New Regionalism in Southern Africa?
Between South African Hegemony and Globalisation

Le nouveau régionalisme en Afrique australe ? Entre hégémonie sud-africaine et globalisation
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Christopher Mulaudzi
NEW REGIONALISM IN SOUTHERN AFRICA?

Between South African hegemony and globalisation*

This article describes and explains the process of regionalism in Southern Africa. In doing so, it argues that although the new regionalism has come to mark the on-going regional integration process, traces of the old regionalism are still to be found at work in the region. The new regionalism expresses itself through the increasing role of multinational corporations and their investments in cross-border infrastructure development projects located in development corridors, a role previously played exclusively by the state. The new regionalism is expected to deepen the levels of integration in the region and lead to the birth of a common regional agenda that is likely to enable the region to effectively respond to the challenges posed by globalisation.

However, the pursuit of the interests of the South African state and its multinationals have often been found to be at variance with those of its neighbouring states, and this has created widespread resentment of what is perceived as South Africa’s intention to dominate the region.

* The Author writes in his personal capacity and views expressed here are not necessarily those of South African government.
The resurgence of regional economic integration in Africa is not entirely new and dates back to the 1958 All Africa’s conference in Ghana, where integration was mooted as the only economic strategy to reverse Africa’s mendicant relations with the West. As the global economies became interconnected through the process of globalisation, new, non-state actors became the dominant players in the process and gave birth to the concept known as ‘new’ regionalism. ‘Old’ regionalism, also known as ‘first wave’ regionalism, first emerged in the 1950s and stagnated in the 1970s. The old regionalism was introverted, and state driven. Thus, argues Hettne, being a state-driven process, it was imposed ‘from above’ and focused on economic and security imperatives and was dominated by states as main actors. The old regionalism failed due to the slowdown in Western European integration and Free Trade Areas in the Third World. Given its extroverted and inclusive nature, the new regionalism, in contrast, is driven not only by the state, but involves a large number of institutions, organisations and movements. Key actors in this new era include informal cross border traders and multinational corporations, which are increasingly viewed as key drivers for Africa’s economic development and closer regional cooperation and integration. Indeed, notes Shaw, literature on the new regionalism is rooted in the non-state or semi-state cases from the global South, such as export processing zones, growth triangles in Asia, development corridors in Southern Africa and Diasporas from the South in the North. It is worth noting that while elsewhere in the world regional integration stagnated in the 1970s and 1980s, this did not happen in Africa. The reason for this, argues Lee, was that the origins of regionalism in Africa were more political than economic, and were motivated by the desire by African leaders to liberate the continent from colonial and neo-colonial domination.

In Southern Africa, the Southern African Development Coordination Conference (SADCC), the precursor to the Southern African Development Community

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5 M.C. Lee, op cit.: 29.
6 The SADCC’s founding members were the heads of the independent states of Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe.
(SADC), with its emphasis on political and security cooperation over economic integration represents the ‘old regionalism’ since the state was a key player in the regional cooperation agenda. Some of the striking features of the old regionalism include import substitution on a regional scale, protectionism, collective self-reliance and the reduction of dependency and exclusiveness. In this context, the SADCC, which sought to stop economic dependence on South Africa, exemplifies the old regionalism. And while non state actors such as civil society were active in the region during the 1980s, they were collaborators in advancing the interests of their national governments. With respect to human interaction, argues Soderbaum, neighbouring states supported the South African liberation movement amid frenetic efforts by the apartheid regime to reverse this reality. Thus, the old regionalism in Southern Africa cannot be separated from the highly ideological climate dominated by the cold war and opposition to apartheid.

The transformation of the SADCC into SADC in 1992, and the latter’s emphasis on economic integration has seen the rise of the new regionalism in the region, which reflects a response to, and is consistent with the globalised nature of the world economy. The new regionalism is marked by more openness and interdependence both within the region and between the region and the outside world. This is exemplified by the leading role given to the private sector, mainly South African companies and civil society organisations in regional programmes such as infrastructure development, poverty alleviation and the fight against HIV and AIDS. Migration and increasing levels of informal cross border trade are some of the defining features and indicators of the predominance of the new regionalism in Southern Africa. The SADC Treaty commits the organisation to involving the peoples of the region and key stakeholders such as civil society, the private sector and other non-governmental organisations in determining the content and direction of regional cooperation and integration. In response to this, civil society organisations have created partnerships with SADC and continue to play a significant role in engaging regional leaders on key issues affecting the region such as HIV/AIDS and poverty alleviation. Governments have also signed agreements with the private sector, which continues to invest in sectors that were previously the preserve of the state, namely, road infrastructure, communications and energy.

Investments have been made in cross border initiatives such as the Lobito and Maputo Development Corridors, which confirms that the new regionalism has gained a foothold in the region. Other actors range from multilateral agencies such as the World Bank, and development agencies such as the PNUD and the UNAIDS have invested in regional integration and development in the region.

Despite these developments, and although non-state actors have come to play an increasingly significant role, SADC remains a statist organisation, in which the states still play an active role in determining the nature and scope of regional integration. This is partly due to the fact that regional leaders are reluctant to

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F. Soderbaum, ibid.

F. Soderbaum, ibid.: 45.

United Nations Development Programme (PNUD) and Joint United Nations Programme on HIV/AIDS (UNAIDS).
surrender some element of sovereignty to a common institution such as the SADC in shaping the direction of regionalism. Although market integration is the predominant strategy being implemented by the SADC, the organisation became conscious of the fact that market forces alone cannot effectively promote regional development. It thus adopted, in 1992, the strategy of ‘developmental integration’ which involves the state in spending on education and public health, two issues which could redress some of the main causes for the region’s inability to reap the rewards of globalisation. This, and the efforts of regional states to create alliances and pool resources with neighbours in order to effectively respond to the challenges posed by globalisation, inevitably locates the state at the centre of the regional integration agenda. The continuous involvement of the state in social development issues suggests that there is a blending of and co-existence of the ‘old’ and the ‘new’ forms of regionalism, which renders the distinctions between the two somewhat superficial in Southern Africa. The closing of Hyundai and Volvo plants in Botswana, owing to pressure from South Africa, illustrates this point, as does the violent xenophobic attacks on migrants who are perceived to be threatening the interest of locals.

The theme that runs through this discussion is that although it has at times been threatened by a number of challenges, the new regionalism, marked by the removal of obstacles to the free movements of goods labour and capital has deepened integration in the region and has placed Southern Africa in a better position to respond to the challenges posed by globalisation.

Regionalism and Globalisation in Southern Africa

Africa’s historical integration into the world economy and the accelerated globalisation of the world has had a negative impact on African states. This has resulted in the marginalization of the continent, as smaller and weaker states, producers of primary commodities which are subject to price fluctuations in the world markets, have been left without the influence to effectively engage with the globalisation process. And, as capital flows across national borders, more multinational companies have become more powerful, threatening the survival of the nation state in the developing world. In order to reverse this increasing marginalization, African states created regional trading blocks such as SADC, which are seen as vehicles through which to effectively advance Africa’s interests in international politics. As a result of the globalisation process, argues Ajulu, developing states, already on the defensive, have had to reinvent themselves and forge new alliances in order to fight for survival in the hostile environment dominated by multinational corporations and international financial institutions. This reconstituted state, or the ‘activist state’, which had to forge new alliances with transnational corporations and multilateral institutions of global and economic governance, is important in our understanding of the concept of new regionalism.

11 M.C. Lee, op cit.: 23.
In this context, the resurgence of new regionalism should be seen as a defensive state strategy, part of a wider strategy to respond to the challenge of globalisation. Southern African states, like their counterparts in other parts of Africa, lack the resources to deal with the challenge of globalisation on their own. As a result, they have had to pool their resources together in a regional economic community like SADC to enable them to collectively deal with the challenges of the global markets, and strengthen their bargaining power in world affairs.

The SADC’s blueprint for integration and economic development, the Regional Indicative Strategic Development Plan (RISDP), sees globalisation as providing major new opportunities for Southern Africa’s economic revival. In terms of this vision, the economic revolution marking the new millennium could provide the context and means for Africa’s rejuvenation. According to this vision, Africa has ‘no alternative’ but to integrate with the world’ economy. During the 2003 G8 summit in Evian, France, Michael Camdessus, the former IMF managing director, seemed to speak for many when he said:

“The African heads of state came to us with the conception that globalisation was not a curse for them… but rather the opposite […] you can’t believe how much of a difference this makes.”

According to the RISDP, the promotion of trade in a globalised world is seen as a catalyst for deeper regional cooperation and integration. Increased levels of intra-regional and world trade should also stimulate economic development and drastically reduce poverty in the region. The SADC’s vision dovetails with the World Bank’s one, which also argues that regional integration can contribute to poverty reduction by strengthening links between the poorest landlocked countries and their more prosperous neighbours and by helping establish the basis for faster economic growth. Indeed, the World Bank estimates that between forty and sixty per cent of world trade occurs within regional trading blocks. The Bank’s strategy is guided by principles of ‘open regionalism’, and sees participation of private sector and civil society as crucial for development.

In keeping with this trend, the new regionalism in Southern Africa has been expressed through higher levels of interaction and partnerships between the public and private sector, and the latter’s increasing prominence in determining the direction of regional integration in the region.

South African Multinationals and Regionalism in Southern Africa

The most pronounced economic realities in Southern Africa are South Africa’s economic hegemony and the unequal level of development among SADC member
states. South Africa is sub-Saharan Africa’s most industrialised country and generates seventy-one per cent of the SADC’s GNP\(^\text{17}\). Given these realities, the country has been overburdened with expectations that it would use its wealth and multinational corporations to lead the revival of Africa’s moribund economies and reverse the continent’s marginalization in international affairs. In response to these expectations, the ANC-led South African government has been at the forefront of efforts aimed at promoting economic development in the region and elsewhere in Africa. Eager to exploit Africa’s markets, South African multinational companies, with the support of the South African government, have played an increasingly significant role in promoting foreign direct investment in the region and elsewhere in Africa. These forays into African markets dovetail with, and are inspired by the Mbeki’s African Renaissance project which locates South African capital at the centre of as well as a catalyst for regional integration and economic growth\(^\text{18}\). And this has turned South African multinationals into formidable players in the advancement of the unfolding discourse of new regionalism in southern Africa.

For an appreciation of the role played by South African capital in promoting the new regionalism, it would be useful to provide a brief background and context for the country’s role in regional economic integration. In 1993, a few months before the ANC came to power, Nelson Mandela argued that a democratic South Africa would forge closer economic relations with other Southern African states in order to reverse South Africa’s economic domination of the region\(^\text{19}\). Since 1994, South African investors in SADC region have covered a broad and diverse spectrum of business activity; parastatals and private sector companies, and include small, medium and large enterprises. Notable investments have been made in energy projects such as the US$1.1 billion in Pande and Temane gas fields in Mozambique by South Africa’s fuel corporation (SASOL); $860 million in the expansion of the Mozal aluminium smelter project by BHP Billiton, the Independent Development Corporation (IDC) and Mitsubishi, millions were spent by mobile communications company Vodacom in Tanzania, etc.

In the energy sector, integration has also been expressed through the Southern African Power Pool, which seeks to integrate the power grids of Southern African states and distribute electricity to rural and underserved communities. A major component of the Power Pool is the rehabilitation of Mozambique’s Cahora Bassa hydroelectric dam on the Zambezi River, linking power lines between Mozambique, South Africa and Zimbabwe. The project involves the governments of Mozambique and South Africa and the electricity utility companies of the two countries, namely, South Africa’s ESKOM and Mozambique’s electricity producer, Hidroelectrica de Cahora Bassa\(^\text{20}\).

\(^{17}\) M.C. Lee, _op cit._: 62.


\(^{19}\) N. Mandela, “South Africa’s Future Foreign Policy”, _Foreign Affairs_, LXXII (5) 1993: 86.

However, the trade balance remains skewed in favour of South Africa\textsuperscript{21} and these disparities have made the initial optimism that South African investments would level the playing field in the region begin to wane, and in the process creating resentment for South Africa in some parts of the continent.

Mandela’s call received a further boost when, during the months leading up to the 1994 elections in South Africa, the ANC issued a policy statement that would later serve as a guide to South Africa’s post apartheid foreign policy in Africa. The statement is worth quoting as it enables us to understand the reason behind South Africa’s investments in Southern Africa:

“They region sustained us during our struggle and, with our own; its people’s blood was spilled to end apartheid. Our destiny is intertwined with the region’s; our peoples belong to each other [...] We are convinced that the long-term interests of the South African economy will best be served by an approach to regional cooperation and integration which seeks to promote balanced growth and development.”\textsuperscript{22}

The ANC statement is significant in one interesting way, among others. Southern African states, particularly Angola and Mozambique, suffered heavily from apartheid South Africa’s destabilisation campaigns when that country sought to eviscerate the liberation movements such as the ANC and SWAPO. The campaign included heavy bombardment, military invasion (in the case of Angola), and military support for rebel movements such as Resistência Nacional Moçambicana (Renamo) in Mozambique and União Nacional para Independência Total de Angola (UNITA) in Angola. This had a devastating impact on the regional economies, and the region continues to deal with the legacy of these conflicts. Thus, given these realities, it is perhaps not surprising, as suggested by Tevera and Chimowu, that South African investments in regional cross border initiatives such as the Maputo development Corridor provide the country with an ‘indirect sense of moral restitution’\textsuperscript{23}.

Since the assumption of political power by the ANC in 1994, South Africa’s African policy has coalesced around the notion of the ‘African Renaissance’. It suggested five areas of engagement with the African continent: the encouragement of cultural exchange; the emancipation of the African woman from patriarchy; the mobilisation of the youth; the broadening, deepening and sustaining democracy; and the initiation of sustainable economic development. Since then Mbeki has sought to place South Africa at the forefront of solving Africa’s problems through his advocacy of the renaissance concept. Indeed, one of the key elements of the renaissance concept is to deepen regional cooperation and integration aimed at reducing the disadvantages created by small markets\textsuperscript{24}.

Observers such as Vale and Maseko have noted that Mbeki’s vision of the Renaissance reflects a ‘globalist’ response to the continent’s problems:

\textsuperscript{21} D. Games, \textit{ibid.}: 12-13.
\textsuperscript{22} C.B. Thompson, “Regional Challenges to Globalisation: Perspectives from Southern Africa”, \textit{New Political Economy}, V (1) 2000: 44.
\textsuperscript{24} \textit{Ibid.}: 267.
"The African Renaissance suggests a continental effort led by South Africa to advance the familiar 'end of history' thesis [...] South Africa's African Renaissance is anchored in a chain of economics, which, with time, might become the African equivalent of the Asian Tigers [...] the East Asian economic miracle [...] has offered hope to the people of Africa [...] the African Renaissance posits Africa as an expanding and prosperous market alongside Asia, Europe and North America in which South African capital is destined to play a special role through the development of trade, strategic partnerships and the like in exchange for acting as the agent of globalisation, the continent will offer South Africa a preferential option on its traditionally promised largesse of oil, minerals and mining."

That Mbeki's vision of an African renaissance should be so regarded is indeed not surprising. This is because South Africa is the 'the closest thing Africa has to a superpower', and this has turned the country into the object of expectations of a more active role in solving the continent's problems. As one South African businessman noted, South African has an important role to play in investments in Africa because 'every continent needs an America'. Julius Nyerere, the former president of Tanzania, during his address to the South African parliament in 1997, called upon South Africans to 'take their responsibilities' and stop hiding behind false modesty as isolationism is an excuse for selfishness.

In response to these expectations, South Africa, especially under President Mbeki, has located itself as a key player and spokesperson for Africa in continental and world politics, particularly in multilateral institutions such as the UN, the WTO and the Commonwealth. NEPAD is one of the most innovative programmes initiated by former president Mr. Thabo Mbeki, along with the leaders of Algeria, Nigeria and Senegal. Some of the key programmes that exemplify the new regionalism: development corridors and the involvement of the private sectors in economic development have been incorporated into NEPAD.

But although the renaissance was enthusiastically received at home, it failed to find supporters elsewhere on the continent. The reasons for its frosty reception were among others, the following. Firstly, in a continent whose leaders are prone to 'petty jealousies and obscurantist inclinations', it was viewed as the creation of an idealistic and inexperienced leader who had yet to earn his credentials as a true African leader. Secondly, the more cynical saw in it an attempt by South Africa to impose its own hegemony on the continent. Thirdly, the renaissance concept is considered as an extension of and revival of Kwame Nkrumah's failed Pan-African dream. The romanticism of the African Renaissance, argue Alden and Le Pere, full of metaphors of 'revival and rebirth, and awakening,' has had to contend with other pressing realities that lie behind Africa's marginalization: war, conflict, HIV/AIDS, poverty, malnutrition, drought, and underdevelopment.

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28 P. Vale & S. Maseko, *op. cit.*: 283.
29 C. Alden & G. Le Pere, “South Africa’s Post-Apartheid Foreign Policy”, in W. Carlnaes &
Indeed, the energy invested by the South African government in NEPAD irritated other African leaders who resent(ed) the international attention paid to NEPAD in comparison to the African Union (AU). NEPAD’s flagship project, the African Peer Review Mechanism, is widely seen as borrowing heavily from conventional neoliberal economic and political orthodoxies that are unpopular in parts of Africa, and has yet to find universal acclaim and resonance across the continent. Indeed, NEPAD and AU have been criticised for duplication of projects and slow implementation, prompting the Senegalese president to withdraw from the NEPAD Steering Committee in March 2007. There are also accusations that Mbeki’s devotion to NEPAD has allowed it to become a rival to the AU. With Thabo Mbeki, the former South African president out of the political limelight, it remains to be seen how his successor and other African leaders will be willing to commit to the full implementation of NEPAD into the future.

Although the expansion of South African business into the African continent has inspired doubts about the country’s real intentions, and has not always resulted in impressive rates of economic development, Africa appears to have no alternative but to embrace South African capital as most Western multinationals have shown a wariness to invest in a continent often plagued by political instability. And as will be shown in the discussion on Mozambique, one of the striking outcomes of South African investments in the region has been to raise the confidence of that country as an ideal investment destination for Western multinational corporations.

There is considerable debate on the ‘hegemonic’ intentions of the South African government in Southern Africa. However, owing to constraints of space, this will not be discussed here.

Explaining South African Investments in Africa

Apart from the moral restitution narrative, a number of reasons have been given to explain South African investment in Africa. Other observers argue that the intentions of the South African government are not a selfless act aimed at uplifting the regional economy. McKinley, for example argues that by extending the mandate of state owned enterprises such as the IDC and the Development Bank of Southern Africa (DBSA), to fund


31 D.J. Myers, Regional Hegemons: Threat Perceptions and Strategic Response, Boulder, Westview, 1991. This author describes regional hegemons as ‘states which possess sufficient power to dominate subordinate state systems’. Hegemons aspire to lead, and are often endowed with military, economic, and other resources, and have a political and socioeconomic vision whose implementation they are prepared to underwrite.

32 Other observers as D.T. McKinley (“Commodifying Oppression: South African Foreign Policy towards Zimbabwe under Mbeki”, online <www.sarpn.org.za/documentsd000263.index.php>, March 2003, p. 4-9) and P. Bond (“The George Bush of Africa: Pretoria Chooses Sub imperialism”, online, <www.fpif.org/pdf/papers/04/07bushafrica.pdf>, 01 July 2004, p. 4-6), argue that the intentions of the South African government are not a selfless act aimed at uplifting the regional economy. McKinley, for example argues that by extending the mandate of state owned enterprises such as the IDC and the Development Bank of Southern Africa (DBSA), to fund
us to focus on the most compelling one. South Africa’s foreign policy in Africa is undoubtedly informed by its domestic realities. Despite being the regional economic powerhouse, the South African economy has lost more than one million jobs since 1994, while over 53 percent of its citizens live in poverty. South African policy-makers agree that South Africa cannot be an island of prosperity surrounded by a sea of poverty. According to this thesis, it is in South Africa’s interest to promote private sector investment and peace in Southern Africa since an economically prosperous Africa would result in the reduction of illegal immigration to South Africa. South Africa, it is argued, ‘cannot prosper in isolation from its sister countries, particularly in the neighbourhood’.

The creation of the SADC Free Trade Area in August 2008, if implemented successfully, will be of great benefit to the region, especially in view of the failure of market integration elsewhere in Africa. And although South Africa as the economic giant is likely to benefit the most from deeper integration, there continues to be a great potential for a mutually beneficial form of regionalism in the region.

However, for some Africans, the march southward in search of a better life in South Africa, which is seen as a ‘veritable paradise […] the place to be’ has not brought the much expected prosperity. Instead, notes Vale, most African migrants in South Africa have been subjected to a regime of ‘violent othering’. The level of brutality visited upon black African immigrants has often been reminiscent of the worst excesses of the country’s apartheid past. The following story is instructive.
“In September 1998, three migrants to South Africa were savaged by a mob on a train: one, a Mozambican, was thrown out of the train while the other two, both Senegalese citizens, were electrocuted as they climbed on the roof trying to escape the crowd. This violence was visited by members of a crowd who had gathered in Pretoria to protest under the banner of an organisation called ‘Unemployed Masses of South Africa’...”

In October 1998, 18 people suffocated in an unventilated container in which they were travelling to South Africa. Each had paid R200 to the smugglers. In the same month, another Mozambican immigrant was killed and eaten by wild animals while crossing the border between South Africa and Mozambique. As the rate of unemployment rises in South Africa, more migrants have been victimised for ‘taking’ jobs from locals, resulting in high levels of xenophobia. In the recent outbreak of such attacks in May 2008, over 53 Africans, including South Africans died in parts of South Africa. Here, the free movement of people, which is one of the hallmarks of the new regionalism, appears to be under threat from the efforts of individuals who feel that the inclusive nature of the new regionalism through human integration poses a threat to their survival.

The Old and the New regionalism Collide in Botswana

In stark contrast to old regionalism, the new regionalism fully embraces globalisation as it encourages factors of production to move to places where an enabling environment for investment exists. However, the behaviour of the South African government has at times served as a stark reminder that the differences between the two forms of regionalism are superficial. The following example is instructive as an illustration of what can be interpreted as a tendency to perpetuate the region’s economic dependence on South Africa.

In what Good and Hughes call a ‘classical globalisation’ scenario, namely an enabling environment, strong currency, lack of foreign exchange restrictions, tax holidays and the country’s political and social stability, Hyundai and Volvo established car assembly plants in Gaborone, Botswana in the early 1990s. The two companies were also motivated by their proximity to the South African market across the border. However in 1999, after operating for six years in that country, the two car manufacturers were forced to close their assembly plants and relocate to Pretoria amid pressure from the South African government and the trade union movements who feared that the entire South African motor industry could also relocate to Botswana where labour was relatively cheap, skilled and unorganised.


40 P. Vale, *ibid.:* 8-9.

South Africa facilitated the relocation of the two motor assembly plants through a combination of tariff barriers that made it almost impossible for the smaller operations to export their cars to South Africa. South Africa’s resentment to ‘peripheral development’ in Gaborone resulted in the loss of 450 jobs. The closure happened beside claims by the then South Africa’s Trade and Industry minister, Alec Erwin’s assertion that ‘it is in our interest that our neighbours begin to industrialise and grow’. South Africa is obviously caught between the pursuit of its national interest and the attempt to promote regional development and industrialisation. Stoneman’s observation that ‘it is unrealistic to expect nations […] to behave altruistically’ certainly finds some resonance here. An astonishing feature of South Africa’s action was that while successful undermining industrialisation ventures in Botswana, it has continued to invest in heavy infrastructure and iron smelting plants in Maputo. These contradictions, argues Simon, are a reflection of the long historical and contemporary importance of Mozambique as an export route for South African industry, which requires good industrial infrastructure. Maputo also offers cheaper use of gas resources, land and labour. Mozambique is also a large source of legal and illegal immigration to South Africa, a phenomenon the South Africans hope to curb through their investments and employment creation in Mozambique. Botswana on the other hand is a minor source of migration and its motor industry poses a direct threat to South Africa’s manufacturing industry.

The example discussed in the preceding paragraph suggests that the rhetoric of ‘new regionalism’ and development through cooperation needs to be treated with caution. Perceived national self-interest is still the driving force and determinant of state behaviour. In this sense, there appears to be very little to distinguish between the ‘new’ from the ‘old’ regionalism.

Regional Development Corridors

Development Corridors, which are focal points for regional development initiatives in Southern Africa, constitute one of the key indicators of the new regionalism in the region. Originally based on SADCC plans to develop and upgrade infrastructure projects such as roads, corridors are considered to be significant catalysts for the achievement of SADC’s economic goals, especially the creation of efficient transport links to the sea. The implementation of some of the development corridors also forms part of the NEPAD short-term action Plan as they are considered essential to overcoming the fragmentation of the African markets. The most sig-

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45 D. Simon, *ibid*: 78.
significant aspect of development corridors, which resonates with the concept of new regionalism, is the introduction of the concept of Private Public Partnerships, which has seen the increased involvement of the private sector in developing regional infrastructure such as roads and railway lines, a role previously played by the state. Over twelve projects have been identified as corridors that create road and rail links with other countries in the region. Some of the most notable projects include the North-south Corridor, which links South Africa to countries to its north, and is by far the most extensive and busiest regional transit link in Southern Africa. Also known as the Durban Corridor, it links eight countries with the Durban harbour in South Africa and with other regional corridors: the Trans-Kalahari, Beira, Lobito in Angola, Tazara and Nacala corridors. The North-South corridor is considered one of the most critical corridors as it links a number of countries with the port of Durban, which is the largest trading partner for most countries in the region. The corridors are at different stages of development, and due to space constraints, only some of those involving lusophone countries, namely, the Maputo and Lobito Development Corridors are discussed briefly in this article.

The Maputo Development Corridor (MDC) is the most prominent spatial development initiative in Southern Africa. The corridor, conceptualised by the Mozambican and South African governments, involves the rehabilitation of road and rail links between Maputo and South Africa’s economic heartland of Johannesburg, Gauteng. Designed as a mixed industrial and agro tourism project, the MDC will, according to South Africa’s Department of Trade and Industry (DTI), eventually benefit South Africa, Mozambique, Swaziland, Botswana and Zimbabwe. However, thus far the benefits have been primarily confined to South Africa and Mozambique – and primarily the former. South African interests in the project are twofold. First, South Africa wants access to the port of Maputo, which is closer to Johannesburg than Durban. Second, and perhaps more important, Pretoria is keen to boost the development of the economically marginal and impoverished Mpumalanga province, which borders on Mozambique.

The dominant neoclassical paradigm, supported by the World Bank and some western governments holds that large developmental projects such as the MDC will benefit local communities. However, the radical political economy thesis challenges the conventional wisdom that large projects necessarily bring with them socio-economic and environmental benefits for affected communities. In the context of this debate, it is noteworthy that the MDC has not benefited poor communities in its vicinity. By imposing new social and infrastructural costs on what was once provided free of charge, the corridor has actually increased the cost of living of ordinary people in both countries. The MDC has also not succeeded significantly in creating jobs. Thus far, an investment of R67 billion has generated only 63 000 jobs – translating into a cost of R1 million per job. This is not

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sustainable or replicable by other SADC member states. Thus this highly intensive development strategy may not be suitable for regional economies whose factor endowments are cheap labour and raw materials. Whether the MDC will contribute to SADC’s objectives of regional economic co-operation and integration on the basis of “balance, equity and mutual benefit” remains to be seen. The project does seem to resonate with SADC’s aim of moving towards regional cooperation in all economic sectors as well as the free movement of factors of production, trade and investment across natural borders. While the MDC was conceptualised and implemented outside the SADC framework, the organisation has since adopted the project as a model for future regional transport corridors. While this project has brought Mozambique and South Africa closer together, there are fears that projects like these could undermine regional unity as they introduce subregions and microregions within broader ones. It has been argued that while development corridors may reduce spatial imbalances in relatively developed states such as South Africa, they may have a polarising effect on less developed countries such as Mozambique. There have been complaints of southern domination because more that 70% of industrial activity in Mozambique is already confined to the Beira and Maputo regions.

The Lobito Development Corridor, also known as the Benguela Corridor, is centred on the rehabilitation of the Benguela railway line linking the Zambian copper belt, the DRC and the port of Lobito in Angola, which is an important outlet to the Atlantic Ocean. Other aspects of the project involve the removal of mines along the corridor, rebuilding bridges destroyed during the Angolan civil war, as well as road links to the DRC, Zambia and Namibia to the south. Situated along areas with rich agricultural and mineral resources, the project intends to create jobs through the revival of farming activities and start producing produce, which Angola used to export before the outbreak of the civil war, namely maize, coffee, sisal and tropical fruits. The project has since the cessation of hostilities in 2002, received enthusiastic support from the Angolan government which estimates that the project could benefit at least forty per cent of its population. Over 1304 kilometres of the corridor are inside Angolan borders, while 755 kilometres pass through the DRC mining province of Katanga and the remaining 90 kilometres stretch is on Zambian soil. The implementation of the project was affected by the Angolan civil war in the 1980s and today is threatened by the lack of commitment by the DRC and Zambia and the ‘inertia’ and ‘the wait and see attitude of potential financiers’. It is difficult to tell how much the entire project will cost, but a feasibility study conducted by the SADCC in 1987 estimated that the projects would cost US$575 million over a three phased implementation programme over a ten-year period. The delay in the implementation of the Lobito Corridor is instructive and stands in total contrast to the Maputo Development Corridor. It also shows that projects of a bilateral nature, such as the Maputo Corridor,
particularly when they serve the national interests of a wealthy neighbour such as South Africa, are relatively easier and quicker to implement than those involving more than two countries with limited sources of funding.

**South Africa and Mozambique, models for the new regionalism?**

The economies of Mozambique and South Africa are the most integrated in the region. The two countries have been linked through migration, transport and culture, with Mozambican constituting a significant proportion of mineworkers on South Africa’s mines since the late nineteenth century. Since the end of the Mozambican civil war and South Africa's transition to democracy in 1994, relations between the two countries have grown considerably in all fields, but mainly in the area of economic cooperation and investment. In 2002, Mozambique had overtaken Zimbabwe as South Africa’s largest trading partner on the African continent. During that year, South Africa accounted for twenty-seven percent of Mozambique’s imports. In 2004, thirteen percent of South Africa’s overall exports to Africa went to Mozambique. High levels of political coordination exist between the two countries, and are reflected in bilateral agreements such as the Joint Permanent Commission for Cooperation of 1994 and the Heads of state Economic bilateral Forum established in 1997 with the intention of overseeing the implementation of strategic projects between the two countries. Under these agreements, Ministers and high level officials from both countries meet quarterly to discuss strategic bilateral projects. These have also been made possible by the warm personal relations between the former presidents of the two countries, Thabo Mbeki and Joachim Chissano.

The role of South African capital and the high levels of informal cross border trade and migration between the two countries represent the most recognisable example(s) of the new regionalism in Southern Africa. It is also striking that the most significant outcome of South African capital has been the industrialisation of the Mozambican economy. Once dominated by agriculture and the service sector, the Mozambican economy has been transformed significantly, and industry now accounts for over 34,3 percent of the country’s GDP. Between 1994 and 2001, South African investments in Mozambique reached a total of US$ 4,6 billion. The two governments have also signed a Memorandum of Understanding to build a US$1,3 billion hydroelectric dam in the Zambezi valley. The Mozal aluminium smelter in Mozambique and the Pande and Temane gas supplying gas from Mozambique to Secunda in South Africa through a 865 kilometres pipeline, already discussed elsewhere in this paper, are the largest investment ventures in the country since it gained independence from Portugal in 1975.

The free movement of capital between Mozambique and South Africa is complemented by ‘human integration’, often expressed through south Africa’s enactment after 1994, of legislation and bilateral agreements aimed at helping Mozambican migrants and refugees become permanent residents in South Africa. The 2003 labour migration agreement between the two countries offered legal protection to 72 000 legal migrant Mozambican workers – including 60 000 mineworkers.

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51 A. Conchiglia, *op. cit.*: 48.

52 A. Conchiglia, *op. cit.*: 247-248.
and 12,000 farm workers in South Africa. The excellent relations between the two countries, and the seamless integration of Mozambican citizens into South African society, provide an exceptional case of integration, which is yet to be seen elsewhere in the region. However, the xenophobic attacks on several Mozambicans migrants in South Africa, both in the 1990s and during the May 2008 outbreak of such violence, represent a negative aspect of the integration process.

One of the most notable outcomes of South African investments in Mozambique, apart from the reduction in Mozambique trade deficit, has been to inspire confidence among other foreign investors in Mozambique as a safe investment destination. In 2002, the high levels of FDI (foreign direct investment) flows into Mozambique were to ensure that the proportion of private investment in the country’s economy was higher than that of public investment, although foreign aid still accounted for forty-eight percent of the country’s national budget in 2004.

Viewed from this perspective, the excellent bilateral relations between Mozambique and South Africa represent the best and advanced form of economic integration not found anywhere in the region, and if replicated elsewhere with the same kind of dynamism and efficiency, could stimulate economic growth in the region. However, regional integration remains a politically driven agenda, decided by politicians and not by civil society organisations. The disjuncture between what is of interest to and professed by politicians on the one hand, and what is of interest to ordinary people on the other, calls into question the potential benefit for ordinary people, of elite driven projects such as the Maputo Development Corridor. Incidents such as xenophobic attacks in South Africa not only constitute an unwelcome distraction to the elite-driven integration process but also serve as a reminder that ordinary citizens do not share the vision of their leaders.

**South Africa and Angola, challenges and prospects for a strategic partnership**

As will be shown now, South Africa is yet to reach such levels of integration with Angola, the other Lusophone regional neighbour to the North West.

Angola, a key member of SADC since its inception, is sub-Saharan Africa’s second-largest oil producer after Nigeria and has experienced impressive rates of economic growth since the end of civil war in 2002. According to the IMF, Angola’s economy is expected to grow by 15-20 per cent per year for the next decade and beyond, while its GDP was estimated to be at US$ 61.33 billion in 2007, one of the largest in the region after South Africa. Blessed with vast natural and mineral resources, the country has the potential to be one of the regional powerhouses in the region, and has at times been prone to seeing itself as such. Angola has played a decisive role in promoting its own interests and those of its allies in the Great Lakes region. Two noteworthy examples are, first;
Angola’s successful military forays in Congo-Brazzaville in 1997-98 in support of Denis Sassou-Nguesso, an ally of president Dos Santos, against the elected president Pascal Lissouba, whose close ties with and support for UNITA rebels posed a threat to stability in Angola. The second example was Angola’s intervention in the DRC in support of president Kabila’s government. The DRC intervention was motivated by the MPLA government’s determination to disrupt UNITA operations and diamond smuggling routes in [through] Southern Congo. Although as well as the country’s economic potential, led some among the Angolan elite to boast about the ‘superiority’ of their country, an implication that unlike other poorer nations in the region, Angola does not need South African capital to revive its economy.

Despite these subtle tensions, the Angolan elites agree that South Africa, given its resources the country has comparative advantage of being a key player in the country’s reconstruction. After the official visit by then Deputy President Jacob Zuma to Luanda in 2004, relations between the two countries improved and there has been a steady increase in the number of Angolan students studying in South Africa, especially after the promise that the South African government would provide scholarships to Angolan students in South Africa. South African construction companies have been involved in construction projects worth over US$ 450 million, and South Africa is the third largest exporter to Angola after Portugal and the United States.

However, despite these developments, and the history of MPLA government support for the ANC during the liberation war, the levels of integration between the two countries, both economically and politically are somewhat low. The reasons for this, which are speculative, are the following: first unlike in Mozambique, the two former South African leaders, Mandela and Mbeki, did not have strong personal relations with Eduardo dos Santos, the Angolan leader on the same scale that they had with the leaders of Mozambique. Second, Angola, unlike Mozambique, does not share a common border with South Africa, which has prevented the birth of strong ‘cultural’ ties and the levels of human integration that exist between South Africa and some of its immediate neighbours. Linked to this is the fact that Angola has forged closer ties with Brazil, China and Portugal, and has not focused entirely on South Africa for foreign direct investment. For example, in 2004, China’s Eximbank approved a $2 billion loan for Angola’s reconstruction at an interest rate of 1.5 per cent over seventeen years in return for guaranteed supplies of oil. A further $2.5 billion was being negotiated in 2006-2007, thus making China the most influential foreign player in the Angolan economy. South Africa does not offer the kinds of incentives that the Chinese are

57 Ibid.: 244.
58 Ibid.: 241. It took Nelson Mandela four years to visit Angola after the ANC came to power in 1994. Some in Angola saw this delayed visit as an insult to a country that had sacrificed so much for the liberation of South Africa.
able to provide. Angola has also become China’s biggest supplier of oil\textsuperscript{59}. With a generous and powerful friend in China, Angola, unlike some of its poorer neighbours in Southern Africa is in a stronger position to ignore the role that a middle power like South African could play in its economic revival.

Other factors have also conspired to prevent Pretoria from playing an active role in the reconstruction of Angola. The change in political leadership in South Africa did not immediately end UNITA’s relations with some powerful figures in South Africa. After the signing of the Lusaka Accord between UNITA and the MPLA in 1994, the Fowler Commission on the violation of UN Security Council sanctions against UNITA, found that there was evidence of ‘significant support provided to UNITA by individual arms and diamond dealers operating from South Africa. Although a crackdown by the South African government forced some of the individuals to relocate to other countries, this did nothing to convince the Angolan elite that South Africa had the will to halt the transfers of military equipment to UNITA\textsuperscript{60}. South Africa’s failed attempt to mediate in the Angolan civil war, and Savimbi’s visit to South Africa in 1999, earned South Africa a stern rebuke from Angolan elites who resented what they saw as South Africa’s ‘interference’ in the Angolan crisis and called for the UN to be the only valid and authorised mediator in the conflict\textsuperscript{61}.

It is widely believed that regional integration works best if it has more than one champion. And since South Africa has shown a wariness to play an assertive ‘hegemonic’ role in driving integration, Angola, given its massive resources and economic potential, could play a decisive role alongside South Africa in deepening regional integration in the region. And Angolan elites admit that a strategic partnership between the two countries would be a great benefit to their country and the region. Said, Lopo de Nascimento, the former Angolan prime minister:

“I think Angola and South Africa could have played the same sort of role as motors of the community of Southern Africa, as France and Germany did in forging the European Union.”\textsuperscript{62}

However, in order to be able to play this role, Angola has to contend with a number of challenges such as underdevelopment, poor governance and widespread corruption, which are some of the deterrents to foreign investment in that country\textsuperscript{63}.


\textsuperscript{60} A. Conchiglia, \textit{op. cit.}: 239 and <www.un.org/News/dh/latest/angolareport_eng.htm>. De Beers, the South African diamond conglomerate, continued to buy diamonds mined by UNITA in violation of the 1993 UN embargo. Some in the Angolan government argued that South Africa’s perceived failure to halt UNITA’s diamond smuggling showed its lack of commitment to the UN embargo. Relations took another dive after South Africa’s failure to involve Angola when the former took over the role of mediator for the civil strife in the DRC.

\textsuperscript{61} \textit{Ibid.}: 240. The Angolan leaders also saw South Africa’s attempt to bring Savimbi to the negotiation table as an attempt by South Africa to impose its idealistic model of promoting peace through negotiation and compromise as a paternalistic attempt to resolve through negotiation, a conflict which in their view had become a military rather than a political one.

\textsuperscript{62} A. Conchiglia, \textit{op. cit.}: 246.

\textsuperscript{63} \textit{Ibid.}: 244-245. R. Dowden, \textit{Africa, Altered States, Ordinary Miracles}, Portobello Books, London,
The legacy of Southern Africa’s violent past continues to influence the nature of regionalism and state-to-state relations in the region. However, since events in one country can have a profound impact on its neighbours, the Southern African states have no option but to strengthen the ties that bind them. However, the unquestioning acceptance of market integration as the only suitable model for a region marked by high levels of underdevelopment carries the potential to perpetuate levels of the economic asymmetries that dominate the region. And this poses the question whether regional elites are willing to pursue the other strategy adopted by SADC, namely developmental integration, which, if pursued in practice, will place the state as the key player in eliminating some of the key impediments to regional development and integration, namely, the high levels of economic inequalities among countries in the region. And the extent to the region is likely to adopt a model which is informed by these realities remains to be seen.

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Southern Africa has interacted with global forces for centuries, and today trade has influenced the nature of regionalism in the region. In order to effectively respond to the impact of such forces on the region, states have had to create partnerships with local and global non-state actors and with their neighbours and put in place innovative measures that will turn them into key players in the process of globalisation. The challenges of disease, poverty, and underdevelopment in the region have conspired to ensure that the state remains a key actor in the process of regionalism in Southern Africa. Tackling these challenges will be critical in the region’s attempt to integrate itself into the world economy. This paper has also illustrated that despite challenges posed by small markets and trade imbalances in favour of the most developed country in the region, the consequences of non-integration – in the spirit of the old regionalism – are likely to be dire. Seen from this perspective, the new regionalism appears to have reached an irreversible stage of development in the region. Southern Africa is likely to reach higher levels of economic development if regional elites create conditions that are suitable for non-state actors from the region and elsewhere, to play an increasing role in deepening integration. The creation of a partnership between states such as Angola and South Africa will go a long way towards the realisation of this goal.

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Christopher MULAUDZI
South Africa Government
Department of Social Development

2008: 220, argues that in the Human Development Index, Angola is placed 161 out of 177 countries, and this is not improving.