SADC Think Tank Conference on Regional Integration

10th August 2012, Maputo (Mozambique)

Conference Report and Policy Papers

SADC POLICY ANALYSIS & DIALOGUE PROGRAMME

SADC RESEARCH AND POLICY PAPER SERIES 02/2012
by SADC Secretariat, Policy Planning & Resource Mobilisation Directorate, and Centro de Estudos Estratégicos e Internacionais

SADC Policy Analysis and Dialogue Programme

The SADC Secretariat is the executive arm of the Southern African Development Community (SADC) with the responsibility of, among other things, undertaking strategy development, planning and monitoring of regional cooperation and integration agenda.

The function of strategic development must be based on quality research and policy analysis on key areas of regional cooperation and integration, most notably on (1) Politics, Defence and Security; (2) Trade and Economic Integration; (3) Infrastructure Development; (4) Food Security, Natural Resources and Environment; (4) Social and Human Developments and (5) Cross-Cutting areas like Gender, HIV/Aids and Environment.

In the current framework of the strategic review of the "Regional Indicative Strategic Development Plan" (RISDP) the SADC Secretariat has prioritized the above mentioned functions and commenced on a Policy Analysis and Dialogue Programme. The programme is intended to promote regional policy dialogue and debate on key regional integration issues aiming at guiding development of regional policy processes.

During this first year of the programme the Policy Planning & Resource Mobilisation Directorate of the SADC Secretariat, with support of the German Development Cooperation (GIZ), will therefore organize diverse Think-Tank workshops, symposia and other regional events to foster the dialogue between researchers and the Secretariat and commission policy papers on key priority issues.

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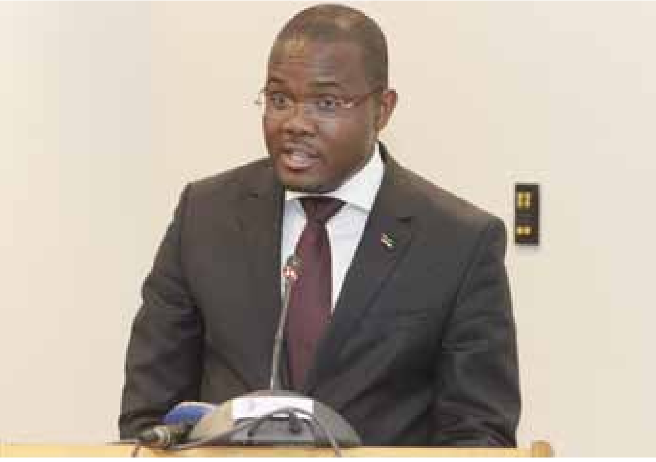


INTRODUCTION

The SADC Secretariat, as the executive arm of the Southern African Development Community (SADC), has the responsibility of managing the community's affairs in the implementation of the common agenda, including the development of strategies, planning, and monitoring the processes of regional cooperation and integration. The Secretariat has four core functions in regional integration: coordination; programme management; provision of support services; and to act as a think tank.

In recognition of the importance of quality policy research and analysis in developing the SADC strategies, the Secretariat initiated the SADC Policy Analysis and Dialogue Programme in 2011 and budgeted for pilot-implementation in 2012/2013. The purpose of this initiative is to enhance policy dialogue amongst all key stakeholders at both Member State and regional levels, designed to feed into the deliberations and discussions at the SADC policy organs and other intergovernmental processes.

The objective of the inaugural SADC Think Tank Conference on Regional Integration was to provide a platform for dialogue and exchange amongst stakeholders, which would enhance the SADC policy development processes. Specifically, the conference was aimed at providing an opportunity for regional policy makers and researchers to exchange views on the processes and status of Southern African integration. These discussions and their observations and conclusions will feed into the review of the Regional Indicative Strategic Development Plan (RISDP), which is on-going. The conference was planned to be a high-level event to precede the meeting of the SADC Council of Ministers and Summit of Head of States and Governments.

This conference was organised jointly by the SADC Secretariat and the Centro de Estudos Estratégicos e Internacionais (CEEI). Just over 100 senior participants attended the multi-stakeholder conference, including representatives from the SADC Secretariat (the SADC Deputy Executive Secretary-Regional Integration; Deputy Executive Secretary-Finance and Administration; six Directors); the Permanent Secretary for Regional Integration from Zimbabwe; government representatives from Angola, Malawi, Mozambique, Namibia and Swaziland; about 60 senior researchers from 12 Member States; representatives of civil society organizations (such as the SADC-Council of Non-Governmental Organizations); business representatives, including the Association of SADC Chambers of Commerce and Industry; and other regional entities such as the Southern Africa Trust and the Development Bank of Southern Africa.

The conference was held on 10 August 2012 at the Hotel Cardoso, Maputo, Mozambique. The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) supported the preparation and implementation of the event.

SESSION 1: CONFERENCE OPENING

The Mozambique Minister of Trade and industry, Honourable Armando Inroga, opened the meeting. The minister hailed the conference as a valuable contribution to regional integration and the enhancement of the peace process in Southern Africa. He stated the overarching goal of the SADC was to advance democracy, development, and integration for the benefit of the people of Southern Africa. Therefore the involvement of all stakeholders was important and required. The minister hoped that the conference would be useful in the decision-making processes within the SADC Secretariat, especially with regard to the determination of the strategic aims for implementation of the common agenda.

In the keynote address, the SADC Deputy Executive Secretary-Regional Integration, Eng. João Samuel Caholo, reiterated that the conference was critical to the SADC operational processes, especially since it involved all the stakeholders, ranging from the Member State governments, civil society, private sector, the media, policy research institutions, the SADC Secretariat, etc.

The Deputy Executive Secretary envisioned the conference to contribute to addressing communication gaps, especially the dissonance that has been observed in the implementation of the Regional Indicative Strategic Development Plan (RISDP) and the Strategic Indicative Plan for the Organ (SIPO).

The Deputy ES identified some major threats to successful Southern African integration: the inadequate establishment of the SADC National Committees; the fact that some stakeholders appear to be excluded from regional processes; the effects of globalization, including the worldwide economic downturn, which constrained access to resources that are required for regional integration programmes.

The Deputy Executive Secretary reiterated the need for leadership, political will, and commitment at all levels, in order to achieve common regional objectives.

The SADC Director for Policy, Planning, and Resource Mobilization (PPRM), Dr Angelo Mondlane, who moderated the conference, explained its purposes. The moderator elaborated that the conference would deliberate three major aspects of Southern African regional integration: economic; political (peace, security, and good governance); and the drivers of the integration processes.

SESSION 2: REGIONAL ECONOMIC INTEGRATION
Presentation: Economic integration matters for the SADC, by Ms Trudi Hartzenberg, Trade Law Centre (TRALAC)

The first issues paper traced the historical evolution of Southern African integration from a coordinating conference to the community. Hartzenberg stated the Trade Protocol was central to the implementation of the SADC's economic integration agenda. Under the Trade Protocol, Member States have undertaken a commitment to establish a Free Trade Area; this brings the SADC economic integration agenda into

the ambit of the World Trade Organisation's rules for regional trade agreements. The RISDP extends the developmental economic integration agenda, mapping progress from a free trade area (FTA) by 2008; to a customs union (CU) in 2010; then a common market in 2015; followed by a monetary union in 2016; and ultimately the introduction of a single currency in 2018. It is important to note that the RISDP is SADC's strategic plan for economic integration; a plan which can and should be reviewed and adapted to changes in the global, regional and national political economy environment.

The current review of the RISDP has to address critical questions: Given that the SADC model of integration is based on the European Union model; to what extent is this model relevant to address the specific challenges of Southern Africa? What are the current realities of the international, regional and national political economies, and how should the RISDP be adapted to ensure that the SADC economic integration agenda remains relevant? The review ought to examine issues such as the role of global value chains; competition from China; lack of progress at the WTO; the proposed Tripartite (EAC-COMESA-SADC) FTA; a continental FTA; and the lack of industrial diversification in SADC.

Preliminary observation is that SADC regional integration is inward-focused and does not at this stage provide a platform for integration into the global economy. There also appears to be no common understanding of what regional integration is; do member states really agree about the meaning of economic and political integration? What are the SADC member states actually pursuing?

The evidence shows that the regional trade agenda has been undermined by prevailing national protectionism. While much progress has been made with respect to tariff liberalisation, there has been a proliferation of non-tariff barriers. Rules of origin pose very specific challenges; the complex, product-specific rules pose challenges in particular to intra-regional trade in clothing and textiles and agro-processed products. These rules are used effectively to protect national industries. Progress on the draft framework for trade in services has been very slow; the implementation of standards measures is constrained by the lack of requisite physical and regulatory infrastructure in most member states; infrastructure development through the proposed Regional Infrastructure Development Master Plan (RIDMP) is a priority, but there is no clarity on its funding; customs management and trade facilitation face various obstacles.

Hartzenberg pointed out that the Euro crisis highlights the relationship between monetary and fiscal policy, and cautioned that the objective to establish a monetary union needs to be considered very carefully. These issues need to be interrogated in the review of the current integration model, and taken into account in the design of future SADC economic integration efforts.

At this stage consolidation of the SADC FTA should be a trade policy priority; the FTA is a flexible framework for economic integration, without the further compromise of policy space that a customs union would require.

Discussant 1: Prof Chinyamata Chipeta, Southern African Regional Institute for Economic Research (SAIER)

Prof Chinyamata Chipeta observed that, despite the constraints that Member States faced, some progress had been made in implementing the Trade Protocol. Prof Chipeta commented that the timeframes for implementation of the (linear) economic integration stages of SADC regional integration had been unrealistic and over-ambitious. It will be advisable henceforth to concentrate on finalizing the FTA before contemplating further moves towards economic integration. Prof Chipeta criticised the SADC Finance and Investment Protocol, which he said placed too much emphasis on formal structures such as banks and finance houses, to the detriment of other alternatives that were dividend and equity based and could have greater potential for addressing poverty problems.

The other issue was that the SADC member state economies were structurally unsuited to promote the common objectives of the SADC; each required reforming to create an appropriate orientation that would be conducive to regional integration and attainment of the objectives of the common agenda. Prof Chipeta posed the question: Are the SADC Member States serious about regional integration? There appears to be the desire, but the will to do what is required seemed to be muted by the Member States' perception that they were not benefiting from regional integration.

What, then, should define the SADC's regional economic integration agenda? Apart from what Hartzenberg had suggested, there is the need to liberalize trade in the products that the poor produce, such as foodstuffs; and pay attention to the constraints that informal cross-border traders encounter.

In determining the way forward, there were crucial questions that had to be addressed: How can the regional integration agenda be made responsive to the problems of economic inequality; poverty; unemployment, etc. that needed to be resolved? Does the Southern African regional development and integration agenda recognize the potential of building upon participatory, more people-focused approaches?

Discussant 2: Mr Oswell Binha, Association of SADC Chambers of Commerce and Industry (ASCCI)

Mr Oswell Binha wondered why business was asked to speak last. The order in which interventions had been requested tended to reflect the relegated role of the business sector in the regional economic integration process. As stakeholders, the business community, including the private sector and informal businesses, had not been adequately incorporated in regional developmental integration efforts. Consequently, business suffered from slow responses from Member State governments when they sought solutions to problems such as the prevalence of non-tariff barriers to trade; the imperative to build (efficient) infrastructure; the need for removal of economic policies that undermined economic growth, such as the campaign against tobacco, which is a major export revenue source for a number of countries; and the lack of partnerships between the Member States and the business sector in national development

projects. Mr Binha also pointed out that there were a number of problems at the regional level, such as the absence of a common agenda and strategy for regional infrastructure development; and the tardiness (compared to COMESA) of the SADC organization to implement agreements, protocols, and joint projects. What makes matters worse is the apparent lack of respect for the rule of law by the Member State governments, as exemplified by their disabling of the SADC Tribunal, which makes it impossible to operationalize rule-based governance.

Other participants

The poor record of implementation of agreements and protocols was one of the major issues identified in explaining the questionable progress of regional integration in Southern Africa. The capacity to implement was considered to be weak, due to the lack of knowledge at Member State level about regional issues. The dearth of resources was also considered a major impediment to regional integration. The governance structures of the regional organization were also perceived to be weak, non-participatory, and not inclusive of all stakeholders. There was need to critically examine why the SADC national structures were non-functional. And why do Member State governments not fulfil their commitments?

Observations

The SADC FTA is still not fully implemented due to a number of factors, including revenue sensitivities, import competition, and the reversals of commitments. A Customs Union is essentially a free trade area plus a common external tariff. The absence of real progress in the linear integration model of SADC implies that this option is not viable. In these circumstances, the consolidation of the FTA would appear to be a sensible policy choice to most Member States.

A focus on the effective implementation of the FTA would require addressing tariff and non-tariff barriers to trade in goods and services. It also demands an agenda emphasizing competitiveness, which could assist in the areas of trade and investment facilitation, reducing costs of doing business, and effective cross-border linkages. Experience shows there are links between competitiveness and development. There are also supply-side measures that could be utilised to enhance competitiveness, including simpler rules of origin; services, infrastructure, regulatory reforms; quality assurance infrastructure; addressing non-tariff barriers; effective competition policy; and the implementation of an investment governance framework.

Another requirement is the need to forge an inclusive regional integration process that emphasizes the participation of all stakeholders, especially economic agents.

Lastly, there is need for a governance framework that could ensure a rules-based process of regional integration. The re-instatement of the SADC Tribunal could contribute to the resolution of some of the governance issues.

Looking ahead

The major questions requiring answers are: Is the Regional Indicative Strategic Development Plan still the most appropriate strategic framework for SADC integration? What should be the priority areas for SADC's integration agenda? Is the SADC ready for a Customs Union; Common Market; a Monetary Union? Evidence reveals that the linear model for SADC integration has failed.

A Customs Union requires Member States to surrender tariff policy, in order that a Common External Tariff (CET) should be agreed and enforced. However, Member States have divergent trade and industrial policies and strategies; varied industrial structures and tariff structures; many have customs revenue sensitivities; and different policy orientations regarding the manner of integration into the world economy (either through open regionalism or import substitution); and economic imbalances prevail. These factors imply that SADC is not ready to become a customs union.

What about a Common Market? This prospect has already encountered problems. The Draft Protocol on the Free Movement of Persons has yet to be ratified by the required two-thirds majority of the Member States of the SADC. Therefore, there is no framework for the progressive elimination of obstacles to the free movement of persons (including labour). It appears immigration is a very sensitive issue for Member States.

And last, what of a Monetary Union? The monetary union requires establishment of a single currency, preceded by the implementation of country-specific macro-economic convergence programmes in line with the agreed targets. It also requires the liberalization of current and capital account transactions among Member States, and the adoption of a harmonized exchange rate mechanism. However, the Protocol on Finance and investment (FIP) has just come into effect, and it is doubtful that it will succeed in eliminating the obstacles to the free movement of capital across the region.

SESSION 3: DRIVERS OF REGIONAL INTEGRATION

Presentation: Assessment of the Drivers of Regional Integration in Southern Africa, by Dr Thembinkosi Mhlongo, Southern Africa Trust (SAT)

Dr Mhlongo, on behalf of the Southern Africa Trust, made a presentation based on a study by H.K.R. Amani; C. Chipeta; D. Rweyemamu; and M.L.C. Mkandawire. Dr Mhlongo stated that the drivers of regional integration may be positive or negative; internal or external to the region. The presentation thus sought to identify factors that drive the regional integration process in Southern Africa, by addressing key questions: What are the economic and political drivers of SADC integration? What is the impact of regional integration activities on poverty and underdevelopment? Is regional integration actually advancing anti-poverty initiatives; and what are its actual outcomes?

Mhlongo surmised that on balance, the regional integration process in Southern Africa appears to have perpetuated poverty, internally within member countries and between countries of the SADC. As such, the developmental outcomes of SADC integration need focused research, at both national and regional levels, to determine: Why are countries reluctant to pursue the regional integration agenda? Why are there persistent divergences? What are the critical factors that must be examined in understanding the realities of trade reforms; the perceived versus actual benefits and losses (from regional integration) to Member States? What has been the role of various stakeholders (governments, civil society, business, etc.) in the regional integration process? What is the interface between the economic and political imperatives for regional integration?

Heterogeneity: The main obstacle to Southern African regional integration appeared to be the heterogeneity of Member States. It is common knowledge that the domestic factors of any state influence its external relations. Efforts at regional integration are affected by the participating countries' domestic characteristics and their behaviours on the regional (and international) arena. Therefore, regional integration is more likely to succeed among democratic countries and their governments if they share cultures, norms, and values. This is currently not the situation in the sub-region. Another constraint is disparity in economic development, which hinders regional integration because the differences in member country economic fundamentals hinder stable coordination.

Other drivers: Regional integration is also more likely to succeed among countries where the rule of law is established and among countries that have sufficient capacity to implement the obligations of membership in regional integration efforts. There is also a close relationship between political and economic interests; the prospects of actual gain from economic cooperation strengthen political will for the creation of joint institutions. It follows that where political integration is weak, there also tends to occur weak economic integration.

Sovereignty and national interest: The intricate linkage between political integration and economic integration implies that regional integration could be hampered when states are unwilling to create joint institutions. Regional integration depends on the characteristics and orientations of integrating states and their willingness to build joint political institutions. The building of effective regional political institutions demands the surrender of some degree of national sovereignty; the integrating states need to delegate some of their authority to regional institutions for regional integration to succeed. Therefore regional integration cannot be a sovereignty-neutral process. It requires Member States' acceptance of some form of organizational interference in their domestic affairs, although this interference (at least theoretically) occurs with the consent of the state.

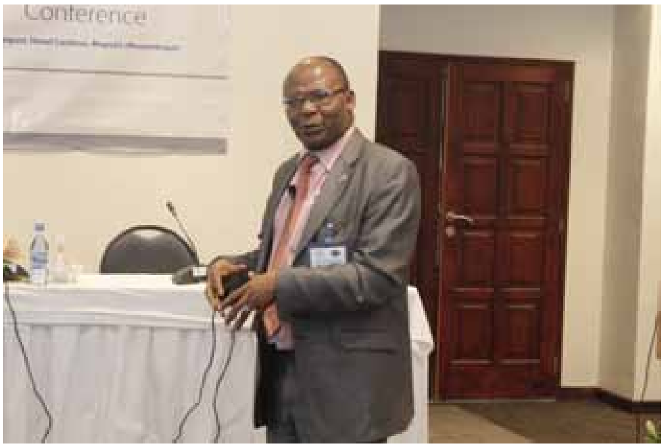
The experiences of Southern Africa indicate that the issue of national sovereignty, and the attitudes of Member States, are fundamental to understanding the nature of regional integration in the SADC.

The defence of national sovereignty versus weak regional integration: The Southern African version of regional integration exemplifies the focus of narrow national interests, opposition to interference, and resistance to the pooling of sovereignty. This has hindered regional integration; it may even be stated that the Southern African countries have chosen to establish a weak regional integration infrastructure for the narrow purpose of protecting their sovereignty. In contrast, successful European integration is characterised by the deliberate pooling of sovereignty, and acceptance of the need to create a supra-national structure that regulates and limits individual state freedom. European integration was founded upon the desire to avoid rogue state behaviour, which facilitates the operations of the supra-national structures to enforce a rule-based integration process. Europe therefore uses regional institutions to ensure that Member States commit to the principles and practices of democracy and to bind themselves to regional agreements and institutions.

There is definitely no supra-national regime in the SADC. There is concomitantly no effective rule-based system to implement, monitor, and enforce the SADC Treaty and its various agreements, protocols, and memoranda. There is, therefore, the predominance of discretion, rather than binding commitment. Consequently, the SADC organization does not appear to have a leading authority centre to drive the common agenda for regional developmental integration. Even the interactions and relationships amongst the key stakeholders seem to be dysfunctional. The limited success of the implementation of the RISDP may be explained in part by the problematic governance structures, problems of stakeholder involvement, and the pre-eminence of Member State discretion.

Discussant 1: Dr Hoseana Bohela Lunogelo, Economic and Social Research Foundation (ESRF), Tanzania

Dr Hoseana Bohela Lunogelo considered that the presentation on the drivers of regional integration went beyond academic discourse; it was concerned with the actual political conduct and actions of Member States. The presentation was not just descriptive and narrative, but stimulated debate on policy decision making. However, there are pertinent research questions that should be tackled: What constrains the Member States from implementing key agreements that they had committed to? What prevents or hampers the ability of Member States to translate regional agreements into national actionable programmes and policies? Are these agreements really positioned to effectively reduce poverty and income inequality? Is it possible



to quantify the benefits and losses that accrue from SADC integration so that these are understood? Why should Member States, in most cases, depend on donor funding even to convene their own meetings? Is it an indicator of a position in our mind-sets worth interrogating? And lastly: What are the actual impacts of SADC dependence on external donors for its regional integration activities? Financial dependence appeared to be the main challenge of SADC regional integration.

Lunogelo urged the SADC Secretariat to use the services of think tanks to pro-actively deal with emerging issues rather than being reactive to already made decisions, and that the institution should finance strategic research that could be done by the Think Tanks.

Discussant 2: Dr Margaret Sengwaketse, Botswana Institute for Development Policy Analysis (BIDPA)

Dr Margaret Sengwaketse suggested further possible areas for attention by policy research institutions. Sengwaketse said regional infrastructure development is an important measure of progress on regional integration in SADC. The conference needs to reflect on whether the SADC approach to regional integration has focused more on institutional arrangements and perhaps less on physical integration such as the development of efficient transport systems.

Amongst the pertinent questions for the critical review of SADC progress and determining the way ahead were: How does the emergence of China as a major player in the economic and politics of Africa affect SADC integration? The conference could reflect on the following questions: Does deepening of China's economic relations with Africa have implications on Africa trade in general and regional integration at the SADC level in particular? What of China's role in infrastructure development in Africa; does it have potential to enhance integration in SADC? What implications does Chinese FDI have on regional trade in agriculture, employment and skills transfer? Is there a constructive way of China-Africa relations to enhance regional integration on the SADC region?

Additionally, what lessons can SADC learn especially from the Eurozone experience? There is need to reflect on whether SADC should emphasize on accountability of Member States on the implementation of the trade protocol and on policing and monitoring of existing obligations.

Other participants

The problems of design and orientation of the SADC organization were prominent in participants' comments. It was argued that the SADC has political, organizational, and legal problems. Whereas the political and organizational problems have been researched, the legal aspects have not been prominently dealt with.

There are obvious design flaws in the SADC Treaty, including the fact that it seems to be non-binding and encourages voluntary adherence. Again, the SADC does not appear to adequately address issues of social justice; what is the fate of the weak and marginalized; does the organization condone the institutionalization of injustice? Perhaps there is need for a new legal instrument?

The predominance of external donor funding in the SADC organization budgets was described as unsustainable, and required to be addressed by the Member States. This problem was exacerbated by the non-participatory nature of the integration process, whereby Member State governments tended to dominate at the expense of key stakeholders such as national legislatures, civil society organizations, business community, etc. Yet the same governments did not appear to be keen to implement the common agreements they had committed their citizens to.

Observations

Regional integration should be about people, not just governments. It therefore needs a fully participatory process involving all stakeholders. This is not to deny the role of governments; they are crucial in providing leadership and political drive. Governments could facilitate economic growth and development; countries such as China and South Korea have shown the importance of the role of the state in promoting development.

There is need for capacity to do developmental research, analysis, and provide advice for policy decision making and implementation. However, this requires effective interactions and communications so that research can inform policy and action at both national and regional levels.

Looking ahead

SADC needs to take stock and seriously consider the establishment of supra-national architecture with clear emphasis on building a rule-based governance regime that has binding provisions and enforcement mechanisms.

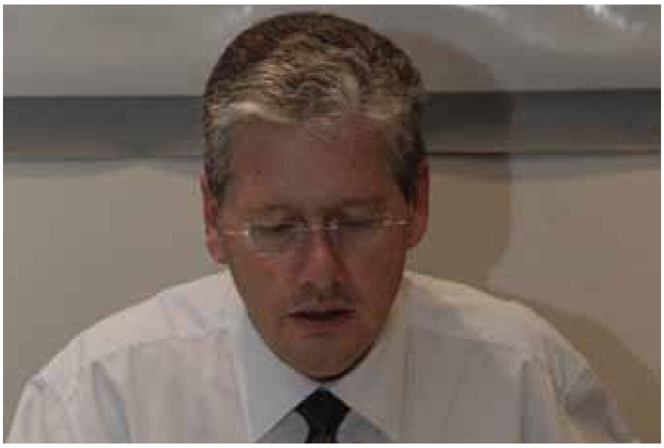
What should be the roles of the respective stakeholders in regional integration? Member State governments and other national stakeholders need to collectively and collaboratively work together for the realisation of common goals. However, this requires that the benefits from regional integration should be known to all. What can civil society organizations contribute; do they have the potential for generating impact outside of the confines of the Member States within which they operate?

Think Tanks should determine: What should be done to ensure that Member States benefit from regional integration? The think tanks must focus research on prescriptive solutions to problems facing the Member States, SADC, and other regional economic communities. In other words, they should engage in applied policy research that is aimed at practical, doable solutions to actual problems that cause poverty and underdevelopment.

The think tanks need to work with national governments, civil society, business, etc., to close the gap of knowledge on regional agreements and opportunities. An improvement in the forms of interactions, engagement, and communication is required so that research is purposeful, and the findings and recommendations are relevant and appropriate for resolving development problems. The SADC Secretariat needs to use the services of think tanks, in order that it may be able to pro-actively deal with emerging issues, and be fully prepared for its deliberations and discussions.

SESSION 4: PEACE, SECURITY AND GOOD GOVERNANCE

Presentation: SADC peace, security and good governance: a critical reflection, by Prof Anthoni van Nieuwkerk, Wits University.



Prof van Nieuwkerk's presentation commenced with an exposition of global trends that could alter the Southern African strategic environment. These were the re-calibration of the United States of America's approach to relations with Africa; the weakening global position of Europe due to the Eurozone crisis; and the growing presence of China in Africa.

Van Nieuwkerk pointed out that the achievement of the objectives of the RISDP is dependent on peace and security. The Strategic Indicative Plan for the Organ (SIPO) provides the RISDP's corresponding framework for Member State cooperation within the regional integration scheme. The sub-region currently faces a number of security challenges, notably maritime piracy (affecting the coastal and island states); organized crime; and questions over how to best utilize newly-found economic resources for the benefit of all (in view of divisive and destabilizing influences of "conflict resources" that have recently been experienced elsewhere in Africa).

There is a mixed picture of the state of Member State governance. Generally, African decision makers face severe constraints in their decision making, and hence governance performance. The most prominent of the impinging factors are the need to consolidate power and meet the social and economic development demands of their citizens. However, external actors exert considerable influence over what they can decide and actually do. African leaders are not fully in charge of their own destinies; Southern African leaders are in a similar situation.

The leaderships in SADC Member States appear to be rhetorically committed to full integration in both the socio-economic and security arenas (and to the eventual merging of the two into one, Human Security agenda). What we see is the maintenance of a stable (but not always efficient) SADC organization, albeit driven by the overriding demands of national interest and sovereignty. Invariably, the SADC is used by members to behave in a disaggregated manner, while they are preoccupied with (national level) political stability, legitimacy, and economic security issues, whose importance seems to increase rather than diminish. That is despite their avowed commitment to regional integration.

At the sub-regional level, South Africa's relationship with other SADC Member States is a crucial determining factor. South Africa has been described as a hegemonic power, due to its relations of asymmetrical interdependence with the rest of the countries. Hegemony could be considered a potential threat to the security of another. South Africa dominates the region in various areas of interaction, including the economy (size; trade and investment; infrastructure), and the military. Member State opposition to external intrusion forms a significant aspect of their foreign policy behaviour.

Actually, there is problematic implementation of the SIPO. The SADC as a collective has not successfully implemented the Organ Protocol requirements to "develop common foreign policy approaches on issues of mutual concern" and "advance such policy collectively in international fora." Thus the SADC has yet to clarify the type of security cooperation concept that it should put into place.

Moreover, the Secretariat does not have institutional capacity and coherence to coordinate regional foreign policy. Its general institutional and policy-making capacity leads to what Kaunda (2009) referred to as general ineffectiveness "because of its institutional weaknesses… compounded by inadequate financing of the organisation's secretariat. The implementation of the RISDP...is slow, uneven, and inconsistent. SIPO is expected to be similarly challenged by the same constraints. [Moreover] the RISDP and SIPO are not co-ordinated and harmonised in implementation, despite their interrelatedness and complementarities. SADC's organisational structure is not sufficiently co-ordinated, and the secretariat is politically disempowered".

Discussant 1: Mr Abie Dithlake, SADC Council of Non-Governmental Organizations (SADC-CNGO)

Mr Abie Dithlake commented that the regional integration process is complex and can be protracted. It requires visionary leadership, adherence to solid common principles, and active championship. Above

all, there is need for public accountability. SADC has to respond to the challenges imposed by the regional integration process and the involvement of its citizens. The secretariat should be the authority that should facilitate the interaction of civil society and government. SADC as a region has been producing very innovative and progressive protocols and treaties. However, implementation is a perpetual problem. The question that is yet to be answered is: Do the SADC Member States actually want to achieve regional integration, or is this just a convenient mechanism to pursue their own interests? Dithlake concluded his comments by suggesting that SADC has to move from state centric security to human centric security, and should involve all relevant stakeholders, including civil society.

Discussant 2: Dr Jakkie Cilliers, Institute for Security Studies (ISS)

Dr Jakkie Cilliers regretted the distressing picture painted by van Nieuwkerk, especially that serious governance challenges face some member countries, such as the Democratic Republic of the Congo, Swaziland, and Madagascar. He pointed out that other countries also exhibit very different levels of the quality of democracy, governance and respect for human rights. Also distressing was the lack of institutional gravity and space provided to the SADC secretariat, its Organ on Politics, Security Cooperation by Member States. The victory of a SADC candidate for the position of African Union Commission chairperson demonstrated South Africa's relative power and influence, as well as the cohesion of SADC, which was the only grouping that voted consistently as a block throughout the election process; a political solidarity also evident in other continental dealings.

However, it is evident that the advantages of this external political solidarity are not being realized in trade and/or economic integration, and certainly not in the field of peace and security. The SADC Standby Force is hardly operational. Generally, in terms of architecture and infrastructure, the SADC does not appear to be "mission ready", and certainly lacks coherent, credible conflict management infrastructure. This is also evident in the lack of capacity, freedom of action and resources afforded the directorate of the Organ within the SADC secretariat.

Cilliers said that many of the participants could attest the SADC weaknesses; but these issues seemed too sensitive for member states to even discuss. In conclusion, Cilliers urged the SADC to pay much more attention to the operationalization of its Organ Protocol and urged a forward-looking approach instead of one apparently trapped in the past.

Other participants

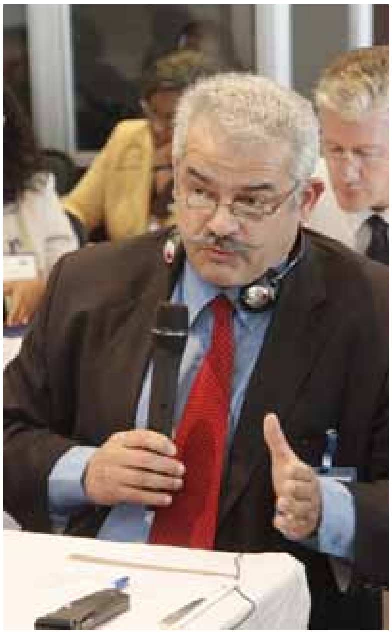
The resolution of the problem of SADC ineffectiveness largely depends on whether the RISDP and SIPO are harmonized and coordinated in implementation. Why then did the presenter and discussants not make suggestions on bridging this chasm?

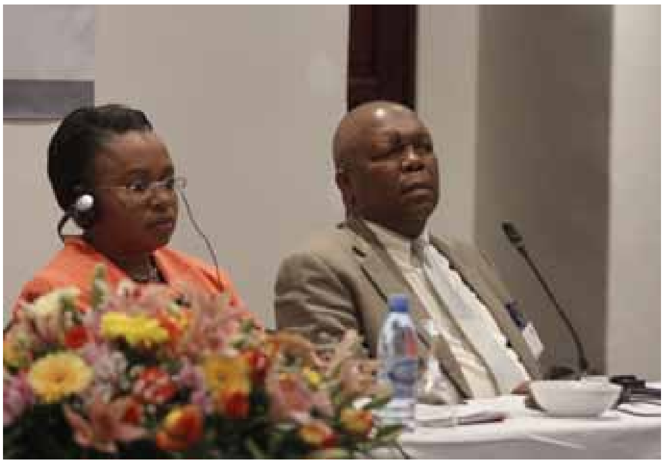
Observations

Apparent from the discussions was the importance of the disjointed manner in which the RISDP and SIPO are implemented. Although they were designed to complement each other (need for peace, security, and stability to attain development; development to bring about the former), the two strategic plans are implemented in such a manner that "the bridge between security and development has yet to be built". A holistic notion of Human Security is known and desirable, but far from being realized.

Looking ahead

In order to effectively implement the RISDP-SIPO, there needs to be stakeholder understanding. The two strategies are intricately linked; they ought to be complementary rather than competing. They should be reviewed jointly, in an integrated manner,





by all stakeholders involved in the processes of SADC economic and political integration.

SESSION 5: CLOSING REMARKS

The final session commenced with a summary of the proceedings by Prof Jonathan Mayuyuka Kaunda, on behalf of the reporting team. The rapporteur observed that the inaugural Regional SADC Think Tank conference appeared to have generally been welcomed by all participating stakeholders (Member States, Secretariat, researchers, civil society, private sector and media). There had been considerable emphasis on the need for improved interactions and communications amongst the stakeholders.
The relevance of policy dialogue through think tanks had also been acknowledged. Kaunda added that it was critical that policy research, analysis, and advice should be appropriate, relevant, timely, and useful for advancing the common objectives of developmental regional integration.

Research should be utilized for the solution of real problems of the Member States and the region, such as poverty, unemployment, human security, and general underdevelopment; and it should inform SADC governance processes. That implies that research must be purposeful; it should provide practical, implementable solutions; emphasize monitoring, reviews, and assessments that would facilitate corrective actions. All that requires a collaborative approach; this could be operationalized through improved stakeholder interactions and communications.

The Director of the Instituto Superior de Relações Internacionais (ISRI), Dr António da Costa Gaspar, thanked the participants, presenters, discussants, organizers, and the sponsors of the SADC Regional Think Tank Conference (SADC Secretariat and the GIZ). He expressed readiness of the ISRI to host the next conference.

The closing remarks, which were made by the SADC Deputy Executive Secretary-Regional Integration, Eng. João Samuel Caholo, included a summary of the major challenges and obstacles that the SADC faced in achieving its common objectives. The Deputy ES concluded that the expectations of SADC regional integration had been too high. The review of the RISDP should include a critical examination of the common regional objectives, which should be more modest than originally stated. It is crucial that the integration agenda should be revised.

It was also crucial that the RISDP and SIPO should be harmonized in order to achieve more effective implementation of the regional integration objectives.

There needs to be human capital development at Member State level, and establishment of national institutions that can contribute to building regional integration. Member States should also mobilise resources, in order to reduce dependence on the international cooperating partners. It is disheartening to notice that, for example, one of the partner's (EU) Regional Indicative Programme is not necessarily reflective of the needs and requirements of any particular SADC Member State.

The functioning of the SADC is problematic. Although the Trade Protocol was central to economic integration, Member States appear not committed to its implementation. Therefore more commitment is required from Member States.

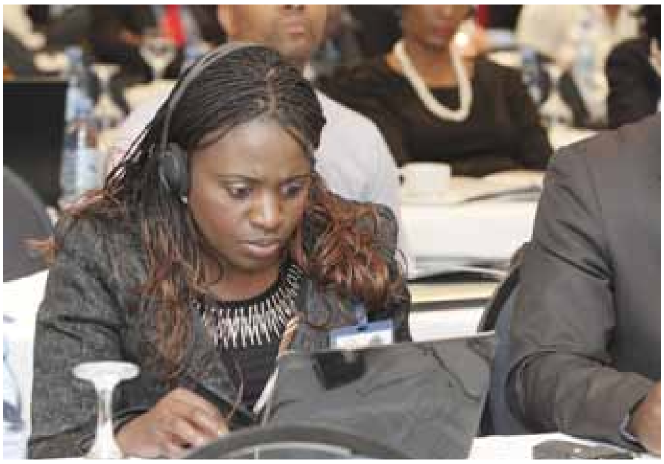
There is also the absence of a common policy response and strategy to issues affecting the region, such as the emergence of China as a central actor in the regional political economy. There is need to have a regional policy towards China.

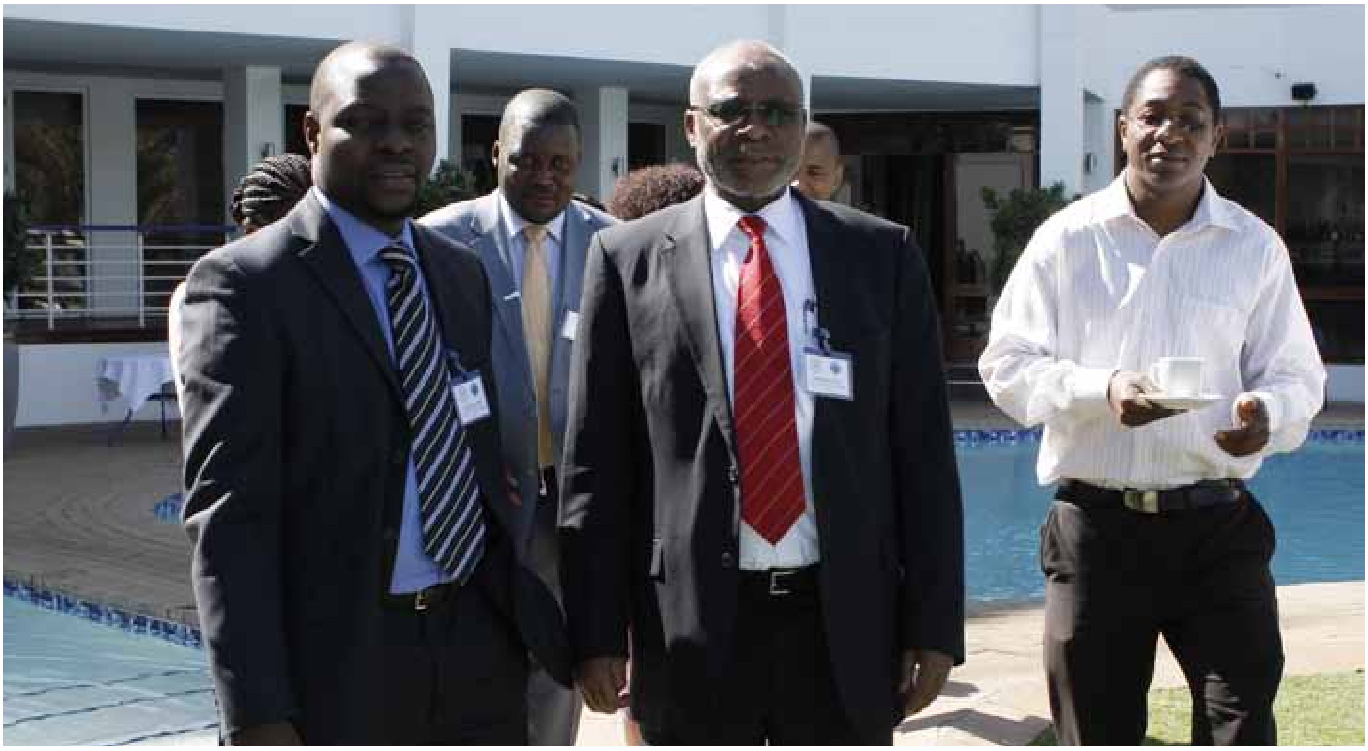
The SADC organisation is not as inclusive and participatory as would be desired.

Due to the fact that the Executive Secretary is disempowered, the SADCC (conference), which preceded the current arrangement, appears to have been more effective than SADC.

It is desirable to focus on State Parties, rather than governments, in order to give the SADC a more authoritative stance. And perhaps SADC should just focus on regional cooperation rather than integration.

Finally, the Deputy Executive Secretary-Regional Integration invited all the stakeholders to contribute to the implementation of the Think Tank programme in the Member States.





ECONOMIC INTEGRATION MATTERS FOR SADC AN ISSUES PAPER

Prepared By
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INTRODUCTION

This 'Issues Paper' provides a select review of the current status of economic integration in the Southern African Development Community (SADC). A brief overview of the broader regional and global policy environment provides a context for the review and a frame of reference for the conclusions and recommendations for SADC's future integration agenda.

At the international level there are several important developments which provide points of reference for a discussion of the critical anchors of SADC's economic integration agenda. A key feature of the global economic reality is the importance of global value chains or production fragmentation, as a vehicle for industrial development and the quest for competitiveness. With minor exceptions African firms and industries do not feature in this new industrial organisation. Value chains are furthermore, notable by their absence in the African economic space. With this in mind, an important question has to be: what kind of industrial development framework will SADC develop to support the industrial development and diversification of its Member States?

The role of key emerging economies, notably China, on the African continent, has not yet drawn a strategic response from African countries. How does China's market presence impact SADC's economic integration agenda?

The European crisis[1] is highlighting the challenges associated with the linear model of regional integration. Fundamental reflection on the appropriateness of this model for African integration and specifically SADC has to be a priority. The aim of the African Union to establish a continental free trade area (CFTA) by (an indicative date) 2017 has to be noted. SADC Members have very recently started negotiations together with the Members of the East African Community (EAC) and the Common Market for East and Southern Africa (COMESA) to establish a Tripartite Free Trade Area (T-FTA). Will the T-FTA shape a new African integration agenda, or will it follow the traditional pathway of the linear model? What are the implications for SADC?

At the level of global trade governance, it has to be acknowledged that the current round of multilateral trade negotiations will not be concluded in the foreseeable future. The appetite for the conclusion of the Doha Development Agenda is hardly perceptible; whilst many World Trade Organisation (WTO) members pursue a trade governance agenda on the regional track. This regional trade agenda focuses on promoting global competitiveness, in an open regional integration model, and features behind-the-border issues such as trade in services, investment, competition policy and government procurement. A clear articulation of the objectives of the SADC agenda is required; broad development objectives such as poverty eradication are important, but far more specific detail is required to formulate a clear agenda and implementation strategy. Is there appetite for a new generation economic integration approach in SADC?

The review of the RISDP this year provides a golden opportunity to assess SADC's economic integration objectives, its achievements and also to take into account the economic and political reality of the region and the international developments to chart a more realistic and appropriate integration agenda. The brief review presented below includes some issues that should be on the RISDP review agenda.

SADC's legal and institutional architecture for economic integration

The SADC Treaty, the founding instrument of SADC, was signed by Heads of State and Government on 17 August, 1992, at a Summit in Windhoek, Namibia, and transformed the Southern African Development Coordinating Conference (SADCC) into SADC. The Treaty entered into force on 30 September 1993, and South Africa acceded to the Treaty on 29 August 1994, following its first democratic elections in April of that year. The launch of SADC and the adoption of the Protocol on Trade[2] are significant in that the Members

1 The euro crisis has highlighted a much deeper crisis in the European integration project; emphasising the importance of monetary-fiscal policy interactions, and a broader governance imperative, which were not factored into the expansion of the European Union and the euro zone.

2 The Protocol on Trade was signed on 24 August 1996. It entered into

embraced economic integration (as opposed to cooperation). Specifically, the trade law and policy disciplines of a free trade area (FTA)[3] became a focal point of the economic integration agenda. Member States, thus, committed to a rules-based dispensation for economic integration. In addition, compatibility with the disciplines of the World Trade Organisation (WTO) governing Regional Trade Agreements became necessary, as SADC now began to operate within the specific rules-based governance framework of the WTO.

In addition to Protocols, SADC Members also adopt other instruments, including Declarations, Memoranda of Understanding (MOU) and Charters to give effect to their policy objectives.

SADC has 15 Member States: Angola, Botswana, the Democratic Republic of the Congo (DRC), Lesotho, Madagascar (suspended in March 2009 after a coup d'état), Malawi, Mozambique, Mauritius, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. New members may join the Organization in terms of the procedure provided for in Article 8 of the Treaty. Its organs are the Summit of Heads of State or Government; the Organ on Politics, Defense and Security Cooperation; the Council of Ministers; the Integrated Committee of Ministers; the Standing Committee of Officials; the Secretariat; the Tribunal[4] ; and the SADC National Committees. The main policy making organ is the Summit of Heads of State or Government. It is the supreme policy-making Institution of SADC and meets twice a year.[5] Unless otherwise provided in the Treaty, the decisions of the Summit are be taken by consensus and are binding.[6]

The formal statement of SADC's developmental integration strategy was achieved in 2003 in the Regional Indicative Strategic Development Plan (RISDP), which provides the roadmap for SADC's establishment of an FTA by 2008; a customs union in 2010; a common market in 2015; a monetary union in 2016; and the introduction of a single currency in 2018. This linear trajectory would complete the process for the establishment of the SADC Economic Union. It should be noted that the RISDP is not a legally binding instrument. It does, however, enjoy significant political legitimacy, and is often the point of reference with respect to the SADC integration agenda. The Protocol on Finance and Investment (FIP) was signed in August 2006 and entered into force on 16 April 2010. The approval and signing of the document has been cited as one of the region's main achievements, providing the legal basis to allow SADC and its Member States to mobilise financial resources at regional and domestic levels rather than relying solely on foreign aid. [7]

An important legal and institutional challenge to SADC's economic integration agenda is the overlapping membership of most SADC countries in other regional economic integration initiatives. Membership of other regional arrangements with similar integration objectives[8], not only impacts on the ability of Member States to meet their SADC obligations but also impacts negatively on the private sector which has to negotiate different trading regimes which influence firm level decisions and competitiveness.

force on 25 January 2000.

3 Article 2(5) of the Protocol on Trade confirms that one of its objectives is to "establish a Free Trade Area in the SADC Region."

4 The suspension of the SADC Tribunal in August 2010 raises concerns about the commitment of Members to rules-based governance; the suspension follows decisions by the Tribunal that had to be implemented at national level (in Zimbabwe); these decisions were not complied with.

5 Article 10,SADC Treaty.

6 Article 10(9), SADC Treaty.

7 'Finance, investment protocol among region's main achievements'. Angola Press, 27 June 2012.

8 In recognition of this institutional constraint some like Lesotho, Namibia and Mozambique withdrew from COMESA during the early 2000.

Trade integration matters

The RISDP was adopted by the Southern African Development Community (SADC) Council of Ministers in August 2003 as a blueprint for regional integration, providing strategic direction with respect to SADC programmes, projects and activities over a 15-year period. The RISDP identified trade, economic liberalisation and development as the key catalytic intervention area for the achievement of deeper integration and poverty eradication in SADC. 2012 marks an important milestone for the region in this regard as it represents the final year of the implementation of the SADC Protocol on Trade, arguably the most important legal instrument in the community's quest for deepened economic integration. In addition, a comprehensive Mid-Term Review of the RISDP is currently underway to assess performance, challenges and bottlenecks in the implementation process of SADC's regional integration agenda and to realign this agenda with the new realities on the continent.

The SADC Protocol on Trade was signed in Maseru in 1996 and entered into force in 2000. Under the terms of the Protocol, Member States agreed to phase down tariffs and non-tariff barriers over a 12-year period with the aim of establishing a Free Trade Area (FTA). In addition, provision was made for wide-ranging initiatives on customs cooperation and trade facilitation in order for countries to be able to take advantage of the opportunities provided by the favourable market access under the FTA. SADC launched its FTA, the first step towards deeper integration in the region, in August 2008 when 85 percent of intra-SADC trade amongst participating Member States[9] attained duty-free status. Since 2008, the remaining tariff barriers related to sensitive products have been phased down, such that by January 2012, the tariff phase down process was largely complete.

Mozambique is the key exception, having negotiated to complete tariff reductions on imports from South Africa by 2015. However, a number of other Member States have experienced challenges in the implementation of their tariff liberalisation commitments and are lagging behind their tariff phase down schedules.

Significant progress in reducing tariffs to intra-regional trade in SADC has been made over the past 12 years. SACU Member States had fulfilled their tariff phase down obligations by 2008, while the remaining Member States were expected to have completed their reductions by 1 January 2012. However, some Member States are lagging behind in the implementation of their tariff phase down commitments. Malawi has been delayed in its phase down schedule due to budgetary considerations, such that by 2011, only 46% of its tariff offer had been achieved (tariff levels were the same as in 2004). Meanwhile, Zimbabwe was granted derogation (in terms of Article 3 (c) of the Protocol on Trade) to suspend tariff phase downs until 2012 (to be completed by 2014), given its difficulties in implementing its tariff commitments on sensitive products. Tanzania, although on schedule with respect to its tariff commitments, unilaterally reintroduced a 25% duty on sugar and paper products in 2010 and has applied for derogation until 2015. [10]

While tariffs have come down substantially, non-tariff barriers (NTBs) have proliferated and continue to stifle trade in the region. NTBs are expensive in terms of direct costs as well as delays to doing business, and discourage the private sector from gaining access to markets and creating value chains across the region[11]. The elimination of NTBs thus forms an important part of the objectives of the SADC Trade Protocol. However, because the majority of NTBs are difficult to measure, there is need to develop verifiable standards in order to address subjective complaints such as those relating to cumbersome or lengthy procedures.

There is also need for continued awareness creation to increase utilisation of the NTB online reporting and monitoring system[12], which became operational in 2009 and has subsequently been extended to cover

9 Twelve SADC Member States participate in the FTA: South Africa, Botswana, Lesotho, Namibia, Swaziland, Madagascar, Malawi, Mauritius, Mozambique, Tanzania, Zambia and Zimbabwe. Madagascar is currently suspended from SADC following a coup in December 2009.

10 USAID Southern Africa Trade Hub. 2011. Technical Report: 2011 Audit of the Implementation of the SADC Protocol on Trade. Gaborone.

11 Montgomery, K., cited in the Record of the 10th Meeting of the SADC Sub-Committee On Trade Facilitation, 14-15 June 2012, Gaborone, Botswana. Adopted on 15 June 2012.

12 This online system can be found at www.tradebarriers.org

all countries involved in the Tripartite agreement between the Common Market for Eastern and Southern Africa (COMESA), East African Community (EAC), and SADC.[13] At the 10th meeting of the SADC Sub-Committee on Trade Facilitation (SCTF) held in June 2012 in Gaborone, it was noted that there were 114 NTBs reported on SADC Member States in the online system between June 2011 and May 2012, of which 50 were still to be resolved. During this period, 31 new NTBs were reported and several long-standing NTBs were noted. Pending NTBs were found primarily in the areas of customs and administrative entry procedures; transport, clearing and forwarding; and other procedural matters. It is evident that NTBs are undermining gains that could be derived from tariff liberalisation.[14] Tariff phase downs and NTBs thus formed two focus areas of the 2012 Audit on the Implementation of the SADC Trade Protocol, which was conducted by the Southern African Trade Hub (SATH) between March and May 2012 in order to provide a comprehensive assessment of the progress made against the commitments and obligations of SADC Member States. Other key areas of focus included SADC customs and trade facilitation instruments, rules of origin, Annex VII on Trade in Sugar, and competition policy.

The key findings from the Audit were reviewed by the SADC Trade Negotiating Forum (TNF), Senior Officials and the Committee of Ministers of Trade (CMT) in Gaborone, Botswana in June 2012.

SADC rules of origin (RoO) remain one of the most contentious issues on the trade agenda. The product-specific rules which characterise the SADC RoO regime continue to frustrate intra-regional trade; specifically in clothing and textiles and agro-processed products. By contrast, the RoO regimes of the EAC and COMESA are simple, adopting rules for the determination of national origin. The divergence between the two approaches can be expected to result in a 'battle of two regimes' in the T-FTA negotiations which started earlier this year.

Progress in SADC's regional integration agenda will be discussed at the upcoming Summit of SADC Heads of State and Government to be held in Maputo, Mozambique from 17-18 August 2012. According to the South African Minister of International Relations and Cooperation, the key issue for consideration will be to ensure that SADC adopts and implements a developmental approach to integration [15]to ensure that the region is able to address the critical constraints to development (fundamentally, the supply-side constraints).[16] The Summit will also consider inputs from Member States on the proposed development of a new long-term framework to shape southern Africa's regional integration agenda, SADC Vision 2050, which was presented as a Concept Paper at the Extraordinary Summit held in Luanda in June 2012.

SADC Customs Union

The second step in SADC's economic integration agenda, according to the RISDP, the establishment of a SADC Customs Union (CU), was not achieved in 2010 as planned. An important challenge to the establishment of a regional customs union is overlapping membership; almost all SADC Member States (with the exception of Angola and Mozambique) already belong to customs unions, within COMESA, EAC or SACU. Technically, given the requirement for a Common External Tariff (CET), a country cannot belong to more than one CU. The implication, therefore, is that SADC Member States would have to choose which CU they want to belong to. In light of these challenges, the SADC Summit in August 2010 reaffirmed its commitment to establish a SADC customs union and recognised the need to establish synergies between the consolidation of the SADC FTA, the establishment of the SADC CU, and the establishment of the COMESA-EAC-SADC Tripartite FTA. The Summit endorsed the decision of the Ministerial Task Force on Regional Economic Integration to appoint a High Level Expert Group (HLEG) on the SADC Customs Union with a mandate to consolidate and refine previous technical work undertaken in order to reach agreement and common understanding on key elements of the proposed CU.

The Ministerial Task Force (MTF) considered the HLEG report on the framework for a SADC customs union in November 2011 in Luanda, Angola. In February 2012, the Council of Ministers received the report of the MTF outlining the strategic direction towards the SADC customs union, identifying, in particular, the parameters of the future customs union, benchmarks or milestones, and elements for a Model SADC Customs Union. This report will be considered by the SADC Summit in August 2012.[17]

Consideration of this integration objective has to include, at least, a realistic assessment of the

13 Montgomery, op. cit.

14 Kalenga, P. Forthcoming. Regional Integration in SADC: Retreating or Forging Ahead? Draft, July 2012.

15 SADC's developmental integration strategy recognises the political and economic diversities of Member States and the need for a flexible approach towards deeper integration and the implementation of various policy reforms and recommendations. Trade liberalisation is complemented with sustainable corrective measures designed to cushion least developed member countries against shocks arising from the removal of trade barriers. See SADC Secretariat. 2003. Regional Indicative Strategic Development Plan. Gaborone: SADC.

16 'Progress made in establishing a Southern African Development Community (SADC) Customs Union, and the objective reaffirmed at the SADC summit in August 2010.' South Africa National Assembly, Internal Question Paper No. 18-2012 of 15 June 2012.

17 South African National Assembly, op. cit.

diversity of levels of industrial development and diversification. The determination of a CET involves articulating a common trade policy (tariff) position towards third parties; it is therefore an important feature of a global integration strategy, which SADC has not yet embraced. The challenges related to tariff liberalisation in the context of the SADC FTA, as well as the use of RoO to protect domestic industrial interests, do not bode well for the establishment of a customs union. Management of the CET, ensuring integrity of the common borders and agreeing on a revenue management arrangement are further challenges to contemplate carefully.

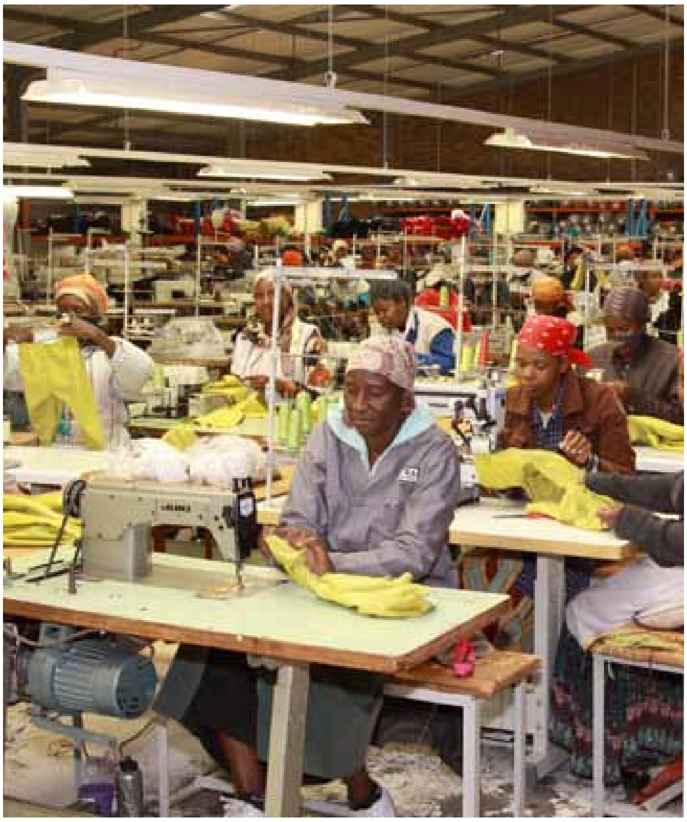
Customs and trade facilitation

In 2011, the SATH conducted an Audit on the Implementation of Regional SADC Customs Instruments and International Conventions, which reviewed the status of implementation of approved regional measures and international customs and trade facilitation agreements to which the SADC Member States are signatories[18]. The Audit revealed that all SADC countries are implementing the WTO Customs Valuation Agreement and the Harmonised System (HS) 2007 tariff classification, while all FTA Member States are implementing the SADC Rules of Origin (RoO). However, only three Member States – Lesotho, Mauritius and Mozambique – have aligned their national legislation to the SADC Customs Act, which was developed and adopted by the CMT in 2007 as a benchmark model law for the harmonisation of customs laws in the region. In addition, only one member state, Mozambique, is currently implementing the Common Tariff Nomenclature (CTN), as required under the Trade Protocol. The problem of multiple memberships of Member States to various regional economic communities (RECs) was identified as the major impediment to the implementation of SADC instruments by Customs Administrations. This is particularly problematic in implementing the CTN as well as common customs documents. Movement towards harmonisation in the Tripartite region may alleviate these issues. Following the meeting of the Sub-Committee on Customs Cooperation in June 2012, and based on the findings of the Audit, it was recommended that the SADC Council of Ministers adopt the International Convention on the Simplification and Harmonisation of Customs Procedures (Revised Kyoto Convention) as a basis to simplify and harmonise customs procedures in the region, and urged the implementation of its provisions or accession to the Convention by Member States, as the case may be. Furthermore, it was agreed that customs administrations should implement trade facilitation instruments which allow for the seamless flow of goods across the region, such as the Coordinated Border Management and the Single Window Concept. The SCTF has also encouraged Member States to adopt and implement the electronic certificate of origin – which was introduced in Mauritius in April 2010 – in order to streamline customs procedures across the region, and to migrate to the HS 2012, which entered into force on 1 January 2012, in order to harmonise the tariff classification system used within SADC. Further capacity building is needed in key areas such as rules of origin (interpretation and application), tariff classification, post clearance audit, and risk management in order to reduce congestion at the borders.

18 Southern Africa Trade Hub. 2011. Audit of the Implementation of Regional SADC Customs Instruments and International Conventions. Technical Report, USAID Southern Africa Trade Hub, October 2011.

Trade in services

The Protocol on Trade envisaged liberalisation of trade in both goods and services, although until recently, services liberalisation did not feature very highly on the SADC integration agenda. SADC Ministers of Trade adopted the Draft Protocol on Trade in Services in July 2009, which will be presented for signature after clearance from the Ministers of Justice. The Draft Protocol contains general obligations on Member States in the area of trade in services, including most-favoured nation treatment, transparency and domestic regulation, and provides a framework for the progressive removal of barriers to intra-regional services trade, initially in six priority sectors which were agreed on in 2001: communication, construction, energy-related, financial, tourism, and transport services. In November 2011, SADC Trade Ministers mandated the commencement of negotiations on the liberalisation commitments in the six priority sectors at the next meeting of the Trade Negotiating Forum (TNF) on Services, which took place in April 2012. The main output of this meeting was the finalisation of a roadmap for the first round of negotiations. It was agreed that each member state will provide better treatment to other SADC members in each priority sector than is currently provided in their GATS schedule at the WTO, and that no new restrictions will be introduced during the negotiations. The first phase of negotiations will consist of requests and offers in four priority sectors (communication, financial, tourism, and transport services), to take place between August 2012 and June 2013, while requests and offers in the construction and energy-related sectors are expected to take place in late 2013. Throughout this period, sector studies providing market analysis in Member States will be conducted and sector fora bringing together all relevant stakeholders will be convened[19]. The next meeting of the TNF services is expected to be held in November 2012.



Infrastructure development

Infrastructure in support of regional integration and poverty reduction is another priority intervention area for SADC, as articulated in the RISDP. The development of infrastructure (and services) is crucial for promoting and sustaining regional economic development, trade and investment,[20] and as such plays an important role in improving the quality of lives of the people of SADC. In August 2007, the SADC Heads of State and Government held a brainstorming session on regional infrastructure development in Lusaka, Zambia, following which the SADC Summit directed the Council of Ministers to oversee the development of a comprehensive SADC Regional Infrastructure Development Master Plan (RIDMP) to form the basis for future cooperation in this area and guide development in key infrastructure in the region. Although significant progress has been made since then in formulating the Master Plan, the expected completion date of August 2010 was not achieved. Nevertheless, in recent months, infrastructure development has once again featured high on the SADC agenda. The launch meeting for the RIDMP project took place in October 2011 in Johannesburg, South Africa. In June 2012, the Ministers responsible for Infrastructure held a meeting in Luanda, Uganda to review and recommend to Council and Summit the consideration and adoption of the SADC RIDMP. The plan will provide a strategic framework for advancing the promotion of socioeconomic development and furthering SADC's regional integration agenda through the "implementation of coordinated, integrated, efficient, seamless and cost-effective trans-boundary infrastructure networks" in the key sectors of energy, transport, tourism, information and communication technology (ICT), metrology, and water. [21] The RIDMP captures the priority infrastructure projects to be implemented over the short, medium and long-term, spanning a 15-year period in line with the SADC Vision 2027 [22] . The RIDMP is also in line with the African

19 'SADC Services Negotiations: Recent Developments'. Presentation at the Mauritius National Consultation Workshop on SADC Services Negotiation, Port Louis, 16 July 2012.

20 SADC Infrastructure Development Status Report for Council and Summit, September 2009.

21 'Meeting of SADC Ministers Responsible for Infrastructure Held at Hotel De Convencoes De Talatona (Hcta) Luanda, Angola'. Press Release, 28 June 2012.

22 SADC Vision 2027 provides a 15-year implementation horizon for

Union's Programme for Infrastructure Development (PIDA), and will constitute a key input into the proposed Infrastructure Master Plan for the COMESA-EAC-SADC Tripartite region. A Plan of Action has been developed to guide the region towards implementation of the RIDMP, which will require investments of up to US$500 billion, including mechanisms for funding and institutional structures for monitoring and evaluation of the implementation process.

The RIDMP will be presented for approval at the SADC Summit in August 2012. Prior to the Summit, SADC finance ministers are expected to discuss plans on how to capitalise, structure, and roll out a proposed US$1 billion SADC Regional Development Fund, realising that the RIDMP could be disabled by a lack of financing. The long-mooted Development Fund, provided for under Article 26A of the SADC Treaty with the objective of facilitating the implementation of regional projects linked mainly to the promotion of trade and infrastructure development, is increasingly being viewed as the answer to the region's infrastructure funding gaps. Operationalising the fund will, however, test SADC Member States' political commitment to regional integration. [23]

While there is no doubt that the infrastructure development agenda is important to address the high costs of doing business and to promote competitiveness; this will only be achieved with the simultaneous and synergistic development of a services agenda (regulatory harmonisation and reform, as well as liberalisaiton of trade in services) in SADC. After all, it is the infrastructure services that are inputs to production and trade facilitation to enhance competitiveness.

Competition policy

Under Article 25 of the SADC Trade Protocol, Member States agreed to implement measures within the Community that prohibit unfair business practices and promote competition. Towards this end, a Declaration on Regional Cooperation in Competition and Consumer Policies was adopted by the CMT in July 2008, providing a framework for the establishment of an effective system of cooperation in the area of competition and consumer protection laws. All SADC Member States have signed the declaration, under which they have committed to adopting, strengthening, and implementing the necessary competition and consumer protection laws in their respective countries with the aim of ultimately achieving harmonisation and establishing a regional competition and consumer policies framework. To oversee the implementation of the cooperation framework, the declaration also called for the creation of a standing Competition and Consumer Policy Law Committee (CCOPOLC). Moving forward, developments taking place within the Tripartite FTA are likely to shape the future work of SADC in the area of competition policy. Competition policy was discussed at the second Tripartite Summit held in June 2011 in Johannesburg, South Africa. Efforts are underway to develop a structured framework for closer cooperation between participating Member States and between regional and national authorities. Annex 7 of the Draft Tripartite Agreement (on Competition Policy and Consumer Protection) proposed the establishment of a Tripartite Competition Forum to act as a platform for sharing information, experience, and expertise and to monitor the implementation of competition policy and consumer protection laws across the region, among other things.

Cross-border investment and financial integration

In line with Article 22 of the SADC Trade Protocol under which Member States are committed to adopt policies and implement measures within the Community to promote an open cross-border investment regime, the SADC Summit approved the Protocol on Finance and Investment (FIP) in August 2006 which entered into force on 16 April 2010. The approval and signing of the document has been cited as one of the region's main achievements, providing the legal basis to allow SADC and its Member States to mobilise financial resources at regional and domestic levels rather than relying solely on foreign aid.[24] The FIP contains two broad objectives: (i) to improve the investment climate in each member state and thus catalyse foreign and intra-regional investment flows; and (ii) to enhance cooperation, coordination and harmonisation in domestic financial sectors in the region. The main areas covered by the FIP include cooperation on investment, macroeconomic convergence, cooperation on taxation and related matters, cooperation among central banks, network of Development Finance Institutions, cooperation in regional capital and financial markets, anti-money laundering, and project preparation and development fund. The FIP is supported by the content of the RISDP, which articulates the broader goals that underpin the Protocol, including full regional financial integration, the formation of a monetary union, and the adoption of a single currency. [25]

forecasting infrastructure requirements in the region.

23 Njini, F. 2012. 'Testing the political will'. The Southern Times, 16 July 2012.

24 'Finance, investment protocol among region's main achievements'. Angola Press, 27 June 2012.

25 'Striving for Regional Integration: Baseline Study on the Implementation of the SADC Protocol on Finance and Investment'. Brochure, available at: http://www.finmarktrust.org.za/

In 2011, the SADC Secretariat commissioned a baseline study on the state of progress of implementation of the FIP in Member States. According to a report on the study's findings published in February 2012,[26] while progress has been made in implementing country-level commitments related to preparation and cooperation,[27] the FIP as a whole is still some way from achieving full regional financial integration. At the national level, seven countries (South Africa, Mauritius, Zambia, Malawi, Namibia, Botswana and Tanzania) have implemented more than half of the FIP country-level commitments, with South Africa and Mauritius nearing full implementation (between 70% and 80% achievement of commitments). The study found that reforms were generally driven by direct national interests, in response to exogenous shocks or in compliance with strong international standards, rather than by compliance with the FIP. Nevertheless, the Protocol remains useful as a regionally-approved framework for pursuing international best practice and guiding thinking about appropriate reform. Where focus shifts from individual Member States to the region (harmonisation, integration, and unification of domestic policies), progress has been minimal; only 14.3% of the regional-level FIP commitments have been achieved. Notwithstanding important regional successes, including the drafting and signing of a Model SADC Bank Law and a Double Taxation Avoidance Agreement, Member States need to recognise and commit to the challenging processes still to come. To achieve harmonisation, Member States will have to make difficult choices in favour of integration – relinquishing some sovereign independence in the interest of achieving regional consensus on harmonised standards, systems, and policies, i.e. commitment to a single approach. By implication, Member States who are party to more than one regional bloc will soon have to make choices that may be incompatible with other blocs, which could create serious challenges for the deepening of financial integration within SADC. In this regard, the SADC Senior Treasury Officials and Ministers of Finance, meeting in October 2011, agreed that the SADC Secretariat be directed to cooperate with the secretariats of other RECs within the Tripartite region to ensure coherence and convergence of regional frameworks or standards.

Conclusions and recommendations

While SADC has undoubtedly made progress towards achieving its regional integration objectives; it is clear that the very optimistic expectations that greeted the transformation of SADCC into SADC, and South Africa's accession to SADC, have not been fulfilled. Much can be done to enhance SADC's integration performance. 2012 is an important year; this is the year for the achievement of full implementation of the FTA and also the mid-term review of the RISDP. SADC has an opportunity to assess where it would like to take its integration project and to adjust its specific targets to achieve the developmental goals of the SADC Treaty. Member States can and should make a sober assessment of what has worked, what has not, and what needs to be done. The following are pertinent questions for this review and a future integration agenda.

26 Short, R. et al. 2012. Protocol on Finance and Investment Baseline Study: Regional Report. Gaborone: SADC Secretariat.

27 At the national level, Member States are required by the FIP to commit to domestic preparations for integration by modernising and upgrading domestic financial systems and investment regimes, and to engage in a process of cooperation with other Member States (exchange information, build capacity, agree on regional aspirations and standards, and build coordination channels).

Question 1: Are SADC Members serious about regional integration?
This question is not about political rhetoric, but about commitment to undertake legal obligations to implement an agenda that will promote not only national, but also regional policy objectives. It is important to note that the quality of regional integration will depend on the quality of the national building blocks; much work needs to be done at national level to enhance transparency, accountability and implementation of both national policies and regional agreements (eg protocols). In short a strong focus on improved governance is required. The suspension of the Tribunal in August 2010 has been a major blow to the fabric of rules-based governance in SADC; if Member States are serious about rules-based governance, then reinstating the Tribunal is a priority.

Question 2: What should define SADC's economic integration agenda?
A review of SADC's regional integration performance has to be situated in the current global and regional political economy reality. Key players in the global economy are now emerging economies, whose firms are important anchors in global value chains. These firms promote a regional integration agenda that extends well beyond that of the World Trade Organisation, to include new generation trade issues that can support competitiveness development. In many Asian and South East Asian countries, the private sector provides the lead for the development of the regional integration agenda.

SADC still espouses a state-led integration model, with strong adherence to the linear model of regional integration, plotting progress from an FTA to a customs union, common market, monetary union, and eventually political union. This does not fit the new global economic reality. The predominant focus of the trade integration agenda on 'border issues,' is not sufficient to support the development of competitive firms in Member States and to achieve the broader development objectives of SADC, and the private sector and other non-state actors have to be involved in shaping SADC's regional integration agenda.

The modern FTA is a flexible instrument that can be adapted to suit the specific needs of Member States. Within this integration framework, Members can add new generation trade issues such as services, investment and competition policy to a 'trade-in-goods' agenda. The establishment of a customs union is a daunting task; some SADC Member States are still battling to implement the commitments they made liberalise tariffs towards the SADC FTA. Making the FTA work, should be a priority. This requires emphasis on, amongst others:

- Implementation of commitments undertaken (derogations can undermine the rules-based nature of the FTA)
- Simpler RoO (they should be used to prevent trade deflection, not to protect specific industrial interests)
- Re-instatement of the SADC Tribunal (essential for rules-based governance)
- Progress on services negotiations
- Implementation of the FIP
- NTB elimination within a rules-based framework
- Implementation of the cooperation framework for competition policy enforcement

In conclusion, SADC has yet another opportunity, this year, to adopt a renewed approach to regional economic integration, as Member States conduct a mid-term review of the RISDP and consider the achievement of the SADC FTA. Will high-level political statements be followed by a serious approach to develop SADC into a modern vehicle for economic integration?

DRIVERS OF REGIONAL INTERGRATION - EXECUTIVE SUMMARY

Prepared By

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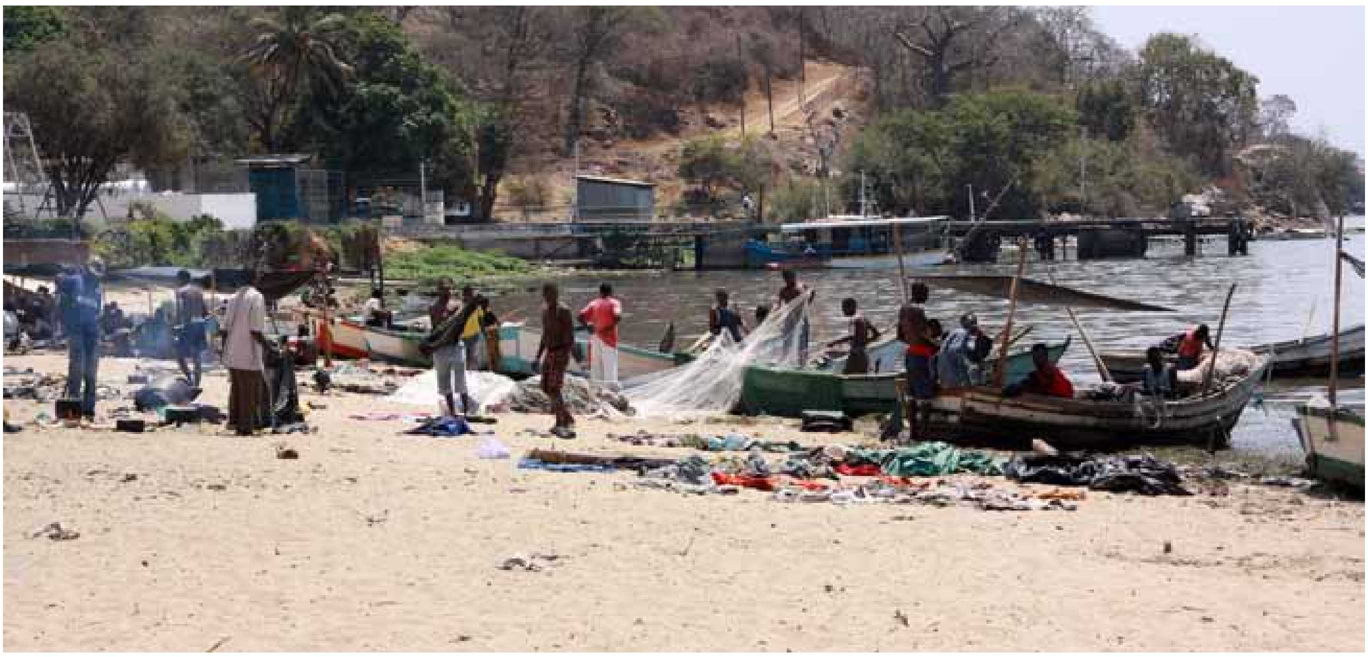
The broad objective of this study is to investigate the forces that foster or hinder regional integration in Southern Africa and their implications for poverty and development, with emphasis on external forces and processes (global and continental) that influence regional integration, and the appropriateness of the current approach to regional integration in Southern Africa, including policy frameworks like the Regional Indicative Strategic Development Plan (RISDP), the Strategic Indicative Plan for the Organ on Politics, Peace and Security (SIPO) and other SADC policy frameworks. It is expected that the study will clarify the underlying assumptions and values that inform the current regional integration process in Southern Africa.

The study will also recommend strategies and approaches for civil society engagement in influencing the regional policy process and concrete projects to implement the recommendations. In other words, the ultimate purpose of the study is to create a permanent mechanism for influencing the process of the formulation and effective implementation of policies and strategies for regional integration in Southern Africa, with a view to eradicating poverty in the region.

The study has been carried out against the background of a regional economy where the average annual rate of economic growth during the first decade (1980-1989) of regional cooperation was modest. The average rate of economic growth decelerated during the succeeding decade (1990-2000) before picking up subsequently. These trends were associated with a decline in real per capita gross domestic product (GDP) in several countries, a high degree of inequality in the distribution of income within and between countries and jobless growth. The current high rates of economic growth in the SADC are buttressed by favourable terms of trade due to high commodity prices. The challenge in the medium term will be how to sustain high rates of economic growth when the terms of trade become unfavourable.

While infant and child mortality rates declined in most of the SADC member states between 1980 and 2005, and while adult literacy rates increased in all of them, life expectancy at birth decreased in most of them except Angola due to the impact of HIV/AIDS. As a result of these and the above changes, development, as measured by the human development index and the gender-related human development index, increased in some of the member states but decreased in others between 1990 and 2005. Income poverty declined in most of the member states, although it remained high. Human poverty, which is a broader definition of poverty, increased in most of them between 1998 and 2005. As a result of the same changes and unfavourable prospects, most of the SADC member states will not meet the 2015 targets for the Millennium Development Goals.

Concerning the eradication of extreme poverty and hunger, the majority of the countries will not meet



the 2015 targets unless stronger measures are taken to address the major challenges of unreliable rainfall; low productivity agriculture and poverty; sluggish economic growth, especially in agriculture and rural areas; comparatively high rates of population growth and high rates of HIV/AIDS infection. In most of the countries, there is an urgent need to reduce dependence on rain-fed agriculture, which is unreliable in the face of frequent droughts and climate change; improve productivity of agriculture through availability of affordable inputs; and increase the incomes of the poor so that they can afford to buy food-stuffs. In addition, there is a need to expand programmes to encourage breastfeeding and improve the diets of pregnant women and lactating mothers.

The main challenges affecting child and infant mortality include lack of adequate financial and material resources, lack of adequate human and institutional capacity, malnutrition, inadequate access to safe drinking water and sanitation, and poverty. Civil strife and the HIV/AIDS epidemic have also made it difficult to reduce these rates sufficiently rapidly. Most of the countries will need to take steps to increase the amount of resources allocated to activities related to child health, training of more health personnel, the fight against the spread of HIV/AIDS, improvement of nutrition, reducing poverty and improving access to safe water and better sanitation.

The challenges associated with maternal health are unsafe delivery due to lack of trained human resources and long distances to medical facilities. In many countries, delivery care has not improved. As a result, many women needlessly die from severe bleeding, infection, unsafe abortion, eclampsia, obstructed labour and other causes. The fight against maternal mortality requires increasing the number of skilled medical personnel through training and improving transportation of pregnant women to distant medical facilities. The fight against maternal mortality must also be linked to the prevention of HIV infection.

The spread of HIV/AIDS has reversed decades of improvement in life expectancy and left millions of children orphaned. The main constraints to containing the spread of HIV and AIDS and treatment include hunger and poverty, which make people vulnerable to infection; inadequate supply of Anti-retrovirals (ARVs); insufficient access to nutritious diets; low levels of education; limited institutional capacity; deep-rooted harmful social-cultural values and practices, beliefs and traditions; and poor coordination amongst service providers. More work must be done to improve knowledge and capacity of vulnerable groups to practise safer sexual intercourse and increase their access to HIV testing and counseling; implement and increase equitable access to ARVs and treatment of opportunistic infections; and expand services for the prevention of mother to child transmission, testing and counseling, access to condoms, management of Sexually Transmitted Diseases (STDs) and access to behavior change communication.

With respect to environmental sustainability, most of the SADC member states have increased the proportions of their population that have access to an improved water source and improved sanitation. However, they are unlikely to meet the 2015 targets for the relevant MDG. The challenges in the water and sanitation sector include degradation of water resources; inadequate service coverage; increasing water demand as a result of increasing population; insufficient capacity; inadequate promotion of hygiene and sanitation; climate change; lack of mitigation measures for water-related disasters; and increased economic activities, in particular increased water-intensive activities such as mining. Hence governments must take steps to improve the quality of surface and ground water and develop a system for pollution control; improve sustainable access to water supply and sanitation in urban, peri-urban and rural areas by establishing water supply and sanitation systems using demand responsive and demand driven approaches, among other things; establish contingency water supply reserves and sanitation backups; integrate rural water supply with participatory hygiene and sanitationtransformation; establish good monitoring systems; and empower national authorities to manage water resources using integrated water resource management approaches.

SADC is driven by a number of forces. The forces that tend to encourage regional integration include the interests of land-locked states, favouring collaboration with coastal states in the field of transport; the relatively small size of the economies of most of the members states, necessitating coordination in implementing major infrastructure projects to reduce per capita costs; the comparatively small size of markets of most of the member states, making it imperative to integrate to enlarge the size of the market; and common cultural and social affinities and common historical experiences, which are a firm and enduring foundation for collective actions to promote regional economic welfare, collective self-reliance and integration. Those that tend to hinder regional integration include the colonial nature of the economies of member states, dependent on trade and aid from the North and devoted to the export of

raw materials and importation of finished goods from the same; unequal and uneven development among them, which imposes inequality in economic power, differences in economic interests and in disposition towards regional integration; the nation-state-in-the-making, which implies that member states lack confidence to surrender some sovereignty to a supra-national body, lack an anchor class around which to build this type of confidence, and consequently that they suffer from a sense of insecurity; and membership in multiple regional integration schemes.

These negative factors make it imperative to reduce dependence on the North, differences in economic development among member states, and to create confidence and a sense of security among member states. They also make it imperative to merge regional integration schemes or to reduce membership to one regional integration arrangement.

Civil society too has positive and negative interests. Positive interests include the interest of the producing and trading business community in a large and integrated regional market, and in improved infrastructure; the interest of Non-governmental organizations (NGOs) in human rights and democracy, which is consistent with the SADC aims of promoting democracy and good governance and protecting human rights. Negative interests include the attitude of national trade unions, which is against workers from other countries, and the unfavourable attitude of the trading business community towards informal cross-border traders, who are considered to be competitors. Both problems should be addressed through appropriate civic education.

SADC has adopted deep development integration, entailing deepening integration of regional economies and pursuing functional cooperation on many fronts. However, while the organisation is on course towards achieving market integration, the pace of functional cooperation is lower than planned. The SADC Secretariat has not been successful in coordinating policies as it lacks mechanisms for enforcing decisions of the organisation. It also lacks the authority to drive the process of integration and to organise individual member states. In theory, deep development integration emphasizes the importance of a political union or federal state from scratch. The union or federal state is required to facilitate the creation of the conditions for successful integration, to coordinate policies to create an enabling environment, to drive the process, and to organise the common political power of the member states. For lack of such a central authority in SADC, deep development integration is not progressing smoothly. Some member states are creating the conditions for successful integration, while others are not or they are falling behind schedule. For these reasons, it is recommended that consideration should be given to giving the SADC Secretariat powers to enforce the decisions of the organisation or to moving towards political union.

The success of deep development integration also requires either an unequivocal and unhesitant political commitment by member states or a set of strong supranational rules. What this means is that all the agreements, protocols and memoranda should be rule-based, not discretionary. This is not so in SADC at present. The SADC Trade Protocol, for example, does not explicitly say how trade restrictions will be removed. It merely states that there shall be an FTA compatible with WTO rules. Article 3(1)(e) of the Trade

Protocol left the precise time table, the number of products to be given special consideration and other details to the discretion of the Trade Negotiating Forum (TNF), which was engaged in time consuming and endless meetings to try to iron out a number of trade issues. In contrast, trade liberalisation in the EU was provided for in the Rome Treaty, which explicitly stated that all restrictions are to be removed from all goods. In other words, what makes regional integration work in the EU is that it has evolved a rule-based system in which the legal process ensures that any breach of rules is overturned. In the discretionary system adopted by SADC, breaches of rules are allowed to persist and remain unchallenged. The discretionary nature of the Trade Protocol is replicated in the SADC Treaty, in all the protocols and in all the memoranda of understanding. Hence, it is recommended that SADC should consider adopting a rule-based system for managing the process of integration.

Unlike market integration, which seeks to distribute the benefits of integration through trickle down, deep development integration emphasizes the importance of corrective measures to ensure equitable distribution of benefits among participating countries. Deep integration in SADC will be associated with three possible risks, among others, which will necessitate corrective measures. Individual member states are bound to lose revenue from customs duties on intra-regional imports. But this is not likely to be a serious problem since most of the member states do not derive a significant proportion of their tax revenue from customs duties on intra-SADC imports. Intra-SADC customs duties have generally been cut a lot already; and most governments have responded by taking measures to offset this loss of revenue.

A potentially more serious fiscal problem is the loss of revenue as a result of the institution of a common external tariff (CET), to be specific loss of tax revenue by those member states for which the common external tariff will be lower than their current external tariffs. For these countries, implementation of a CET would need to be accompanied by the development of alternative tax sources, temporary taxes and long transition periods. It is conceivable, of course, that implementation of a CET (and regional integration in general) could result in additional economic activities and hence additional revenue from income taxes, trade taxes and other tax sources.

Polarisation is another problem to contend with. Manufacturing industries in the weaker economies are failing to withstand competition from the stronger economies, such as South Africa's, as a result of the removal of barriers to intra-regional trade. Meanwhile, foreign direct investment is largely going to a few countries, thus aggravating the problem of polarisation. For this problem, a compensating mechanism will be required. Furthermore, balance of payments problems may occur for more or less similar reasons; namely, uncompetitiveness of domestic manufacturing industries and an increase in imports caused by a lower external tariff. For this problem too, a compensating mechanism will be necessary.

According to official SADC documents, regional integration will not succeed unless the peoples of the region determine its content, form and direction, and are themselves its active agents. This view is supported by those who believe that one of the main elements of deep development integration is the involvement of the people and various interest groups in designing the cooperation protocols. Deep development integration seeks to create functional interest groups. It places the people, the region's citizens, in the forefront of the integration process. Therefore, it calls for gradual, people-centred cooperation and integration, the success of which depends on their determination and felt needs. In this regard, the experience of the various directorates has differed. According to information collected during interviews, the Social and Human Development and Special Programmes Directorate has to a large extent involved special interest groups, professional associations and service delivery organisations in the development of its protocols and other policy initiatives, but other directorates have not done so to the same extent. That, with the exception of business organisations, the involvement of civil society and other interest groups in the policy processes has generally been limited has been confirmed by surveys conducted in several member countries. SADC needs to find ways and means of improving the involvement of the people and organised interest groups in its policy processes.

SADC adopted a Regional Indicative Strategic Development Plan (RISDP) in 2004 in order to provide strategic direction in the design and formulation of SADC programmes, projects and activities. The ultimate goal of the RISDP is to deepen regional integration in SADC with a view to accelerating poverty eradication and the attainment of other economic and non-economic development goals. In terms of priorities and sector intervention areas, it is a comprehensive strategy, focusing on facilitating trade (goods and service market integration), economic liberalization (tariff phase down schedules and financial liberalization), competitive and diversified industrial development and increased investment.

The major milestones are the establishment of a free trade area (FTA) by 2008, a customs union by 2010, a common market by 2015, and a monetary union by 2016. Thus, the RISDP gives SADC structures clear guidelines on what are the approved SADC social and economic policies and priorities. It also provides member states with a coherent and comprehensive development agenda for both social and economic development.

Some of the criticisms of the RISDP, which SADC is urged to address, are undue emphasis on policy harmonisation and coordination in key sectors of the regional economy at the expense of project formulation and implementation; undue faith in the capacity of the private business sector to drive the development of the regional economy; lack of mechanisms for equitably sharing the benefits of regional integration; lack of a strategy for promoting the balanced development of the regional economy; sidelining of key stakeholders, such as trade unions, employers associations and civil society in the preparation of the strategy, whose perspectives are, therefore, not reflected in it; absence of a comprehensive strategy and a set of policies for the industrialisation of the SADC region; and the use of donor-driven, neo-liberal policies, which failed under structural adjustment programmes. SADC member states have agreed that a substantial degree of macroeconomic convergence is necessary for effective policy coordination and deepening regional integration. For this purpose, they have signed a Memorandum of Understanding (MOU) on Macroeconomic Stability and Convergence. The basic aim of macroeconomic convergence is to create regional macroeconomic stability as a necessary condition for economic growth and development. In order to achieve this, member states must converge on stability-oriented economic policies. For this purpose, they have identified economic indicators that will be used to measure macroeconomic convergence and decided upon appropriate numerical values for the chosen indicators for 2008, 2012 and 2018.

The wisdom of quantitative macroeconomic targets has been questioned on two grounds. First, it has been asserted that there are no absolute rules that determine the values of the targets. For example, what constitutes a sustainable debt burden varies from one country to another.

Countries with fast-growing economies and exports can sustain higher debt levels than others. Thus, the 'one-size-fits-all' philosophy of the international financial institutions (IFIs) is inappropriate. Secondly, the preoccupation with meeting targeted macroeconomic benchmarks has become an end in itself and not a means to an end. For example, the preoccupation with meeting targeted budget deficits is pursued at the expense of employment in key sectors of the government. This may make it difficult to achieve the development objectives of member countries.

For these reasons, SADC is urged to review the appropriateness of the quantitative macroeconomic targets that it has adopted.Member countries have made remarkable progress towards attaining macroeconomic convergence. For example, by 2007 the only countries that had failed to achieve the 2008 inflation target of less than 9 percent are Angola, DRC and Zimbabwe. On fiscal balance, the only country that had not attained the target is Zimbabwe. And on debt ratios, those that hadnot achieved it are DRC and Zimbabwe. Madagascar, Malawi and Tanzania had failed to achieve the target for current account balance. However, all countries, except Angola, Malawi, Mozambique and Tanzania, had failed to attain the economic growth target of 7 percent. Although recent macroeconomic developments have generally been favourable up to 2007, currently the SADC region is facing macroeconomic risks arising from increases food, agricultural input and fuel prices, which threaten macroeconomic stability and the attainment of macroeconomic convergence targets. Food, agricultural input and fuel price increases are likely to worsen the current account of the balance of payments because of higher import payments, probably necessitating external borrowing to cover deficits. In addition, they will lead to further increases in inflation rates, necessitating upward adjustments in nominal interest rates to ensure that they are positive in real terms; to higher budget deficits as governments face higher than budgeted expenditure because of escalating costs and so resort to borrowing, which will result in higher levels of debt. Other challenges that can derail macroeconomic performance include recurring droughts and floods; and shortages of power due to low power generating capacity. SADC member will need prudent use of fiscal and monetary policies to mitigate the impact of high food and oil prices and protect the achievements that have been made in macroeconomic convergence.

The MOU on Macroeconomic Stability and Convergence is an aspect of a broader Finance and Investment Protocol (FIP), whose objectives include providing a framework for co-operation in the area of finance, promoting the development of sound investment policies and encouraging savings, facilitating and stimulating investment flows and technology transfer and innovation. It intends to achieve these objectives mainly through co-ordination and harmonisation of the financial policies of SADC member states.

The part of the FIP dealing with investment provides for investment incentives, investment protection and administration of investment incentives; and it explains the rationales for cooperation on investment. There are also special measures that favour the participation of least developed member states in the economic integration process based on principles of non-reciprocity and mutual benefit. But it does not deal comprehensively with the creation of investment opportunities. Nor does it deal with undesirable features of current investment incentives, which include their complexity and discretionary nature. In some countries, the different schemes under which similar incentives can be assessed create complications, as do the multiplicity of implementing agencies, lack of automaticity in accessing incentives, the time it takes to access incentives and delays in processing tax refunds. There are no objective criteria for granting incentives. In the absence of these criteria for granting incentives, government agencies use their discretion to decide who should get the incentives, thus reducing transparency in the way that they are administered. For these reasons, SADC is urged to review the provisions of the FIP that concern investment. The section on taxation contains detailed provisions for co-operation among member states and related matters. But it is not stated how co-operation in taxation will promote regional integration or assist SADC member states to achieve economic growth; sustainable, equitable and balanced economic development; poverty eradication; and human and social development. At the very least, this part of the FIP should have created an appropriate synergy with the Trade Protocol under which member states are reducing and harmonizing their tariffs. But, unlike the part dealing with Investment, it does not do so. Furthermore, it does not explain the relationship between taxation and economic growth and other development objectives. By increasing the cost of inputs, reducing the resources available for investment, and distorting the link between reward and effort, taxation acts as a drag on economic growth. The question for SADC is: how can co-operation in taxation etc. assist to minimise this effect on economic growth?

If SADC has found it necessary that member states should co-operate on taxation, why should they not co-operate on government expenditure also, perhaps through joint provision of public services in order to reap economies of scale?

The part of the FIP dealing with Non-Banking Financial Institutions, along with the parts dealing with Central Banks, Development Finance Institutions and Stock Exchanges, illustrates common weaknesses in the approach to the development and strengthening of financial and capital markets in the region. Given the intermediate objectives (e.g., to increase productive capacity partly through loan finance) and the ultimate objective of the RISDP to eradicate poverty, the common weaknesses of the FIP include:

- Inability to appreciate that the regional financial system comprises a formal financial sector (which is emphasized in the (FIP), a micro-finance sector and an informal financial sector.
- Disregard for the informal financial sector, which is the main source of credit for poor and non-poor households alike in low-income countries,

and operation of which may be undermined by monetary policy.

- Disregard for the informal financial sector and the micro-finance sector, which are the most important sources of credit for micro and small-scale business enterprises in lowincome countries.
- Absence of a framework of supportive policies to induce commercial banks to undertake term lending.
- Absence of policies to induce banks to lend to the small business sector, a key engine ofeconomic growth and employment creation.
- Disregard for the insurance industry, which does not serve the poor, but which should.
- Absence of proposals for the development of the entire financial system because of the biases noted above.

SADC is urged to review the relevant section of the FIP in light of these omissions. As amended, the SADC Trade Protocol aims at establishing a Free Trade Area in the region by 2008. Its objectives are to further liberalise intra-regional trade in goods and services; ensure efficient production; contribute towards the improvement of the climate for domestic, crossborder and foreign investment; and enhance economic development, diversification and industrialization in the region. The specific strategies that have been adopted to achieve these objectives are the gradual elimination of tariffs; adoption of common rules of origin; harmonisation of customs rules and procedures; attainment of internationally acceptable standards, quality, accreditation and metrology; harmonisation of sanitary and phyto-sanitary measures; elimination of non-tariff barriers; and liberalisation of trade in services. The trade liberalisation agenda of SADC has been criticised for not being in sync with the objectives of ensuring equity and eradicating poverty. It has been contended that with its current focus on market integration, SADC has de-emphasized the distribution of benefits (winwin solidarity-based integration). Instead, it is pursuing a course of action where he interests of the private sector are dominant and social issues (e.g., poverty eradication) are residual. Hence, SADC should review its trade liberalization programme.

It is also not in sync with the original objective of using the regional market as a launch pad for regional firms into the world market. The idea was that while intra-regional trade would be liberalised to enable domestic firms to develop economies of scale through supplying a larger market and so improve their competitiveness, extra-regional competition would initially be curtailed through a high external tariff. Unfortunately, many countries reduced external tariffs prematurely and so their domestic firms cannot withstand foreign competition and grow to compete globally. For this reason too SADC should review its trade liberalization programme. On the other hand, most countries had preferential access to EU and US markets, but they could not exploit these opportunities due to non-tariff barriers there and capacity constraints, which must be addressed to prepare countries for increased competition in foreign and domestic markets.

In anticipation of the dissolution of the Frontline States, which took place in 1994, SADC redefined its political and security objectives in the 1992 Windhoek Treaty as being to evolve common political values, systems

and institutions; and to promote and defend peace and security. Thus, the Treaty opened the doors for deeper political cooperation and integration without which all other areas would move at a slow pace. Four years after the signing of the Treaty, SADC created the Organ on Politics, Defence and Security Cooperation, which formally replaced the Frontline States. New challenges – democracy, intra-state and inter-state security - had emerged. The Organ was considered to be the appropriate framework through which member states would promote their political and security cooperation. The Organ was integrated into the Treaty. The signing of the Protocol on Politics, Defence and Security Cooperation in 2001 and its ratification in 2004 marked other milestones in the evolution of political and security cooperation in SADC. So did the adoption of the Strategic Indicative Plan for the Organ (SIPO) in 2003. SIPO aims to create a secure, peaceful and stable political environment through which the region can realise its socio-economic development objectives. Thus, it is an enabling instrument for the implementation of the SADC development agenda contained in the RISDP.

However, there are serious reservations about the ability of the Organ to act as an integrative, democratic force in the region. Its inability to deal with political crises in Angola, Zimbabwe, Swaziland and the DRC proves its lack of credibility and legitimacy. Through its actions, the Organ appears to be protecting governments rather than people. SADC is called upon to realize the potential of the Organ by democratizing it or opening it up to the people, presumably by introducing parliamentary oversight over the institution. Overlapping memberships in multiple regional integration schemes has led to conflicting goals and limited progress in RTAs, and revealed a lack of political commitment. In Eastern and Southern Africa, one salient feature is the evidently large number of overlapping regional integration agreements, the most prominent of which are SACU, SADC, COMESA and EAC. As SADC and COMESA deepen the integration process, incompatibilities of their integration strategies are bound to grow. Examples include differences in time frames and scheduling of tariff reductions and in the rules of origin to be applied. For countries that are caught on the divide between the two, this will complicate its already problematic customs administration. If SADC is to move towards a customs union by 2010, any strategy must take into account the extent of harmonisation among SADC member states. In particular, in order to consider the adoption of a Common External Tariff (CET), the incompatibility of the current external trade regimes of the member states will be an important factor. So the establishment of any CET is likely to involve substantial changes in tariff regimes for some or all of the member states. A possible strategy for the selection of a CET is to select one of the extremes, thus either a SACU tariff schedule (the highest) or one similar to that of Malawi, Mozambique, Zambia and Zimbabwe (the lowest). Any consideration of a SADC Customs Union must also take into account the evolution of COMESA, which is establishing its own customs union. The COMESA Customs Union will include some SADC member states (Madagascar, Malawi, Mauritius, Swaziland, Zambia and Zimbabwe) and CETs much closer to those of Malawi, Mozambique,Tanzania and Zambia. The chosen CET will rule out multiple membership. As a solution, SADC can either adopt the COMESA CET or force members to choose between the SADC Customs Union and the COMESA Customs Union.

Alternatively, COMESA and SADC should work out a common CET. The external environment may directly facilitate or hinder regional integration. Major international trade and/or development cooperation frameworks, notably the WTO, and the ACP-EU EPA negotiations, are having both national and regional level impacts. They are influencing the respective SADC members' economies and their options for international relations, as well as the socio-economic dynamics and agreements on a regional level. Clearly, numerous synergies exist in the trade liberalization agenda and institutional development at the regional and WTO levels. The overall issues are the same in the various trade negotiations fora, for example effective market access, trade preferences, and linkages between trade and development. However, in terms of negotiation positions, each requires specific preparation. These have increased the burden on the limited number of officials in trade and other relevant ministries in member countries. Not surprisingly, countries with less capacity have fewer opportunities to benefit from the synergies created by the multiple trade agenda, as their attention is often drawn to the most urgent matter of the time. The competing trade agenda is therefore often determined by major negotiating events.

The main challenge for SADC is, therefore, to know, and be able to fully articulate exactly what it wants to achieve in its engagements with the international community, and what policies it wants to follow in achieving its goals. The SADC should then relentlessly go after the WTO regime to get concessions, flexibility and autonomy to achieve its goals through its own policies. This will require full familiarization with and understanding of the WTO regime and its implications for the SADC. This can only be achieved if SADC has the necessary human and institutional capacity to do this job well through a full and effective presence at the WTO Headquarters in Geneva. Willkommen in Stuttgart Member countries of the SADC region receive preferential treatment from some of their bilateral trading partners, and the fact that they will be legally obligated to perform according to both the bilateral agreements and SADC's FTAs can become a problem. It is also true that while primary raw material items dominate export products, the imports side is composed of value added manufactured products. Hence, intra-SADC trade does not offer enough of the import requirements of the member countries since none of the countries produces them, especially in right quantities that are required by the region. On the other hand, the trading bloc does not absorb the export products of member states as most countries produce the same products. This lack of complemetarity may be one of the reasons why member countries engage the North regions/countries (e.g., EU, US) so that they can find markets for their primary intensive exports, while satisfying their capital-intensive import requirements, and the whole process can jeopardize the regional integration endeavour, as member countries put other trade agreements ahead of SADC.

As regards the EU, the main challenge for SADC is to make more effective use of their preferential access to the EU market, especially by accessing European Development Fund resources strategically to increase exports of better quality and higher value, and integrating the SADC more effectively into the global market. And with respect to AGOA, the main challenge for SADC is to manage its relationship with the US under the AGOA framework in a manner that helps the region to achieve its goals, without undermining its own imperatives for integration.

With advanced capital and other financial markets, the South African economy has been affected by the global financial crisis. In turn, this impact on the South African economy has affected other regional economies. The associated global recession will more directly affect all the economies of Southern Africa through a decline in demand for their export products and the consequent fall in the prices of those products, and through a decline in remittances and foreign aid. All this underscores the need for SADC member states to collaborate on how to respond to the global financial crisis and recession.

SADC is also facing threats and opportunities deriving from globalisation. If we take globalisation to mean the rapidly increasing complex interactions between societies, cultures, institutions and individuals worldwide, then, it is a phenomenon that is associated with growth and transformation of trade, investment, finance, technology, social values, culture, political and other social changes that have far reaching consequences for regional integration. It presents increased opportunities to create or expand wealth, acquire knowledge and skills, and improve access to goods and services in the regional grouping. It also presents a number of threats since a regional bloc such as SADC now has to compete globally for resources such as investment finance and markets. However, developed countries, which, in many respects, control or have strong influence over the forces of globalization (particularly through their multi-national corporations), have an unfair advantage over the developing world, including SADC.

The main challenges for SADC are, therefore:

- To recognise global interdependencies and develop a genuine commitment (at both the public, private

and civil society levels and at national and regional levels) to find ways and means of integrating SADC countries into the global economy through the creation and sustenance of a genuine partnership with the international community and pressing for the fair and just treatment of SADC countries by the same;

- To strictly adhere to the values, principles, goals, rules, policies and strategic plans of the organisation in attempting to integrate it into the global arena so that the integration effort is not jeopardised by the actions of any single member state or the international community at large;
- How to learn from and emulate those countries that have been successful in exploiting opportunities of globalisation and mitigating its threats;
- To take corrective measures to attract foreign direct investment (FDI) and foreign portfolio investment (FPI) (e,g,, correct macroeconomic policies, good governance, peace and security and other development and integration enablers);
- To manage effectively the opportunities presented by globalisation regarding potential backward and forward linkages between domestically owned and internationally owned firms; and
- To engage the process of globalisation while maintaining the imperatives of regional integration adopted by SADC as well as sustaining the environment.

The AU/NEPAD agenda, vision, strategic goals and sectoral priorities reflect the fundamental attempt to have a more focused attention on mutual action, responsiveness, responsibility and accountability between Africa and her development partners. NEPAD attributes substantial relevance to regional bodies such as SADC. However, programmes and policies funded under NEPAD are implemented mainly by countries and not by regional bodies. Hence NEPAD in effect undermines rather than strengthens regional groupings, which are now faced with the challenge of how to manage the political processes around the AU/NEPAD initiative, without allowing it to derail their own agenda. There is also potential for AU/NEPAD to develop its programmes faster, ahead of inputs from groupings such as SADC. The challenge for SADC states is not to be caught up in the rush for the hosting of institutions of the AU, as this would divert scarce financial resources from current needs to finance institutions that in the short to medium term will not be effective and would only result in needless and unreasonable expenditure.

Intra-SADC investment in the form of foreign direct investment (FDI), portfolio investment (PFI) and loans has increased, especially from the stronger economies of South Africa and Mauritius to the weaker economies. The main flow of intra-SADC investment is from corporations and state-owned enterprises in South Africa. However, some intra-SADC investment has originated in other countries, including Zimbabwe, Malawi and Zambia. These flows have been facilitated by liberalisation of national economies, privatisation of public enterprises and the establishment of stock exchanges. The challenge is to devise policies that will regulate and encourage investors to locate in the smaller disadvantaged economies, to diversify the distribution of investment by sector, to target priority sectors, to establish new enterprises, to source local products and to partner with local firms, in order to maximize benefits to recipient countries.

For civil society to influence the process of the formulation and effective implementation of policies and strategies for regional integration in the SADC, it is necessary to build its capacity for advocacy and dialogue with SADC member states and the SADC Secretariat on a diverse range of issues ranging from unequal and uneven development among SADC member states, inequality in the distribution of benefits and costs of regional integration in the SADC, SADC Finance and Investment Protocol, governing markets in SADC, alternative approaches to regional integration, focusing on a few priority areas of regional integration, the theory of regional integration to the relationship between regional integration and poverty and development. The Southern Africa Trust is urged to support projects for building the capacity of civil society in the SADC region for advocacy and dialogue in these areas, as well as for establishing regional professional associations, where they do not exist, and a permanent mechanism for influencing SADC policies and strategies.

Among other things, the study has identified the nation-state-in-the-making as one of the forces that are hindering regional integration. It has attempted to explain why this phenomenon hinders regional integration. It does so by making member states unwilling to give up sovereignty in certain areas where SADC ought to be the decision-making body because they lack the confidence to do so, do not have a social class through which to build the requisite confidence, feel insecure, and are preoccupied with their own internal affairs. The study has also attempted to explain how this phenomenon hinders regional integration and elaborated on possible solutions. However, given its importance, there is a need for an in-depth study of this issue. To this end, the Southern Africa is urged to commission a study on it. Lastly, the study has identified a number of gaps in the policies and strategies of the SADC. For example, there is the absence of a comprehensive strategy and a set of policies for the industrialisation of the SADC region in the RISDP. The FIP concentrates on the formal financial sector. It neglects microfinance and informal financial sectors, which directly serve most of the financial interests of poor households, and of micro and small-scale enterprises. It also neglects insurance. The Trade Protocol is concerned only with liberalising intra-regional trade and not with how trade ought to impact on poverty. The Memorandum on Macroeconomic Stability and Convergence is concerned with meeting pre-determined indicator targets as end in itself, not as a means to an end. Here, the Southern Africa Trust is urged to commission studies on the missing links and gaps in the various SADC policies and strategies.

SADC PEACE, SECURITY AND GOOD GOVERNANCE: A CRITICAL REFLECTION

Prepared By
Anthoni van Nieuwkerk, Wits University

Introduction

I was approached by the organisers to prepare and deliver a brief issue paper on the theme of peace, security and good governance in the SADC region. The purpose is to stimulate ideas and exchanges between regional policy-makers and researchers on the status of the integration project. The paper first sketches the strategic environment, after which it offers a brief overview of the SADC peace and security architecture, and identifies future challenges. It makes several recommendations for SADC future key priorities in this area. The paper draws on previous research undertaken by the author and his coordination of research undertaken by the Southern African Defence and Security Management Network (SADSEM).

Contextual introduction : the International and African decision-making context

Globally, we discern three key trends with the potential to shape – and alter – Africa's strategic environment. These are the emergence of a recalibrated American strategic approach to Africa; the weakening European global position due to the Eurozone crisis; and the growing presence of China in Africa.

American interests

As we speak, US Secretary of State Hilary Clinton is in South Africa as part of her 11-day African tour that has already taken her to Malawi, Senegal, Uganda, South Sudan and Kenya. Current US strategy towards sub-Saharan Africa is captured in president Obama's June 2012 Presidential Policy Directive that declares:

The United States will partner with sub-Saharan African countries to pursue the following … objectives: (1) strengthen democratic institutions; (2) spur economic growth, trade, and investment; (3) advance peace and security; and (4) promote opportunity and development.

As Mwangi Kimenyi of the Brookings Institute noted, three issues drive US policy on Africa: commercial and security interests, and democracy promotion.

Commercial Engagement

This heightened interest in Africa by the U.S. is, in part, a result of recent dramatic changes on the continent, such as rapid economic growth and improved governance, which have made Africa a much better place to do business. In addition, since many African countries are sources of natural resources like oil and gas, the U.S. may likely turn to Africa for some of its energy needs in the future. This prediction may be especially true given the new discoveries of oil and gas in various African countries. Concern of being edged out of the African market by new partners like China and India is also triggering the U.S.'s heightened interest in the region: The secretary's trip comes not long after the conclusion of the Forum on China-Africa Cooperation (FOCAC) where China committed to strengthen its engagement with Africa.

Security and National Interests

U.S. national security issues also draw Secretary Clinton to Africa. The perceived threat posed by terrorist groups such as Al Shabab in East Africa will be on top of her agenda when she meets with leaders in Kenya and Uganda. At the same time, African nations will hope to get more support from the U.S. in dealing with the crisis in Somalia. Reconstruction of Somalia is a critical step to the eradication of security threats in the region. Similarly, African nations would like more support from the U.S. in addressing the violence in and around the Democratic Republic of Congo (DRC), which has the potential to destabilize neighboring nations. Many African leaders would like to see commitment by the U.S. to strengthen the capacity of their security agencies so that they can better identify and counter security threats when or hopefully before they occur.

Democracy, Human Rights and Transparency

Secretary Clinton will also seek to engage African leaders on strengthening democracy, protecting human rights and increasing transparency on the continent. Although the countries she will visit have made major advances in democratic reforms for which she will want to commend them, most remain fragile

democracies. Transparency and accountability will be common themes in Secretary Clinton's meetings with African leaders.

European interests

Following the Arab Spring, African migration became a source of concern for Europeans. Migration, however, is only one issue of importance between Europe and Africa. Trade, energy, climate change, democratic governance, and human rights, are among the joint concerns for these regions bound together by history, culture, and geography. Indeed, it cannot be ignored that Europe and Africa share a common future.

From 2007, the Joint Africa-EU Strategy provides a long-term framework for relations between the African Union and the European Union, based on equality and shared interests (it features eight areas of focus: peace and security; democratic governance and human rights; trade, regional integration and infrastructure; Millennium Development Goals; energy; climate change; migration, mobility, and employment; and science, information, society, and space).

However the track record of the partnership is mixed. The strategy has highlighted differences between the two regional groupings on fundamental issues such as civil society participation in political processes; the role of the media in promoting democratic accountability and contributing to regime change; and the deep cleavage over international justice (the International Criminal Court being one of the most contentious issues on the table).

African decision makers perceive a diminishing enthusiasm in their European partners. In their view the EU is quick to pledge support but does not always keep its commitments. They also question the concrete deliverables of the strategy and find that it is hard to sell at home. Civil society, for its part, criticizes it for being too state-centric and top-down and for failing to inform African citizens about its objectives.

As of today, the Joint Africa-EU Strategy is "in hibernation" as research by the Open Society Foundation terms it. Partners on both sides are at pains to disguise their disappointment. It was set up as a move from a donor-recipient relationship to one of equals. However the intended paradigm shift, to fundamentally alter European and African relations, has not really taken place and it is doubtful whether the partnership can help move it forward.

Europe was meant to treat Africa as one but the existence of several partnership agreements including the Cotounou Agreement - a treaty between the European Union and the African, Caribbean and Pacific Group of States - bilateral agreements on migration, and most recently, the approach to North Africa, indicate that the road toward this change in a long way off. Furthermore, Africans themselves are contradictory at times on this point as they wish their cultural, geographical and social differences to be recognized and valued.

Apart from this weakening structural relationship, can Africa prepare for the consequences of the Eurozone crisis? What are the consequences, exactly? Alison

Brettle recently argued that the resonance of European 'soft power' in Africa and elsewhere depended in the past upon it being a democratic, free-market role model, one that placed importance on integration and sovereignty. Now, instead of delivering affluence, it is seen as delivering austerity, poverty and division. Compounding this important shift in global perception is the rise in Europe of 'technocracy' over 'democracy' and increasingly extremist political parties in Europe. Thus, European 'power' (and credibility) rests not only upon a strong economy, but also upon the immutability of liberal values. In Brettle's analysis, the Eurozone crisis has exemplified the fact that generally EU leaders embrace a fire extinguisher mentality to dealing with troubles – they respond to a problem only when it has reached crisis proportions, before applying a temporary fix in order to buy more time. If a similar method is employed in the face of new threats and challenges on the African continent, Europe risks losing any residual influence it may once have had, leaving itself vulnerable economically and politically to transnational threats and permanently undermining its strategic position there.

Chinese interests

The 5th Forum for China Africa Cooperation (FOCAC) was held in Beijing in July 2012. The Forum, established in October 2000, constitutes a platform for African and Chinese policymakers to enhance China's relations with African countries.

As pointed out by the Centre for Chinese Studies in Stellenbosch, FOCAC is a continuity of China's central government political agenda towards Africa that seeks to solidify economic, political and diplomatic ties.

Since 2000, China's 'go out' policy has boosted investment and trade in Africa through Chinese State-Owned Enterprises (SOEs) that operate in the continent. Such an agenda has been heavily structured via ministries (Ministry of Foreign Affairs-MFA and Ministry of Commerce, MOFCOM) and financial institutions (China Exim Bank, China Development Bank and China Africa Development Fund) to boost trade, investments and aid.

The 'go global' policy has driven Chinese investment overseas in search of new markets. In 2011, trade between China and Africa reached US$ 160 billion and investments totalled more than US$ 13 billion. China today is a major trading partner with Africa. More than 2,000 Chinese companies (SOEs, joint ventures, private and small and medium sized enterprises) have established business in Africa. FOCAC has played its role to facilitate these business relations.

While China has a clear Africa approach, Africa has a structural disadvantage and cannot present one detailed agenda vis-à-vis Beijing. It needs to take control of its economic development path. As enshrined in the New Partnership for Africa's Development (NEPAD), transparency, corruption and governance issues need to be addressed to ensure public service delivery to people. This should also be the key agenda for FOCAC. From Africa's side, the cooperation and partnership with China should benefit people who mostly remain disadvantaged in their livelihoods. In Sino-African economic cooperation (trade, investments and aid), the lack of transparency, corruption and doubtful governance performance has been denounced by civil society. China should strongly consider these issues in its engagement with African countries—also with a long-term view to protect its investments assets and citizens in Africa.

For balanced trade, policies should be developed on both sides. With the rising purchasing power among Chinese and a shift towards consumer-driven growth in China, opportunities are presented to move towards a more balanced trade between China and Africa. The establishment of (temporary and targeted) protectionist measures to regulate China-Africa trade can also contribute to 'fair trade'. This, however, requires a strategic trade policy on the African side.

The African decision-making context

As suggested above, African decision-makers are not fully in charge of their own destinies. As argued by Gilbert Khadiagala and Terrence Lyons in their path-breaking 2001 text entitled 'African Foreign Policies: power and process', a number of 'severe constraints' impinge on the freedom of African decision-makers. These include firstly the need to consolidate power and meet socioeconomic demands at home, and secondly, being confronted with the considerable influence of external actors over most aspects of African life. This influence was partly why anti-colonialism and opposition to external intrusion formed, and continues to form, significant aspects of Africa's foreign policy behaviour.

Indeed, African foreign policy at the beginning of the 21st century is still dominated by overarching constraints on the survival of weak states. The imperatives of state survival force elites to use foreign policy to garner political and economic resources from the external environment. Whether made singly or collectively, foreign policy reflects the continual attempts by elites to manage threats to domestic security and insulate their decision-making from untoward external manipulation. Contemporary African elites, they note, are preoccupied with political stability, legitimacy, and economic security, issues whose importance seems to increase rather than diminish.

We now turn to Southern Africa, the Southern African Development Community (SADC), its institutional make-up and decision-making style, and the issues it faces.

The Southern African context

Despite recent progress (the much-hyped African economic boom), most African countries feature low on the UNDP's global Human Development Index (HDI). The 15 countries ranked lowest are all in sub-Saharan Africa. Among the 30 countries ranked at the bottom, only Afghanistan and Haiti are outside the region. Of 46 sub-Saharan African countries, only two SADC members (Mauritius and Seychelles) are in the high HDI category, and only four (Botswana, Namibia, South Africa and Swaziland) are in the medium HDI category.

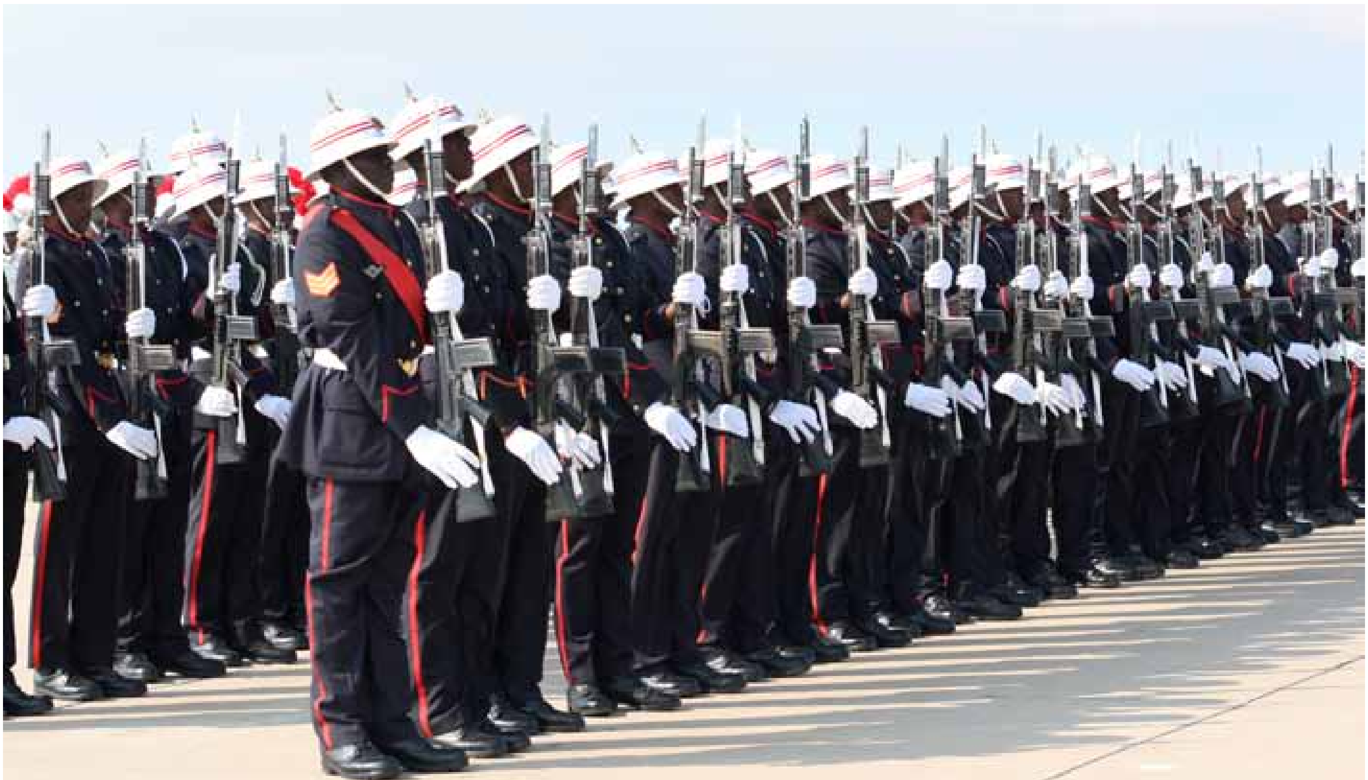
The infection rate of HIV/Aids in southern Africa remains the highest in the world, sharply reducing average life expectancy. For example, in Botswana, life expectancy has dropped from 66 to 37.

Countries have low real GNP per capita. Compare the US per capita income of $30 600 with that of Sierra Leone, at $414. Angola, DRC, Malawi, Tanzania and Zambia are close to Sierra Leone. The richest SADC member in per capita terms, the Seychelles, has an average income only one-third of the US.

Will the recent discovery of substantial gas and mineral deposits in the SADC region improve these statistics? Who will benefit? As argued recently by Joseph Stiglitz, professor of economics at Columbia, "Companies will tell Ghana, Uganda, Tanzania, and Mozambique to act quickly, but there is good reason for them to move more deliberately. The resources will not disappear, and commodity prices have been rising. In the meantime, these countries can put in place the institutions, policies, and laws needed to ensure that the resources benefit all of their citizens".

This brings us to the question of South Africa and its relationship with the region, which has been described in terms of asymmetrical interdependence. Others call SA a regional hegemon. Hegemony refers to the extension by one state of preponderant influence or control over another state or region. This may represent at least a potential threat to the security of another. In my view, South Africa dominates the region in various areas of interaction, but also depends on it, as we saw with the recent election of Madame Zuma to the chair of the AU Commission. The key features of the relationship include:

Unequal trade and investment:
By 2000, SA exports to SADC totalled R28 bn, but imports were just R5.3 bn, giving a ratio of 5,3 to 1.



This excludes SACU trade and invisible trade (banking, IT, tourism, etc). Critically, South Africa increasingly invests in SADC countries, but there is little SADC investment in other SADC countries or in South Africa.

Size of the economy:
South Africa has an economy about three times bigger than the rest of the region combined and 12 times bigger than the region's second-largest economy (DRC).

Infrastructure:
Johannesburg is a global city and has a global airport. Gauteng, the economic heartland of the country, if not the region, has a much-improved infrastructure that met the 2010 FIFA soccer world cup requirements but left its citizens with a serious headache in terms of meeting debts. In general, Sout Africa has nearly half of SADC's paved roads & railroads, the 7 largest ports among the region's 19, and a near monopoly of telephones and host computers in the region (25th in the world).

Military:
South Africa has the 2nd largest regional military force and is able to spend nearly as much on its military as the rest of the region combined. Apart from a significant arms manufacturing capacity, its controversial modernisation programme of $5,5 bn includes the purchase, between 2002 and 2009, of 28 Gripen jet fighter bombers; 24 Hawk trainers and light attack aircraft; 40 light helicopters; 4 corvette naval patrol craft and 2 modern submarines. However, South Africa's security sector is in turmoil, as a consequence of having to deal with a legacy of poor integration, deteriorating morale and discipline, weak leadership and poor coordination between the military, police, home affairs and intelligence, and a crippling wave of crime and corruption.

The state of governance in the region

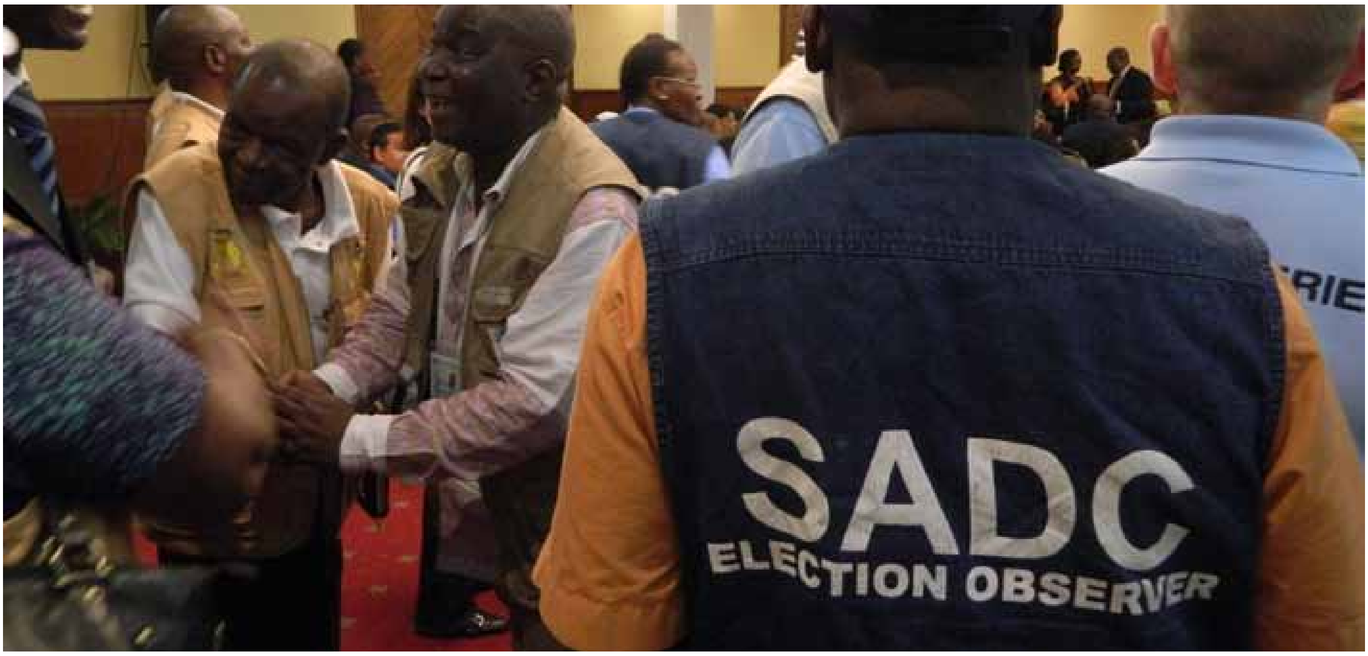
In general, it is difficult to make generalised statements about the health, or otherwise, of the region's governance. The region is characterised by powerful as well as weak forms of governance, ranging from state failure, contested election outcomes, and non-democracies to robust and successful modern democracies. Diagram one below attempts to indicate the spectrum: Political analyst Khabele Matlosa recently examined problems confronting parties in the SADC region in respect of entrenchment and institutionalisation of intra-party democracy. He determined that under the one party regime, parties, as a general rule, were run along autocratic and authoritarian lines. He also established that with the transition to a multiparty democratic dispensation since the 1990s, the political space has been opened for pluralism and unfettered party political competition for state power. This transition has also been accompanied by some relative opening up within parties to allow some modicum of intra-party democracy although serious challenges still remain if the commendable beginnings of the democratic transitions are to trickle down to parties. These challenges revolve mainly around (a) party leadership, (b) primary elections, (c) party funding, (d) gender equity, and (e) management of the internal affairs of parties.

He recommends that it is primarily the sole responsibility of leadership of parties to ensure that intra-party democracy is entrenched and institutionalised. It is also the responsibility of the party rank and file to demand and agitate for democratic reforms within the parties. Further more, civil society organisation also needs to lobby and advocate for more democratic reforms within the political parties.

The Southern African Development Community (SADC)

The overriding aim of SADC is to promote economic integration in order to 'improve the quality of life of the peoples of the region'. SADC's genesis reflects this priority. When the Southern African Development Coordinating Conference (SADCC) was formed in 1980, it adopted the slogan 'Southern Africa – towards economic liberation'. Liberation was seen as a necessary condition for improvements in the quality of life in Africa. The current SADC vision is one of a common future, a future within a regional community that will ensure economic well-being, improvement of the standards of living and quality of life, freedom and social justice and peace and security for the peoples of Southern Africa.

Regional cooperation in the 1980s, even if informal and limited, succeeded in realising a number of regional development projects, mainly in the infrastructure and food security sectors. The activities of the Frontline States alliance, in its quest to eradicate colonial rule and apartheid in southern Africa, brought about a sense of regional identity and briefly promoted a shared political vision. The SADCC was transformed into SADC in 1992, reflecting the changing regional – and external –environment. Newly-democratic



South Africa joined SADC in 1994, raising hopes for accelerated economic integration, but in 1998 a major regional war erupted, involving the DRC and a number of other SADC (and non-SADC) states. At the same time, an attempted coup destabilised the small country of Lesotho. SADC's security structures were unresolved: the Organ on Politics, Defence, and Security Cooperation, although chaired by Mugabe, was not yet formally made part of the SADC structures. So SADC played a controversial role in the attempt to resolve these crises. In following the logic of 'no development without stability', broad institutional refinement was therefore necessary.

In 2001, an extraordinary SADC Summit approved the proposed recommendations for far-reaching changes in SADC's institutional structure for executing its 1992 mandate. These included changes in SADC's governing structures at the regional and national level, but most importantly a plan for the centralisation of the 21 sector co-ordinating units and commissions located in 12 of its member countries. These units were brought together in four clusters in a strengthened SADC Secretariat in Gaborone.

At the Council of Ministers Meeting and Summit in Blantyre in August 2001 these changes in SADC structures were further consolidated by amending the SADC Treaty. In addition the Summit signed a Protocol on Politics, Defence and Security Co-operation that provided for an Organ on Politics, Defence and Security Co-operation under the SADC Summit. The Organ has its own set of regional structures and mechanisms for policy formulation and implementation.

The Summit is the supreme policy-making institution of SADC. It is led by a Troika system consisting of the Chairperson, Incoming Chairperson and the Outgoing Chairperson. It meets twice a year: first, before 31 March each year to focus primarily on regional economic development matters and the SADC Programme of Action. The second takes place in August/September and is dedicated to political matters. Decisions are taken by consensus and are intended to be binding.

The OPDSC also operates on a Troika basis. The Troika members are selected by the Summit from among the members of the Summit except that the Chairperson of the Organ Troika cannot at the same time have the Chair of the Summit (neither can a member simultaneously belong to both Troikas).

The Protocol also provides for an elaborate structure of the Organ. Under the Chair and the Troika there is a Ministerial Committee comprised of the SADC ministers responsible for foreign affairs, defence, public security and state security. It operates much like the SADC Council of Ministers and has a partly overlapping membership.

The Inter-State Politics and Diplomacy Committee (ISPDC) comprises the ministers responsible for foreign affairs. It shall perform such functions as may be necessary to achieve the objectives of the Organ relating to politics and diplomacy. It may establish such substructure as it deems necessary.

The Inter-State Defence and Security Committee (ISDSC) comprises ministers responsible for defence, public security and state security. It is an established committee formed more than 20 years ago by the Frontline States (it started off as the Defence Staff Committee, and became the ISDSC when South Africa joined after 1994). It has a fairly elaborate substructure, especially the Defence subcommittee and a range of sub-sub committees on functional areas of co-operation.

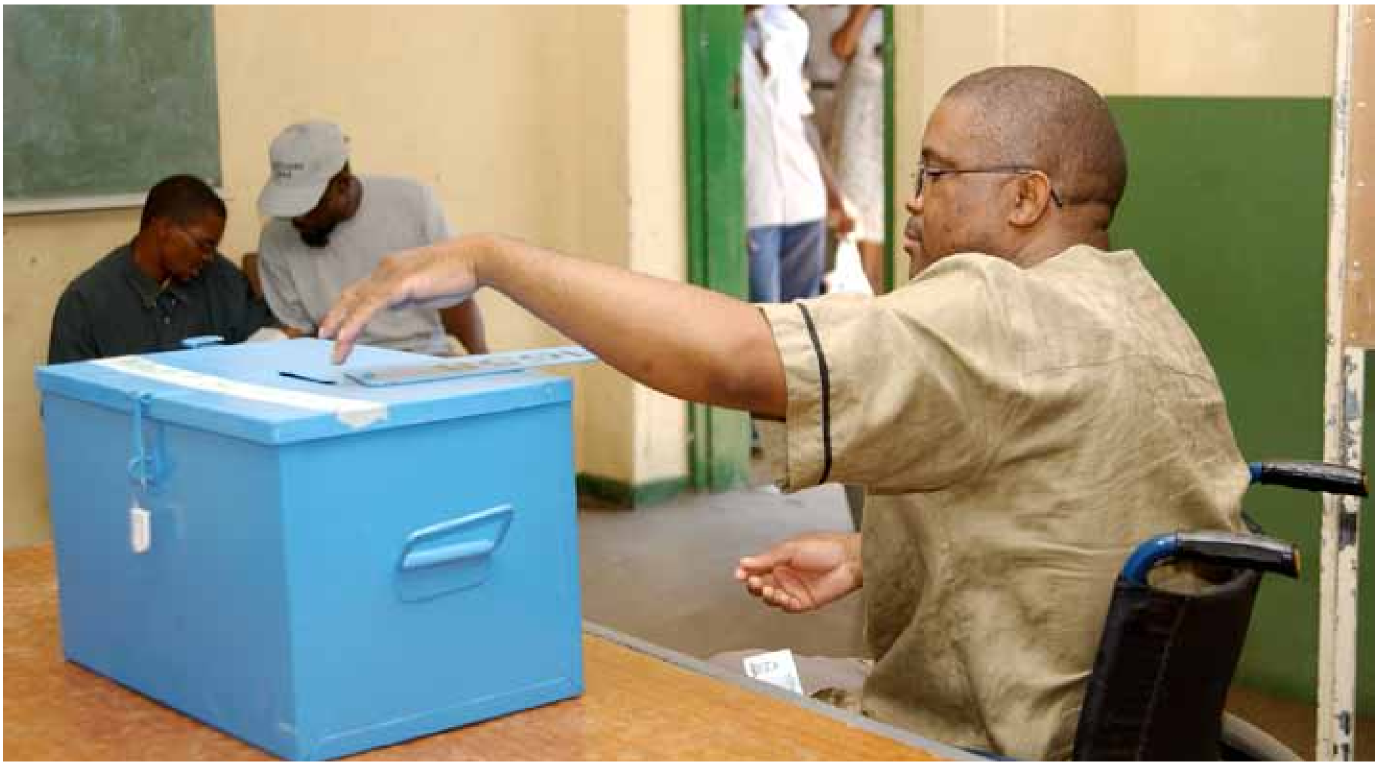
The Organ is supported by the Directorate for Politics, Defence and Security Affairs based at the SADC Secretariat in Gaborone. It functions under the overall supervision of the SADC Executive Secretary and is headed by a Director for Politics, Defence and Security. The Directorate's tasks relate to politics, defence and security issues as defined in the Treaty, Protocol and the Strategic Integrated Plan for the Organ (SIPO). It focuses primarily on strategic planning and policy analysis and development; the monitoring and evaluation of the implementation of Organ decisions; and the provision of administrative backup to the Organ. It also supervises the activities of the SADC Regional Peacekeeping Training Centre (RPTC) based in Harare and as of last year oversees the activities of the Southern African Regional Police Chiefs Co-ordinating Organisation (SARPCCO).

The Organ's activities are guided by a business plan called the Strategic Indicate Plan for the Organ (SIPO). A revised SIPO supersedes the original SIPO, adopted in 2004 for a five-year period. SIPO II is structured around five sectors: politics and diplomacy, defence, state security (intelligence), public security, and police. The policy guide provides an analysis of each sector, followed by a number of objectives to be achieved by member states and/or the Community as a whole. All the objectives are accompanied by detailed strategies, activities and expected outcomes. Given that the SIPO II document is yet to be released to the public, we refrain from discussing its content in detail.

The SADC Brigade or as it is now known, the SADC Standby Force or SSF, is another key to SADC's foreign and security approach and decision-making. It is supposed to operate in harmony with the so-called African Peace and Security Architecture (APSA) of the AU and its functions, as envisaged in Article 13 of the PSC Protocol of the AU, include:

1. observations and monitoring missions;
2. other types of Peace Support Missions;
3. intervention in a State Party in respect of grave circumstances or at the requestof that State Party, or to restore peace and security in accordance with Art 4(h)and (j) of the Constitutive Act;
4. preventive deployment in order to prevent:
5. a dispute or conflict from escalating;
6. an on-going violent conflict from spreading to neighbouring areas or States; and the resurgence of violence after parties to a conflict have reached an agreement;
7. peace-building, including post-conflict disarmament and demobilization;
8. humanitarian assistance to alleviate the suffering of civilian population in conflict areas and support.

A cursory glance at the range of tasks associated with the SSF begs the question as to its state of preparedness and perhaps more deeply to what



extent the fifteen member states of the SADC are able to provide the SSF with capacity it needs to be fully operational. It is yet to be deployed to undertake a peacemaking, peacekeeping or recovery mission (one can hardly envisage a war-fighting intervention) and therefore the robustness of decision-making around its deployment is unknown.

Reflections on SADC common foreign and security policy decision-making

In a previous research paper, our analysis of SADC political cooperation suggested a developmental path from informal, ad hoc to formal, rules-based governance. This is in line with those who noted that SADC provides an 'evolving, institutionalised, rules-based forum within which the members meet regularly to discuss and argue about political and security issues'. It appears that this level of institutional evolution is necessary before common foreign policy approaches or positions can be formulated and implemented.

We concluded then, and now, that the SADC leadership is rhetorically committed to full integration in both the socio-economic and security arenas (and to the eventual merging of the two into one, human security, agenda). The practice reveals the maintenance of a stable (but not always efficient) institution, used by members to behave in a disaggregated manner, driven by the overriding demands of national interest and sovereignty.

Turning to other recent analyses of aspects of SADC's foreign and security policy-making and practice, the bleak picture of a weak actor sketched above, endures. Let us examine these for additional insights.

Between 2006 and 2010 a team of researchers associated with the Southern African Defence and Security Management (SADSEM) Network, explored aspects of security cooperation.

In Khadiagala's view SADC has benefited from valuable lessons in policy coordination relating to four crises: Lesotho, DRC, Zimbabwe and Madagascar. In the case of the DRC, although SADC was divided in its initial responses, it "…propelled the search for a comprehensive solution to the crisis…" and I would argue that the same could be said for the 1998 crisis in Lesotho. In the case of the Zimbabwe crisis, SADC engaged in an "intricate diplomatic game" vis-à-vis the West, which led to "incremental engagement". He concludes that overcoming the clamour for sanctions was decisive in establishing a regional position on an intra-regional problem, a feat that required significant coordination of interests and positions. He adds that while differences occurred within SADC over the Zimbabwe crisis, they were not sufficient to torpedo what became the regional consensus on a negotiated settlement (meaning the GPA of 2008). Regarding Madagascar, Khadiagala argues that the SADC mediation from 2009 onwards is another instance of attempts to collective approaches to an unconstitutional change of government. These attempts were not without problems (especially sharp divisions amongst SADC Organ Troika members at the time regarding a possible military deployment) as well as complicated mediation efforts, if not false starts. At the time of writing the crisis remained unresolved and as Khadiagala points out it will continue to test SADC's ability to promote collective policies on democratisation in the region.

Van Nieuwkerk anlysed SADC's common foreign policy. Based on a reading of themes that emerged at SADC Summits, he discerns patterns of continuity and chance in the character of the organisation's external relations. The major change was the end of apartheid and destabilisation which previously necessitated the SADCC and FLS leadership to undertake diplomatic initiatives aimed at countering this threat, as well as requesting donor assistance for recovery and development purposes. When democratic South Africa joined SADC, it changed this aspect of the organisation's international relations. The need to condemn South Africa, or to maintain the call for sanctions fell away. The need for a harmonised and joint approach to donors for development aid still persisted, of course, as did the call for assistance to Angola (including sanctions against UNITA). Other countries in transition (Namibia, Mozambique) also needed international support.

However, the key feature of SADC's contemporary foreign relations relates to two themes: conflict resolution, and economic and trade issues. The major shift came with the appearance, or deepening, of violent inter- and intra-state conflict. In the period under review, major wars broke out in the DRC and neighbouring Great Lakes Region, and violent conflict or political tension and mismanagement became apparent in Lesotho, Zimbabwe and Madagascar. These events consumed SADC's current foreign policy activities, and together with the difficulties relating to its economic integration and trade relations agenda, came to dominate the SADC foreign and security policy agenda. Political instability in Lesotho, Zimbabwe and Madagascar, and the war in the DRC received detailed attention from SADC, with various peace-making and mediation initiatives undertaken for each crisis. The management of elections in the SADC region also receives sustained attention – perhaps because of the realisation that political tensions become sharply focused around election times.

Various SADC protocols contain a foreign and security policy dimension. In particular, the protocols on security (illicit drugs, corruption, firearms, politics, defence and security cooperation) require SADC to cooperate with the international community on a range of policy issues. In general, one can say that these protocols form the foreign and security policy framework for SADC in its operations and conduct. They guide state behaviour amongst members and where appropriate, collective state behaviour towards SADC's external environment. However, there are two problems with the view that SADC protocols guide its foreign and security policy behaviour. First, few of these protocols are ratified and adopted by individual member states. And even if they are accepted as frameworks for behaviour, SADC does not appear to actively apply protocol language and guidelines in developing responses to those international issues with a potential impact on the Community.

The author's general findings seem to resonate with Khadiagala's central arguments. He suggests that the construction of common regional foreign policies is marked by three key requirements. The first relates to focus: "There are enormous problems in forging common foreign policies because of unresolved questions of defining interests and specifying targets of foreign policy…advancing collective foreign policies that go beyond coordination remain stunted by the adherence to sovereignty." Our analysis of the common positions adopted by SADC identified two overriding areas of common focus: conflict management and resolution, and trade and economic integration.

The third factor relates to institutional capacity and coherence to coordinate regional foreign policy. Khadiagala asks a range of questions relating to SADC's capacity and policy-making, to which a recent analysis by Kaunda provides a clear answer:

Generally, SADC is ineffective because of its institutional weaknesses. The institutional weakness is compounded by inadequate financing of the organisation's secretariat. The implementation of the RISDP [Regional Indicative Strategic Development Plan] is slow, uneven, and inconsistent. SIPO is expected to be similarly challenged by the same constraints.

The RISDP and SIPO are not co-ordinated and harmonised in implementation, despite their interrelatedness and complementarities. SADC's organisational structure is not sufficiently co-ordinated, and the secretariat is politically disempowered.

In conclusion, in order to meet the challenges of a globalising, insecure and unequal world, SADC needs to pay much more attention to the operationalisation of its Organ Protocol requirement to "develop common foreign policy approaches on issues of mutual concern" and "advance such policy collectively in international fora." It is a task not easily achieved, as described by Khadiagala and as we found with SADC's track record. Our analysis shows that the SADC collective leadership continues to be driven by the compulsion "to look after their own", and to ensure state and regime security. Whether such a collective mind-set is able to deliver on stability, growth and development beyond elite benefit, remains to be seen.

FOPRISA team member Brendan Vickers examined whether there was evidence of a coordinated, shared or common SADC approach vis-à-vis external trade, by considering two case studies: the multilateral trading system centered on the WTO and the SADC Economic Partnership Agreements (EPA) negotiations. For Vickers a mixed picture emerged. He notes that whilst there have been salutary attempts to develop, adopt and advance collective SADC and broader Africa positions vis-à-vis external trading partners, … it is apparent that domestic politics and interests often trump regional concerns during the crucial endgame of trade negotiations. Most importantly, SADC countries, including SACU, do not share common trade and industrial policies, notwithstanding the SADC FTA and RISDP.

In his analysis the EPA negotiations have thrown up three key challenges to collective foreign policymaking in SADC: the weak foundations of the region's integration agenda; the widely disparate nature of the region's economies; and long-simmering regional tensions and mistrust, partly related to perceptions of South Africa's regional hegemony. Speaking of which, South African decision-makers are prioritising SACU as the key to deeper integration. Its trade and industry minister noted "For SACU to realise its potential, we need common understanding on how to position ourselves in a changing global economy". In his view, failure to reach understanding on these issues could trap SACU in 'policy gridlock' and be rendered ineffectual by global developments beyond the region's control.

Concluding remarks

We gain the following insights from the discussion so far which might enable us to construct the outlines of a Southern African strategic culture. First, 'severe constraints' impinged (and continues to impinge) on the freedom of African decisionmakers: the need to consolidate power and meet socioeconomic demands at home; and being confronted with the influence of external actors. This influence shaped aspects of Africa's foreign policy behaviour, including that of the SADCC. The trend continues: The requirements of state survival force elites to use foreign policy to extract political and economic resources from the external environment. As Khadiagala and Lyons noted, whether made singly or collectively, foreign policy reflects the continual attempts by elites to manage threats to domestic security and insulate their decision-making from unwanted external manipulation. The role of personality is clearly key: African foreign policy decision-making has always been the province of leading personalities. Contemporary African elites remain preoccupied with political stability, legitimacy, and economic security, issues whose importance seems to increase rather than diminish.

Second, new decision-making institutions (AU, SADC) combined with a 'flattening' of decision-making relating to foreign and security policy (meaning influences from new actors such as parliaments, media, civil society, interest groups) is testing traditional decision-makers' roles and ability to control the agenda and implementation of decisions regarding peace making, peace keeping and peace building.

Third, a fast-evolving international context is challenging the perceptual and analytical lenses of the decision-makers as never before. Key trends include prolonged economic downturn in the West, a rising and assertive East, ongoing Western concern over terror, and renewed global interest in Africa's mineral resources.

Fourth, the character of African countries' national interest. Limited resources confine African foreign policy largely to regional and continental contexts, and when elites articulate national interests beyond the continent, they do so to win prestige, establish a presence in the proliferating international institutions, and forge strategic alliances with other global underdogs in an effort to extract resources from dominant power blocks. African states also construct their own continental and regional institutions, of which the OAU and its successor the AU as well the RECs such as SADC are examples.

Fifth, regarding the SADC decision-making structures, it seems to us that SADC provides an 'evolving, institutionalised, rules-based forum within which the members meet regularly to discuss and argue about political and security issues'. The SADC leadership is rhetorically committed to full integration in both the socio-economic and security arenas (and to the eventual merging of the two into one, human security, agenda). The practice reveals the maintenance of a stable (but not always efficient) institution, used by members to behave in a disaggregated manner, driven by the overriding demands of national interest and sovereignty.

Against this background, the literature suggests dissonant strategic cultures at play.

On the one hand, some analysts question the SADC commitment to a strategic culture of peace. For them, old habits die hard: "… a culture of preferring and using

the military instrument fades slowly. Several remnants of military practices, both psychological as well as material, depict the SADC strategic landscape". In line with this thinking, Laurie Nathan has consistently argued that SADC does not have a shared political value system to enable it to act coherently. In his view, SADC has had limited success in peace-making and in its efforts to establish a common security regime.

On the other hand, Khadiagala concludes that SADC has benefited from valuable lessons in policy coordination relating to four crises: Lesotho, DRC, Zimbabwe and Madagascar. He underlines the ability of SADC, through trial and error, to promote mediation and democracy promotion. For me, SADC Summitry shows that the key feature of SADC's contemporary foreign relations relates to three themes: conflict mediation and resolution, election management, and economic and trade integration issues. On the latter, Vickers notes that the EPA negotiations have thrown up three key challenges to collective foreign policymaking in SADC: the weak foundations of the region's integration agenda; the widely disparate nature of the region's economies; and long-simmering regional tensions and mistrust, partly related to perceptions of South Africa's regional hegemony.

The last word belongs to the practitioners, some of whom have pointed out that SADC has not yet clarified what type of security cooperation concept it has put into place, nor the normative values and principles that underlie regional cooperation. In addition, one has to understand the SADC project from the perspective of its member states' 'historical frame of mind', meaning "…the wounds and scars inflicted by the forces of colonialism and oppression continue to serve as a fundamental reference that draws the SADC citizenry together around a paradigm of political cautiousness and pragmatism…".

So, in order to meet the challenges of a globalising, insecure and unequal world, SADC needs to pay much more attention to the operationalisation of its Organ Protocol (and associated SIPO). Critically, at the strategic management level, two issues stand out: first, the need to streamline the strategic culture of the organisation and its foreign and security policy-making processes, and we suggest serious consideration for a hard re-set, or at the very least, a software upgrade. This would enable the organisation, secondly, to better anticipate and prepare appropriate collective regional responses to the challenges of the day (as well as those over-the-horison issues) in the domain of peace and security. The stakes are high. Without such an upgrade and improved response rate, Southern Africans will simply give way to global forces to continue to extract the region's considerable valuables, leaving future generations with an apocalypse on their hands.

Disclaimer

This conference-documentation and input-papers were written by independent researchers for the "SADC Think Tank Conference on Regional Integration". Any views or opinions expressed are solely those of the author and do not necessarily represent those of the SADC Secretariat or other bodies of the Southern African Development Community (SADC).

SADC THINK TANK CONFERENCE REGIONAL INTERGRATION

Final Programme

Arrival Day, 9th August 2012
19:00 o'clock: Informal Dinner-Reception hosted by SADC Director: Policy Planning & Resource Mobilisation

Conference Day, 10th August 2012		
08:30 - 08:45	Opening by Minister of Trade and Industry Mozambique – Honourable Armando Inroga	Opening Speech
08:45 - 09:00	Presentation of Conference Panels & Methodology	Moderator
09:00 – 10:30	Key Note Address – Deputy Executive Secretary: Regional Integration – Eng. João S. Caholo	Key Note address, Q+A
10:30 – 11:00 o'clock: Morning Tea Break (SADC Policy Dialogue Fair)		
11:00 – 11:30	Regional Economic Integration • Issues-Paper by Dr Trudi Hartzenberg, TRALAC, afterwards feedback from two Discussants	Expert-inputs and discussants
11:30 – 12:00	Plenary Discussion, facilitated by Dr Angelo Mondlane, SADC PPRM Director	Facilitated plenary debate
12:00 – 12:30	Drivers of Regional Integration in Southern Africa • Issues-Paper by Dr Thembinkosi Mhlongo, Southern African Trust, afterwards feedback from two Discussants	Expert-inputs and discussants
12:30 – 13:00	Plenary Discussion, facilitated by Dr Patricio José – Rector of Instituto Superior de Relações Internacionais, ISRI	Facilitated plenary debate
13:00 – 14:00 o'clock: Lunch (SADC Policy Dialogue Fair)		
14:00 – 14:30	• Peace, Security and Good Governance • Issues-Paper by Prof Anthoni van Nieuwkerk, WITS, afterwards feedback from two Discussants	Facilitated plenary debate with expert-inputs and discussants
14:30 – 15:00	Plenary Discussion, facilitated by Dr Antonio Gaspar, Director of Centro de Estudos Estratégicos e Internacionais Mozambique, CEEI	Facilitated plenary debate
15:00 – 15:30 o'clock:	Afternoon Tea Break (SADC Policy Dialogue Fair)	
14:30 – 15:00	Working Group discussions on SADC key priorities for governing regional integration	Four working-groups, rapporteurs
14:30 – 15:00	Plenary Debate on SADC future key priorities for regional cooperation on economic as well as peace, security and good governance	Facilitated plenary debate, rapporteurs
14:30 – 15:00	Closing Remarks	Closing Remarks

Departure Day, 11th August 2012

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