC regional economy was in a position to use its own raw materials.

There is always a conflict of interest between the extractive industries desire for low-cost labour and
limited taxation on the one hand, and the development needs of the underdeveloped nation on the other. Therefore, the extractive industries should not be expanded urgently.

2. SADCC should pay more attention to mobilizing domestic financial resources in order to carry out the execution of new projects in most of the sectors. The shortage of investible funds is frequently voiced or given as constraining the execution of new projects in most of the sectors, therefore, this research suggest that SADCC identify ways of capital accumulation locally. As a result of the shortage of funds, international financial aid has been sought. It is undeniable that such aid is desirable if we consider the poverty of the SADCC states, the population growth and the economic development projects. However, it is the ways of distributing the aid, the amounts to be provided, the conditions of payment, and the strings attached to the projects that raise the problems for SADCC.

3. Intra-SADCC regional trade should be highly encouraged. Economic integration is very essential and vital in SADCC, therefore trade must be encouraged and developed with all amount of seriousness than what is now taking place in the region.

4. It is necessary that SADCC should get a strong, autonomous centralized secretariat to carry out the work of
economic integration and to intervene extensively in the regional affairs than its present position.

Why, above all, has SADCC encouraged, sought and accepted donors to write their projects in order to reduce its dependence? Why have donors shown more interest in the common market, free trade area type of integration than the one practised by SADCC?

These serious questions, concerns and other contradictions in SADCC cannot be ignored by those concerned with the welfare and success of SADCC. I, therefore, recommend that further research on the above questions be conducted.
APPENDIX A

NACALA Port Transport System Projects

<table>
<thead>
<tr>
<th>Project No.</th>
<th>Project Title</th>
<th>Estimated Cost USD Million</th>
<th>Secured Funding USD Million</th>
<th>Financing Negot.+ USD Million</th>
<th>Comments on: Financing Status</th>
<th>Action Million</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Ports and Water Transport</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.5.3</td>
<td>Design and Construction of Container Terminal for</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
<td>Ungoing project</td>
<td></td>
</tr>
<tr>
<td></td>
<td>the Port of Nacala, MOZAMBIQUE</td>
<td></td>
<td></td>
<td></td>
<td>financed by Finland</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Railways</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2.5.5</td>
<td>Rehabilitation of the Nacala - Cuamba Railway</td>
<td>235</td>
<td>188</td>
<td>91.9</td>
<td>Financed by Canada</td>
<td></td>
</tr>
<tr>
<td></td>
<td>538 km. MOZAMBIQUE</td>
<td></td>
<td></td>
<td></td>
<td>(13.0 mill) France</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(25.4 mill). Local</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Part USC 10.5 mill.)</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Mobilization commenced in</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>July 1983. Financing for</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>remaining parts is</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>being sought.</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Roads</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.4.1</td>
<td>Upgrading of the Road Mangochi - Chiponde/</td>
<td>0.2</td>
<td>0.2</td>
<td>-</td>
<td>Financing is being</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mandimba - Mitande.</td>
<td></td>
<td></td>
<td></td>
<td>sought.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>MANAWI/MZAMBIQUE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.8.6</td>
<td>Rehabilitation of the Road Lusaka - Chipata</td>
<td>34.0</td>
<td>20.4</td>
<td>0.7</td>
<td>Engineering study ongoing</td>
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</tr>
<tr>
<td></td>
<td>ZAMBIA</td>
<td></td>
<td></td>
<td>19.7</td>
<td>financed by Denmark (USD 0.7</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>million). ADB has shown</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>interest.</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>281.2</td>
<td>220.6</td>
<td>104.6</td>
<td></td>
<td>19.7</td>
</tr>
</tbody>
</table>

+ including also projects where financiers have been approached or have shown interest, and projects where financing is otherwise under discussion.

## LOBITO Port Transport System Projects

<table>
<thead>
<tr>
<th>Project No.</th>
<th>Project Title</th>
<th>Estimated Cost USD Million</th>
<th>Secured Financing USD Million</th>
<th>Under Negotiation USD Million</th>
<th>Comments on:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Ports and Water Transport</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1.1</td>
<td>Master Plan for the Port of Lobito, ANGOLA</td>
<td>0.7</td>
<td>0.7</td>
<td>0.7</td>
<td>Financed by Denmark. completed in September 1985.</td>
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<tr>
<td>3.1.2</td>
<td>Development of the Port of Luanda, ANGOLA</td>
<td>28.0</td>
<td>23.4</td>
<td>4.1</td>
<td></td>
</tr>
<tr>
<td>(1)</td>
<td>Design of a RO/RO Terminal</td>
<td>(0.2)</td>
<td>(0.2)</td>
<td>-</td>
<td>Terms of Reference have been prepared. Italy has expressed interest in financing the study.</td>
</tr>
<tr>
<td>(2)</td>
<td>Construction of a Grain Terminal and Silos</td>
<td>(13.0)</td>
<td>(11.0)</td>
<td>(5.6)</td>
<td>Financing partly secured by local funds. Financing being sought for civil works.</td>
</tr>
<tr>
<td>(3)</td>
<td>Modernization and Enlargement of Electrical Systems</td>
<td>(5.5)</td>
<td>(5.5)</td>
<td>(3.0)</td>
<td>Financing partly secured by local funds. Financing being sought for remainder.</td>
</tr>
<tr>
<td>(4)</td>
<td>Earth Work</td>
<td>(5.5)</td>
<td>(3.3)</td>
<td>(5.5)</td>
<td>Financing secured by local funds. Under implementation.</td>
</tr>
<tr>
<td>(5)</td>
<td>Construction of Canteen Facilities</td>
<td>(3.8)</td>
<td>(3.4)</td>
<td>-</td>
<td>Financing being sought.</td>
</tr>
<tr>
<td>Project No.</td>
<td>Project Title</td>
<td>Estimated Cost USD Million</td>
<td>Secured Funding USD Million</td>
<td>Financing Under Negot.+ USD Million</td>
<td>Financing Status</td>
</tr>
<tr>
<td>-------------</td>
<td>----------------------------------</td>
<td>-----------------------------</td>
<td>-----------------------------</td>
<td>------------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>2.1.1</td>
<td>Rehabilitation of the Benguela Railway, ANGOLA</td>
<td>182.0</td>
<td>182.0</td>
<td>14.0</td>
<td>163.0</td>
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<td>1.8.1</td>
<td>Angola-Zambia Road Link, ZAMBIA</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>-</td>
</tr>
</tbody>
</table>

| Total       |                                | 210.9                       | 206.3                       | 329.0                             | 163.2           |

+ Including also projects where financers have been approached or have shown interest, and projects where financing is otherwise under discussion.

### BEIRA PORT TRANSPORT SYSTEM PROJECTS

<table>
<thead>
<tr>
<th>Project No.</th>
<th>Project Title</th>
<th>Estimated Cost (USD Million)</th>
<th>Secured Funding (USD Million)</th>
<th>Financing Status</th>
<th>Action</th>
<th>Comments</th>
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<tr>
<td></td>
<td><strong>Ports and Water Transport</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.5.2</td>
<td>Increase in Capacity of the Port of Beira</td>
<td>365.2</td>
<td>329.8</td>
<td>31.7</td>
<td>37.5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Funds pledged by the Netherlands of which USD 25.7 mil. are allocated to sub-projects 1-3 USA, EEC and Denmark have expressed their interest in participating in the financing of the project.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1)</td>
<td>Rehabilitation and Short Term Improvements</td>
<td>(21.1)</td>
<td>(21.1)</td>
<td>(21.1)</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Including costs of study 0.7, buoys 0.5, backhoes 4.3, tugs and barges 2.5 million.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2)</td>
<td>Entrance Channel Study</td>
<td>(3.4)</td>
<td>(3.4)</td>
<td>(3.4)</td>
<td>6</td>
<td></td>
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<tr>
<td></td>
<td>Study completed September 1982.</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>(3)</td>
<td>Masterplan Study</td>
<td>(1.2)</td>
<td>(1.2)</td>
<td>(1.2)</td>
<td>6</td>
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<td></td>
<td>Study completed April 1984.</td>
<td></td>
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<td>(4)</td>
<td>Service Port Facility</td>
<td>(3.6)</td>
<td>(3.1)</td>
<td>6</td>
<td>6</td>
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</tr>
<tr>
<td></td>
<td>Operational 1986; financier sought.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project No.</td>
<td>Project Title</td>
<td>Estimated Cost USD Million</td>
<td>Secured Funding USD Million</td>
<td>Comments on: Financing Status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------</td>
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<td>----------------------------</td>
<td>----------------------------</td>
<td>-------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(5)</td>
<td>Oil Terminal</td>
<td>(9.2)</td>
<td>(7.7)</td>
<td>Operational 1987; USA has been approached for financing.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(6)</td>
<td>Sugar Cereals Terminal</td>
<td>(31.1)</td>
<td>(29.8)</td>
<td>Operational 1988; USA has been approached for financing.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(7)</td>
<td>Multi-Purpose berths 4-5</td>
<td>(63.1)</td>
<td>(56.8)</td>
<td>Operational 1988; financing sought.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(8)</td>
<td>Dredging to CD-8</td>
<td>(9.5)</td>
<td>(8.6)</td>
<td>Ready end of 1987; financing sought.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(9)</td>
<td>Cont./m.p., Berth 2-3</td>
<td>(17.8)</td>
<td>(16.0)</td>
<td>Early in 1989; financing sought.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(10)</td>
<td>Railways, Non Coal Traffic</td>
<td>(17.8)</td>
<td>(16.0)</td>
<td>From 1985 to 1989; financing sought.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(11)</td>
<td>Roads</td>
<td>(3.7)</td>
<td>(2.5)</td>
<td>From 1986 to 1990; financing sought.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(12)</td>
<td>Reclamation New Coal Terminal</td>
<td>(40.3)</td>
<td>(36.3)</td>
<td>Ready end of 1990; financing sought.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(14)</td>
<td>Coal Terminal Phase 1-2</td>
<td>(81.9)</td>
<td>(73.6)</td>
<td>Operational 1993; financing sought.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project No.</td>
<td>Project Title</td>
<td>Estimated Cost</td>
<td>Secured Funding</td>
<td>Financing Status</td>
<td>Comments on:</td>
<td></td>
</tr>
<tr>
<td>------------</td>
<td>------------------------------------</td>
<td>----------------</td>
<td>-----------------</td>
<td>-----------------</td>
<td>--------------</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>USD Million</td>
<td>USD Million Negot. +</td>
<td>Total Foreign Million USD</td>
<td>Financing Action Million</td>
<td></td>
</tr>
<tr>
<td>(15)</td>
<td>Coal Terminal Phase 3</td>
<td>(39.8) (34.9)</td>
<td>-</td>
<td>-</td>
<td>Planned for 1999; financing sought.</td>
<td></td>
</tr>
</tbody>
</table>

**Railways**

| 2.4.1      | Track Rehabilitation. Malawi Railways. MALAWI | 20.0 | 13.0 | 3.0 | 10.0 | UK has committed 3 mill. for the first phase of the project. It is expected that the remaining part of the project will be financed by UK and Malawi. |

| 2.4.2      | Supply of Railway Rolling Stock. MALAWI | 9.0  | 9.0  | 3.0 | 6.0  | USD 3 million secured from F. R. Germany. ADB has been approached for remaining part. |

| 2.5.3      | Rehabilitation of the Beira-Zimbabwe Railway. Dondo-Zimbabwe Border MOZAMBIQUE | 20.0 | 15.0 | 1.0 | - | A study which covers covers spot alignments and regradings has been carried out. Financing is being sought for implementation of the project. USA has provided USD 1.0 million for emergency repairs. |

<p>| 2.5.4      | Rehabilitation of the Beira-Malawi Railway. MOZAMBIQUE |</p>
<table>
<thead>
<tr>
<th>Project No.</th>
<th>Project Title</th>
<th>Estimated Cost USD</th>
<th>Secured Funding USD</th>
<th>Comments on: Financing Status</th>
<th>Action Status</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Roads</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.4.2</td>
<td>Study on the Upgrading of the Road Blantyre-Mulanje: Mulanje-Mocuba: MALAWI/ MOZAMBIQUE</td>
<td>1.1</td>
<td>1.1</td>
<td>-</td>
<td>Financing for the feasibility and engineering study is being sought. TOR have been prepared. CIDA will be approached.</td>
</tr>
<tr>
<td>1.5.1</td>
<td>Rehabilitation of the Tete-Cassacatiza Road, Section Matundo-Chiuta. MOZAMBIQUE</td>
<td>6.5</td>
<td>5.0</td>
<td>-</td>
<td>Financing is being for rehabilitation</td>
</tr>
<tr>
<td>1.5.3</td>
<td>Rehabilitation of the Road Beira - Chimoio - Zimbabwe Border</td>
<td>21.0</td>
<td>13.7</td>
<td>13.7</td>
<td>Feasibility study financed by Australia completed Financing of implementation is being sought. Denmark and Australia have been approached.</td>
</tr>
<tr>
<td>1.9.3</td>
<td>Study on the Upgrading of the Eastern End of the Road Harare - Mutare - Mozambique Border. ZIMBABWE</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>ADB is considering the financing of feasibility study.</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>580.0</td>
<td>495.5</td>
<td>76.2</td>
<td>78.7</td>
</tr>
<tr>
<td>+</td>
<td>Including also projects where financiers have been approached or have shown interest, and projects where financing is otherwise under discussion.</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

DAR ES SALAAM Port Transport System Projects

<table>
<thead>
<tr>
<th>Project No.</th>
<th>Project Title</th>
<th>Estimated Cost USD Million</th>
<th>Secured Funding USD Million</th>
<th>Financing Negot.+ USD Million</th>
<th>Comments on:</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.7.2</td>
<td>Development of the Port of Dar es Salaam, TANZANIA</td>
<td>152.2</td>
<td>125.5</td>
<td>90.9</td>
<td></td>
</tr>
<tr>
<td>(1)</td>
<td>Kurasini Oil Terminal Rehabilitation</td>
<td>(2.3)</td>
<td>(1.6)</td>
<td>(2.3)</td>
<td>Financing secured by Norway. Under implementation.</td>
</tr>
<tr>
<td>(2)</td>
<td>Improvement of Harbour Entrance Channel:</td>
<td>(45.5)</td>
<td>(41.0)</td>
<td>-</td>
<td>Financing being sought.</td>
</tr>
<tr>
<td>(3)</td>
<td>Construction of Container Terminal Berths 10 and 11; Berth 9 Rehabilitation</td>
<td>(17.6)</td>
<td>(13.6)</td>
<td>(17.6)</td>
<td>IDA has secured financing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(5.0)</td>
<td>(2.4)</td>
<td>(5.0)</td>
<td>IDA has secured financing.</td>
</tr>
<tr>
<td>(4)</td>
<td>Construction of Crane Facility</td>
<td>(16.7)</td>
<td>(13.4)</td>
<td>(16.7)</td>
<td>The Netherlands has secured financing.</td>
</tr>
<tr>
<td>(5)</td>
<td>Ubungu Container Depot</td>
<td>(3.7)</td>
<td>(2.6)</td>
<td>(3.7)</td>
<td>Financing secured Sweden.</td>
</tr>
<tr>
<td>(6)</td>
<td>Lighterage Quay and Belgian Wharf</td>
<td>(6.7)</td>
<td>(3.4)</td>
<td>-</td>
<td>Financing being sought.</td>
</tr>
<tr>
<td>(7)</td>
<td>Construction of a Tug Berth</td>
<td>(5.2)</td>
<td>(3.6)</td>
<td>-</td>
<td>Financing being sought.</td>
</tr>
<tr>
<td>Project No.</td>
<td>Project Title</td>
<td>Estimated Cost USD Million</td>
<td>Secured Funding USD Million</td>
<td>Financing Status</td>
<td>Comments on: Financing Action</td>
</tr>
<tr>
<td>------------</td>
<td>--------------------------------------------------------------------------------</td>
<td>----------------------------</td>
<td>----------------------------</td>
<td>------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>(8)</td>
<td>Purchase of Shore-based Container and General Cargo Handling Equipment</td>
<td>(22.4)</td>
<td>(22.4)</td>
<td>(22.4)</td>
<td>Nordic countries have secured financing.</td>
</tr>
<tr>
<td>(9)</td>
<td>Purchase of Floating Craft</td>
<td>(3.5)</td>
<td>(3.5)</td>
<td></td>
<td>Canada has been approached.</td>
</tr>
<tr>
<td>(10)</td>
<td>Technical Assistance to THA and Improvement of Bandari College</td>
<td>(3.5)</td>
<td>(3.5)</td>
<td>(3.5)</td>
<td>Financing has been secured by IDA (Consulting Services). Norway has secured financing.</td>
</tr>
<tr>
<td>(11)</td>
<td>Rehabilitation of Beths 1-8</td>
<td>(16.7)</td>
<td>(11.0)</td>
<td>(16.7)</td>
<td>Sweden has secured financing under implementation.</td>
</tr>
<tr>
<td>(12)</td>
<td>Study on New Oil Terminal</td>
<td>(0.2)</td>
<td>(0.2)</td>
<td></td>
<td>Financing being sought.</td>
</tr>
<tr>
<td>(13)</td>
<td>Study on Transit Warehouse for Zaire, Burundi and Ruanda Cargo</td>
<td>(0.3)</td>
<td>(0.3)</td>
<td></td>
<td>Canada has been approached.</td>
</tr>
<tr>
<td>(14)</td>
<td>Study on Container Handling in Tanzania and on TAZARA</td>
<td>(0.5)</td>
<td>(0.5)</td>
<td>(0.5)</td>
<td>Norway has secured financing.</td>
</tr>
<tr>
<td>Project No.</td>
<td>Project Title</td>
<td>Estimated Cost USD Million</td>
<td>Secured Funding USD Million</td>
<td>Financing Under Negot. Total USD Million Foreign Million USD Action</td>
<td>Comments on: Financing Status</td>
</tr>
<tr>
<td>------------</td>
<td>---------------</td>
<td>---------------------------</td>
<td>----------------------------</td>
<td>---------------------------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td>1.7.3</td>
<td>Rehabilitation/Strength-</td>
<td>62.0</td>
<td>40.0</td>
<td>40.0</td>
<td>Financing of the rehabilitation work is to be finalized through the World Bank. Norway has expressed interest in co-financing.</td>
</tr>
<tr>
<td></td>
<td>ening of the TANZAM Highway. TANZANIA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.8.8</td>
<td>Rehabilitation of the TANZAM Highway. ZAMBIA</td>
<td>58.0</td>
<td>41.01</td>
<td>1.1</td>
<td>Study ongoing financed by Denmark.</td>
</tr>
</tbody>
</table>

| Total      | 443.6 | 352.7 | 92.5 | 109.3 |

including also projects where financers have been approached or have shown interest, and projects where financing is otherwise under discussion.

### MAPUTO PORT TRANSPORT SYSTEM PROJECTS

<table>
<thead>
<tr>
<th>Project No.</th>
<th>Project Title</th>
<th>Estimated Cost USD Million</th>
<th>Secured Funding USD Million</th>
<th>Negot.+ USD Million</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.5.1</td>
<td>Maputo Port. MOZAMBIQUE Feasibility Study on Improvement of the Entrance Channel</td>
<td>0.9</td>
<td>0.9</td>
<td>0.9</td>
<td>Financing is pledged by Denmark.</td>
</tr>
<tr>
<td>(2)</td>
<td>Coal Terminal at Matola Phase 1</td>
<td>1.8</td>
<td>1.8</td>
<td>1.8</td>
<td>Rehabilitation work progress</td>
</tr>
<tr>
<td></td>
<td>Phase 2</td>
<td>9.0</td>
<td>9.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Phase 3</td>
<td>80.0</td>
<td>80.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(3)</td>
<td>Container Terminal Equipment and Management Assistance</td>
<td>22.3</td>
<td>21.2</td>
<td>10.4</td>
<td>8.9 million USD credit for cranes and other equipment. UK is financing a Management Assistance Scheme over three years.</td>
</tr>
</tbody>
</table>

### Railways

<table>
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<tr>
<th>Section 2.2.1</th>
<th>Project Title</th>
<th>Estimated Cost USD Million</th>
<th>Secured Funding USD Million</th>
<th>Negot.+ USD Million</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>Gaborone - Southern Border Francistown</td>
<td>19.0</td>
<td>15.0</td>
<td>15.0</td>
<td>Section 1 and a part of Section 2 are being financed by the People's Republic of China. Financing is being sought for section 2.</td>
</tr>
<tr>
<td>(2)</td>
<td>Northern Border</td>
<td>15.0</td>
<td>12.0</td>
<td>3.0</td>
<td></td>
</tr>
<tr>
<td>(3)</td>
<td>Gaborone - Francistown</td>
<td>80.0</td>
<td>64.0</td>
<td>-</td>
<td>Canada has been approached.</td>
</tr>
<tr>
<td>Project No.</td>
<td>Project Title / Description</td>
<td>Estimated Cost</td>
<td>Secured</td>
<td>Financing</td>
<td>Comments on:</td>
</tr>
<tr>
<td>-------------</td>
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<td>----------</td>
<td>--------------</td>
</tr>
<tr>
<td>2.2.2</td>
<td>Rehabilitation of Railway Telecommunications Facilities, BOTSWANA</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
<td>-</td>
</tr>
<tr>
<td>2.2.4</td>
<td>Renewal of Train Working System, BOTSWANA</td>
<td>5.0</td>
<td>4.8</td>
<td>5.0</td>
<td>-</td>
</tr>
<tr>
<td>2.2.5</td>
<td>Maintenance Depot for Botswana Railway, BOTSWANA</td>
<td>5.0</td>
<td>4.5</td>
<td>5.0</td>
<td>-</td>
</tr>
<tr>
<td>2.3.1</td>
<td>Container Terminal with Custom Facilities</td>
<td>1.4</td>
<td>1.0</td>
<td></td>
<td>1.0</td>
</tr>
<tr>
<td>2.3.2</td>
<td>Expansion of Oil Storage Facilities, LESOTHO</td>
<td>5.8</td>
<td>5.8</td>
<td></td>
<td>5.8</td>
</tr>
<tr>
<td>2.5.1</td>
<td>Rehabilitation of the Mozambique Swaziland Railway Technical and Economic Study and Engineering Design</td>
<td>0.7</td>
<td>0.7</td>
<td>0.7</td>
<td>-</td>
</tr>
<tr>
<td>Project No.</td>
<td>Project Title</td>
<td>Estimated Cost USD Million</td>
<td>Secured Funding USD Million</td>
<td>Negot. + USD Million</td>
<td>Comments on: Financing Status</td>
</tr>
<tr>
<td>------------</td>
<td>-------------------------------------------------------------------------------</td>
<td>----------------------------</td>
<td>---------------------------</td>
<td>-----------------------</td>
<td>---------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>1.5.4</td>
<td>Rehabilitation of the Road Connection to Swaziland MOZAMBIQUE</td>
<td>19.5</td>
<td>15.6</td>
<td>19.5</td>
<td>Sweden has secured funds for this project. Engineering design to be made in 1985-86. Construction work will start in 1987.</td>
</tr>
<tr>
<td>1.5.6</td>
<td>Study of a New Road Linking Southern Zimbabwe with the Maputo Area MOZAMBIQUE</td>
<td>0.4</td>
<td>0.4</td>
<td></td>
<td>Financing is being sought</td>
</tr>
<tr>
<td>1.6.1</td>
<td>Rehabilitation and Upgrading of the Road Section Lomahasha - Siteki - Big Bend SWAZILAND</td>
<td>22.0</td>
<td>18.7</td>
<td>12.0</td>
<td>Work started on section Lomahasha - Siteki, financed by ADB (5.7 million), Sweden (USD 3.2 million) and Swaziland (USD 2.8 million). Financing is being sought for the section Siteki-Big Bend</td>
</tr>
</tbody>
</table>

Total: 617.0 513.2 148.6 189.7

+ Including also projects where financiers have been approached or have shown interest, and projects where financing is otherwise under discussion.

<table>
<thead>
<tr>
<th>Project No.</th>
<th>Project Title</th>
<th>Total cost US$ million</th>
<th>Foreign Funding cost US$ million</th>
<th>Funding under negotiation US$ million</th>
<th>Comments: Donor interest/under negotiation/funding secured/project completed/under implementation/studies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>Expansion of Salt Works, Maputo, Mozambique</td>
<td>7.4</td>
<td>2.66</td>
<td>2.66</td>
<td>Portugal also interested in all Salt projects in Mozambique.</td>
</tr>
<tr>
<td>3.</td>
<td>Development of Salt Works, Sadani, Tanzania</td>
<td>5.5</td>
<td>5.0</td>
<td>5.00</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Development of Salt Works, Kitame, Tanzania</td>
<td>2.0</td>
<td>1.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Development of Salt Works, Changwela, Tanzania</td>
<td>1.7</td>
<td>0.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Small scale refining plant, Botswana</td>
<td>0.05</td>
<td>0.05</td>
<td>0.05</td>
<td>India</td>
</tr>
<tr>
<td>7.</td>
<td>Small scale refining plant, Lesotho</td>
<td>0.05</td>
<td>0.05</td>
<td>0.05</td>
<td>India</td>
</tr>
<tr>
<td>Sub-sector total</td>
<td></td>
<td>22.70</td>
<td>13.78</td>
<td>5.05</td>
<td>7.18</td>
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</tbody>
</table>
## SECTOR: INDUSTRY

### II TEXTILES

#### Knitting Projects

8. Knitting projects Expansion Botswana

<table>
<thead>
<tr>
<th>Project</th>
<th>Project Title</th>
<th>Total Cost</th>
<th>Foreign Cost</th>
<th>Funded</th>
<th>Funded under Negotiation</th>
</tr>
</thead>
<tbody>
<tr>
<td>No.</td>
<td></td>
<td>US$ million</td>
<td>US$ million</td>
<td></td>
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</tr>
<tr>
<td>8.</td>
<td>Knitting projects Expansion</td>
<td>1.55</td>
<td>0.75</td>
<td>0.75</td>
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</tr>
</tbody>
</table>

   Comments: Locally funded under implementation. Under negotiation with India for all knitting projects.

9. Knitting project, Lesotho

<table>
<thead>
<tr>
<th>Project</th>
<th>Project Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>No.</td>
<td></td>
</tr>
</tbody>
</table>

   | 9.      | Knitting project, Lesotho | 3.10 | 2.50 | 2.50 |  |

   Comments: A Kenyan company is interested in providing technical assistance.

10. Knitting project, Malawi

11. Knitting project, Mozambique

12. Knitting project, Zambia

#### Powerloom Projects

13. Powerloom project, Botswana (1 unit)

<table>
<thead>
<tr>
<th>Project</th>
<th>Project Title</th>
<th>Total Cost</th>
<th>Foreign Cost</th>
<th>Funded</th>
<th>Funded under Negotiation</th>
</tr>
</thead>
<tbody>
<tr>
<td>No.</td>
<td></td>
<td>US$ million</td>
<td>US$ million</td>
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<tr>
<td>13.</td>
<td>Powerloom project, Botswana (1 unit)</td>
<td>2.9</td>
<td>1.21</td>
<td>8.32</td>
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   Comments: Under negotiation with India to fund all powerloom projects, commercial suppliers credit. Interest from Japan to provide credit for machinery and equipment.

14. Powerloom project, Lesotho (5 units)

15. Powerloom project, Malawi (2 units)

16. Powerloom project, Swaziland (1 unit)

17. Powerloom project, Zambia (10 units)

18. Powerloom project, Tanzania (10 units)
### SECTOR: INDUSTRY

<table>
<thead>
<tr>
<th>Project No.</th>
<th>Project Title</th>
<th>Total Cost (US$ million)</th>
<th>Foreign Funding Cost (US$ million)</th>
<th>Funding under Secured Negotiation (US$ million)</th>
<th>Comments: Donor interest/under negotiation/funding secured/ project completed/under implementation/Studies</th>
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<tr>
<td>19.</td>
<td>New Polyester Yarn/Texturised Polyester Plant, Mozambique</td>
<td>12.00 9.00</td>
<td>9.00</td>
<td>9.00</td>
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<td>20.</td>
<td>Revitalisation of Polyester Blend Integrated Weaving Plant, Tanzania</td>
<td>39.10 30.10</td>
<td>30.00</td>
<td>30.00</td>
<td>Interest from FR Germany and Belgium</td>
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<td>21.</td>
<td>New Polyester Yarn/Texturised Polyester Plant, Tanzania</td>
<td>24.52 19.00</td>
<td>19.00</td>
<td>19.00</td>
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<td>22.</td>
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<td>New Polyester Staple Plant, Zimbabwe</td>
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<td>140.18 101.77</td>
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<td>100.92</td>
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<td>III WOOL AND MOHAIR</td>
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<td>24.</td>
<td>Wool Scouring Plant, Lesotho</td>
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<td>25.</td>
<td>Wool Spinning Expansion Project, Botswana</td>
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<td>Blankets, Zimbabwe</td>
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<td>10.04 7.51</td>
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<td>6.864</td>
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APPENDIX C

SUMMARY STATUS OF PROJECTS, ENERGY SECTOR SADCC

<table>
<thead>
<tr>
<th>PROJECT TITLE</th>
<th>COST TOTAL US$ MILLION</th>
<th>COST FOREIGN US$ MILLION</th>
<th>FUNDING SECURED US$ MILLION</th>
<th>COMMENTS</th>
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<tbody>
<tr>
<td>Study of Regional Energy Situation and Prospects</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Completed, financed by Belgium</td>
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<td>Seminar on Energy Development in Southern Africa: Opportunities and Constraints</td>
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<td>0.270</td>
<td>0.270</td>
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<td>Support to the Energy Sector + Angolan Technical and Administrative Unit</td>
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<td>4.300</td>
<td>4.300</td>
<td>Assistance under implementation from Norway, EEC, Brazil, France, Portugal, Canada, U.K.</td>
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<td>Energy bulletin</td>
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<td>Information Coordination System</td>
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<td>Energy Planning Seminar</td>
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<td>Study on Regional self sufficiency in the supply of oil products</td>
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<td>Regional Petroleum Development Centre</td>
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<td>Hydrocarbon Exploration in the Malawi Rift Valley</td>
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<td>Rehabilitation of Tazama Pipeline</td>
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<td>Coal Export Study</td>
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<td>Coal Conversion Study</td>
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<tr>
<td>Phase 2</td>
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<td>Investigation into possible low-temperature (LTC) of Coal</td>
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<td>Coal Exploration and Evaluation, Malawi</td>
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<td>Development of Analysis Laboratory</td>
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<td>Coal Mining Development Trial at Livingstonia, Malawi</td>
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<td>Investigation of Coal Briquetting</td>
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<td>------------------------------------------------------------------------------</td>
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<td>-----------------------------</td>
<td>-----------------------------------------</td>
</tr>
<tr>
<td>Coal stoves for use in rural areas</td>
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<tr>
<td>Rural Electrification</td>
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<td>Maintenance of Mechanical Equipment in Power Stations</td>
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<td>Flow measurements on the Zambezi River in Angola</td>
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<td>-</td>
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<td>Interconnection of the Northern-Southern and Central Electricity Supply System, Angola</td>
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<td>0.450</td>
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<tr>
<td>Completion of the Hydor-Electric Development</td>
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<td>Interest from Brazil, NORAD, Italy and Portugal</td>
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<td>0.360</td>
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<td>Botswana/Zambia or Zimbabwe Corporation</td>
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<td>Connection of Palapye and Nahalalpy to the National Grid</td>
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<td>2.150</td>
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<td>------------------------------------------------------------------------------</td>
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<tr>
<td>Integrated Energy Systems for villages based on local Energy Sources</td>
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<td>Energy Conservation Mining and Industry</td>
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<td>Funding included with 4.0.2 by CIDA</td>
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<td>Designing a Methodology for Conducting Inventory and a Survey of Woodfuel</td>
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<td>0.210</td>
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<td>Awaiting draft work programme for the projects - EEC and Holland</td>
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<td>Energy in and SADCC Country</td>
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<tr>
<td>Evaluation of the experience and progress made in Agro-Forestry in SADCC</td>
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<td>0.285</td>
<td>0.285</td>
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<td>Countries</td>
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<td>Evaluation of the problems, prospects and potential of urban wood planta-</td>
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<td>0.135</td>
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<tr>
<td>tions as suppliers of woodfuel to the urban areas</td>
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<tr>
<td>Selection of suitable and efficient woodburning and charcoal-burning stoves</td>
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<td>Selections of suit-efficient briquetting and produces gas technologies</td>
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<td>Evaluation of the woodfuel in Angola</td>
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<td>Wood/Charcoal stoves Development and Dissemination Project</td>
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<td>Reafforestation on the Eastern Part of Swaziland and Southern Mozambique</td>
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<td>Establishing fuel-wood Plantation at at RUVU</td>
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<td>0.936</td>
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APPENDIX D

STATUS OF PROJECTS

SECTOR: FOOD SECURITY

<table>
<thead>
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<th>PROJECT</th>
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<td>2</td>
<td>An Early Warning System for Regional Food Security</td>
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<td>4</td>
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<td>5</td>
<td>A Regional Food Reserve*</td>
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<td>6</td>
<td>Regional Post-Harvest Food Loss Reduction</td>
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<td>(Study/Implementation)</td>
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*Funded and carried out together
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<th>PROJECT</th>
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<tbody>
<tr>
<td>9</td>
<td>Regional Food Aid* (Study/Implementation)</td>
<td>See 5 above</td>
<td>See 5 above</td>
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<td>10</td>
<td>Study on Staff Recruitment and Retention in Ministries of Agriculture</td>
<td>0.400</td>
<td>0.400</td>
<td>CIDA grant for implementation</td>
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<td>11</td>
<td>Study on Seed Production and Supply</td>
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<td>-</td>
<td>Terms of Reference to be drawn up.</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Interest from</td>
<td>Interest from EEC, Netherlands and</td>
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<td></td>
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<td>FAO.</td>
<td>FAO.</td>
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<td>12</td>
<td>Education and Training for Irrigation and Water Management</td>
<td>-</td>
<td>-</td>
<td>Terms of Reference to be drawn up.</td>
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<td></td>
<td></td>
<td></td>
<td>Interest from</td>
<td>Interest from EEC, Ford Foundation</td>
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<td></td>
<td></td>
<td>FAO.</td>
<td>and FAO.</td>
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<tr>
<td>13</td>
<td>Improvement of the Agricultural Water Supply in the Bengo Valley, ANGOLA</td>
<td>14.124</td>
<td>14.124</td>
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<td>14</td>
<td>Reinforcement of the Department of Soils and Climate of the Agronomic</td>
<td>0.553</td>
<td>0.553</td>
<td>Interest from Italy.</td>
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<td>Research Institute, ANGOLA</td>
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<td>15</td>
<td>Creation of an Agricultural Experimental Station in Luanda, ANGOLA</td>
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<td>Primary Milling of Maize and Cassava, ANGOLA</td>
<td>2.241</td>
<td>2.241</td>
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<td>17</td>
<td>Improvement of Food Storage Capacity, LESOTHO</td>
<td>9.958</td>
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<td>Partially funded from local resources.</td>
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<td>18</td>
<td>Interim Grain Reserve, MALAWI</td>
<td>13.75</td>
<td>13.75</td>
<td>Presented at Harare</td>
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<td>19</td>
<td>Production of Groundnut and Sorgham Seed, MOZAMBIQUE</td>
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<td>8.0</td>
<td>France loan.</td>
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<td></td>
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<td>Madibira Rice Scheme, TANZANIA</td>
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<td>Eradication of the Larger Grain Borer</td>
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### STATUS OF PROJECTS

**SECTOR: ANIMAL DISEASE CONTROL**

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<tr>
<th>PROJECT</th>
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<th>ESTIMATED COST</th>
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<th>COMMENTS ON: FINANCING STATUS ACTION</th>
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<td>US$ MILLION</td>
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<td></td>
<td>Fever Immunisation - MALAWI/ MOZAMBIQUE/TANZANIA/ZAMBIA</td>
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<td>Eradication of Food and Mouth Along the Botswana/Zimbabwe Borders (and in Southern Malawi - See 2.4.3 below)</td>
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### SECTOR: FOOD SECURITY

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<th>FUNDING UNDER NEGOTIATION US$ MILLION</th>
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<td>2.3.1</td>
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<td>Equipment of the Biological Substances Laboratory in MOZAMBIQUE</td>
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<td>(i) Control/Eradication of Rinderpest in TANZANIA</td>
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<td>Epidemiology and Control of African Swine Fever (ASF) - Angola/Malawi/Mozambique/Tanzania</td>
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</table>

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