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The Southern African Development Coordination Conference (SADCC)*

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The relaxation of apartheid legislation and Namibian independence have substantially altered the political economy of the Southern African region. This article examines the role of SADCC in the economy of the region. The evolution of SADCC, its method of operation and its objectives are outlined. SADCC's progress through its first decade is then examined. The final section suggests a strategy SADCC could adopt in the 1990s.

Introduction

The relaxation of apartheid legislation in the Republic of South Africa has set the country on a course of political and, consequently, economic restructuring. Added to Namibia's gaining independence in March 1990, these two factors will radically alter the political economy of the whole southern African sub-continent.

However, this situation was not unanticipated (even if arising earlier than expected) by the Southern African Development

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Coordination Conference (SADCC) which comprises Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe. The purpose of this paper is firstly, to briefly outline the evolution of SADCC, its mode of operation and aims. SADCC's development and progress during its first decade are then examined. The final section suggests a strategy SADCC should adopt in the 1990s given the fundamental regional and worldwide changes with which the organisation will have to contend.

Evolution of SADCC

Between the initial arrival of the Portuguese in Namibia in 1487 and the beginning of the independence era in the 1960s, geographic factors (climate, soil/mineral resources and access to the sea) and historic elements (tribal friction, imperial/colonial policy and the introduction of the market system) combined to produce an economic dichotomy between the underdeveloped, fragmented and dependent states of Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe and the comparatively developed regional core of the Republic of South Africa (RSA).

During the independence era (1960–80) the Southern African states had cooperated to secure regional political independence, hosting opposition movement headquarters and accepting refugees. Between 1964 and 1968 Malawi, Zambia, Botswana, Lesotho and Swaziland all gained independence. By 1974 the 'black frontier' was moving southwards from the Zambezi to the Limpopo rivers as Mozambique and Angola gained independence following the Portuguese coup. In that year the Zambian President, Dr Kenneth Kaunda, called for a 'transcontinental belt of independent and economically powerful nations from Dar-es-Salaam and Maputo on the Indian Ocean to Luanda on the Atlantic'.[1] In 1977 the Frontline States Organisation (Angola, Botswana, Mozambique, Tanzania and Zambia) was formed to assist regional independence, and in 1980 Zimbabwe became its sixth member. Only the RSA and its colony Namibia remained under minority rule.

By 1980 nine Southern African states presented a united, black majority-ruled front. However, political optimism was not reflected in the state of the regional economy. The economic dichotomy between these states and the RSA, and the unnatural dependence of the region on the RSA, had become even more entrenched in the previous twenty years. This was partly due to heavy war costs, particularly in Mozambique and Angola. Ironically, the war cost to Zimbabwe had been offset by the increased domestic production that resulted from international sanctions. Economic improvement during this period was also impeded by the lack of education and experience in policy administration of the newly elected leaders who tried to implement socialist oriented policies, such as in Zambia, Angola and Mozambique. In the BLS states (Botswana, Lesotho, and Swaziland) though the black population had secured education, colonial style policies and a continuation of their external dependence persisted. It was clear that 'without economic power, political independence is meaningless, incomplete and insecure'.[2]

The Frontline States' foreign ministers met in May 1979 and economic officials met with potentially supportive external bodies in Arusha in July 1979. In April 1980 these states, now including Zimbabwe, along with Lesotho, Malawi and Swaziland signed the Lusaka Declaration establishing SADCC with the raison d'être of building on their political cooperation 'to act in concert for coordinated development of our region to reduce the excessive economic dependence from which we all suffer'.[3]

SADCC's mode of operation and aims

Mode of operation

> SADCC has no treaty, no central authority, no common currency, not even a common language . . . . To understand SADCC it is important first to know what it is not. SADCC is not an embryonic federation of states seeking to mould the development of national economies on the basis of an overall masterplan. SADCC is not a common market although increased trade is certainly a priority. If SADCC states do not have a common ideology it is because that was never intended, and would be impossible to achieve.[4]

The Lusaka Declaration is a declaration to cooperate — it is not a legally binding treaty. It is not a stepping stone to economic and/or political integration. It does not want to endanger newly acquired political sovereignty in these states, all of which have adopted widely differing political frameworks, relationships with other developing countries and the developed world and even with the RSA. Economic integration usually implies that some members gain and some lose, whereas these countries are too poor to lose even in the short run. They must gain absolutely from cooperation; integration could lead to polarisation with gains accruing mostly to Zimbabwe and the smaller states becoming increasingly marginalised.

No masterplan for market management exists and SADCC has adopted a project rather than policy oriented approach, on the basis that it is easier to act immediately on projects, easier to monitor their success and easier to define projects that do not require excessive finance or national concessions from member states.

With the ratification of the Lusaka Declaration a Programme of Action was accepted. It adopted a decentralised approach. Under this Mozambique was assigned responsibility for transport and communications; Zimbabwe for food security; Angola for energy, etc. Transport and communications and agriculture were awarded highest priority. Also, the 'Memorandum of Understanding on the Institutionalisation of the Southern African Development Coordination Conference' was accepted in 1981, stating the main institutions to be the Summit, Council of Ministers, Standing Committee of Officials and Sectoral Commissions. This was amended in 1982 to include the Secretariat.

The Summit is the supreme authority and comprises the nine heads of State. It meets once a year to rededicate support, to review progress and to establish guidelines for the next year. Communiques are usually devoid of political comment. Despite plans to rotate the chairmanship, Botswana has held the position since 1980. The Council of Ministers is made up of senior members of government and its function is to direct, coordinate and supervise SADCC activity. It meets three times a year: once before the Summit meeting; once mid-year to review progress, the budget and new projects; and once before the Annual Donor Conference.

The Standing Committee of Officials is made up of the permanent secretaries to the ministers on the Council who 'perform collectively for the Council the functions a permanent secretary performs for his minister'.[5] The Sectoral Commission is a legally binding entity that may be formed by the Summit. To date only two have been established: one in transport and communications (SATCC) and one in agriculture (SACCAR). They have their own supreme bodies, executive arms and technical units.

The Secretariat services the SADCC bureaucracy. It is headed by the Executive Secretary who takes corrective action if member country reports appear substandard, and is the channel through which external agencies gain guidance. Sectoral committees of ministers and officials act as sectoral contact points and represent the first rung on the bureaucratic ladder. There are also technical units established in each country to deal with the portfolio relevant to that country.

The bureaucracy is small and efficient and costs members little. The number of meetings is kept to a minimum and the same personnel are often expected to perform more than one function, e.g. the contact points coincide with positions on the Standing Committee. The Council is seen as 'the real driving force of SADCC'[6] but it is the standing Committee, by vetting every document presented to Council, that renders its operation so smooth. The most important meeting is the Annual Donor Conference where external agencies give advice and possibly funds. The ideal bureaucracy to which SADCC aspires is one efficient enough to make project implementation possible, yet flexible enough to impose the minimum constraints on national sovereignty. Direct involvement at the highest political level is a key element of SADCC.

SADCC aims

The aims of the Conference as laid out in the Lusaka Declaration are fourfold:

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

Individually, the SADCC states are small but collectively they represent approximately 70 million people. They have supplies of diamonds, copper, gold, iron ore, nickel, coal, crude oil, petroleum, natural gas and uranium. They produce coffee, tea, tobacco, sugar, nuts, woodpulp, maize wheat, beef and wool. However, by 1980 the dependence of the SADCC states on the RSA was pervasive (see Table 1). GNP per capita in the RSA was four or five times that of the SADCC states on average. The SADCC states' export base was controlled mostly by South African companies which had interests in the diamond mines of Angola and Tanzania, the coalfields of Zimbabwe and the copper fields in Zambia. The RSA had controlling interests in construction and financial services also. It still attracted labour from the area (mostly miners) — 124,000 Basuto, 20,000 Tswana, 36,000 Malawians, 13,000 Swazi, 38,000 Zimbabweans and approximately 50,000 Mozambicans, while exporting skilled labour to the region. Six of the SADCC states are landlocked (all except Angola, Mozambique and Tanzania). The transport routes mostly ran from north to south rather than east to west, and for most countries, between 50 and 100 per cent of regional transport was through the RSA (see Table 1). The BLS states were tied to the RSA through the Rand Monetary Agreement (RMA). In 1976/77 average exports of the SADCC states to the RSA were 16.5 per cent of their total exports, while imports from it were 36.5 per cent of total imports. Considerable variation between the states existed, from Tanzania which had no links with the RSA to Lesotho where the Republic accounted for almost 100 per cent of total imports (see Table I). The RSA trade surplus with the SADCC states was about $1 billion in 1984.[7]

Table 1: Dependence of Southern Africa on South Africa

	Botswana	Lesotho	Malawi	Mozambique	Swaziland	Zambia	Zimbabwe
Trade: % of total imports from RSA	85.1	98.1	34.0	8.1	82.9	14.5	22.1
Exports to RSA as % of total exports	11.3	41.3	5.7	1.8	36.9	0.3	17.1
% Supply from RSA:							
Petroleum products	100	100	30	0	100	occasional fuel	Aircraft
Electricity	27	100	0	30	60	0	0
Food	some	most	luxury	vegetables	some	little	none
% regional transport through RSA	95	100	50	0	70	50†	50†
Migrant labour: Thousands	26.6	139.0	30.0	60.4	17.0	1.0	5.0
Customs Union Revenue % Govt Revenue	22	66	na	na	65	na	na
RSA: tourists as % total67	70–97	40	0	60	3	24	
RSA interests:	Proposed Soda-Ash Plant	Highlands Water Scheme		Cahora Bassa Dam	Transvaal-Richard's Bay Railway		
	SACU	SACU Monetary Agreement	Trade Agreement		SACU Monetary* Agreement		Trade Agreement
Other Commercial	✓	✓	✓	✓	✓	✓	✓

Notes: Angola and Tanzania have no substantial economic links with the RSA
†: until 1986
Data ranges from 1982–1987. Estimates vary widely and the purpose of this table is only to give an outline of the level of dependence.
Sources: Hanlon (1986), Green (1987)[19], ODI (1987)[20], SADCC (1986)[21]

The areas in which the SADCC states were most dependent on the RSA were also those areas in which regional integration was weakest — transport and communications, intra-SADCC trade (representing only about 5 per cent of total SADCC trade), education, employment, energy and monetary and financial spheres. Because none of the states (except Zimbabwe) has a strong manufacturing base, even if they did succeed in reducing the link with the RSA the level of dependence on the developed world may increase. To mobilise resources to promote equitable regional growth and reduce the dependence on the RSA necessitates external funding. The reliance on external assistance was indicated by the very fact that the Lusaka Declaration was not signed until a positive response had been obtained from potential donors.

Overview of SADCC's first decade

To examine SADCC's progress in the 1980s it is helpful to divide the discussion into three sections: first, to outline the development of the organisation itself and of the Programme of Action; second, to look at how far SADCC has succeeded in achieving its own aims and in improving the regional economy; and third, to examine what factors have impeded rapid progress in the region.

SADCC: organisation and programme of action

The Summits and Conferences in the first two years focused mostly on issues of membership, institution building and fundraising. It was decided that Namibia would automatically become the tenth member of SADCC on gaining independence. The position of the RSA, even after majority rule was achieved, was seen as ambiguous because the economic dependency of the region on the South African core would persist. Institution building was complete in 1982 with the formalisation of the Secretariat. Most fundraising was directed at the infrastructural sectors — transport and communications, agriculture and energy — and this emphasis continued until 1986.

Transport and communications was awarded highest priority. Mozambique has responsibility for this portfolio. It has focused on corridors leading to the ports, and on internal road networks, civil aviation and communications. The agricultural and energy sectors were also given priority. With the drought of 1983/84 agriculture became an even more pressing issue and the atmosphere between donors and SADCC became decidedly tense in that year. Complaints about donors not following up pledges with funds and demanding too much preparatory work were balanced by donor complaints of SADCC plans being ill prepared, lacking in regionalism and being slowly implemented. This led to a candid overview undertaken by SADCC itself in 1985 which highlighted difficulties and institutional limitations, but still emphasised that the institutional structure and mode of operation was adequate. This improved relations significantly between SADCC and donors, at least on financial issues.

The next two years were dominated by discussions of sanctions as the RSA negotiated security pacts with Angola and Mozambique (Lusaka and Nkomati Accords respectively) and subsequently violated them and escalated its destabilisation of the region. The Conference became increasingly politicised and hostile to what it saw as the inactivity of the US and some EC countries. This continued throughout most of 1986 until the Conference resumed its older stance of avoiding political comment and donors began to implement stricter sanctions packages.

In 1987, for the first time, the Conference was opened up to the private sector. It focused mostly on transport and communications, a reorganised food, agriculture and natural resource sector and a reactivated energy sector emphasising the importance of conservation. Along with the new emphasis on trade in 1986, the admission of the private sector was intended to act as a major boost to the industrial programme, which had received very little support. Productive investment, building on infrastructural progress, by the public and private sectors has been the recurring theme since then.

Results of cooperation

From an overview of the Southern African region throughout the 1980s the conclusion could be reached that SADCC had achieved little and the regional economy had, at best, stagnated. The Zamtan road/highway went into liquidation in 1985; the Malawi-Beira and Malawi-Nacala routes have been closed since 1982 and the Zimbabwe-Maputo route since 1984. As at the beginning of the decade, practically all of Botswana's and Lesotho's trade was carried on RSA routes. The same was true of Malawi by 1985 and RSA routes carried 60 and 92 per cent respectively of Zambian and Zimbabwean trade by the mid 1980s. In SADCC's second priority sector, agriculture, RSA leverage was increased due to the four year drought and the region's dependence on imports and food aid. This has also frustrated SADCC's efforts to build regional food self-sufficiency. The balance of trade and payments position of SADCC vs the RSA disimproved because of a reduction in the number of foreign miners employed in the RSA. The South African boycott of Maputo reduced duties payable to Mozambique. Intra-regional trade between 1981 and 1986 fell by 30 per cent.[8] Also, SADCC depends on the international community for 90 per cent of its project funding — ranging from 60 per cent in livestock production and animal disease control, to 100 per cent in manpower development.

SADCC's apparent failure to reduce dependence on external influences or build regional integration is reflected in the dismal regional economic performance between 1980 and 1986. GNP per capita fell, on average, by 12 per cent in this period. Also between 1980 and 1986 debt as a percentage of GNP almost tripled and the debt service ratio as a percentage of exports almost doubled in the region. While in 1980 none of the SADCC states availed of IMF assistance, in 1986 Malawi, Swaziland, Tanzania, Zambia and Zimbabwe all used this facility. Food aid to the region more than doubled due to sustained drought.

However, particularly from 1987 onwards, signs of progress in achieving SADCC aims are in evidence. These are often not obvious because of the lack of up-to-date statistics and because they are small scale improvements in comparison to the immensity of the problem. In the transport sector, it is possible to fly between any of the capital cities without using RSA routes. It is cheaper by $400 per tonne[9] to use the Beira port rather than Durban for the SADCC states. It is estimated that 63 per cent of SADCC trade now goes through its own ports.[10] While this represents a decline of 17 per cent on the 1981 level, it is a significant improvement (70 per cent) on the 1986 level. Zimbabwe increased its traffic through the Beira corridor by 13 per cent between 1985 and 1986 and hence, its reliance on RSA routes was reduced to approximately 50 per cent in 1987. Zambia has increased its copper traffic through the Beira corridor by 87%.[11] By 1987 Malawi had reduced its reliance on RSA routes to 50 per cent. Though the security cost of the Beira corridor is more than £0.5 million per day it is playing a significant part in reducing the region's dependence on RSA transport routes. The Tazara line returned to profitability in 1985/6 (though only operating at 20 per cent capacity) and the Benguela line has recently been reopened.

In the last two years, regional economic conditions have begun to improve though it is not possible to ascertain how much of this can be attributed to the efforts of SADCC or is purely a function of external influences. Weather conditions have improved and agricultural production in some countries increased by 30 per cent in 1988.[12] The terms of trade for primary commodities (especially copper) improved after a long decline. Countries have adopted policy reforms that have contributed to reduced inflation and increased competitiveness. As a result of these favourable factors, eight of the nine countries showed positive GDP growth rates in 1987/88 and there was a regional per capita growth rate of 1.4 per cent between 1988 and 1989.[13]

During the 1980s SADCC has matured as an organisation, expanded awareness of its purpose and secured approximately half of its required funding. An upturn in climatic conditions and the global economic environment, the maturing of SADCC projects and increased security measures have resulted in an improvement in regional economic indicators and increased success in achieving SADCC aims since 1987.

Factors influencing SADCC's progress

There are two sets of factors influencing SADCC's progress: internal problems in the SADCC states and within the organisation; and factors external to it over which it has little control. SADCC has been unwilling to interfere with national policy issues such as dualism in agriculture, uncoordinated foreign and domestic investment plans, inappropriate investment strategies, overvalued exchange rates and debt. SADCC states have also been accused of not thinking regionally. Opportunities have been missed through, for example, the construction of an unnecessary coal power station in Zimbabwe to protect national interests and inefficient management of the Tazara line. It will take time to overcome the tendency to use networks established by/with former colonists and to see goods produced in black Africa as inferior.

Destabilisation by South Africa

By far the most important impediment to SADCC/regional progress is the destabilisation of the SADCC states by the RSA which has cost $60-90 billion since 1980.[14] The RSA benefits from a trade surplus of $1.5 billion[15] with the SADCC states (10 per cent of total export earnings). During the 1980s it has imposed restrictions on migrant labour from Zimbabwe, Mozambique and Malawi. The conditions of the Southern African Customs Union with the BLS states were violated and control of goods — mainly food and oil — was used as a weapon against all states except Angola and Tanzania. Border closures/restrictions were used against Swaziland, Zimbabwe, Lesotho and Botswana. Electricity supplies to Mozambique and Lesotho were cut and sanctions were imposed on the Mozambican ports in 1980. Along with economic pressure, military action supported by the RSA, has seriously hampered economic activity in Angola and Mozambique. Transport routes, foreign exchange-earning tea-producing areas and oil installations have been attacked. In 1986 Mozambique was spending 42 per cent of its national budget on defence.

Other factors which have hampered progress in the region are adverse climatic conditions and a decrease in agricultural production. This necessitates using scarce foreign exchange on food imports and hence reducing the supply of inputs to industry and has led to a general downturn in economic activity. The SADCC states are also victims of global economic conditions, such as adverse terms of trade conditions which can lead to increasing indebtedness, as well as reduced investment and/or assistance. For example, net non-concessional receipts to SADCC fell from $810 million in the early 1980s to $143 million in the late 1980s.[16]

Strategy and outlook for the 1990s

In 1990 Namibia was declared independent and was made the tenth member of SADCC. There is optimism regarding the prospects of substantial political change in the RSA. These events give SADCC grounds for optimism and necessitate significant alterations to its strategy.

Internal SADCC strategy

SADCC needs to identify the specific issues which have impeded its progress in the 1980s (internal and external) and devise a programme to counteract these factors. This implies concentrating on the most important elements of each sector (transport and communications, food agriculture and natural resources, energy, industry and trade, etc) in a lateral manner rather than developing each individual sector to the full in an isolated or vertical manner.

Despite the optimism regarding a settlement in the RSA, there is confusion regarding the length of time involved, the type of settlement and the manner in which it is achieved. SADCC must identify the particular areas that are susceptible to intensified destabilisation, should this arise.

Transport is a particularly affected sector. The Indian Ocean corridors need to be protected. Security needs to be provided for the Malawi-Nacala route and the Maputo port (if not the whole railway). Roads by which petroleum and other products can be delivered via Mutare and Ndola to Botswana urgently need to be developed. The region needs to secure railway equipment in the event that the RSA stops supplying it.

Botswana, Swaziland and Maputo may be in danger of having electricity supplies cut. Zimbabwe should be able to supply Botswana if the coal power generating station comes on-stream soon. The Cahora Bassa could easily meet the needs of the other two affected areas, provided it is sufficiently protected.

Essential goods need to be stockpiled in case of blockades imposed by the RSA on imports to the region from external sources. The BLS states should develop individual tariff mechanisms to counteract the effects of declining revenue from the Southern African Customs Union, if South African trade declines. Intra-regional trade must be increased by use of export credit facilities and revolving fund mechanisms, and donor agencies should be pressurised into buying their inputs in the SADCC region.

More generally, SADCC needs to extend the spirit of thinking regionally from cooperation only on projects to national policy issues also. The emphasis on trade since 1986, and the proposal to draw up a regional investment guideline in 1987, need to be pursued further. At the 1990 Conference it was suggested that the organisation should be invested with legal powers. This is perhaps a little premature, especially for Namibia which will be extremely sensitive to ceding any sovereignty.

To counteract the effects of adverse climatic conditions, SADCC needs to develop a regional food reserve fund urgently. While trade may be the most efficient means of meeting the food security objective, where intra-regional trade is very low, the regional reserve is a second best alternative. Diversification of production patterns could reduce the effects of variable production and price levels, and the diversification of consumption from imported to locally produced goods could encourage local production and save foreign exchange. Within the agricultural sector the natural resources and conservation issue deserves attention. With the independence of Namibia, especially if Walvis Bay is returned, and the possible ending of war in Angola and Mozambique, the fishing industry could expand by a least 30 per cent in volume providing much needed employment and foreign exchange.

While the reliance on external funding, and increasingly on private funding, will continue, the need to monitor this funding assumes increasing importance. Regional investment guidelines must be drawn up for two reasons: first, they clarify the procedure for private investors interested in investing in the region; and second, they ensure that the SADCC region benefits from this investment in terms of training, retained profits and increased production.

To summarise, SADCC needs to develop an integrated strategy to counteract the factors that have impeded its development. This implies building reserves of food and essential items; increasing security on its transport routes and energy sources; and encouraging responsible external investment and intra-regional trade through coordinating national policies.

Role of international community

However much SADCC rationalises its internal operations, it still depends on the international community for most of the finance necessary to implement these policies/projects. The international community affects SADCC in two ways: first, it can be of indirect assistance by forcing change in the RSA, and second, it can offer direct assistance. (Direct assistance to projects in the region that are susceptible to sabotage by the RSA should incorporate a security component — otherwise it is a waste of resources.) These indirect and direct methods of assistance are examined in turn.

'To mollify western and UN opinion she (RSA) might eventually give independence to Namibia. . . . But what South Africa will never willingly do is surrender white supremacy within the historic borders of the Republic'.[17] Despite cautious optimism regarding the 'outbreak of peace' in Angola, Namibia, and possibly Mozambique and perhaps even the RSA in the near future, the above statement is still valid. The RSA has been forced to negotiate as a result of the international campaign to end apartheid and that pressure needs to be maintained until majority rule has been established there.

The majority feeling within the UN, Commonwealth, Nordic States and Non-Aligned Movement is that negotiation with the

Republic and the US policy of 'constructive engagement' have failed. Based on the precedent of a sanctions campaign against Rhodesia, the effect of a credit squeeze and an oil embargo on the RSA in 1985 and the imposition of sanctions by the RSA on SADCC states, sanctions are deemed the most efficient way of forcing change in the Republic. However, the alternative view, held by powerful states — e.g. the US and UK — is that 'constructive engagement' (a term coined during the Reagan administration) and dialogue with the RSA are the most productive means of bringing about change. However, 'codes of conduct', introduced by the US in 1976 and the EC in 1977, aimed at encouraging foreign firms operating within the RSA to contribute to racial equality and the ending of apartheid have shown no notable successes. While the US may attribute the Angolan/Namibian settlements to its policy, most commentators credit it to the increased use of sanctions from the mid-1980s onwards. The sanctions campaign has escalated since 1985 when the Commonwealth agreed a package under the Nassau Accord (which was revised in 1986); the US adopted a comprehensive and wide ranging set of sanctions in 1985, overriding President Reagan's veto in Congress; the EC, through the European Political Cooperation (EPL) mechanism, expanded its sanctions in 1985 and 1986; and the Nordic States also agreed a sanctions package in 1986. Arguably, as a consequence of the intensified sanctions campaign and the resulting decline in the economic performance of the RSA, the government has initiated some steps towards negotiations with the African National Congress (ANC).

Events within the RSA are difficult to forecast. While the present government and leadership remain, a policy of peaceful co-existence with neighbouring states and internal negotiation is likely to be pursued. In that case, the international community would probably favour re-activating the policy of constructive engagement and dialogue with the Republic. The sanctions campaign is unlikely to be intensified and much more likely to be scaled down. However, should the present administration in the RSA be replaced by the more extreme Conservative Party, a much more aggressive stance may be adopted both internally and in the Republic's foreign policy. This may provoke international calls for renewed sanctions.

In the first case, military and economic aggression against neighbouring states by the RSA is likely to be low. However, the economic reliance of the SADCC states on the Republic would be fostered to bolster the latter's balance of payments position. In the second instance, destabilisation (as outlined earlier in this paper) may continue and, coupled with increased international sanctions, may result in the isolation of Lesotho; an increase in security costs on the transport lines; interference with essential imports (e.g. petroleum) and hence production levels; and repatriation of migrant workers, resulting in aggravated growth and balance of payments problems for the SADCC states.

Direct assistance to SADCC comes from three main sources: the US, EC and Nordic States. In line with its positive view of sanctions, the US aid package dramatically increased from 1987, awarding SADCC $110 million over five years. However, US aid is not apolitical. Mozambique and Angola were excluded from part of the allocation and humanitarian aid to the RSA was to be administered by USAID and the US embassy. The US has also been accused of discriminating against Botswana and Zimbabwe on the basis that small farm cooperatives did not correspond to its preference for private sector development. However, its support for anti-government rebel groups in Angola and, to a lesser extent, in Mozambique (UNITA and the MNR respectively) raises real questions regarding its motivation in supporting SADCC.

EC funding to SADCC is governed by the Lomé Convention. For SADCC the most contentious issue arising out of EC funding is that it is being increasingly integrated with the IMF/World Bank Structural Adjustment Programme. Under Lomé III 776 million ECU were assigned to SADCC in National Indicative Programmes and a further 110 million ECU in regional funds. Transport and communications received 44 million ECU of this and food, agriculture and natural resources another 33 million ECU. However, between 1980 and 1985, ODA from the combined twelve EC countries fell by 3.7 per cent in nominal terms.[18]

There is a close liaison between the SADCC and Nordic States. Nordic States contributed 30 per cent of total OECD bilateral assistance to SADCC between 1980 and 1985. In 1986 the Nordic/SADCC Initiative was inaugurated to promote regional development. Again, transport was given major emphasis ($70 million and technical support). Trade, the productive sector and culture were also designated to receive assistance.

SADCC must aim to succeed in increasing the level of aid that it receives in the 1990s (or at least in reversing the downward trend) and must also ensure that it is used within its own framework for development, i.e. that it is not subject to political manipulation.

Conclusion

In conclusion, SADCC was formed with the intention of building on the political cooperation that developed during the independence era to ensure regional economic development. As stepping stones to this, its immediate goals are to reduce dependence on the RSA and to promote regional integration. It has succeeded in building a small, efficient bureaucracy. More importantly, it has established itself as a distinct regional entity and hence, improved its aid negotiation position. It has made modest gains in achieving its stated aims and improving the regional economy, particularly in the last three years. However, most of SADCC's success is determined by external conditions. The recent political developments in Angola, Namibia and the RSA lead to optimism regarding regional political/economic development but it remains essential that the international community continues to support SADCC through curtailing South African aggression and directly supporting SADCC projects.

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