REGIONALISM IN AFRICA : A PART OF PROBLEM OR A PART OF SOLUTION

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INTRODUCTION

Regionalism, as defined in this paper, encompasses efforts by a group of nations to enhance their economic, political, social, or cultural interaction. Such efforts can take on different forms, including regional cooperation, market integration, development integration, and regional integration. African leaders have long envisaged regionalism as a viable strategy to pursue with a view to uniting the continent both politically and economically. While regionalism in Africa has taken on different forms to accommodate the changing national, regional, and international environment, all organizations that aim to integrate regional economies in Africa have adopted market integration as a component of their strategy, with a view to increasing intra-regional trade. Market integration is the linear progression of degrees of integration beginning with a free trade area (or in some cases a preferential trade area) and ending with total economic integration. The model for such integration is the European Union (EU).

Notwithstanding the fact that market integration has failed miserably on the continent,[1] it continues to be highly regarded by most African leaders as a solution to Africa's growing marginalization within the world economy. The creation of NAFTA (North American Free Trade Agreement) and the movement toward EU monetary integration, only served to reinforce the commitment African leaders have toward market integration. In response to these events, the member states of the Organization of African Unity (OAU) in 1991 signed the Abuja Treaty creating the African Economic Community (AEC), which calls for the total integration of African economies by 2025. The creation of the AEC falls on the heels of the failure of the OAU to meet the objectives of the 1980 Lagos Plan of Action, which had called for the creation of an economic community in Africa by 2000.

While African countries continue to be actively involved in pursuing market integration, some critics argue that instead of attempting to enhance intra-regional trade, African countries should be involved in attempting to integration their economies into the world economy. It is the latter process, they argue, that will facilitate the type of growth and development that is crucial to prevent Africa from being further marginalized within the world economy. For such critics, market integration is part of the problem, not part of the solution. They argue for, example that: (1) regionalism will not shield Africa from the global economy and that "Africa will only begin to grow again if it opens itself to the financial and trade flows from the world economy;"[2](2) instead of attempting to integrate their economies at the regional level, "Clearly it will be best for sub-Saharan Africa to integrate with the EC and reap all the possible benefits," since,

"…the temptation to use regionalism as a vehicle for import-substituting industrialization will only divert attention from efforts to integrate SubSaharan Africa with the world economy;" (DE MELO and PANAGRIYA) and (3) "There are other areas, including Africa, where there are proposals, but where the political and social conditions seem no easier to meet than those for global integration. In these, it is difficult to see any argument (except perhaps that of limited bargaining ability) for regions as an alternative or supplement to global integration."(PAGE, 2000: 5)

No matter how committed African leaders may be to a regional integration agenda, such criticism cannot be ignored. This is especially the case since globalization is having a significant impact on Africa. In fact, the impact is so potentially devastating that seemingly there exists "a race to the bottom,"(MAZUR, 2000: 88-91) in which Africa is being further underdeveloped by multinational corporations who work closely with corrupt African leaders to continue to extract Africa's wealth from its soil, leaving poverty and destitution in its wake.

In light of the above, the question must be raised as to whether African countries should pursue strategies designed to unify economies at the regional level in anticipation of protecting them against the onslaught of the world economy? Or alternatively, given the rapid speed in which world economies are integrating, should they abandon such efforts and pursue strategies that by-pass the region and focus on integrating their economies into the world economy? With respect to the first question, many argue that integration at the regional level must be outward-looking and only be pursued if the ultimate objective is integration at the worldwide level.

The subtitle of this paper, "Part of the Solution or Part of the Problem?" is taken from a study by Colin McCarthy entitled, "Regional Integration: Part of the Solution or Part of the Problem?" In the study McCarthy argues, "that the acceptance of over-ambitious integration schemes in Africa has not been good policy," and "Africa needs rapid economic growth and development."(Mc CARTHY, 1996: 230). Instead of pursuing market integration, regional economic organizations in Africa should focus on regional cooperation, with market integration as a future goal. McCarthy further notes that "…even if regional integration could in the end succeed as a formal exercise, sustainable growth will require competitiveness in world markets."(Mc CARTHY, 1996: 230).

The real challenge before African leaders in the new millennium is to develop a strategy that enhances the political, economic, social, and cultural integration of the continent, while simultaneously ensuring that it is not further marginalized within the world economy. In essence, this means determining how regionalism and globalization can coexist and be conduits for, rather than hindrances to, growth and development in Africa. This paper seeks to explore the prospects for this coexistence. It will be argued that regionalism, as currently practiced in Africa, is part of the problem and not part of the solution. It is anticipated that more questions will be raised about regionalism in Africa than answers provide, since the phenomenon examined is very complex and one that some have termed "the weave-world of regionalisation and globalisation." (BOAS, 1999: 1061)

In order to explore the "weave-world of regionalisation and globalisation," the paper will first review theories of regionalism. This will be followed by a section that places regionalism in the new millennium within the context of neo-liberalism,

globalization, and political instability in Africa. The practice of regionalism in Africa will be discussed next, which will be followed by an assessment of the weave-world of regionalism and globalization[3] in Africa.

THEORIES OF REGIONALISM

As previously noted, theories of regionalism can be divided into regional cooperation, market integration, development integration, and regional integration. This section will provide a brief overview of the main tenets of the theories.[4]

Regional Cooperation

Regional cooperation "is a collaborative venture between two or more partners, with common interests in a given issue."(BOURENANE, 1997: 50-51) Such ventures can include, for example

- ? Execution of joint projects, technical sector cooperation, common running of services and policy harmonization;
- ? Joint development of common natural resources;
- ? Join stand towards the rest of the world;
- ? Joint promotion of production. (HAARLOW, 1997: 16)

Market Integration

Market integration consists of the linear progression of degrees of integration. They include a: *free trade area* where tariffs are removed among member states, but each country retains its own tariffs against non-members; *customs union* where the free trade area remains in place and member states impose a common external tariff (CET) against non-member states; *common market* where the customs union remains in place along with the free flow of the factors of production (capital and labor); *economic union* which consists of a common market along with the harmonization of monetary and fiscal policies; and *total economic integration* which consists of a common market along with the unification of monetary and fiscal policies.(BALASSA, 1961: 1)

The welfare gains from integration are based on the notion of *trade creation* and *trade diversion.* The former takes place when there is a shift from a high-cost, less efficient regional producer to a low-cost, more efficient regional producer. *Trade diversion,* on the other hand, consists of a shift from a low-cost, more efficient non-member producer to a high-cost, less efficient regional producer.[5]

The potential gains from market integration include:

- ? Increased production arising from specialisation according to comparative advantage;
- ? Increased output arising from the better exploitation of scale economies;
- ? Improvements in the terms of trade of the group with the rest of the world;

- ? Forced changes in efficiency arising from increased competition within the group;
- ? Integration-induced changes affecting the quantity or quality of factor inputs, such as increased capital inflows and changes in the rate of technological advance. (ROBSON, 1980: 3)

For these gains to be realized, the theory assumes that there exists:

- ? Perfect competition in transport markets;
- ? Free flow of labour and capital inside but not between countries;
- ? No transport cost;
- ? Tariffs as the only trade restrictions and balanced trade between countries;
- ? Prices reflecting the opportunity costs of production;
- ? Resources, e.g. labour, fully employed.(HAARLOV, 1997: 26)

While some benefits of market integration are static since they are realized during the early period of integration, others are dynamic and are therefore only realized over time.

Market integration has failed miserable on the continent largely because the above-mentioned conditions do not exist for its successful implementation.

Development Integration

Development integration theory was developed in response to problems created by market integration. According to the theory, the objective of integration becomes economic and social development, and it is therefore linked with development theories. Development integration requires more state intervention than market integration. States must first and foremost make a political commitment to integration, since such commitment is seen as laying the foundation for cooperation. It is anticipated that this will help member states work toward implementing policies that will help with problems created as a result of the unequal distribution of benefits, one of the major causes of the failure of market integration.

With the view to providing a remedy for the unequal distribution of benefits, policies that are of a compensatory and corrective nature are to be implemented. Although designed to correct the problems of market integration, development integration has proven more difficult to implement than market integration.

Regional Integration

Regional integration is defined as "a process by which a group of nation states voluntarily and in various degrees" have access "to each other's markets and establish mechanisms and techniques that minimize conflicts and maximize internal and external economic, political, social and cultural benefits of their interaction"(HAARLOV, 1997: 15). Both the formal and informal market is taken into consideration. Regional integration differs from market integration in that, *"while formal institutions are necessary to oversee the linear progression of the various phases of integration, regional integration does not necessarily require formal institutional structures, nor is*

there necessarily a linear progression of integration. In the case of the latter, integration is assessed by the amount of economic, political, social and cultural interaction that transpires between member states. It does not require all member states to share these activities simultaneously."[6]

Given the failure to date of market integration on the continent, regional integration, coupled with regional cooperation, is perhaps a more viable strategy for Africans to pursue.

THE CONTEXT OF REGIONALISM IN THE NEW MILLENNIUM

In order to access regionalism in Africa, such efforts must be placed within the context of neo-liberalism, globalization, and political instability in Africa.

Neoliberalism

Neo-liberalism, the orthodoxy that calls for limited governmental intervention in the economy, privatization, the demise of the welfare state, and monetary and fiscal discipline (the so-called Washington Consensus), has been at the forefront of economic policies in Africa in the guise of IMF/World Bank Structural Adjustment Programs (SAPs). After two decades of SAPs, there is a growing consensus that they have failed, leaving most African countries further marginalized within the world economy. While the demand for an outward-looking trade policy, namely the removal of barriers to trade, has done more to open the economies of Africa than has any regional economic organization been able to do, such liberalization has not resulted in increased intra-regional trade among African countries, but instead with the core states within the capitalist world economy. This increased trade, however, has for the most part been one-way, with the core countries having flooded the African periphery with more efficiently produced and/or cheaper products that have caused massive industry closings or de-industrialization.

Globalization

Globalism, according to Robert Keohane and Joseph Nye, "*is a state of the world involving networks of interdependence at multicontinental distances. The linkages occur through flows and influences of capital and goods, information and ideas, and people and forces, as well as environmentally and biologically relevant substances (such as acid rain or pathogens). Globalization and deglobalization refer to the increase or decline of globalism".* (KEOHANE and NYE, 2000: 105)

The implications of globalization for Africa in general, and for regionalism in Africa in particular, have been significant. The benefits of globalization have been unevenly distributed throughout the world, resulting in many least developing countries, including most in Africa, being further marginalized within the world economy. Sub-Saharan Africa countries *"remain constrained by weak supply and demand capabilities, while lacking institutional capacity. They are, therefore, also less able than other*

countries to reap potential trade/investment/technological transformation benefits from globalisation, whereas for other communities it has contributed to increased improverishment, inequalities, work insecurity, weakening of institutions and social support systems, and erosion of established identities and values. Thus, for a considerable amount of people, this leads to less human security, more vulnerability and increased social conflict."(BOAS et al, 1999: 1065)

Sub-Saharan Africa's further marginalization is ironic in that many of these countries are highly integrated into the world economy, with exports consisting of an estimated 30% of GDP. The problem, of course, is that the majority of these exports consists of primary products and thus are subject to price fluctuations on the global market. The prices for may of these commodities are at their lowest in a century and a half, and African countries have not increased their export levels, nor have they been successful in securing significant foreign investment.(UNDP, 1999: 2, 31)

With respect to regionalism in Africa, globalization has resulted in some countries feeling that integration at the regional level is secondary to integration at the global level. While clearly for political reasons this is not publicly articulated, it can, however, be seen in practice. As one critic recently noted: *"African governments are now being told, and they appear convinced, that globalization offers new higher economic opportunities for which Africa must, in the words of IMF deputy managing director, "sharply accelerate reforms to fully integrate itself into the world economy and take full advantage of the opportunities of globalization." Thus, the attitude in most African governments now appears to be that of complacency and resignation. They now appear to believe that the ascribed opportunities of globalization are so great that they are worth the enormous social, economic, and political costs associated with adjustment."*[7]

In practice this means that semi-peripheries, such as South Africa, seize upon opportunities to further integrate their economies into the world economy, both at the expense of their own workers and industries and its regional integration partners. The recent EU/SA FTA reflects this phenomenon. South Africa signed the agreement knowing that it would have a devastating impact on both the members of the Southern African Customs Union (SACU) and the Southern African Development Community (SADC). With respect to SACU, the agreement was reached without the consultation of the BLNS countries (Botswana, Lesotho, Namibia, and Swaziland), although the SACU treaty stipulates that such agreements must be approved by all SACU members. With respect to SADC, in addition to the fear that EU goods, expected to be more efficient and cheaper, will penetrate the markets of the SADC countries, undermining agriculture and industrial sectors, some SADC members states complained that South Africa only became serious about completing the negotiations for a SADC FTA when it had completed negotiations with the EU. Some South African trade officials feel that the EU/SA FTA agreement will allow them to become more integrated into the world economy, notwithstanding the fact that the consequences could also be quite severe for South Africa's own economy. This, however, is a chance they feel they must take.

In the meantime, the US, threatened by the EU's prospective penetration of the South African market, has initiated discussions with South Africa about the prospects of a US/SA FTA. These ongoing overtures by the capitalist core toward South Africa feed into the notion of South African "exceptionalism." This had resulted in a further divide

between South Africa and its SADC partners, with many having nostalgia about the good old days when South Africa was not a member of SADC. In feeling that they are an exception to the "rest of Africa," South Africa attempts to wield its economic power when negotiating with its partners in both SACU and SADC. South Africa is therefore viewed as an unfair and arrogant trading partner. This arrogance plays itself out in how some South African government officials view their regional partners. For example, in response to questions about the consequences of the negative impact that an EU/SA FTA would have on its SACU members, Willem Bosman, Director of Regional Economic Organizations within the South African Ministry of Foreign Affairs noted that:
…But I do feel there is perhaps a shock treatment that is necessary to tell them, now you are on your own, South Africa cannot any longer provide for you 50% of your budget…Now you have to tax your own people; you have to work according to the structures of a free independent country.[8]"

The irony of such a statement is that SACU is an apartheid-created relic, designed to ensure that South Africa would have a captive market for its agricultural and non-international competitive manufactured products. The economic dependency of the BLNS states on South Africa was part of the strategy to ensure South Africa's economic hegemony. If the BLNS states experience economic deterioration as a result of the EU/SA FTA, who will buy South Africa's non-international competitive manufactured products? By placing integration at the global level a priority, South Africa risks national and regional economic destabilization. It is doubtful that under such circumstances the capitalist core would come to its rescue.

The ultimate goal of the EU was to have South Africa be the model for the creation of regional economic partnership agreements (REPA) with its ACP partners under the Lomé Convention (Lomé V). Eventually these arrangements would become reciprocal FTAs, thus ending the long-standing practice of the Lomé Convention that allows the ACP partners to have preferential access to EU markets. Within the neo-liberal/globalisation paradigm, the ACP countries, divided into regions, were to become merely markets for absorbing EU goods. As a result of tremendous resistance from the ACP countries, the EU was forced to abandon these plans and keep in place the existing Lomé arrangement until December 31, 2000.

Another chance that many African countries feel they must take is joining the World Trade Organization (WTO). The WTO is one of the most vivid examples of globalization and neo-liberalism at its best. The WTO will basically allow the capitalist core to have greater access to the trade regimes of the periphery. Through the multilateral liberalism that will be overseen by the WTO, it is estimated that Africa could lose an estimated $2 billion annually in revenue. Knowing this, why have African countries chosen to join the WTO? Largely because of fears that they will become further marginalized within the world economy if they don't.

In essence, African countries find themselves between a rock and a hard place: they stand to become more marginalized within the world economy if they both open their trade regimes to the world economy, or keep them closed. Indeed, this is an interesting paradox.

Political Instability

A prerequisite for regionalism is political stability. Political instability has implications for both economic stability and the commitment that countries can make to the regional agenda. The continent is currently very unstable. Countries involved in civil wars (i.e. Angola), regional wars (i.e. those involved in the Democratic Republic of the Congo -DRC), or that have internal political conflicts (Sierra Leone, Zimbabwe), are all having a negative impact on the regional agenda. Zimbabwe is a case in point. Between its involvement in the war in the DRC and the internal instability caused by the recent crisis over the land, Zimbabwe has not been able to pay its debt to its regional neighbors, its exports to and imports from its regional neighbors have declined, and foreign investors have fled the country. The South African rand has decreased in value in response to the crisis, and other countries have begun to complain about the economic impact Zimbabwe's decline is having on their economies, including foreign investment. Zimbabwe's third largest sector for revenue, tourism, has collapsed. Zimbabwe's economic deterioration, therefore, has serious implications for both SADC and the Common Market for Eastern and Southern Africa (COMESA). In the latter organization Zimbabwe is considered to be one of the regional giants. Economic instability in Southern Africa will in turn have implications for the capitalist core, who see Southern Africa as an important market for their products.

The political instability in Africa has resulted from both the consequences of the development of the monopoly one-party state and the neo-liberal/globalization orthodoxy. In many cases, the conflicts are a consequence of the fight over limited resources.

At the first economic conference of COMESA, held in February 2000, Daniel Arap Moi, President of Kenya noted that, "The free movement of goods is impossible where nations are at war or where political conflicts and violence are found" (*Daily Mail and Guardian Online, 2000).* This reality was reiterated by President Frederick Chiluba of Zambia when he stated that, *"Under conditions of war, insecurity and political despair a consistent development programme cannot be possible, not to mention full participation in economic integration…We have a duty to change the conditions we live in within our nations, and within Comesa and Africa as a whole. No one else will do it, no one will do it for us…we ourselves must do it""* (*Daily Mail and Guardian Online, 2000).*

THE PRACTICE OF REGIONALISM IN AFRICA

In this section a general overview is given of the practice of regionalism in Africa, which is followed by a case study of the Southern African Development Community (SADC).

General Overview

Regionalism in Africa has been pursued for two reasons. The first is to enhance political unity or the pan-African agenda. They second has been economic -- to foster growth and development. Regionalism, especially market integration, has been seen as

a way to solve the problems created by small African economies. By integrating, it is argued, economies of scale would be realized and enhanced industrialization would follow. The earlier attempts at implementing market integration were inward-looking and relied on import substitution industrialization (ISI). Trade regimes were highly protected and high priced inefficient products proved to be no substitute for cheaper, efficient products from the capitalist core. Protectionalism, in many cases, prevented countries from importing into their countries inputs needed for enhanced industrialization. Increased intra-regional trade, the major objective of market integration, was, for the most part, not realized, partially because member countries produced similar products and therefore they did not have comparative advantages. Another problem was the maintenance of tariff and nontariff barriers to trade.

The 1980s witnessed a change in strategy in that with SAPs, countries were forced to liberalize their trade regime. Unfortunately, this was unilateral liberalization. In fact, during this period, the IFIs explicitly discouraged market integration and encouraged African countries to unilaterally open their markets to the world economy. Market integration in Africa was seen as being counterproductive to the neo-liberal orthodoxy that promoted the ability of the capitalist core to have unlimited ability to export to the African periphery in the name of efficiency and competition. Although beginning in the early 1990s the IFIs began to support market integration, unilateral liberalization has not, for the most part, resulted in increased intra-regional trade. In explaining the failure of the member states of the Economic Community for West African States (ECOWAS) to increase intra-regional trade, Otatunde B. J. Ojo notes that as a result of the negative impact unilateral liberalization had on member countries during the 1980s, including de-industrialization, there was no incentive for ECOWAS states to further liberalize their trade regime. According to Ojo, *"…governments, already losing revenue from the SAP-imposed liberalisation of external trade, have been in no mood to implement free trade further even at the regional level…"* (OJO, 1999: 122).

As previously noted, market integration has failed on the continent. It has failed for several reasons: (1) lack of comparative advantage and economies of scale; (2) huge economic disparity between member states; (3) the unequal distribution of benefits, resulting in the regional giant(s) been the main beneficiary of integration efforts; (4) the implementation of SAPs that have been counterproductive to the regional agenda; (5) overlapping membership in regional economic organizations resulting in contradictions in policy objectives and goals; (6) lack of political commitment to regionalism; (7) dependence on external donors to fund the regional agenda, thus giving them the autonomy to determine policy; and (8) the failure to address the realities of the African environment. With respect to market integration, several authors recently noted that *"One thing, which at least seems to be obvious, is that actors in the South should think very carefully about the fruitfulness of following the blueprint of the European Union or other regional schemes from the North. If regional organisation is to play a real role in the economies of the South it has to be embedded into the real life context of these economies"* (BOAS et al, 1999: 1025).

By examining the Southern African Development Community (SADC), one can see all the above-mentioned problems associated with regionalism on the continent.

THE CASE OF THE SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC)

Historical Overview

SADC was officially created in April 1980 as the Southern African Development Coordination Conference (SADCC). It was created with the major objective of decreasing regional economic dependence on South Africa and fostering regional development. The nine members were Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia, and Zimbabwe. These countries agreed to focus on regional development and cooperation instead of market integration, since, they argued, regional development and cooperation had to be the precursor to market integration. Market integration was to be a future goal.

The strategy of regional cooperation was underpinned by sectoral development. Each member state was given a regional sector to coordinate. Currently there are fourteen sectors.[9] A priority for development in the early years of SADCC was the regional transport and communication sector, since it was determined that a viable transport network was a prerequisite for increased intra-regional trade.

In 1992, the SADC member states determined that the time had arisen to move toward market integration. This decision was sparked by the changes occurring in South Africa and within the world economy. With a prospective post-apartheid South Africa joining the organization, SADCC knew it could no longer have as a major objective decreasing economic dependence on the apartheid regime. Similarly, with enhanced globalization and the creation of new trading blocs, the SADCC member states felt that market integration was necessary in order to prevent the region from becoming further marginalized within the world economy. This reassessment resulted in the birth of the organization as the Southern African Development Community (SADC) with the major objective of fostering regional development integration. By 1997, SADC had fourteen member states (the original nine plus Namibia, South Africa, Mauritius, the Democratic Republic of the Congo, and Seychelles).

The 1992 transformation of SADC into a development community must be placed in context, especially since the organization was perhaps not ready for the transformation. When the SADCC member states rejected the EU model of market integration, SADCC became the first organization that had the courage to reject the model and break new ground with respect to regionalism in the developing world. South Africa's policy of regional destabilization that lasted from 1980 to 1989, prevented the member states from actually implementing this unique strategy. Consequently, in 1992, when the organization was transformed into a development community, the fundamental reasons for the initial rejection of market integration had not changed. The markets of the regional countries remained undiversified and most countries had not developed comparative advantages. In addition, the infrastructure of the region remained in need of great repair. Thus, without goods to trade and an infrastructure to get the goods to the market, the member states were fundamentally no better off in 1980, albeit regional destabilization had come to an end. Therefore, the decision to move toward market integration seemingly was not realistic. So why did the member

states at this juncture resort to a strategy, market integration, that had failed miserably on the continent?

Part of the answer rest with the fact that SADC remains dependent on its international cooperating partners (governments, non-governmental organizations – NGOs, and IFIs) for the majority of its funding. Consequently, the member states have limited autonomy of policy. Such partners had always seen South Africa as the engine for regional development and the gateway to the regional market. When SADC was formed, it did not receive overwhelming support from the West because South Africa was excluded as a member. With an anticipated post-apartheid South Africa joining the organization, the SADC member states were forced to redefine their goals and objectives. With South Africa at the helm, the region was to integrate and provide the capitalist core with the long overdue regional market. With a view to realizing this, the SADC member states have been involved in negotiations for the creation of a FTA.

The impending establishment of a free trade FTA among the SADC member states poses problems that may undermine the very purpose of its establishment. The FTA is scheduled to go into effect September 2000. The blueprint for the FTA is contained in the SADC Trade Protocol, approved by the Heads of State and Government at the SADC Summit held in Maseru, Lesotho in August 1996. In November 1998, eleven member states began negotiations for the creation of a FTA. The formal structure for negotiations is called the Tariff Negotiations Forum (TNF).

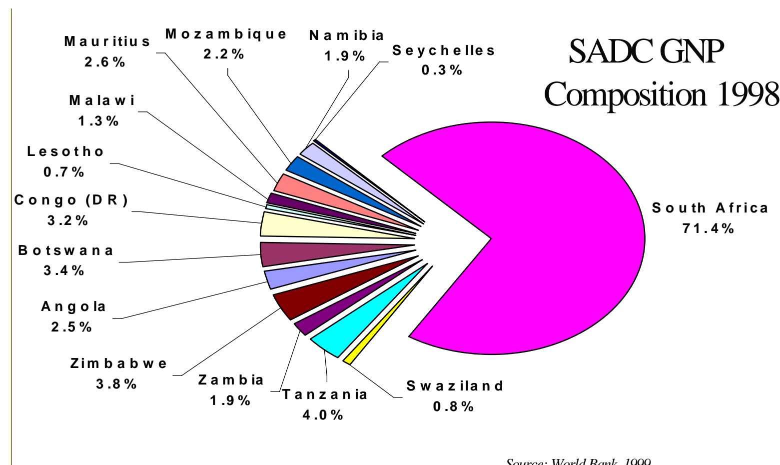
The challenge before the SADC member states to implement market integration through the creation of a FTA is daunting. They are faced with numerous and serious constraints, including South Africa's regional economic hegemony and the recently signed EU/SA FTA. In addition, the regional trade regime is competitive instead of complementary, and there does not exist economies of scale in the region. Overlapping membership in regional economic organizations adds more complexity to the notion of a FTA among the SADC members, as does the seemingly questionable political commitment to market integration. Then once a FTA is implemented, where will the resources come from to compensate countries from lost customs revenue?

The remainder of this section will elaborate on some of the problems the SADC member states are confronted with in trying to move toward market integration. They include long-standing regional trade patterns; the current negotiations for a FTA; and policies the member states will need to put in place in order to underpin a FTA.

Long-Standing Regional Trade Patterns

Long-standing regional trade patterns that are having an impact on the movement toward market integration in Southern Africa include South Africa's regional hegemony, overlapping regional economic organizations, and bilateral trade agreements.

South Africa's regional economic hegemony, as reveled by the pie chart below, is the major constraint to market integration in Southern Africa. This hegemony is most pronounced when placed within the context on intra-regional trade. South Africa's trade ratio with the region is 6:1, a ratio that the South African government admits is untenably. It is indeed ironic then that South Africa would negotiate a FTA with the European Union since the agreement will no doubt exacerbate the current trade imbalance and further destabilize the economic structures of the regional countries. As the regional giant, South Africa will benefit the most from a SADC FTA.



The issue of market integration is made more complex by overlapping regional economic organizations, including the Southern African Customs Union (SACU), the Common Market for Eastern and Southern African Customs Union (COMESA), and the East African Cooperation (EAC). All of the SADC member states, with the exception of Mozambique, are also members of at least one of these organizations (see table below).

While SACU is already involved in market integration as a customs union, the other two organizations, like SADC, are in the process of moving toward market integration. SACU, which includes South Africa and the BLNS states (Botswana, Lesotho, Namibia, and Swaziland) is the oldest customs union in the world. As an apartheid relic, the BLNS countries remain connected to a structure that has resulted in the economic development of South Africa at their expense. Consequently, the economic structures of the BLNS states remain undeveloped and economically dependent on South Africa. The rules and regulations guiding SACU, as well as COMESA and the EAC, are fundamentally at odds with those guiding SADC. Consequently, continued membership in overlapping regional economic organizations raises questions about the commitment member states have toward SADC market integration.

Overlapping Membership in Regional Economic Organizations

Country	SACU	COMESA	SADC	EAC
Angola		X	X	
Botswana	X		X	
Congo (DR)		X	X	
Lesotho	X		X	
Malawi		X	X	
Mauritius		X	X	
Mozambique			X	
Namibia	X	X	X	
Seychelles		X	X	
South Africa	X		X	
Swaziland	X	X	X	
Tanzania			X	X
Zambia		X	X	
Zimbabwe		X	X	

Botswana, Malawi, Mozambique, Namibia, South Africa, and Zimbabwe have at least one bilateral trade agreement with another SADC member state.

Regional Bilateral Trade Agreements

Botswana	**Malawi**	**Mozambique**
Malawi	South Africa Zimbabwe Botswana Mozambique	South Africa Malawi
Namibia	**South Africa**	**Zimbabwe**
	Malawi Mozambique Zimbabwe	South Africa Botswana Malawi Namibia

According to the SADC Trade Protocol, not only are bilateral trade agreements legal, but they may remain in place as long as such agreements are more advantageous to member states than those offered under the FTA. As a result, negotiations are continuing for the creation of additional bilateral agreements while FTA negotiations are taking place. Under these circumstances, member states will not be required to implement all the provisions of a FTA.

UNCTAD, in a recent study on trade in the SADC region, identified numerous untapped trading opportunities. Specifically, the study argues that these untapped trading opportunities exist for non-SACU SADC countries to increase their exports to

the SACU countries. This is possible if SACU, instead of sourcing specific products from the West, imports them from its SADC neighbors. Sectors where trade can be enhanced include food, petroleum, resource-intensive basic manufactures, and miscellaneous manufactures (Von KIRCHBACH and ROELODSEN, 1998). The study notes, however, that *"Despite the growth in intra-SADC trade, it is not self-evident that a free trade area would necessarily expand the trade of the member countries with each other."* (Von KIRCHBACH and ROELODSEN, 1998).

With respect to the potential for increased intra-regional trade, the South Africa Department of Trade and Industry argues that *"Given the prevailing trade imbalance in the region and the fact that it is unlikely to be alleviated in the short to medium term, even if attempts to develop and diversify the region's industrial base are successful the region should explore ways of increasing trade in non-traditional tradables. The potential for the importation of water and energy by South Africa from the rest of the region should be explored. Given the abundant endowments of these resources in the region and South Africa's diminishing domestic resources, accompanied by rising demand, energy and water emerge as areas where intra-regional trade may be enhanced and the current trade imbalance redressed."* (SADC Briefing, 1999: 7).

Given the somewhat limited prospects for serious increased trade in the SADC region, what are the prospects for the creation of a FTA?

Negotiations for the Creation of a FTA

One of the most controversial issues involving the trade negotiations has been how to deal with sensitive sectors. This is especially difficult because these are the sectors that are regionally competitive. They include (1) motor vehicles; (2) textiles, clothing, footwear and leather; and (3) sugar. The sugar industry will be examined to illustrate some of the problems the member states are trying to resolve. In addition, the issue of trade offers with be examined in order to explain some of the problems negotiators are experiencing in this area.

The major problem with the sugar industry is that a large majority of SADC countries produce sugar, although only four are major producers. As a result, there exists competition among the countries for market access. Although South Africa produces the largest amount of sugar annually (an estimated 1.2 million tons), Zimbabwe is the most efficient regional producer. Given this reality, SACU has proposed a regional sugar protocol that would introduce sugar quotas into the region and protect the sector against other regional producers. The SACU proposal calls for *"The sharing of growth in the SACU market, divided amongst all SADC sugar-producing countries according to net surpluses exported to the world market. In order to address concerns about the possible adverse effect of a fall in the SACU market growth after the initial 3-year access period, SACU offered to guarantee a minimum annual growth of 45,000 tons."*[10]

For the first year, SACU proposed that SACU's market share of 45,000 tons would be distributed as follows: "40,000 tons to SACU suppliers, 3,000 t to Zambia, 2,000 t to Zimbabwe and zero allocations to Malawi, Mauritius, Mozambique and Tanzania."[11]

Clearly unhappy with this offer, the non-SACU SADC countries presented a counter proposal at the 13th TNF in Cape Town during September 1999 that stated that

? Market access should be reserved to non-SACU countries on the basis of a 5% share of the total SACU consumption. This would represent an annual tonnage of 75,000 tons and would secure a reasonable initial access into the SACU market.

? As from year 2 and the ensuring year, the 75,000 tons would be increased to take into account the actual growth in the SACU market.

? The 75,000 tons would be shared among the non-SACU countries who would agree among themselves on the initial quotas.

? A reallocation formula would be provided for in the case of shortfalls by individual countries.[12]

To further illustrate how far apart the SACU and non-SACU countries are on this issue, Zimbabwe, which was only allocated 2,000 tons under the SACU proposal, indicated that it felt it should have market access of 85,000 tons. And Tanzania "sought clarification because it did not see logic prevailing when SACU reserves for itself a quota of 40,000 tons."[13]

In response to the non-SACU countries, "SACU recapped its earlier position that there will not be a free market access on sugar, a fact which underlies the very need for an arrangement."[14]

The creation of a trade offer is a long and arduous process. Specific guidelines must be followed regarding categories for tariff reductions, their pace, and time frame. In addition, each offer must be placed within the context of 21 sections and 97 chapters for negotiations.

Trade Offers : Sections of Chapters for Negotiations

Section I	Live Animals and Products thereof	(Chapters 1-5)
Section II	Vegetable Products	(Chapters 6-14)
Section III	Animal/Vegetable Fats, etc.	(Chapter 15)
Section IV	Prepared Food Stuffs, Spirits and Tobacco	(Chapters 16-24)
Section V	Mineral Ores and Fuels	(Chapters 25-27)
Section VI	Chemicals and Allied Products	(Chapters 28-38)
Section VII	Plastics and Rubber	(Chapter 39)
Section VIII	Raw Hides and Skins	(Chapters 41-43)
Section IX	Wood Articles Thereof	(Chapters 44-46)
Section X	Pulp and Paper Products	(Chapters 47-49)
Section XI	Textiles and Articles	(Chapters 50-63)
Section XII	Footwear, Headgear, etc.	(Chapters 64-67)
Section XIII	Articles of Stone, Plastic, Cement, Ceramic and Glass	(Chapters 68-70)
Section XIV	Natural Cultural Pearls, Precious Stones, Jewelry, and Coins	(Chapter 71)
Section XV	Base Metals and Articles	(Chapters 72-83)
Section XVI	Machinery, Mechanical Appliances, Electrical Equipment	(Chapters 84-85)
Section XVII	Vehicles, Aircraft, Vessels	(Chapters 86-89)
Section XVIII	Optical Photographic, Cinematographic Measuring, etc.	(Chapters 90-92)
Section XIX	Arms and Ammunition	(Chapter 93)
Section XX	Miscellaneous Manufacturers	(Chapters 94-96)
Section XXI	Works of Art	(Chapter 97)

The first trade offer presented to the Trade Negotiation Forum (TNF) was by SACU. As evident by the controversy over sugar in the region, the SACU five have in many respects acted as one unit. Notwithstanding the fact that the SACU offer was supposed to represent the position of all five member countries, it appears that the offer was drafted by South Africa with little, if any, input from the other SACU members. Consequently, during negotiations, several SACU countries distanced themselves from the offer. According to a Zimbabwean government official, *"I think SA did its own offer and they tabled it. For the BLNS states there was not consultation to cover their various interests within the offer itself to the extent that they almost wanted to say in one of the TNF's that the SACU offer, we were not agreeable to that. Some of the positions that are being taken there up to now, when we discuss sensitive areas like sugar, motor vehicles, we would find more often than not, Botswana and Namibia, they would pull-out of the SACU position and they would tell you its not our position."*[15]

Since the SACU offer did not represent the interests of all the BLNS countries, they began talking about the need for the non-SACU SADC countries to treat the BLNS countries differently than South Africa, since South Africa was classified as a developed country and they were classified as developing countries. Given the reality of the huge economic disparity between South Africa and the BLNS countries, the non-SACU SADC representatives at the negotiations initially thought that the BLNS countries went along with the SACU offer because South Africa had offered them something beneficial in return. As negotiations continued , however, it became clear that not only was SACU not united in the trade offer, but also that South Africa had not made a special offer to the BLNS countries. The request for differential treatment by the BLNS countries resulted in Mozambique also requesting such treatment. This complicated the negotiations tremendously and many countries were angry at the fact that they had spent time and money developing their individual offers and now they were being requested to develop separate offers for the BLNS countries, all because South Africa had taken the liberty to develop a SACU offer without consulting the BLNS states.

The member states finally reached an agreement on this issue at the 13th TNF, held in Cape Town in September 1999. The member countries agreed that South Africa would be treated differently from the rest of the SADC countries. Consequently, each of the non-SACU SADC countries would have two separate trade offers: one for South Africa and one for the other SADC countries.

At the 14th TNF, held in Dar es Salaam, November 3-5, 1999, Mauritius, Tanzania, and Zimbabwe presented their differentiated trade offers. These countries now have two separate offers on the table: one for South Africa (the original offer) and one for the other SADC countries. Zimbabwe's two offers are as follows:

Trade Offers

Zimbabwe's Offer to South Africa (Its original offer to all SADC Countries)

Category	Tariff Lines	% Lines	Trade ($000)	% Trade
A	1736	24.2	358652	30
B	3685	51.2	440348	36.9
C	1703	23.7	289666	24.3
Exclusion	73	1.0	105282	8.8
Total	**7197**	**100**	**1193948**	**100**

Zimbabwe's Proposed Offer to other SADC Countries
(Will give other SADC countrie better access to Zimbabwe's market than South Africa)

Category	Tariff Lines	% Lines	Trade ($000)	% Trade
A	1897	26.6	427009	35.9
B	4792	66.6	501185	42.1
C	413	5.7	103042	8.7
Exclusion	89	1.2	157893	13.3
Total	**7191**	**100**	**1189129**	**100**

Source: Zimbabw e Ministry of Industry and Trade; "Record of the 14th Meeting of the Trade and Negotiation Forum (TNF) Held at Dar es Salaam, Tansania, 3-5 November 1999, p.3.

Policies Needed to Underpin a FTA

Policies needed to underpin a FTA discussed in this section include: compensatory policies for revenue losses and foreign investment.

In a recent study conducted by the Centre for Research and Finance in Southern Africa, it was determined that with a FTA, the following customs revenue losses will be experienced:

Compensatory Policies

In a recent study conducted by the Centre for Research and Finance in Southern Africa, it was determined that with a FTA, the following customs revenue losses will be experienced

Estimated Trade Revenue Losses as a Result of SADC FTA

Country	Percentage
Botswana	3
Lesotho	3
Malawi	23.9
Mauritius	17
Mozambique	5.8
Namibia	3
South Africa	3
Swaziland	3
Tanzania	5.8
Zambia	28.7
Zimbabwe	32.2

Source: Carolyn Jenkins, Jonathan Leape, and Lynne Thomas (eds), Gaining from Trade in Southern Africa: Complementary policies to underpin SADC Free Trade vArea (London : Macmillan Press, forthcoming), p. 64

The countries most affected will be Malawi, Mauritius, Zambia, and Zimbabwe. Where will revenue come from to compensate these countries for their losses? While it has been proposed that most would have to be sourced from restructuring and expanding the tax system in these countries,[16] in reality this is not likely to happen. Nor is South Africa likely to provide any compensation to these countries for their losses.

Investment is another major problem for FTAs. There is a direct correlation between trade and investment. It is through increased investment that countries are able to diversify their export markets and therefore increase intra-regional trade. Such investment, however, is usually made in the more developed member state(s). In this case, it is anticipated that the majority of such investment will be made in South Africa, resulting in greater regional polarization. If policies are not put in place for all member states to share in the benefits of market integration, there is a great probability that they will either withdraw from the organization or become non-active members.

Market Integration in SADC?

It is therefore for all the above-mentioned reasons, that market integration is not viable at this juncture in the SADC region. The current negotiations over the FTA point to the growing competition in the region. Market integration will likely exacerbate this problem, leaving most of these countries more vulnerable to neo-liberalism and globalization than presently exists.

THE WEAVE-WORLD OF REGIONALISM AND GLOBALIZATION

In light of the failure to date of regionalism in Africa, numerous scholars have made recommendations for the way forward. Two of these recommendations will be examined in this section, along with a third that stems from the theory and practice of regionalism in Africa as discussed in this paper.

External Guarantors

The failure of market integration in Africa and the realities of the world economy resulted in Jeffery Fine and Stephen Yeo proposing a new paradigm for regional integration in Africa. The new paradigm argues that regional integration should be anchored in an external guarantor, such as the European Union. The argument for such an arrangement is premised on the notion that *"Previous attempts at regional integration, at least in SSA, have failed to realize even a modest part of their stated aims…Renewed efforts along these traditional lines are not advisable, for two reasons. First, closer integration in terms of freer flows of goods and services is now more likely to result from unilateral tariff reduction that confer most-favoured-nation status on one's neighbours. Second, there are unlikely to be any significant immediate economic gains (at least in the short run) from access to a larger local market and the removal of trade distortions. Certainly such gains would not justify a major effort to shore up existing regional entities that, for reasons argued earlier, are inappropriately structured, since*

they were designed to pursue a very different approach to economic development" (FINE and YEO, 1997 : 437).

With sustained economic growth as the ultimate rationale for closer regional integration, Fine and Yeo note that "*We depart from traditional approaches to regional integration by suggesting that its virtues lie not in its ability to stimulate new trade, but rather in its ability to provide a framework for locking in sound and stable macroeconomic policies that will in turn induce faster accumulation, and more effective utilization of physical and human capital (FINE and YEO, 1997 : 449).*

Such stable macroeconomic policies would be overseen by an external guarantor such as the EU.

The external guarantor model has it roots in the West African Economic and Monetary Union (UEMOA). UEMOA was established in 1993 by France and the countries who were members of the West African Economic Community (CEAO) and the West African Monetary Union (UMOA). These countries included Benin, Burkina-Faso, Côte d'Ivoire, Mali, Mauritania, Niger, Senegal, and Togo. UEMOA replaced both CEAO and UMOA. The currency (CFA) of these countries is linked to the French franc *(FINE and YEO, 1997 : 449).* According to Fine and Yeo, *"Using the pretext of Maastricht, France could have commenced withdrawal, through a variety of means, from an arrangement that had proven increasingly costly to maintain in recent years. Instead, it has moved in the opposite direction, embedding an expanded role in a new international treaty for which it acts as the ultimate guarantor. Furthermore, the commitment is open-ended, involving the establishment of new multilateral institutions and surveillance of macroeconomic policies whose credibility ultimately rests on France herself. In short, France's role as guarantor appears significantly greater than under the previous monetary agreement" (FINE and YEO, 1997 : 451).*

In analyzing this model, Colin McCarthy acknowledges that *"Bringing the European Union in as an external power through agreements that will ensure sound macroeconomic policies in SSA countries does remind one of the politically indigestible suggestions in some circles that the economic problems of Africa could be solved through the 'recolonization' of the continent" (Mc CARTHY, 1999: 42).*

Nonetheless, he argues that the idea makes "eminent sense (*Mc CARTHY, 1999: 42)*."

While the idea of having external guarantors does raise the controversial issue of the 'recolonization' of Africa, the EU does not view anglophone Africa in the same light as France views francophone Africa. One could therefore not anticipate the EU investing in anglophone Africa's economic survival to the extent that France has invested in francophone Africa's survival.

Regionalism from Below – 'Back to Basics'

Contrary to Fine and Yeo, for Morten Boas, Marianne H. Marchand and Timothy M. Shaw, the first thing that must be done to solve the current problem facing the South in this weave-world of regionalism and globalization, is to abandon the EU model. Next, regional organizations, if they are going "to play a real role in the economies of the South," must "be embedded into the real life context of these economies (BOAS et al.,

1999 : 1065). In many cases the authors note that regional organizations are out of touch with the reality in Africa. Consequently, they fundamentally ignore the informal economy. Boas et al therefore feel that the informal economy needs to be reattached to the formal economy. After all, *"Quite often it is here, and not in the formal economy, that we find considerable, albeit not always legal or sustainable, let alone desirable, imagination, innovation and entrepreneurship. The informal second economy covers a whole range of activities, from street vendors and small-scale informal cross-border trade to the warlordism of Sierra Leone and Somalia and the large and intricate cross-border smuggling of gem stones from Angola and Senegal, and drugs from Columbia, Nigeria and Burma to products of child labour in myriad enterprises around parts of the South, including ubiquitous Special Economic Zones…"* (BOAS et Al, 1999 : 1065)

*Boas et al argue that states in the South should return to a "Back to Basics" strategy of regionalism from below. Such a strategy "*should start with the actual (formal and informal) trade flows and cooperation networks which already exist. As these flows and networks exist mainly between neighbouring countries, we suggest that this multitude of informal (and formal) cross-border trade activity should in fact constitute the starting point for (formal) regional organisation. In this way, existing regional, cross-border trading practices and related activities will inform the creation of formal regionalisation schemes, while these regional institutions, in turn, could and often do structure informal regional practices and activities *(BOAS et al, 1999: 1066).*

The need to reattach the informal sector with the formal is very apparent in Southern Africa. For example, the SADC borders are so porous that, according to a recent USAID study, there exists more informal trade between Malawi and its neighbors Zambia, Mozambique, and Tanzania, than formal trade. In fact, the only area where formal trade was larger than informal was Malawi's exports to Mozambique. Total formal exports were only 69.3 percent of informal exports and imports were 30.4 percent. Consequently, the government of Malawi loses a significant amount of revenue as a result of informal trade. While annual losses from agricultural trade are only estimated to be US$ 762,000, losses from non-agricultural trade are estimated to be US$12 million, which was about 4 percent of Malawi's 1996/97 budget. Since it is estimated that only 60 percent of informal trade was actually recorded, revenue losses from agriculture goods, for example, could be as high as US$ 1.3 million (MINDLE and MAKHMWA, 1998).

Notwithstanding the revenue losses to the government of Malawi, the income generated from informal trade is significant for the traders and their families. In addition, food is made available to communities that may not otherwise have it, and it is made available in smaller quantities often at affordable prices. The informal agriculture trade sector is consequently very important for enhancing food security. Specifically, 25 percent of the value of the informal trade, or US$ 11 million, was income generated. In addition *"The trade in agricultural commodities provided three types of opportunities: during the period immediately after the harvest, it provided markets for surplus farm produce and income for the local producers; during the long period between harvest and planting, the trade provided the producers with opportunities to invest their capital in other non-agricultural activities; and finally, the imports of grains, pulses and vegetables provided food in low income households in the major towns such as Lilongwe, Blantyre, and Zomba" (*(MINDLE and MAKHMWA, 1998).

The Malawi story is very similar to that of other SADC countries.

Regional Cooperation/Regional Integration Nexus

The weave-world of regionalism and globalization as explained in this paper does not co-exist well within the African context. In fact, it appears to be counterproductive to the African agenda of economic growth and development. Although both African leaders and economic and political forces within the capitalist core must assume responsibility for this incompatibility, African leaders must do their part to remedy the situation. Although regionalism as currently practiced in Africa is definitely a problem, it does not mean, however, that the regional agenda should be abandoned. What is means is that the objectives of the regional agenda should re-defined to take into consideration African, and not European, realities. Calls for the rejection of the EU model of market integration is not new. The theoretical literature is replete with reasons why the EU model has failed in Africa. Although African leaders criticize the IFIs for imposing the same medicine that continues to make African economics sick, they in turn continue to impose the medicine of market integration that only deepens the sickness of their economies. This does not mean that market integration should be rejected out-right. What it suggests is that as the benefits of structural adjustment would have perhaps been realized had SAP policies been introduced incrementally; similarly, market integration could perhaps be realized if it is implemented incrementally. This would require that African countries first put in place the prerequisites for such integration.

How then can regionalism and globalization co-exist and lead to economic growth and development in Africa? First and foremost, African leaders must discontinue the practice of designing and/or supporting grandiose schemes based on the EU model. Lessons should be learned from SADC when it rejected the EU model as a basis for enhancing regional growth and development. Regional cooperation should be pursued as part of any regional economic strategy. Both SADC and ECOWAS have experienced their greatest success, not in implementing market integration, but in implementing regional projects designed to help facilitate economic growth and development. The SADC Power Pool, for example, is experiencing tremendous success in attempting to integrate the electrical power grids of all the member states. This will not only serve to guarantee the availability of electricity when states experience shortages, but it will also make available to the larger population reliable and affordable electricity. This is development and integration. In the case of both ECOWAS and SADC, the development of, or improvement in, existing regional infrastructure enhances the ability of countries to have access to each other's markets, and it allows those historically marginalized because of poor infrastructure, to become active participants in either their national or regional economy. Again, this is both development and integration.

Regional cooperation should be accompanied by a strategy of regional integration, which, as previously noted, is defined as "a process by which a group of nation states voluntarily and in various degrees" have access "to each other's markets and establish mechanisms and techniques that minimize conflicts and maximize internal and external economic, political, social and cultural benefits of their interaction." Both the formal and informal market is taken into consideration in this definition. With

respect to the latter, the idea by Boås et al to have the informal economy reattached to the formal economy, leading to a strategy that considers studying the political economy of the informal sector from below, is certainly worth considering. In Southern Africa, for example, between the trade that transpires within the informal sector and that through bi-lateral trade agreements, the region is significantly integrated. Why spend huge sums of money negotiating for a FTA when in the end, member states have made it very clear that only when the advantages of the FTA outweigh the advantages of bi-lateral agreements, they will implement the former? In addition, it is very difficult to enforce FTA agreements in Africa. Instead of fighting among themselves for access to regional markets, more time could be spend planning for comparative advantages in anticipation of developing the foundation for market integration.

It goes without saying that regional cooperation and regional integration can only be implemented under conditions of political and economic stability. In addition, African leaders must make a serious commitment to the regional agenda. This means the rationalization of overlapping regional memberships, and using African funds, instead of donor funds, to spearhead the regional agenda. Without economic autonomy, the capitalist core will continue to dictate how best the weave-world of regionalism and globalization can satisfy its objective of continued economic hegemony in Africa.

CONCLUSION

At the beginning of the new millennium it is imperative that African countries begin to seriously redefine both the theory and practice of regionalism in Africa. Although market integration, based on the EU model, has failed miserably on the continent, African governments continue to adopt it, believing the strategy will enhance economic growth and development. It has been argued in this paper that market integration in Africa has been counterproductive to the regional agenda, and therefore, regionalism as currently practiced in Africa is part of the problem and not part of the solution. One of the major reasons for its failure rest with the fact that the strategy does not take into consideration African realities.

Instead of market integration, it is proposed that African leaders adopt a strategy that includes both regional cooperation and regional integration. Such a strategy, it is argued, is more conducive to African realities, and could perhaps result in Africa's capacity to better co-exist within the "weave-world of regionalism and globalization." Although the implementation of the proposed regional cooperation/ regional integration nexus strategy will not solve Africa's economic problems, it will certainly not be counterproductive to the African regional agenda. If placed within the context of African realities, regionalism in Africa can certainly be part of the solution instead of part of the problem.

NOTES

[1] For critiques of regional integration in Africa see, Colin McCarthy, "Regional Integration in SubSaharan Africa: Past, Present and Future," in Ademola Oyejide, Benno Ndulu, and David Greenway, eds., *Regional Integation and Trade Liberalization in SubSaharan Africa, Volume 4: Synthesis and Review.* London: Macmillian, 1999; William Lyakurwa, Andrew McKay, Nehemiah Ng'eno and Walter Kennes, "Regional Integation in SubSaharan Africa: A Review of Experiences and Issues," in Ademola Oyejide, Ibrahim Elbadawi, and Paul Collier, eds., *Regional Integration and Trade Liberalization in SubSaharan Africa, Volume 1: Framework, Issues and Methodological Perspectives.* London: Macmillian, 1997; Jeffrey Fine and Stephen Yeo, "Regional Integration in SubSaharan Africa: Dead End or a Fresh Start?" in Oyejide et al, 1997; Christopher Clapham, "Regional Integration in Africa: Lessons and Experiences," in Antoinette Handley and Greg Mills, eds., *South Africa and Southern Africa: Regional Integration and Emerging Markets.* Johannesburg: SIIA, 1998; Colin MaCarthy, "Regional Integration: Part of the Solution or Part of the Problem?" in S. Ellis, eds., *Africa Now.* London: James Currey and Portsmouth, N. H.: Heinemann, 1996.

[2] Jeffrey Herbst, "Developing Nations, Regional Integration and Globalism," in Handley and Mills, eds., p. 33.

[3] Although Boås et al use the phrase "regionalization and globalization," for purposes of this paper, the regionalization will be modified to regionalism.

[4] For a more in-depth review and critique of the theories see Margaret C. Lee, "Development, Cooperation and Integration in the SADC Region," in Dani Nabudere, ed., *Globalization and the African Post-Colonial State.* Harare, Zimbabwe: AAPS Books, forthcoming.

[5] For a further explanation of trade creation and trade diversion, see James Gerber, *International Economics.* Reading, MA: Addison-Wesley, 1999, pp. 221-222; and Page, pp. 41-44.

[6] Lee, forthcoming.

[7] *The Perspective*, April 24, 2000.

[8] Interview with Willem Bosman, Director of Regional Economic Organizations, June 2, 1998, Pretoria, South Africa.

[9] These sectors are Energy; Livestock Production and Animal Disease Control; Environmental and Land Management; Water; Inland Fisheries, Forestry and Wildlife; Tourism; Culture and Information; Transport and Communications; Marine Fisheries and Resources; Finance and Investment; Human Resources Development; Industry and Trade; Mining; Labour and Employment; and Food, Agriculture and Natural Resources.

[10] "6th Special Meeting of the SADC Industry and Trade Committee of Ministers," Dar es Salaam, Tanzania, November 8, 1999, p. 4.

[11] *Ibid.*

[12] "Record of the 13th Meeting of the SADC Trade Negotiations Forum (TNF) Held in Cape Town, South Africa, 6th-8th September 1999," p. 12.

[13] *Ibid.*, pp. 13-14.

[14] *Ibid.*, p. 14.

[15] Interview with Zimbabwe government official, August 10, 1999.

[16] See Jonathan Leape, "Taxation and fiscal adjustment," in Carolyn Jenkins, Jonathan Leape, and Lynne Thomas, eds., *Gaining From Trade in Southern Africa: Compensatory policies to underpin the SADC Free Trade Area.* London: Macmillan Press, forthcoming.

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