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SADCC: CHALLENGING THE "SOUTH AFRICAN CONNECTION"

by J. Gus Liebenow

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The Southern African Development Coordination Conference unites nine states, with a combined population of 60 million and GDP of $17,330 million, to meet the South African economic challenge by promoting their own development. While the problems are formidable, their leaders' optimism is also well-grounded.

Julius Nyerere, Kenneth Kaunda, and other African leaders who have been in the vanguard of the liberation of the continent during the last three decades feel that movement has reached a critical stage. For the book will not be closed on European colonial rule and the ideology of white supremacy until the 700,000 black citizens of Namibia and the more than 20 million nonwhites in the Republic of South Africa are free to control their own political, economic, and social destinies. Indeed, the destruction of the institutions of apartheid in South Africa is felt to be inextricably linked to the fate of the nine or more black-controlled states to the north. Most of those states achieved their political independence during the 1960s—the Decade of African Independence—when a combination of forces compelled the British, French, Belgian, and Italian colonialists to accede, in a relatively peaceful fashion, to the demands of African nationalists. Three of the states in the so-called Southern Redoubt only secured control over their political futures following protracted armed struggles against intransigent white minorities who were determined to hang on to their privileged status in Angola, Mozambique, and Zimbabwe.

Unfortunately, as President Julius Nyerere pointed out during the July 1981 summit meeting of the Southern African Development Coordination Conference (SADCC) in Harare (Salisbury):

... the political independence which we all have—and which some of our countries won with the blood of the sons and daughters of Africa—leaves our freedom incomplete. We have yet to develop our countries, and we have yet to win economic independence.

In many respects the strain of neocolonialism that Southern Africa faces today is even more virulent than the form faced by their brethren in West, Central, and East Africa. In the latter regions the surrender of political authority by colonial administrators often left the commercial, agricultural, and industrial interests of the European powers in continued control of the commanding heights of the economies of the former colonies. The fate of African economic development plans was determined by situations and decisions made in places far distant from the African continent. In the case of Southern Africa, the withdrawal or expulsion of European colonialists has found whites in neighboring South Africa only too eager to step into the economic breech. In doing so, they not only capitalized upon relationships and institutions that they had helped create during the colonial era, but the advantages of location and its industrial strength also gave South Africa the ability to forge new linkages which more firmly riveted the economies of the independent states to that of the apartheid regime.

For most of the Southern African states this variant strain of the neocolonial virus poses a dual problem. First, in attempting to pursue development within the framework of the artificial political boundaries created during colonial rule, the independent states acting separately have been no match for South Africa. Their fledgling economies were narrowly based upon the export of a limited number of crops or minerals whose prices were set at the global level. The extent of underdevelopment and dependency has been most pronounced in the case of the "B-L-S" countries—Botswana, Lesotho, and Swaziland—who were drawn into the South African vortex through formal currency and customs arrangements.*

The second dilemma posed by the South African connection has been political. This is the gnawing awareness that the acquiescence of independent African states in forging economic links with South Africa has impeded the liberation efforts of Africans in Namibia and the Republic of South Africa. For as Nyerere noted in his Harare speech referred to previously: "we must at least not join with their oppressor in their exploitation or in the furtherance of the interests of the apartheid rulers." Yet, in serving as the raw materials hinterland for the South African industrial complex, the states to the north were unwittingly contributing to the subsidization of apartheid. The increasing economic dependence upon South Africa, moreover, has inevitably muted the voices and limited the ability of southern African leaders to join the growing global chorus calling for sanctions against the Republic. As Robert Mugabe pointed out to his fellow African leaders at the Organization of African Unity (OAU) summit meeting in 1980 in Freetown, shortly after Zimbabwe had achieved independence (with the acknowledged support of the Frontline States), an oil boycott of South Africa would be a double-edged sword. It would be an inconvenience for South Africa, but not necessarily a disaster. South Africa's ability to convert its vast coal resources into oil, and the collusion of many Arab states themselves in making oil available to South Africa on the spot market, would permit it to survive. On the other hand, the states in the southern region would be compelled to pay the inflated costs of importing spot market oil through South African ports and over South African railroads. Thus, in facing the most formidable proponents of white supremacy, the economic dependence of SADCC states on South Africa served to limit their ability to act effectively.

It was the realization of this dual dilemma which prompted the presidents of Tanzania, Zambia, Mozambique, Angola, and Botswana to convene at Arusha in March 1979 the first Southern African Development Coordination Conference. Thus, the leaders of the Frontline States were hopeful that the creative energies generated in pressing for the liberation of Zimbabwe and Namibia could be converted into a scheme for regional cooperation in economic as well as other areas. By standing together they were better able to meet the South African challenge with renewed strength. Indeed, as if to highlight the urgency of the need for concerted and united action, the planning and convening of SADCC took place against the backdrop of South Africa's determination to wage a diplomatic and economic counteroffensive to the efforts of the Frontline States. This came in the form of the proposed Constellation of Southern African States (CONSAS), which would have South Africa serve as the hub of an expanded system of regional integration and development.

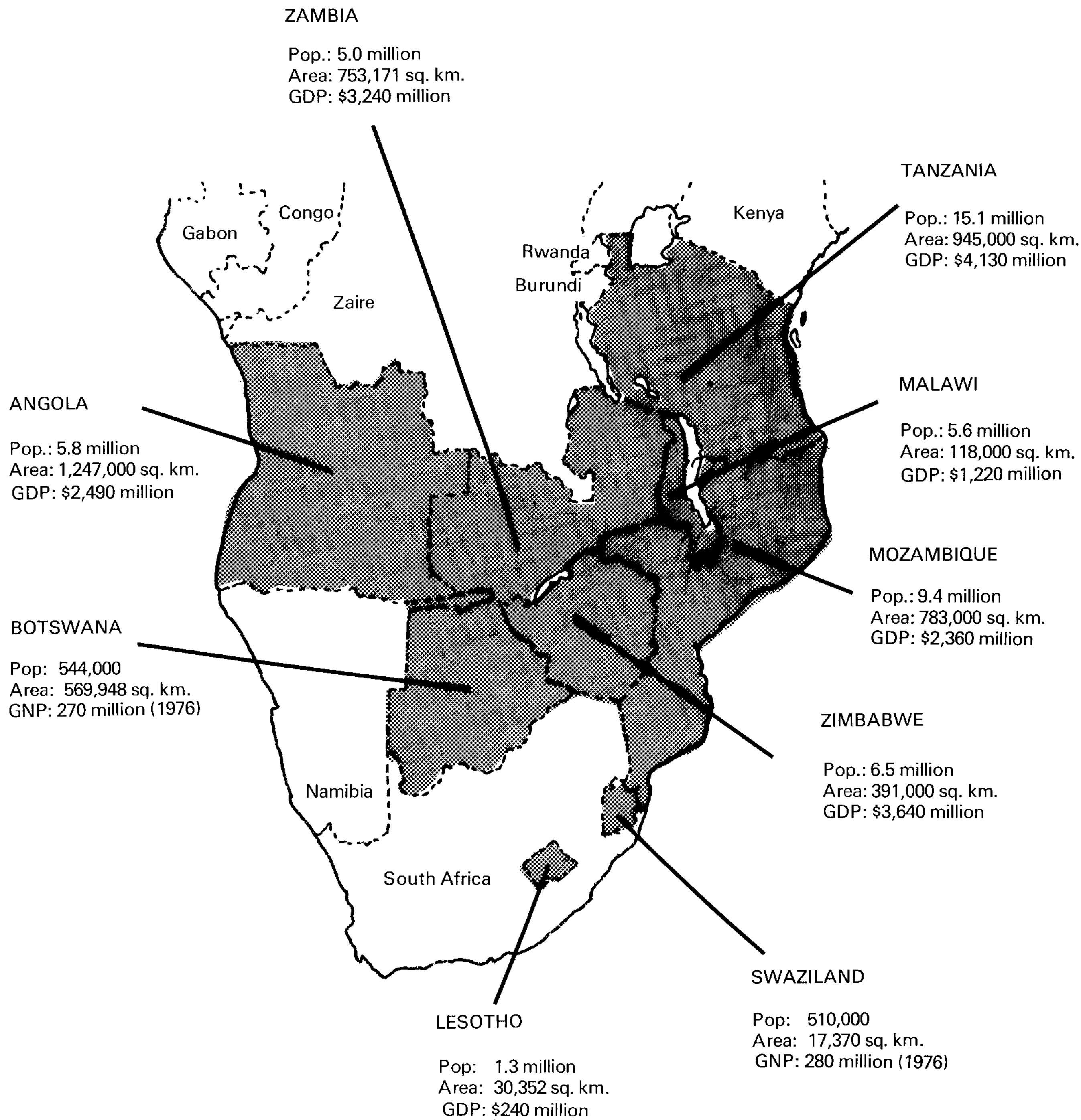
The Challenges Confronting SADCC

The vastness of the task of achieving Southern African economic liberation is fully recognized by the original Frontline leaders, whose ranks were soon augmented by the inclusion of Zimbabwe as a Frontline State and the expressed determination of Malawi, Swaziland, and Lesotho to join SADCC. Undaunted by the obstacles to regional cooperation and growth, the SADCC leaders recall that "the conventional wisdom" regarding African politics has often been wrong. Few informed observers in the early 1950s, for example, would have predicted that within the ensuing decade a majority of Europe's colonies in Africa would have achieved independence. Indeed, the Trusteeship Council of the United Nations at that time was debating seriously the question of which would be the more realistic: a 50-year or a 25-year timetable for African independence! And despite "informed predictions" of a later era that African liberation efforts would stop short of the Zambezi River, the nationalists in Angola, Mozambique, and Zimbabwe cast pessimism aside and resorted to guerrilla warfare in pursuit of their birthright. Today, the same spirit of optimism dominates the thinking of SADCC leadership.

The grounds for optimism are considerable. The territory of the nine SADCC states—over five million square kilometers—covers an area equivalent to that of the continental United States. Its combined population exceeds 60 million. Although at this stage only Zimbabwe has a developed industrial capacity, the ingredients required for industrialization are widely scattered throughout the region. The oil of Angola, for example, could supply the region's needs at far less than OPEC prices. Iron ore as well as both fuel and coking coal exist in appreciable quantities, and development of the enormous hydroelectric potential of the region is only beginning. In terms of vital mineral ores, the SADCC states collectively control respectable shares of the world's production of copper, industrial diamonds, nickel, gold, antimony, chromium, tungsten, zinc, cobalt, titanium, and other minerals needed for the jet and atomic ages. Indeed, the region's viability and strategic importance would be further enhanced were SADCC expanded to include Zaïre, which is already affiliated with the efforts of the Southern African Transport and Communications Commission (SATCC), one of SADCC's first creations. In terms of agricultural exports,. the region provides sisal, groundnuts, coffee, tea, cotton, tobacco, sugar, woodpulp, wood, beef, cashew nuts, and other commodities needed by the more developed states. Even the domestic food situation—which is generally dismal throughout Africa—provides

*Editor's Note. In this same series, see William F. Lye, "Lesotho: The Politics of Survival, *UFSI Reports* No. 11, 1982.

SADCC MEMBER STATES



GDP, as of 1979 (World Bank)

room for limited optimism, considering that Malawi is relatively self-sufficient in food and Zimbabwe has achieved huge grain surpluses which could help feed the region if transportation systems were improved. Each of the states, moreover, has national universities oriented toward the pragmatic fields required by development, and thus can begin to provide the needed manpower for the modernization of agriculture and commerce and the industrialization of the region. Above all, however, the SADCC region has a leadership group dedicated to making economic and other forms of integration succeed. This, coupled with the widely shared perception of South Africa as the unifying negative symbol—the "enemy at the gates"—may help the leadership sustain the momentum needed to accomplish its difficult task.

Full realization of the shortcomings of the region and the obstacles to be surmounted, however, is a necessary step in the attainment of goals. The data on Southern African underdevelopment are sobering. Four of the countries, for example, are counted by the World Bank as among the world's least developed. The three that qualify as middle income states (Zimbabwe, Zambia, and Angola) are in the lower end of that category and are characterized by gross disparities of income distribution, very uneven patterns of regional development, rapidly mounting rates of rural to urban migration, and other problems endemic to the least developed states. These traits are shared by Swaziland and Botswana, which are not listed by the World Bank's 1981 *World Development Report*. The general poverty of the SADCC states in contrast to South Africa is partly revealed in World Bank 1979 data on Gross Domestic Product (in US$million).

Angola	2,490
Botswana	n.a.
Lesotho	240
Malawi	1,220
Mozambique	2,360
Swaziland	n.a.
Tanzania	4,130
Zambia	3,240
Zimbabwe	3,640
Compared to:	
South Africa	52,920

Some specific examples of underdevelopment among SADCC members, including the middle income states, are in order. Zimbabwe, for example, had experienced a peculiar version of "equality" under the Smith regime: the ownership of land was divided "evenly" between the 5 percent minority whites and the 95 percent who were black. Government expenditures for education were also divided "equally" between the privileged whites and the blacks who continued to be the victims of the illiteracy, undernourishment, and lack of significant involvement in the economy which had been the legacy of the entire period of colonial rule. In Zambia, the dependence upon one export—copper—has left its development plans in a precarious state as prices plummet on the world market. The proportion of urban to rural residents in Zambia, moreover, is approaching the 50 percent mark, leading to the serious neglect of food production and other agricultural activities. In Mozambique the swift departure in 1974 of the privileged white minority that had monopolized both skilled and semi-skilled positions under colonial rule left the economy in a shambles, from which it is only now beginning to recover. And for all countries in the region the specter of recurrent drought and the general inability of the agricultural sector to feed the rapidly growing population put a strain on already weakened economies. The Zimbabwe surplus can, of course, help alleviate the situation. In the four-year period preceding the drought year of 1980, for example, the countries in the region had to import 1,870,000 tons of wheat, 928,000 tons of maize, and 528,000 tons of rice, a total of 3,326,000 tons of staples. South Africa, which had surpluses in white maize during this same period, eagerly took advantage of this economic and diplomatic windfall by selling grain to its northern neighbors. The desperate need plus the lower transport cost and speed of delivery made this, for most African states, "an offer they could not refuse."

The general poverty of the states in the SADCC group, of course, cannot be entirely attributed to the machinations of South Africa. The vagaries of rainfall, the endemic nature of many of the tropical and temperate zone diseases, the uneven distribution of resources relative to political boundaries, and other natural phenomena must be considered causal factors as well. Similarly, one must consider the drag on modernization posed by ancient land tenure systems, by traditional cultivation practices, and by cultural attitudes, such as those which put the expanding herds of cattle into the prestige rather than the exchange economy, where beef could be meeting nutritional needs.

Undoubtedly, too, many of the enduring causes of underdevelopment and dependency are the consequences of policies and practices introduced by Britain, Portugal, and others during the colonial era. The initial beneficiaries of actions with respect to land, labor, transport, and investment were the local colonial governments, as well as commercial, mining, banking, investment, and other economic interests based outside the continent. Over time, and especially after the Anglo-Boer War and World War II, the weight of economic benefits began to accrue to the European economic entrepreneurs resident in the two Rhodesias and South Africa itself. A series of circumstances, including the discovery and extraction of diamonds, gold, and other minerals; the arrival of a substantial pool of white skilled labor; the calculated exploitation of cheap nonwhite labor; and the willingness of outside investors and commercial interests to do business in a controlled political environment, have all contributed to making the Republic of South Africa the most significant industrial complex on the African continent. South Africa stands at the center of what has recently been referred to as the "Persian Gulf of Mineral Resources." It accounts for substantial shares of the world's production of gold, uranium, platinum, industrial diamonds, cobalt, chrome, manganese, antimony, nickel, zinc, vanadium, titanium, and other precious and rare metals. With this base, it has managed to build a steel industry that accounts for 85 percent of the continent's production. In addition to its conversion of coal into oil, it further makes up for its lack of petroleum through the harnessing of its own hydroelectric potential and that of its neighbors.

The historic and geographic advantages, combined with an ideological insensitivity to the aspiration of the independent black nations, have managed to convince South Africans that there is a "natural" economic affinity between the raw materials producing areas beyond its borders and its own industrial complex. Given the hesitancy of Western and other investors to massively enter the uncertain post-independence markets of black Africa, the South Africans by contrast were more than willing to take the risks. They had high hopes of reaping both economic as well as ideological and diplomatic pay-offs in a world that had become increasingly more hostile to its policies. Since the black countries, when acting alone, lacked the investment capital and a sufficiently large consumer market to sustain local industrial growth, the South Africans were there to provide them with the farm implements and other tools needed for development as well as with the consumer items which most Africans felt to be their due once independence had been attained. Thus, the dependency relationship grew.

A political neutralist or a Milton Friedman-type economist might see nothing alarming in the growing trend in trade relations between South Africa and the SADCC countries. Trade relations which might have been mutually beneficial, however, are transformed into dependency relationships when the alternative options available to the weaker party to the relationship are increasingly foreclosed. South Africa produces six times as much iron ore as SADCC states, and almost all of Southern Africa's steel. It produces 3.5 times as much electricity and refines four times as much oil as SADCC states combined.

The trade dependency is most severe for the "B-L-S" countries. Lesotho, which is a geographic enclave of South Africa, is compelled by circumstances to do more than 90 percent of both its export and import trade directly or indirectly with South Africa, for example, buying the entire cotton crop, most of its lumber, and other commodities in return for providing Swaziland with most of its manufactured goods, its construction materials, and transport items. It is for this reason that Prime Minister Prince Mabandia Dhlamini indicated before the 1981 Salisbury meeting that Swaziland could not possibly take part in a trade embargo against South Africa. He therefore urged that SADCC work for greater cooperation among its members rather than making its primary task the negative one of reducing economic ties with South Africa.[1] Despite its assertion of political and diplomatic independence, Botswana finds its external trade similarly oriented to South Africa. Although the exploitation of diamonds and copper-nickel as well as renewed sales of beef to Europe have reduced exports to South Africa to 10 percent of the total, Botswana's imports are roughly 90 percent from South Africa.

The trade options available to some other members of SADCC vary only by degree. Tanzania, which is physically remote and has its own coastline, and Angola, which is in a virtual state of war with South Africa, are the least dependent. Mozambique, despite its socialist ideology and the direct access to the sea, has significant trade links with South Africa. Approximately 11 percent of its two-way trade in recent years has been with South Africa, and the latter has been its largest single source of nonpetroleum imports. Zambia, despite its open support of Zimbabwean liberation, has nevertheless found itself drawn into the South African trade network. The limit on transport options (discussed below) in 1980 moved South Africa from fourth to second rank in terms of supplying goods to Zambia, and a good portion of its exports entered the world market through South Africa. Although figures for Zimbabwe-South African trade remain unpublished, it is openly acknowledged in Harare that the dependence of Zimbabwe on South Africa is considerable. Indeed, at this writing, Zimbabwe is still hoping to re-establish the preferential trade position it had enjoyed with South Africa until its termination by the latter in March 1981.[2] The one SADCC member that has not chaffed about its South African economic connection is Malawi— although in 1977-78 South Africa was the largest source of imports, 37 percent of the total (South Africa received only 4 percent of Malawi's exports.) Malawi's limited resources plus the reluctance of Western funding for key projects compelled President Banda to turn to South Africa. The Malawian leader feels, however, that he is less dependent on South Africa today than many of his neighbors in SADCC and that the economic connection has produced the desired growth in his country's economy.

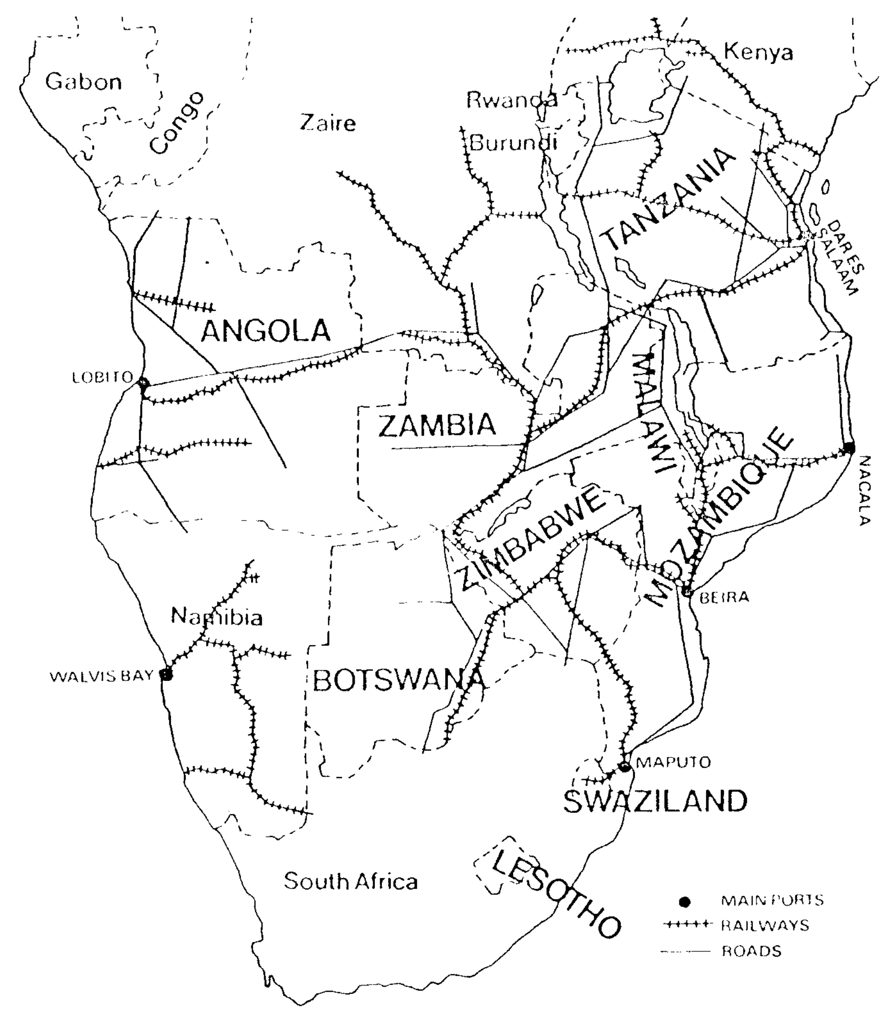
Transport: The Tightening Web

In reckoning the factors accounting for the dependency of SADCC states upon South Africa, transport is undoubtedly the most significant. It is for that reason the first priority of SADCC after its founding was the establishment of the Southern African Transport and Communications Commission (SATCC), with its headquarters at Maputo. The objectives of SATCC with respect to transport have been to decrease dependence upon the use of South African railways, ports, and oil pipelines as well as the equipment and technical advice currently provided by South Africans. In turn, SATCC has attempted to coordinate existing and forge new transport linkages among the SADCC states themselves.

The SADCC states are in many respects prisoners of their colonial history. The carving of political boundaries left five of the states completely landlocked, and two of the five plus Swaziland are enclaves or virtual enclaves of South Africa. Mozambique, which does have seaports and a rail network is nevertheless constantly aware of the fact that the transport links were built by South African or white Rhodesian capital to serve their interests rather than to serve Mozambique's own development. It is true that colonial Zambia, Zimbabwe, and Malawi (formerly called Northern and Southern Rhodesia and Nyasaland) had alternative routes to the sea through Portuguese-controlled Angola or Mozambique. A considerable amount of freight, however, entered the world markets through the South African ports of Durban, East London, and Port Elizabeth or was destined for South Africa itself. The north-south rail lines were important in forging closer economic ties among settler communities throughout southern Africa.

The role of South Africans as active participants in limiting Southern African alternative options with respect to transport has become increasingly apparent in the past two decades. During the United Nations boycott of the renegade Smith regime in Zimbabwe, for example, South African rail links provided the

SADCC TRANSPORT LINKS



lifeline to the outside world that made possible the 15-year survival of the Smith government. The rail links gave the Rhodesians direct as well as covert access to oil, manufactured goods, and the war materials needed to counter the guerrilla forces as well as an outlet for their exports—particularly after 1974, when the FRELIMO regime closed the other boycott loopholes through Mozambique. Prior to the war some 75 percent of Zimbabwe's crops, minerals, and industrial wealth had been shipped through the Mozambican ports of Beira or Maputo. The successor Zimbabwean government of Robert Mugabe is suffering the consequences of the relentless raids carried out by the Rhodesian Air Force against the bridges on both rail lines as well as on the oil pipeline from Maputo to Umtali. They are only now being restored to their former condition, but this too is delayed by action attributable to South Africa's destabilization campaign. (This refers to the covert support given by the Republic to the dissident Mozambique Resistance Movement [MRM], which has made transport facilities its prime targets.)

Zambia's dependence upon South African transport is also a by-product of the support the Republic gave to the Smith regime. The Tazara Railway from Zambia's copperbelt to the Tanzanian port of Dar es Salaam was commenced in 1966 to diminish Zambia's dependence upon transport through white-controlled Rhodesia and South Africa. The destruction of the bridges on the Tazara line by the Rhodesian Air Force in 1979—in what constituted an eleventh hour "fit of rage"—forced the Zambians to reroute most of their copper shipments south through Zimbabwe and South Africa, while awaiting the restoration of the Tazara line. The alternate Zambian route to Benguela, on the other hand, has also become a casualty of South African destabilizing activity in the region. South Africa's open support of UNITA, the dissident Angolan forces of Jonas Savimbi, has made it impossible for the MPLA government in Angola to restore the railway to full service. This action means not only that Angola is denied the possibility of developing the resources of its own interior, but Zambia and Zaïre as well are forced to depend upon South African transport. Zaïre does have access to the sea at Matadi, but the distances involved plus other factors make it less expensive to export minerals from the Shaba region through Benguela. Lacking that option, transshipment through South Africa is still more economical. Thus, South Africa's destabilizing activity has produced multiple casualties.

Zimbabwe, Botswana, Mozambique, Zambia, and Zaïre have come to realize in recent years exactly what the full price of dependency upon South African transport means. By withholding the return of locomotives, freight cars, and other equipment the Republic has managed to retaliate for diplomatic actions or even political rhetoric on the part of SADCC leaders. The countries to the north have frequently found themselves mysteriously short of imported petroleum. In 1981 roughly a third of Zimbabwe's bumper grain crop—so desperately needed by its food-short neighbors—as well as its tobacco exports were in danger of going to waste for lack of freight cars and locomotives from South Africa. Pretoria has used the withholding of locomotives from Zimbabwe as a device for squeezing out a form of de facto diplomatic recognition from the Mugabe government, by insisting upon negotiations "at the ministerial level." Zimbabwe preferred to await the anticipated arrival of locomotives and equipment promised by the United States and Canada.

Even Tanzania, which has no direct transport links with South Africa, finds that the destruction of the Tazara bridges has so reduced traffic on the line that it threatens the ability of Tanzania and Zambia to begin making the service charge payments in 1983 on the $560 million Chinese loan which made the original construction possible. Admittedly, the Zambians were already unhappy with the way in which cargo was handled on the line and at the port of Dar es Salaam.[3] Zambian steps to resume shipment through Beira or connect to the Malawian link to Nacala may further undermine the survival of the Tazara link and bring about a default on the loan. By 1981 only 40 percent of Zambia's external trade went out over the Tazara line.

Only Malawi within the SADCC region has failed to suffer many of the negative consequences of the destabilizing activities of either South Africa or the white Rhodesians when they controlled Zimbabwe. On the contrary, by skillfully using external economic assistance—including that of South Africa—Malawi managed to circumvent its traditional port of export, Beira, during the recent period of unrest. It did so by securing the construction of a new rail link north to Nacala, which has provided it with more direct access to the sea. It has also extended the line to the Zambian border in anticipation of transit trade from that direction.

Mozambique represents the key element in SATCC planning, and it is for that reason Maputo was selected as the headquarters for the organization. Not only do Maputo, Beira, and Nacala play important roles in the development of Mozambique's hinterland, but collectively they are vital to five of the other SADCC members (Malawi, Zambia, Swaziland, Zimbabwe, and Botswana) and to Zaire as well. A complicating factor is that one of the ports, Maputo, is also important to South Africa.

Maputo is the most direct external link for the industrial and mineral complex on the Rand in the Transvaal. This creates problems of some magnitude. For, while Mozambique ports fit into the long range strategy of SADCC economic liberation, the present economic survival of the railway to Maputo and the port itself depend upon the collection of transit and port receipts paid by South Africa, the largest single user of the railroad and port. The port had already suffered a substantial blow to its financial stability in 1979 when the South African-developed iron mines in Swaziland had been exhausted. And in what must appear to be a case of masochism, South Africa's support of the Mozambique Resistance Movement has led to the disruption of rail service from time to time. Since the independence of Mozambique in 1974, moreover, the South Africans have been consciously shifting the Transvaal trade to Durban and to the newly developed port at Richards Bay. What I had remembered as a sleepy little fishing village and resort town some 25 years previously, I found transformed by 1981 into a complex industrial entrepôt of close to 10,000 inhabitants. A great portion of the slump in Maputo's traffic (a fall from 18 million to 10 million tons during the 1970s) is attributed to the diversion of chrome, titanium, and other commodities of high value to Richards Bay and Durban.

South Africa, too, is not averse to flexing its political muscle in an effort to demonstrate who is dependent upon whom when it comes to Mozambique. South Africa, for example, dropped its earlier policy of requiring many shippers from the Transvaal to use the shorter route to Maputo. In 1980, moreover, in a highly publicized squabble, South African Railways halted all transit trade through Maputo for ten days until the Mozambicans could guarantee a faster turnaround time in the arrival, unloading, and return of goods trains from Maputo. Moreover, the port managers, rather than shipowners, were required to assume the financial responsibility for excess charges attributable to delays in loading and unloading cargo.

Part of the acknowledged inefficiency at Maputo stems from the fact that over 7,500 Portuguese port and rail employees left en masse at the time of Mozambique's independence. Whites occupied not only the managerial and skilled technical positions but most of the semiskilled and menial jobs as well. While the Mozambique government has attempted to train replacements quickly, still roughly a hundred foreigners—including some South African consultants and shipping agents—occupy many of the top managerial and skilled positions. The gantries, cranes, forklift trucks, and other equipment at Maputo and Beira are casualties of wartime neglect, and the country's severe balance of payments position prevents early replacement. Despite the diversion of up to 27 percent of Zimbabwe's transit trade to Beira and Maputo since its 1980 independence, the June 1981 issue of Lloyd's Shipping Economist reveals only a one percent increase in foreign vessels calling at Mozambique's ports in the preceding year. The diversion of Zimbabwean trade to Mozambique, moreover, has heightened the retaliatory responses on the part of South Africa referred to previously.

The ominous presence of South Africa is also evident in any analysis of air communications between countries in the SADCC region and the outside world and even contacts among the SADCC states. Until very recently, it was impossible to fly commercially between any of the capital cities of Botswana, Lesotho, Swaziland, Zambia, Zimbabwe, and Malawi without having to endure an intermediate (and often that meant overnight) stop at Johannesburg. The airlines of the "B-L-S" countries are in fact subsidiaries of South African Airways and depend upon the latter for the servicing of aircraft, for spare parts, and even for most of their pilots. Despite the OAU's political posture regarding South Africa, seven of the SADCC states (as well as Zaïre, Gabon, Kenya, and the Ivory Coast) maintain direct air links to South Africa for the convenience of government officials, UN representatives, officers of multinational corporations, tourists, and others. Efforts to enforce the 18-year-old resolution calling for an OAU ban on international air links with the Republic have fallen victim to circumstances.

Minerals: Their Role in Dependency

The mineral wealth of southern Africa is another double-edged sword. On the one hand, it provides hope for the development of states in the region which are seriously underdeveloped. As Robert Price points out:

In Angola, petroleum exports earn

up to 80 percent of the foreign exchange and more than 60 percent of Government revenue. In Zambia, copper accounts for 90 percent of export earnings, 30 percent of Government revenues and 20 percent of the Gross National Product. In Zimbabwe, where 90 percent of mineral production is exported, the mineral sector generates more income than any other.[4]

On the other hand, minerals constitute the foundation for South Africa's status as the most industrialized country on the continent. The high price gold continues to command on the world market and the increasing demand of industrialized economies for diamonds and other minerals, unfortunately, are at the root of black misery, for these contribute substantially to the subsidization of the system of apartheid. Without the ownership and exploitation of the country's mineral wealth—which accounts for three-fourths of South Africa's foreign exchange—the European minority could not underwrite the high standards of living for even the poorest of the white families. Nor could the white regime finance the system of coercion required to keep the black population at the bottom of the economic, social, and political ladders. In the face of overwhelming global hostility and the threat of economic boycotts, the need for these minerals has limited the ability of the major industrial powers to participate effectively in sanctions. Earnings from mineral exports, moreover, subsidize the technology that makes South Africa less dependent upon the outside world—particularly with respect to oil, which it increasingly obtains from the conversion of coal. Within South Africa itself, mineral exports make possible the mechanization of industry. This in turn makes the white management less dependent on both domestic black labor and migrant labor from neighboring states. Thus, the current regime is able to ignore the historic contribution of black labor to the building of South Africa's industrial economy and perpetuate the white myth of "having done it all alone."

The negative impact of the system of mineral ownership and extraction is not limited, however, to South Africa itself. The system has implications for the southern region as a whole by virtue of the creation and sustaining of a series of dependency relationships between South Africa and most of the SADCC states. The first manifestation comes with respect to ownership and management. The initial capital for southern African mining ventures came, for the most part, from sources external to the continent, such as Britain, France, Germany, and the United States. Increasingly, however, the controlling shares in the major transnationals operating in southern Africa (DeBeers, Anglo American, and others) have come into the hands of South African citizens. Even in cases such as Zambia, where the government owns 51 percent of the shares of Anglo-American AMAX, the effective management of mining operations is either South African or it defers to "South African realities" when it comes to decisions about ore processing, transporting, and marketing, and other matters affecting the enterprise.

In consequence, much of the refining and processing of minerals—which could provide additional sources for local employment and would reduce the transport costs while adding to the value of the commodities—often takes place in South Africa rather than the country of origin. The training of local nationals as managers and skilled technicians to replace expatriates—in some cases beyond the control of expatriates—is frequently behind schedule. The constant modernization of mining operations in neighboring countries, moreover, not only reduces the need for local labor but also increases dependence of the Zambian, Zimbabwean, or Angolan companies on the sophisticated high cost spare parts and servicing technicians that invariably are brought in from South Africa.

The hundred year advantage that South Africans have acquired in mining expertise is central to the dependency linkages. The specialized technical skills in geology, hydrology, mine engineering, and other fields are constantly sought after outside the continent (Brazil being a recent example) as well as by those states that otherwise officially restrict trade and other forms of contact with South Africa. There is literally a floating body of South African mining technicians who move from country to country in southern Africa. While it is true their skills are eagerly sought after, it is also true their presence delays the development of mining expertise among the indigenous population.

Thus, to one degree or another, it is either South African-owned firms or South African managerial and consulting skills that account for the mining of diamonds in Lesotho; the coal, copper, and diamonds in Botswana; much of the copper in Zambia; the coal in Swaziland; and the whole gamut of minerals whose exploitation in Zimbabwe was accelerated during the 1973-1980 war of liberation. It is the gold, chrome, and other minerals that considerably underwrite Prime Minister Mugabe's program for Zimbabwean reconstruction and development.

One special area which has considerable political significance is the marketing of minerals. Acting separately, the southern African states have lacked the apparatus required for the sale of their countries' mineral wealth. Hence, not only the pre-emptory position South Africans enjoy in the mining field, but also their knowledge of the peculiar marketing problems of a given mineral perpetuate the dependency relationship. One of the most striking examples is the worldwide marketing of diamonds. Despite the armed hostilities existing between Angola and the Republic, for example, and Tanzania's having severed practically every other economic link with South Africa, both countries market their diamonds through the South African DeBeers conglomerate.[5] (Curiously, the Soviet Union also markets through DeBeers and even carries on discussions with South Africa about the near monopoly the two enjoy in the mining and marketing of platinum.)

There is one aspect of the dependency relationship based on mining which must be measured as much in human terms as it is in economic consequences: the annual recruitment of over half a million young males from the neighboring states to work in the mines of South Africa. During the colonial period, the recruitment had the full cooperation of the European administrations, which secured both direct payments for every person recruited and additional foreign exchange earnings as well as government revenues by virtue of the migrants' remittances home. The element of coercion involved was sometimes scandalous—particularly with respect to the Portuguese tactics employed in Mozambique. Even today, migration has serious negative consequences in terms of disruption of family life and the fact that migration delays the creative utilization of that labor in the home market.

Since independence there has been a steady drop in the number of migrants recruited. In part, this is a consequence of increased mechanization, the rising costs of "foreign" recruitment and political factors. Nyerere, for example, officially banned South African recruitment efforts following Tanzania's independence. Malawi, which permitted recruitment at an annual level of roughly 80,000, abruptly terminated the enterprise in 1974 for political and economic reasons. When Malawian recruitment was resumed in 1977, it was at the reduced scale of approximately 17,000 a year. Similarly, the war in Angola brought all but unofficial recruitment to a halt.

Recruitment nevertheless continues. Mozambique and the "B-L-S" countries depend to a high degree on migratory labor for government revenues, foreign exchange credits, and providing wage employment for otherwise unemployed citizens. In Lesotho, it is estimated that South African mine labor provides ten times as many wage-earning jobs for Basotho males as are available at home. The remittances from 200,000 migrants account for 70 to 80 percent of GNP growth in Lesotho in recent years. In Swaziland roughly 30 to 40 percent of the young adult males are absent from home, with most of them working in the South African mines. A similar situation prevails in Botswana.

The really critical case is that of Mozambique. Considering the size of its population, it is one of the poorer of the SADCC countries. Other than titanium, it lacks mineral resources of any consequence. Its agriculture was severely disrupted by the liberation war and the mass exodus of Portuguese settlers at independence. Earnings from labor recruitment (although not at the generous level the Portuguese enjoyed) affect the government's solvency as well as its development programs. However odious it may be to the ideological program of Samora Machel's FRELIMO government, the latter is obliged to walk a narrow line in its relations with South Africa. The lesson is already there in the case of Zimbabwe, with the 1981 announcement that South Africa would not renew the contracts of 20,000 Zimbabwean laborers at the end of their present employment. Reabsorbing 40,000 Mozambique migrants in a precipitous fashion could spell economic chaos for the fledgling socialist economy.

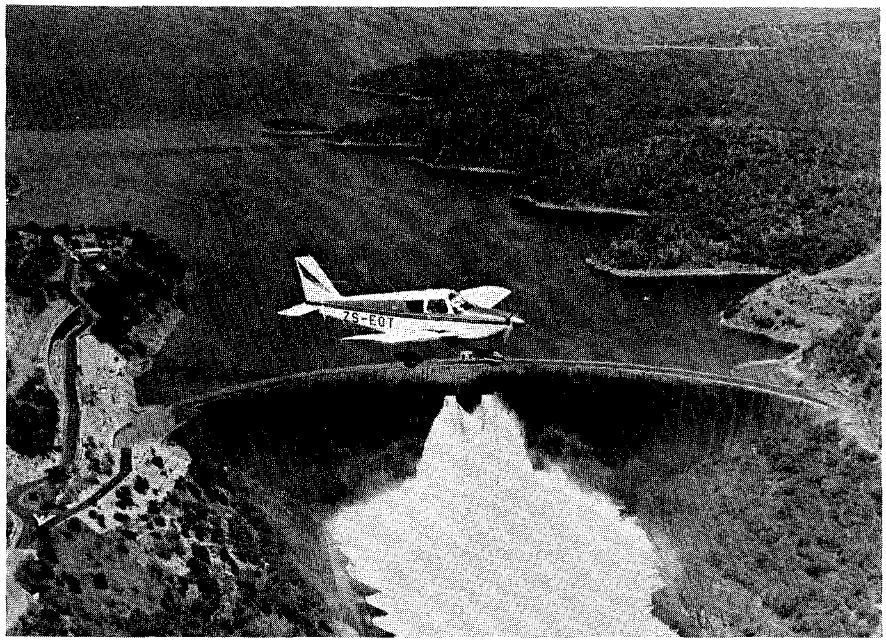
Other Aspects of Dependency

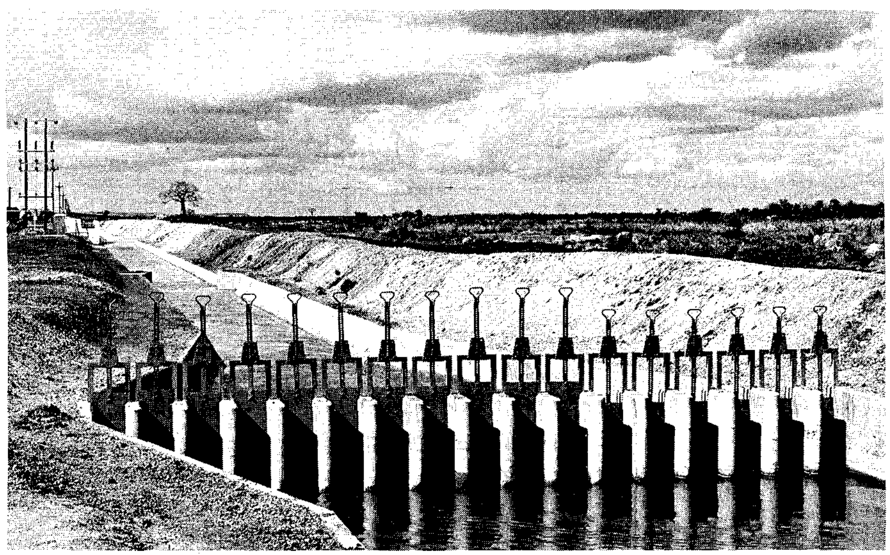
In addition to the general problems of transport and mining, the dependency relationship manifests itself in ways specific to each country within SADCC. Lesotho, for example, which lacks many exploitable resources, agreed in 1981 to participate in a joint venture with South Africa for the tapping of water resources. In return for the South African development of hydroelectric power for mountainous Lesotho, the Highland Water Scheme would give South Africa the water it so desperately needs for human and industrial purposes.

Swaziland's subordination to South Africa is evident in the fact that most of its grazing land and its forests (which have experienced a dramatic transformation under a South African-financed afforestation program) are actually either owned or leased by South African citizens. Indeed, before the government of King Sobhuza II established a trust fund to repurchase estate lands alienated under the so-called "protectorate" period, over 50 percent of Swazi territory—including its most arable land—was actually owned by South Africans.

Botswana, despite its assertion of diplomatic independence through its inclusion in the Frontline States, is vulnerable with respect to both exports and imports. During the 1978-1981 quarantine of Botswana cattle exports to EEC countries, for example, the incidence of isolated cases of foot and mouth disease did not prevent South African meat packers from buying most of the cattle presented for sale. With respect to imports, 80 percent of Botswana's food—aside from the maize, millet, and cattle grown for local consumption—comes from South Africa. The clothes that urban Batswana wear, the building materials for their shops and residences, their vehicles and bicycles are invariably stamped "made in South Africa." Along with Lesotho and Swaziland, Botswana must contribute to the Equalization Fund set up by South Africa to purchase oil on the spot market. This is interpreted by some as a "B-L-S" subsidy to South Africa's Sasol plants, where coal is converted to oil.

In addition to receipts from South Africa for transport and mine labor recruitment, the third pillar of Mozambique's dependency is the receipts from the sale to industries on the Transvaal of hydroelectric power generated at the Cabora Bassa Dam on the Zambezi River. Built by joint West German, French, and South African capital during the last decade of Portuguese rule, a secret agreement provided that South Africa was to receive 90 percent of the power produced. When in operation, it would meet roughly 8 percent of the Republic's power needs. The liberation war and other problems prevented the scheme from coming into production until 1979. Disruption of the service by MRM opponents of the Maputo regime, however, kept transmission at 22 percent of capacity before being totally suspended. Why South Africa supports the MRM, which interrupts one of their sources of power, is not altogether clear. It is speculated that South Africa not only wishes to "punish" Mozambique for its harboring of South African dissidents but also to limit its own reliance on Cabora Bassa power. Whatever the rationale, Mozambique's loss of revenues from the sale of power have prevented it from funding a $5.7 million second phase of the Cabora Bassa scheme, which for the first time would serve Mozambique directly in meeting both industrial and residential power needs. Data regarding the three pillars of Mozambique's dependency would appear to refute Samora Machel's brave words that "the economic relations that exist with South Africa tend more and more to be relations of mutual dependence."[6]





Above: *One source of hydroelectric energy for SADCC, Kariba Dam, Zimbabwe.*
Below: *Irrigation in Southern Africa—expanding SADCC's land resources.*

Zambian dependence, beyond transport and mining concerns, focuses on the lack of self-sufficiency in food production. Food scarcities in recent years have been phenomenal, caused in part by drought, but equally by the fact that the high rate of rural to urban migration has seriously disrupted Zambian agriculture. South Africa has been one of the principal foreign sources in making up Zambian deficiencies in maize, wheat, and other staples (655,400 tons during the four years, 1976-1979). South Africans, moreover, made a great deal of political capital out of Zambia's imports of South African beef. During the Lusaka Commonwealth Prime Ministers Conference of 1979, for example—where South Africa's apartheid was being severely condemned—the beef served at the conference banquet came from South Africa.[7] The vulnerability of Zambia in its economic relationship with South Africa may account for President Kaunda's dramatic effort in May 1982, to re-establish dialogue with Prime Minister Botha of South Africa.

Zimbabwe's dependence has significance not only for the newest of Africa's independent states but also because it is a sort of linchpin in SADCC's planning. Its industrial development, surpluses in food production, and recent expansion of the mineral sector give it the most balanced economy in the SADCC group and hence a logical regional counterforce to the economic might of South Africa itself. Unfortunately, the greatest spurt of economic growth took place during the Smith period, when the UN boycott compelled Rhodesians to rely upon South Africa in building the war machine needed to oppose the liberation armies of Mugabe and Joshua Nkomo. South African capital, machinery, and technicians were responsible for much of the economic growth. This poses a dilemma for the Mugabe regime. While pressing to have black Zimbabweans fill significant roles in the economy as well as the government, the too-rapid departure of whites—many of whom are still citizens of South Africa—could constitute a threat to Zimbabwean reconstruction and development. This is most critical in the area of agricultural production. The puzzle is how to balance the legitimate demands of Zimbabweans for land, without upsetting the efficiency of the white-owned estate sector which is providing the food surpluses. Zimbabwe officials in Harare seem confident they will ultimately get Western aid and begin to attract non-African sources of private investment to counter the South African connection. It is apparent in the short run, however, that Pretoria is attempting to make Zimbabwe pay an increasingly higher price for the latter's leading role in SADCC economic liberation.

The one SADCC country which has not viewed its South African economic links as a liability is Malawi. It is the only state in the region that exchanges diplomats with South Africa, even though others secure the substance of diplomatic exchange without the formality. President H. Kamuzu Banda of Malawi—while openly criticizing the policies of apartheid—nevertheless has long argued that the capital, technology, and trade potential of Africa's most significant industrial economy could be skillfully manipulated as instruments to improve both the Malawian infrastructure and the standard of living of his people. In turning to South Africa, for example, after having been turned down by the Western powers and the World Bank, Banda was able to build a new capital at Lilongwe. Not only has this stimulated economic growth, but it has partially overcome some of the regional imbalances inherited from the colonial period. The new and shorter railway link to Nacala, the modernization of agriculture, and the beginnings of processing industries can also be partially credited to the South African economic links. President Banda is convinced that, in the long run, his skillful use of South African aid will actually make his country less dependent on South Africa than many of those who have criticized him in the past for his actions. Malawi's inclusion within SADCC is viewed in some quarters as evidence that Malawi's historic experience can be useful in resolving some of SADCC's current problems of dependency.

Star Wars: South Africa's Proposed "Constellation of States"

SADCC planning for economic liberation has been conducted against the background of a counterproposal advanced by the government of South Africa, which put the Republic at the center of an expanded network of economic linkages within the entire southern Africa region. The proposed Constellation of Southern African States (CONSAS), which was first announced by Minister of Foreign Affairs Mr. Pik Botha in March 1979, has suffered from lack of precise definition. Roughly stated, the scheme for regional cooperation envisioned both an inner constellation (South Africa and its black homelands, as they opted for so-called independence status) and an outer constellation. The latter grouping would include the SADCC states, a partially independent Namibia, and other African states that elected to join CONSAS. While CONSAS purported to be a scheme which would be mutually advantageous to all parties, with no state being dominant, in fact the industrial might of South Africa would have given it decided advantages over its less developed neighbors. Although the grandiose scheme was rejected by the SADCC states almost immediately after it had been proposed, the Pretoria regime is still attempting to implement CONSAS with respect to the Transkei, Bophutswana, Venda, and other homelands which eventually opt for the new constitutional status.[8]

While being formally rejected, the CONSAS scheme does, nevertheless, have direct implications for three SADCC states—the "B-L-S" countries. Moreover, given the longevity and intensity of South African ambitions with respect to what it has called its "natural" hinterland, it is obvious that the proposal will resurface in some revised form in the future. South Africa, after all, has never been a passive actor in the economic and political affairs of the region. In certain respects CONSAS can be viewed as the contemporary manifestation of the dreams of Rhodes, Jameson, and other nineteenth-century political leaders who envisioned a southern Africa dominated by the whites of what is today South Africa. The idea of South African political hegemony in the region was kept alive in the South Africa Act of 1909. The latter act not only served as the basis for the union of the British colonies and the former Afrikaner republics, but it looked to the future inclusion of Rhodesia and the "B-L-S" states in a white-dominated superdominion.

Evidence of the persistence of the hegemonistic idea in the post-World War II era came in efforts to pressure the British to turn over administration of the "B-L-S" protectorates to South Africa; the support given to the Smith regime during the UN Rhodesian boycott; the overtures in the 1970s to the Portuguese and the white Rhodesians for closer association in the wake of African nationalism succeeding in the states to the north. And, of course, there is the dogged determination of South Africa to hold on to Namibia, which it has administered virtually as a fifth province during much of the period since it took over from the Germans during World War I.

The closest South Africa has come in translating its hegemonistic ambitions into reality came in 1969 with the creation of the Southern African Customs Union, which linked South Africa with the "B-L-S" countries, and in 1974, with the establishment of the Rand Monetary Area. Until Botswana in 1976 opted to issue its own money, the currencies of the "B-L-S" states were automatically pegged to the value of the South African rand. Although both the Customs Union and the Currency agreement formalized practices that had existed since 1921, the removal of the British Foreign Office as a protector of "B-L-S" interests, has given the South Africans greater maneuverability in altering things to their own advantage.

While Swaziland and Lesotho do enjoy certain advantages from their inclusion within the Rand Monetary Area—such as the fiscal and other functions performed in their behalf by South Africa—their economies are adversely affected when the value of the rand falls on the world market, as it did during most of 1981.[9] South African-owned banks and South African branches of British banks, moreover, tend to monopolize the banking sector—to the distinct advantage of resident South African entrepreneurs.

There is no doubt, too, that the Customs Union also provides difficult choices for the "B-L-S" states, and this undoubtedly accounts for the willingness of the South Africans in 1981 to agree to a substantial sweetening of the pot in terms of increasing the share of customs receipts distributed to the three associated states. The customs receipts form the largest single source of tax revenues for Swaziland and Lesotho, and they are second only to the receipts from mining taxes for Botswana. The existence of the union, moreover, spares each of the black-controlled states the expense of organizing its own customs administrations.

The converse side of the coin is that South Africa itself profits immensely from the ability of its capital to flow freely within the region and the fact that it has ready-made protected markets for South African industrial and consumer goods. The reduction in barriers to the movement of people not only assures the mines and other industries of a constant source of cheap labor from the "B-L-S" states, but it provides numerous outlets as well for South Africans with managerial and technical skills for which they are compensated at rates higher than they would have received in the Republic itself. To the detriment of development of local industries in the "B-L-S" states, the indigenous enterprises are no match for the better capitalized and organized South African firms. The prices of South African products sold in the three states are deliberately set lower than the prices for those same goods in other international markets, thereby reducing potential local competition. Instances have been cited, too, of the import duties for the region being manipulated by the South African government to prevent the emergence of new industries in the "B-L-S" countries. The difficulties that Swaziland encountered in establishing a fertilizer plant are illustrative of this point. The growing realization of the shortcomings of the Customs Union was a major factor in the decision of the "B-L-S" states to join the SADCC group. And the experience of the three states foretells the kind of fate that would have befallen any southern African countries which had elected to participate in CONSAS.

SADCC: Its Origins and Objectives

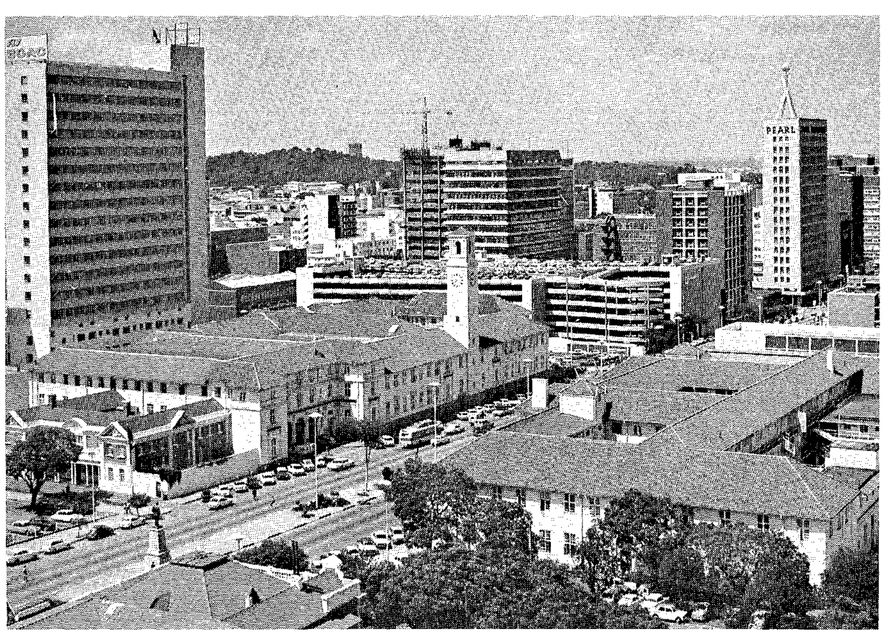
The formation of SADCC is not, of course, the first effort at regional cooperation in Africa. Many of the collaborative efforts—such as the now moribund East African Community, involving Kenya, Tanzania, and Uganda—were initiated under the colonial umbrella. Others, such as the Mano River Union (Liberia, Sierra Leone, and Guinea) and the 15-member Economic Commission of West African States (ECOWAS) have been inspired since independence. In terms of the potential for regional economic growth and the determination to break a neocolonialist hold on the economies of a region, the SADCC experiment is undoubtedly the most ambitious yet undertaken.

Although the idea of southern African cooperation has diverse ancestry, the formal conception of SADCC can be traced to the Botswana meeting early in 1979 of the foreign ministers of the Frontline States. Wishing to capitalize on the energies and enthusiasm for political and diplomatic cooperation forged during the struggles for Zimbabwean and Namibian liberation, the foreign ministers recommended that the leaders of the Frontline States proceed to the next logical stage—collaboration in economic matters. This suggestion gave rise to a series of meetings—several involving heads of government—at Arusha, Tanzania (March 1979), Lusaka (April 1980), Maputo (November 1980), Harare (July 1981), and Blantyre (November 1981). It was at the Lusaka meeting that, on April 1, 1980, the leadership agreed to a Declaration entitled *Southern Africa: Toward Economic Liberation*. By this stage it had already been agreed that membership in SADCC should be expanded to include the two other independent black states in the region—Lesotho and Swaziland—as well as Zimbabwe, which was on the verge of achieving independence. The inclusion of observers from SWAPO signaled the intent to include Namibia when its independence had been secured.

Although the title of the Lusaka Declaration makes no secret of the fact that the breaking of the South African connection is one of the most compelling causes of cooperation, the SADCC leaders have attempted to stress the more positive goal of regional cooperation as a stimulus to economic growth. This arises not only out of deference to the precarious position of the "B-L-S" countries vis-à-vis South Africa, but also out of recognition that a negative posture might discourage potential external donors, whose support is vital to SADCC success.

One of the marked characteristics of SADCC is the determination of the leaders to avoid having regional cooperation turn into a series of administrative institutions. Even the two apparent exceptions are only rudimentary organizations, lacking elaborate bureaucracies: (1) the headquarters staff of SATCC at Maputo, which is coordinating transport and communications; and (2) the six-member interim secretariat which commenced operating in 1982, to plan future SADCC meetings and maintain the momentum of cooperation. Evidence of this determination to avoid creating regional institutions was further provided by the rejection in November 1981 of the Zambian proposal for a Southern African Development Fund, which could have evolved into a regional fiscal institution. There is, moreover, no intention of the SADCC being converted into a "community," in which the ownership of railways, airlines, and other infrastructure passes from national to regional control. Here, the negative experience of the East Africa Community has undoubtedly been a factor.

Rather than seeking to create administrative structures, SADCC must be viewed as a *process*, leading both to coordination of effort and stimulation of economic growth within the region. One manifestation of the SADCC process is the farming out of special projects to the member states, with the expectation that the officials of the assigned state will bear the major responsibility for researching the



Harare (Salisbury), Zimbabwe—site of July 1981 SADCC meeting.

problem, proposing formulae for coordination, establishing an agenda for action, assessing future costs, and identifying potential internal and external donors. Under this effort to decentralize the tasks and reduce administrative costs, Mozambique was logically assigned the task of providing headquarters facilities for SATCC. Botswana, with its recent experience of a foot and mouth disease epidemic among its cattle, was charged with preparing a feasibility study on control of this disease as well as being asked to establish an institute for the study of agriculture in semiarid tropical areas. Zimbabwe, the only country with a substantial food surplus, was requested to prepare plans for regional food security and to nominate the executive secretary for SADCC. Swaziland agreed to undertake several projects, including coordination of health programs, a review of manpower training, and a proposal for regional educational exchange. For reasons which probably date back to its unhappy experience with the way industrialization was handled within the East African Community, Tanzania was given the task of preparing a strategy for integrated regional industrial growth. In addition to its abortive proposal for a development fund, Zambia was asked to develop a strategy for minerals exploitation. Angola's oil resources, of course, made it a natural choice for the study of regional energy policies. And Malawi, which has so successfully exploited the food potential of its lakes and rivers, was given the assignment of coordinating regional fisheries and wildlife development.

A second manifestation of SADCC as a *process* has been the escalation in the number of bilateral and multilateral agreements among the SADCC countries since the 1979 Arusha meeting. Often these are announced within the context of exchange visits among heads of government and key ministers. These visits, despite their disruption of normal government operations, have proved to be highly useful in providing opportunities for the leaders to come to know each other's views and philosophies. The announced agreements have invariably reduced trade barriers in significant areas, eased restrictions on the flow of capital and labor, coordinated transport linkages, or rationalized economic growth by eliminating duplication of industrial and agricultural production. Many of the bilateral and multilateral proposals have been included within the list of almost a hundred projects considered by the full SADCC leadership at Harare and Blantyre in 1981. Among the bilateral and multilateral plans and discussions have been plans for an Angola-Zambian highway; the reconstruction of the Benguela Railroad to serve countries in the region; Angola and Mozambique cooperating in the area of accelerating public housing; Zimbabwe's agreeing to provide rail wagons for Swaziland; Tanzanian and Mozambican cooperation on information; Mozambique and Zimbabwe agreeing to set up a joint shipping company; and a public Zimbabwean rubber corporation agreeing to help Zambia's Industrial Development Corporation set up a $380,000 tire processing company.

It is in the crucial area of transport and communication that the southern African countries have been most active. Roughly 97 projects in transport and communications were identified at the Maputo conference in November 1980. By mid-1981 SATCC had implemented 22 and a further 29 were under consideration for financing by donor agencies, while 15 more were being prepared for financial evaluation. Most of the projects were for reconstruction and updating of equipment rather than grandiose schemes for constructing new roads, railroads, and ports.

Before examining the funding prospects, it should be stressed that the SADCC sessions as well as the numerous bilateral and multilateral meetings of heads of government and other officials have served to reduce political tensions within the region. Following the first SADCC meeting, for example, Angola was encouraged to resolve its difficulties with Zaïre, whose cooperation would be important to the full restoration and utilization of the Benguela rail line. Also important, however, has been the re-entry of Malawi into the arena of regional cooperation. Zimbabwe leaders in particular have referred to the positive role President Banda played in breaking up the white-dominated Federation of Rhodesia and Nyasaland, and they were eager to have Malawi included within SADCC. Indeed, during the Harare SADCC meeting in July 1981, all eyes seemed to focus on Banda during the public sessions, looking for signs that the differences in ideology and the strategies for dealing with South Africa had been glossed over. The afterglow of that meeting could even lead to Nyerere's withdrawal of support for the Malawian dissidents who have operated from Tanzanian soil. This has already occurred with respect to previous Zambian support of Malawian dissidents.

Dollars and Donors

It is the hope of SADCC leaders that regional coordination of agriculture as well as the planned industrial growth within the region will eventually generate domestic capital. It is realized, however, that the level of underdevelopment within the SADCC group as well as the extent of their dependence on South Africa makes it imperative that external funding be secured for the many transport and other coordination projects. They have appreciated that the quest for external donors carried with it the specter that a new type of dependency relationship could emerge, since the most promising sources of funding are West Europe, the United States, and Japan. Hopes of securing multilateral funding through the more neutral United Nations agencies are remote. There has been no intention of excluding the U.S.S.R., Eastern Bloc countries, or China from participation. Indeed, many of the SADCC states have had individual aid agreements with communist or socialist governments. And Mozambique, which (along with Angola) has been reluctant to sign the Lomé agreement that links Africa to the European Economic Community, in 1981 actually elected to join the Eastern bloc COMECON. Nevertheless, SADCC leaders recognize that Soviet aid in Zimbabwe, Angola, and Namibia has been heavily oriented to military assistance and not particularly impressive when it comes to outright economic projects.

Thus, from the original planning of the SADCC at Arusha in 1979, the leaders have attempted to involve Western donor and United Nations (World Bank, UNDP) representatives in their planning. This does not mean that the West will direct the course of regional development, for as Samora Machel said at Lusaka in April 1980: "the economic plans have to be conceived and prepared by ourselves. There is no one better than ourselves, no one who knows better our needs and priorities." If you were searching for a model, one Zimbabwean leader pointed out to me, it would be the role that the West European states played in their own postwar reconstruction under the United States-funded Marshall Plan after World War II.

As was to be expected, there has been some distance between the levels of SADCC aspirations and the delivery of actual support from the donors. Prior to the funding meeting at Maputo in November 1980, it was estimated that the list of regional transport projects would cost over $2 billion. The collective response of the Western donors was a pledge of $650 million, roughly one-fourth of which had been previously committed. Although the financial arrangements were reviewed at the meeting the next year in Blantyre, the SADCC leaders decided to defer further requests for collective funding until some of the projects had actually been implemented and had convinced the donors of both the feasibility and seriousness of the SADCC undertaking.

The collective support of Western donors to SADCC, of course, has not precluded bilateral or multilateral arrangements between external donors and SADCC states. Portugal, for example, has resumed efforts to establish economic links with Mozambique and Angola and has encouraged the largest Lusophone state, Brazil, to do so as well. The United States, which has been very tight-fisted with straight economic aid (as opposed to military support), has nevertheless made a substantial commitment to Zimbabwe's reconstruction and development. The U.S. has pledged $225 million as its share of the $2 billion ZIMCORD agreement of March 1980. President Reagan has praised Zimbabwe in December 1981, as "one of Africa's best credit risks."[10]

The United States has also been involved in an elaborate three-way transaction in 1981, designed to decrease Zambia's food dependence on South Africa. The U.S. agreed to donate 16,500 tons of American wheat to Zimbabwe—shipped via Mozambique—in exchange for Zimbabwe delivering 21,450 tons of its own surplus in white maize to Zambia. The $5 million for the grain plus the costs of transport (over $1 million) would be borne entirely by the United States. This, incidentally, parallels British pledges of support to Zambia in its 10-year program to improve the basic infrastructure in Zambian food production.

The same sort of Western-orientation is evident with respect to private sector links with SADCC countries. It is quite clear, however, that the emergence of SADCC will in itself encourage nations in the region to press for more satisfactory contractual terms with the transnationals. Host countries will be better armed to insist on earlier localization of management, the processing of raw materials in the country, and other ancillary benefits. SADCC countries have been encouraging Western firms to conduct geological surveys and explore for minerals. Two European oil firms, for example, have been engaged by Zimbabwe to search for copper, lead, zinc, nickel, tungsten, and other minerals in a large tract in Western Zimbabwe. And, of course, the classic contrast is the continuing success of Gulf Oil in Angola despite that country's eastern links and its lack of official U.S. recognition. The sight of Cuban troops guarding Gulf Oil Refineries in Cabinda is one of the oft-noted anomolies of the Cold War in an African setting.

"Forward Together"

The remarks of President Quett Masire of Botswana in the 1981 Salisbury meeting of SADCC was not the first time that leaders have made reference to the ancient Chinese proverb: "Even the longest journey begins with the first step." Indeed, in the very short span of three years the leaders of the nine southern African countries have gone far beyond that first step. They have recognized the gravity of the situation that confronts them; they have set machinery in motion to resolve the current situation in their favor; concrete projects of coordination and development have been designed and launched; and they are making progress in identifying sources of external as well as internal funding. Above all, they have managed to generate and sustain an enthusiasm for their decision to go "forward together," which has not been particularly noticeable in the many other proposals for regional cooperation which have been launched in post-independent Africa.

Prime Minister Robert Mugabe of Zimbabwe (right) *greets Zambia's President Kenneth Kaunda at SADCC meeting in Harare, July 1981.*

Determination and goodwill, of course, are not in themselves guarantees of success. The attractiveness of South Africa as an area of trade and investment and as a source of strategic minerals is a lure that is difficult to resist. The United States, West European nations, the Soviet Union, China, and many oil-producing states in the Arab world have not been able to resist in spite of their ideological and humanitarian rejection of apartheid. How much more difficult a task, then, it has been for the leaders of weaker economies in southern Africa to break their South African connections. The dependence upon South Africa, moreover, which is a product of southern Africa's colonial past, is magnified by the ability of the apartheid regime to encourage the destabilization of the region to its political and economic advantage. Despite all the odds, the SADCC leadership is determined to press on.

There are certain quantitative and qualitative factors that may ultimately permit the SADCC group to succeed where other regional efforts have failed. In terms of "critical numbers," for example, a nine-member association has far-better chances of success than federations or associations with only two or three units (e.g., the two-member Mali Federation; the three-member East African Community; and the three-, later four-member Nigeria Federation of 1960-1966). The larger number of SADCC reduces the prospects for permanent isolation of one of the members or for the formation of permanent coalitions. Second, although Zimbabwe has a stronger economy and a more advanced industrial order, the economic "distance" between Zimbabwe and several of its sister SADCC-states is not as great, for example as the gulf between Nigeria and the other 14 members of ECOWAS, which is a real factor in the slow pace of regional cooperation in West Africa. Pains are being taken, nevertheless, to avoid a repetition of the East African experience, where the decision on siting of new industries invariably tended to favor Nairobi over locations in Uganda or Tanzania. Parceling out responsibility for the various areas of cooperation among the nine states is evidence of the commitment to decentralize the process of economic growth.

The real test of the determination to coordinate growth, however, will come when various countries are asked to forgo agricultural or industrial production in areas of wasteful regional competition or overlap. Decisions on new transport links within the region, moreover, may compel one state to forgo transit receipts in the interest of the greater community. Considering the very real sacrifices Tanzania, Zambia, and Mozambique have already made in behalf of political liberation, it is reasonable to assume that they and the other SADCC states will make sacrifices in behalf of economic liberation. A more serious problem, which at this point has not prevented cooperation and coordination, is whether the divergences in ideology between Marxist and non-Marxist strategies of development will serve as barriers to more fundamental assaults on the conditions of poverty in southern Africa. In any event, the nature of the present challenge and the euphoria of unity have glossed over some of the difficulties. As Robert Mugabe said, in opening the 1981 Harare meeting: "Alone, none of us is in the position to weather the storms and ill winds blowing on the international economic scene today; in unity we can do so."

(May 1982)

NOTES

1. *Herald* (Salisbury), July 22, 1981, p. 1.

2. Although Zimbabwe could not openly support trade sanctions against South Africa, officials let it be known that they could not stand in the way of the U.N. taking such action, although it would be a great disadvantage to Zimbabwe's reconstruction and development.

3. A partial index of the fall-off in Tazara traffic even before the Rhodesian destruction is revealed in the fact that between 1977 and 1979 the value of imports through Dar es Salaam fell from 4,472,000 to 3,359,000 tons. Exports during the same period fell from 1,280,000 to 906,000 tons. *African Business*, June 1981.

4. *New York Times*, August 18, 1981.

5. See *African Business*, July 1981, p. 31.

6. Interview with Godwin Matatu in *Africa*, No. 107 (July 1980), p. 57.

7. *African Business*, June 1980, p. 21.

8. Deon Geldenhuys, *The Constellation of Southern African States and the Southern African Development Co-Ordination Council* (sic): *Towards a New Regional Stalemate?* (Braamfontein: South African Institute of International Affairs, Special Study, January 1981).

9. For a fuller discussion, see Francis d'A. Collings et al., "The Rand and the Monetary Systems of Borswana, Lesotho and Swaziland," *Journal of Modern African Studies*, Vol. 16 (1978), pp. 97-121.

10. *Time*, January 18, 1982, p. 33.

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