

THE POSITION OF SADCC IN THE INTERNATIONAL DIVISION OF LABOUR AND PROSPECTS FOR REGIONAL COOPERATION

by

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Introduction

About one year from today, the Southern African Development Co-ordination Conference (SADCC) will be celebrating the tenth anniversary of its creation. In April 1980 SADCC was formally established in Lusaka. In terms of the Lusaka Declaration, the 9 member states committed themselves to the following objectives:

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 intergration;
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 a strategy for economic liberation.

The formation and operationalisation of SADCC was a continuation of the strategy of collective self-reliance. Proponents of self-reliance postulate that self-reliance is achieved by reducing economic contacts with industrialised economies, reorientation of trade relations toward economies in the

South and simultaneous implementation of self-reliance by similarly circumstanced countries.

The ultimate goal of self-reliance was the dismantling of the extant international division of labour whereby the task of supplying agricultural commodities and raw materials to the industrialized countries of the world had for the most part, been allocated to them by colonisation and some might say natural advantage. Under this division of labour Third World industrial needs were met by European, Japanese, or North America producers. (Pollins: 1985, Ginman et al 1977).

More specifically, the low position of the SADCC countries in the regional and international hierarchy of the global division of labour has been characterised by Michael Cullen as follows:

—Despite efforts in development and investment policy, these countries remain economically unstable, stagnant in some cases and still dependent on agriculture for the livelihood of many of their people. They are still much like other African economies, although they have mineral resources-, they experience many of the same political and economic problems as other countries and find that despite their better array of natural resources they are as ever susceptible to world economic pressures and the influences of South Africa

- Intra-SADCC trade represents only 4-5% of the region's total external trade which is dominated by trade to the OECD countries. Trade with South Africa represents 7% of exports and 30% of total imports -. Exports to the developed world are principally minerals.-

Average annual per capita income in the region is only \$370 (1983 figures), or \$25 billion in spending power spread over 68 million people. Domestic consumption of manufactured goods was \$27 per head in 1983. - (Michael Cullen: 1986).

According to Biersteker, Third World collective self-reliance ventures such as SADCC are characterized by

“-increased cooperation and exchange of commodities and skills among developing countries, economic integration at a regional level, and the establishment of permanent Third World institutions” - (Biersker, 1980: 232).

This paper revisits in general and non-definitive terms the progress and prospects for the transformation of SADCC economic relations in general and the reduction of dependence on South Africa in general. SADCC performance is evaluated regarding three major constraints. First the economies of member states continue to be characterized by country-specific problems which impede prospects for homogenization of economic policies.

Secondly, overlapping and exclusionary trading arrangements impose obligations which impede the implementation of SADCC objectives and thus contribute to the entrenchment of dominance particularly by South Africa.

Thirdly the presence of TNCS in the economies of member states with varying degrees of intensity strengthens the trend towards the internationalisation of finance and production which undermines the capacity of member states to take individual and collective actions geared to regional integration.

Heterogeneity Of SADCC Economies

An examination of the SADCC economies reveals a variety of country specific problems which would appear to have proved to be more crucial and essential than the SADCC objectives which were designed to unite the member states at the regional level.

In Angola though the relatively high oil price in 1985 generated a substantial economic recovery, the gains were neutralised by the South African destabilisation activities. Falling oil prices after 1985 (falling by as much as 50% in 1986) only served to worsen the perilous economic situation which has also been exacerbated by the debt service problem (SADCC Macro-Economic Survey: 1986, Oliver Saasa, 1988).

Malawi continues to suffer from a deficit on its current balance of payments notwithstanding a 7% increase in the volume of exports and a 19% reduction in the volume of imports. Malawi's poor overall economic circumstances can be attributed to the disruption of its transport route through Mozambique and low export prices (SADCC Macro-Economic Survey: 1986, Oliver Saasa, 1988).

In the case of Tanzania, economic activity has been depressed and shortage of foreign exchange continues to be a major preoccupation of the Mwinzi government (SADCC Macro-Economic Survey: 1986, Oliver Saasa, 1988).

In Zambia, despite the relatively good performance of the agricultural sector, the economy is still plagued by acute problems of foreign exchange shortage, depressed export prices, balance of payment crisis and budget deficits (SADCC Macro-Economic Survey; 1988, Saasa, 1988).

The Botswana economy, unlike its SADCC counterparts has been characterised by a substantial balance of payments surplus and a debt service ratio of 1% of exports. However, despite this remarkable achievement, the economy remains vulnerable due to overreliance on diamond prices, the prolonged drought and rising unemployment figures especially among the young (SADCC Macro-Economic Survey: 1988, Saasa, 1988).

Lesotho and Swaziland's membership in the Rand Monetary Area has had major adverse consequences for the two economies. Both the Maloti and Lilangeni have collapsed appreciably along with the South African Rand to which they are pegged. Lesotho's economic position has been rendered worse by a worsening balance of payments position and a widening budget deficit. The consolation for Swaziland especially during 1986/87 was that GDP grew by 9% due mainly to the higher sugar output and an increase in the manufacturing value added (SADCC Macro-Economic Survey: 1986, Saasa: 1988).

Finally in Mozambique the economy continues to be in desperate straits owing mainly to the disruptive effect of rebel activity on the entire economy leading to a worsening of the Mozambique's trade deficit (SADCC Macro-Economic Survey: 1986, Saasa, 1988).

In the midst of the above country problems SADCC finds itself powerless and ineffectual as each member state sees itself confronted with specific problems arising from the peculiarities of the political and economic history of each member state. In the management of national economies member states focus their efforts upon the adjustment of their economies to the realities which confront them at the national level. Cooperation at the regional level remains elusive.

The consequences of disharmony regarding economic policies and instruments have had a particularly detrimental effect on projects in the promotion of cooperation in industrial projects. In terms of the 1981 Action Plan in the Memorandum for Industrial Cooperation the following five objectives were established:

- a) to reduce external dependence, nationally and regionally, on imports of industrial products and inputs from outside the region;
- b) in particular, the reduced dependence on the Republic of South Africa which is the largest single source of such products and inputs for five of the nine SADCC states and a significant one for two more;
- c) to increase the size (absolutely and relative to total national production) of the industrial sector, both nationally and regionally;
- d) to increase the scope and diversity of the industrial sectors of the member states and the region through increasing the range of final products, intermediate goods and capital goods produced;
- e) to increase the linkages within the national and regional industrial sectors to make particular industries and self-reliant and less dependent on raw materials, intermediate inputs and spares from outside the region. (SADCC, Industrial Cooperation: 1988).

In order to operationalise these objectives it was resolved that:

-the industrial coordination function should consist of three phases. Firstly, in the short term, SADCC should aim at greater utilisation of installed plant capacities such that supply gaps in other countries are filled. Secondly, in the medium term, it was

agreed that 'trade matching could be applied to projects already under implementation or planned which could have a national surplus to meet regional supply gaps. Such integration could be planned in advance and also modify priorities in national plans to take account of parallel projects, thus fostering specialisation.' Thirdly, in the long run, the SADCC Council of Ministers maintained that there is need to plan regionally - relevant investment decisions within the context of industrial complementarity and realisation of economies of scale. To achieve the above broad policy guideline, SADCC recognises that both the private and public enterprises that are involved in productive and commercial undertakings should be supported (Saasa: 1988).

It was further recognized that expansion in the industrial production had to go hand-in glove with intra-regional trade. In linking trade with industrial production it was thus stated:

—realisation that the regional market has to be accessible to regional producers in order to stimulate both regional production and investment—The priority, therefore, is fully to utilise the regional market as a basis for industrial development since—the development of modern industrial enterprises often requires the expenditure of large amounts of capital and the national markets of the SADCC member states are not of sufficient size to sustain these investments (SADCC Investment in Production: 1987).

A review of the SADCC performance in industrial cooperation reveals that the goal of harmonized industrial development is far from being attained. Oliver Saasa has thus observed:

—the current main pre-occupation of the SADCC industrial coordinating country has been project identification. As UNIDO

noted, 'the role of Tanzania is restricted mainly to project identification, largely through sub-sectoral studies. It does not cover harmonisation of industrial policies, legislation -and overall industrial promotion activities and machineries.' If this problem is not taken seriously under the current SADCC initiatives (started in 1986 focusing on harmonisation of SADCC investment policies and mechanisms), it will continue to lead to the development of industrial programmes that are isolated from each other. In the past, this has led to the absence of inter- and intra-sectoral linkages, duplication of industrial projects resulting in excess capacity and, thus, wastage of scarce regional resources, both human and material (Oliver Saasa: 1988).

The experience of SADCC regarding cooperation in industrial production and trade underlines the fundamental problem of Third World integration strategies.

The management of national economies in general and strategising in particular are not concerned with SADCC as a unit but rather at the improvement of each member state's standing in the regional and international division of labour.

President Masire of Botswana once urged that:

"we do not allow short-term national interests to interfere with achievement of regional goals which are essential to our survival -. Perhaps the most dangerous (of the forces which make cooperation difficult) is our own bad habit of seeing our development plans in isolation-. It is hard for us to think regionally" (SADCC Harare Summit Record: 1981, Anglin).

Despite moral exhortations such as the above by President Masire, national and competing interests and the failure to balance them continues to be a decisive contributing factor regarding lack of progress. At the end of the day as Cullen has observed:

These economies are - at very different levels of development with different levels of industrialisation, varying structures and political orientations. Economic policies in each of them are different, making the SADCC's tasks to coordinate regional trade and development policy all the more difficult. Policies which may be beneficial to an economy at one level of development may be detrimental to another. -(Cullen: 1986).

The Impact of TCNS

Contributing to the powerlessness of SADCC with regard to strategising for homogenized economic policies is the presence and impact of TNCS in the economies of member states.

TNCs participate in the SADCC economies with varying degrees of intensity and domination.

In Zambia, a recent study by the PTA has concluded that the strategic sectors of the economy are dominated by foreign private investment and that approximately over two thirds of capital investment is foreign owned (PTA-Study on the Feasibility of Eliminating Customs Duties: 1987).

According to Oliver Saasa, by 1979 South African investment in Zimbabwe was 479 million pounds and approximately one-quarter of the country's total capital was contributed by South Africa (Saasa: 1988). This is supported by Derrick Chitala's findings that:-

Most of the important industrial companies, though operating as separate managerial entities, have direct ties with South African corporations. For instance no less than five of Zimbabwe's top ten industries are either controlled by, or associated with, South African companies. These include Zimbabwe Breweries, Hippo Valley, Premier Portland Cement, Plate Glass and BAT. The biggest of these companies, Zimbabwe Breweries, also holds the key to the country's food and liquor industries and is the most ambitious hotel developer. Anglo-American is responsible for such key industries as steel (ZISCO), Coal (Hwange) and nickel (Trojan-Bindura), and has extensive interests in sugar, citrus and timber production - (Chitala: 1987).

Ownership	1979		1984	
	Firms	%	Firms	%
Batswana	15	17.0	32	15.3
Joint Venture	26	29.5	55	26.3
Foreign	47	53.4	122	58.4
Total	88	100.0	109	100.0

Note: The above data are based on data reported on manufacturing license applications held by the Ministry of Commerce and Industry. These statistics do not compare directly with data collected by the Central Statistics Office due to different reference periods and differences in industry classification.

Source: Ministry of Commerce and Industry, Gaborone, Botswana.

Much of the foreign investment in Botswana is South African and has been directed towards the mining sectors. Anglo-American in conjunction with Amax control the copper-nickel complex while De Beers plays a leading role in diamond mining. (Chitala: 1987).

In Swaziland, foreign investment is predominant in commercial agriculture (which is responsible for over 90% of total production), tourism and manufacturing. Regarding the manufacturing sector it has been reported that:

-The Swazi manufacturing industry is also dominated by foreign capital. 'The most active investor has been the emerging South African conglomerate, Kirsch Industries. This group dominates maize milling and maize production. It holds the profitable Mercedes-Benz and Nissan franchises in Swaziland; operates the country's largest trading wholesalers and hardware and agricultural stores; and owns 50% of the two largest shopping plazas, together with a number of other manufacturing and commercial interests' (Saasa: 1988).

The position in Lesotho is that the bulk of investment has been accounted for by international capital in manufacturing industries, prospecting, mining, banking, insurance, retail, wholesale and tourism.

The presence of TNCS in SADCC economies as indicated above, is part and parcel of the central pattern in the development of the world economy relating to the internationalization of capital and production. In this process the world economy is not a mere extension of national economies. Rather it acquires somewhat an independent presence which operates and impacts on national economies through structures such as TCNS in which economies and politics work symbiotically.

In an effort to improve their competitiveness, member states have sought to attract foreign investment. To this end several incentives have been extended to private investment. These have included liberal fiscal treatment such as tax holidays, refunds/drawbacks on import taxes and double taxation agreements. However due to an absence of a supranational mechanism to harmonize policies, national policies regarding incentives have degenerated into what Saasa has characterized as a war of incentives among themselves in their efforts.

By enacting an investment code, Zimbabwe has become the latest entrant into the beauty contest. Commenting on the code, Herbert Ushewokunze (Minister of State for Political Affairs) has stated:

—We have lifted the lid by inviting external investors.—
(The Citizen: 1989).

What are the implications of this trend towards internationalisation for national and regional decision-making? Internationalisation of finance, production and trade serves to reinforce dependence and to regidify the extant regional and international divisions of labour. As SADCC states are drawn further into the South African economy in particular and the world economy in general, they are forced to simultaneously pursue contradictory policies: they feel obliged to improve the competitiveness of their economies in regional trade on the one hand and at the same time they are forced to limit the negative repercussions of this process by placing curbs on multinational activity.

However as internationalisation is intensified, it becomes progressively more difficult for Third World economies to develop regional integrative schemes. The overall effect is to consolidate a strict hierarchical division of labour. The net effect is:

the attenuation of national and collective discretion in that - decisions and financing for many operations originate overseas so that effecting any political influence over them becomes difficult - (Cullen: 1986).

In any case in a context of national beauty contests for foreign investors, the mobility of TNCS is enhanced. Thus Cooper has observed:

-the consequences for regulation of enlarged mobility is similar to its consequences for market-oriented policies: the possibility of relocation outside the regulation jurisdiction may erode the effectiveness of regulation - Each jurisdiction can in principle apply regulations to activities within the jurisdiction whether the objects of regulation be goods, persons, firms or funds. Hence it can regulate the goods that residents consume at home, and it can regulate the production process located within the jurisdiction but it cannot regulate goods or services consumed abroad or productive processes abroad- Thus as mobility increases, an increasing portion of economic activity by the residents of any given jurisdiction may escape regulation by that jurisdiction (Cooper:1973).

SADCC appears to be conscious of the negative effect of an uncoordinated approach regarding incentives. In the aftermath of the compilation and publication of investment policies and mechanisms of SADCC countries in 1986, SADCC is reported to be examining the possibilities with a view to emphasizing strategies which are clearly beneficial for regional sustained development.

Whether or not harmonization of policy is feasible it is only time which will be final arbiter.

Conflicting, Overlapping and Exclusionary Trade Treaties

A major stumbling block to coordinated SADCC regional industrial and trade policy is the existence of overlapping and exclusionary trade treaties the principal ones being the Southern African Customs Union (SACU) and the Preferential Trade Treaty (PTA).

The Southern African Customs Union

The BLS membership in SACU imposes obligations upon the BLS countries which impede the operationalisation of SADCC objectives and entrenches the domination of South Africa thus perpetuating the contemporary negative division of labour.

The SACU treaty in its preamble sets out the SACU objectives as follows:

- a) Creation of a common customs area;
- b) Free interchange of goods and services between the member countries in the common customs area;
- c) Economic development of the common customs area as a whole, in particular, of the 'less advanced members' of the Customs Union and diversification of their economies;
- d) Sharing 'equitable benefits' among all members of the Customs Union.

Contrary to the above objectives the operational effect of several treaty provisions has been to establish and entrench a dominance-dependence relationship between South Africa on the hand and the BLS countries on the other.

The predominant position of South Africa is entrenched in Article 4 which provides that the laws relating to customs and excise duties shall be the

same in the member countries as are in force in South Africa from time to time. Goods which are grown, produced or manufactured in the Common Customs Area are subject to the same excise duties as are in force in South Africa and the same customs tariff and duties as are in force in South Africa are levied on goods imported from outside the CCA. Article 5 obliges South Africa to provide the other member states adequate opportunity for consultations prior to the imposition, amendment or abrogation of any customs duty with respect to goods imported into the Customs Common Area. Consultations are however not required before imposing, amending or abrogating any customs duty if it is either designed just as an interim measure to assist local industry in the Common Customs Area pending investigations by South Africa or is part of measures designed principally intended for fiscal purposes by South Africa.

Article 14 (7) obliges South Africa to consult the other member states before making changes in its fiscal arrangements if such changes are likely to have a substantial impact on the structure of taxation measures relating to the common revenue pool. However, in practice South Africa has as a matter of routine made changes in its fiscal structure without consulting the BLS countries.

Article 6 provides for a mechanism to secure protection for infant industry. In theory this Article should redress the imbalances that exist in industrial and economic development between the BLS countries and South Africa. The Common Customs Union is characterised by polarisation between South Africa as the industrial core and the rest of the CCA as the periphery. Article 6 is "designed" to stimulate industrial development and assist the establishment for new industries in the BLS countries.

Under article 6 a BLS country may impose additional duties on goods imported into its territory to protect infant industries from other manufacturers or products from within or without the Common Customs Area.

However, according to Umesh Kumar, Article 6 does not appear to have been:

- exploited by the BLS countries, with the exception of Botswana, which set up a brewery under the protection of this provision and levied additional duties of 50% and 100% respectively on imports of beer and soft drinks. It is believed that but for these, the brewery may not have been established (Kumar: 1988).

The SACU treaty under Article 7 provides a modality whereby a BLS country is permitted to specify industries which are or are likely to be of major importance to its economy and the duration of the protection designed. During the period specified for tariff protection the relevant customs duties on competing imports shall not be decreased or abolished by South Africa without the prior consent of the affected member state. The treaty requires that upon a request by the concerned country, South Africa shall give sympathetic consideration to increase the applicable customs duty on competing commodities or to lower or abolish custom duty on any material used directly in the production by the specified industry. Further under Article 9, if excise duties are payable on products of the specified industry, the protection afforded by customs duties cannot be changed during the designated period without the prior consent of the affected country.

Umesh Kumar has concluded that though impact assessment studies of Articles 6 and 7 on the industrialization of the BLS countries have not been carried out as yet, the consensus is that Article 6 and 7 have failed to counter the negative consequences of polarization. Kumar mentions three reasons for the failure (Kumar: 1988).

First he states that South Africa is "lukewarm" towards the industrialisation of the BLS countries. South Africa tolerates industrialization of the BLS countries if it is unlikely to disrupt the South African market position. The fertilizer factory in Swaziland and the motor vehicle assembly plant in Lesotho are given as examples. Both ventures were strongly opposed by South African based interests. Lesotho's assembly plant never saw the light of day and the fertilizer plant in Swaziland was in the end established but was burdened by extremely onerous requirements which finally led to its collapse. One of the stiff requirements was that the Swaziland factory had to procure some of its raw material requirements exclusively from South Africa.

Second Kumar refers to the decentralisation policy embarked upon by South Africa since 1982. Under decentralisation, generous incentives are made available to a so-called decentralizing industry. The decentralized strategy was designed to consolidate and prop up the TBVC homelands. The impact of decentralisation incentives has been to divert investments to the TBVC homelands. Kumar cites the example of Metalware Manufacturers which relocated from Mastapha Industrial Sites in Swaziland to Bophuthatswana leading to a loss of 135 jobs in Swaziland.

Lastly Kumar refers to the effect of Article 17 which provides a safeguard action in the event of products of a BLS based infant industry that enter South Africa in a way which causes or threatens serious injury to South Africa producers or manufacturers. According to Kumar:

Article 17 like Article 11, is not made subject to Article 6 and 7. And since almost any successful new industry in a BLS country is likely to be one which will either cause or threaten an established South Africa industry, Article 17 trap awaits in the wine. There is, of course, a requirement of consultation

in such a case but to us it seems inadequate—— (Kumar: 1988).

South Africa's power vis-a vis the BLS countries is further strengthened by Article 19 which governs agreements with non-members of the Union. This Article provides that the members may not enter into or amend a trade pact with a non-member in consequence of which concessions on tariffs in force within the customs area are granted, or if the pact contradicts the 1969 Agreement in any way unless the prior agreement of the other members of the Union has been obtained.

The PTA

The PTA was formally established at a summit meeting of Heads of State in Lusaka in December 1981.

At the December 1981 Lusaka Summit only nine states (Comoros, Djibouti, Ethiopia, Kenya, Malawi, Mauritius, Somali, Uganda and Zambia) signed the PTA treaty. Angola, Botswana, Lesotho, Swaziland and Zimbabwe attended the signing ceremony but did not sign. Madagascar, Mozambique, Seychelles and Tanzania did not show up at all. However Lesotho, Swaziland, Zimbabwe, Tanzania, Rwanda and Burundi signed later and thus bringing the total membership to fifteen. Those still holding out include Angola, Botswana, Madagascar, Mozambique and Seychelles.

The PTA Treaty devotes several protocols to the machinery geared to the development of regional integration. The Treaty through the protocols related to trade liberalisation lays down the procedure to be followed in the progression toward the ultimate goal of an economic community.

The key provisions regarding liberalisation are to be found in Articles 12, 13, 16 and 29. These articles incorporate the norms of openness, reciprocity and non-discrimination. Articles 13 and 16 specify the time-frame for the elimination of customs duties. Article 29 and paragraph 1 of Article 7 of Annex 1 stipulate that the programme for the progressive reduction and eventual elimination of customs duties should be finalised within a period of ten years after the definitive coming into force of the Treaty. The Treaty came into force on 30 September 1982 and therefore the projected date for the reduction of customs duties was the end of September 1992. The original deadline for the elimination of trade barriers has since been changed from 1982 to the year 2000.

According to the Treaty, the goods which qualify for reduction of duties must first be placed on the so-called common list and must satisfy the rules of origin especially the requirements that goods shall be accepted as having originated from a member state if they are shown to have been produced by enterprises which are subject to management by a majority of nationals and in which enterprises 51% of whose equity is held by nationals of the member states or by a Government or Governments of the member States or institutions, agencies, enterprises, or corporations of such Government or Governments.

Finally it is worth noting that the Treaty under Article 18 and Articles 4.5 and 8.1 of Annex 1 makes provision for the concept of most favoured nation treatment or norm of non-discrimination. The principle of non-discrimination requires that the importing country should treat all potential exporters equally. The Treaty does not prohibit any two or more PTA members from maintaining existing or entering into new preferential arrangements provided the goods concerned are not on the common list. Further the Treaty provides that member states are at liberty to maintain or conclude new preferential trade arrangements with third countries provided any prefer-

ences thereby granted are extended to the members states on a reciprocal basis and provided that such preferences are not in respect of products on the common list.

Bilateral Trading Arrangements

Several member states in the SADCC have entered into bilateral trading arrangements. Examples of such arrangements include the Botswana/Zimbabwe Agreement, Botswana/Malawi Agreement and the Tanzania/Mozambique (Ruvuma) Treaty.

The existence of a multiplicity of bilateral and multilateral trade liberalisation schemes with built-in exclusionary provisions creates at the very least potential areas of conflict and at worst inability for member states to fulfil their treaty obligations. For example the simultaneous membership of the BLS countries in both SACU and SADCC creates an institutional obstacle to their ability to fully implement the objectives of SADCC because while the institutional structure and operational effect of SACU entrenches BLS's economic dependence on South Africa on the other hand SADCC's fundamental commitment is the reduction of economic dependence on South Africa. South Africa and South African based TNCS have used the regime of the Custom Union to assert their superiority and to frustrate efforts of the BLS countries to develop and control an independent technological base (Takirambudde: 1987).

The PTA seeks under Article 30 to mediate the conflict between the PTA Treaty and SACU by incorporating a special protocol to cover the special position of the BLS countries.

Article 30 provides:

The member States agree that a protocol on the unique situation of Botswana, Lesotho and Swaziland within the context of the Preferential Trade Area to be annexed to this Treaty as Annex XII shall, taking into account their membership of the Southern African Customs Union, regulate such unique situation and the granting to Botswana, Lesotho and Swaziland of temporary exemptions from the full application of certain provisions of this Treaty.

The protocol in Annex XII, inter alia, grants to the BLS countries the PTA concessions on a non-reciprocal basis and it is provided that the Treaty will not affect decisions and obligations already in force under the Southern African Customs Union. For their part, the BLS countries undertake to restructure their economies and boost their trade with the PTA Member States (Annex XII - Protocol Relating to the unique situation of Botswana, Lesotho and Swaziland).

In consequence of the special protocol in favour of the BLS countries, Lesotho and Swaziland have since joined the PTA but Botswana continues to hold out.

The sticking point remains the membership of the three countries in the Southern African Customs Union. The PTA attempts to woo the BLS countries would appear to have failed. Granted that Swaziland and Lesotho have signed the Treaty but their membership remains purely symbolic and are regarded as "sleeping partners" in the PTA. It has been observed that in "cash terms, there is not much to encourage SACU members into PTA".

One is therefore left with a strong feeling that the prospects for the operationalisation of the provisions of the BLS Special Protocol and even more the accession by Botswana to the Treaty remain bleak

Bilateral trading arrangements have also in the recent past been a source of disharmony between SADCC states. In the Botswana and Zimbabwe trade controversy, concern was expressed regarding its impact on SADCC.

Botswana's position was that the spirit of SADCC obligated Zimbabwe not to impose barriers to Botswana's exports. Zimbabwe's response was in part based on the justification that Zimbabwe was obligated by the PTA Treaty provision regarding most favoured treatment not to grant to Botswana (a non-PTA Member State) preferences which were not made available to the other PTA Members States (Takirambudde: 1989).

Conclusion

During the last ten years, the black majority ruled states have pursued economic and diplomatic courses of action geared to reduction of dependence on South Africa in particular and the restructuring of the regional and international divisions of labour. The restructuring has been especially designed to entail a partial disengagement from South Africa and the increasing of trade and technological exchanges internal to SADCC. The restructuring exercise has however been bedevilled by several constraints. These have included major differences in the character of national economies and national strategies to development, the hegemonic position of South Africa within the SACU and that of the TNCS in SADCC economies.

The experience of the last ten years would appear to lead to the conclusion that a major contributing factor to lack of success has been the incompatibility of SADCC objectives and the strategies adopted to achieve them.

SADCC has opted for a non-conventional integration strategy by relying upon decentralised decision-making machinery [Cownie 1984] but it would be difficult to pursue a non-conventional intergration strategy coupled with the continued existence of exclusive and overlapping trade agreements on the one hand and at the same time muster collective central clout to offset market forces and effectively regulate TNCS (Gilpin: 1975). To date SADCC Member States have sought to eat their cake and have it at the same time.

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