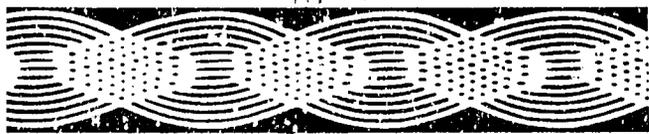


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Southern Africa: toward economic liberation

A Strategy Paper

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SECOND SOUTHERN AFRICAN DEVELOPMENT COORDINATION CONFERENCE
Segunda Conferência para a Coordenação do Desenvolvimento na África Austral
Conferência do Maputo 27-28 de Novembro de 1980

Southern Africa: toward economic liberation

A Strategy Paper



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SOUTHERN AFRICA:

TOWARD ECONOMIC LIBERATION

THE STRATEGY

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I

AIMS AND ACTION

1. In the Lusaka Declaration of April 1980 - "Southern Africa: Toward Economic Liberation" - the Heads of Government of the nine member States of the Southern African Development Co-ordination Conference committed themselves and their Governments "to pursue policies aimed at the economic liberation and integrated development of our national economies..." That Declaration was offered "to our own peoples, to the peoples and governments of the many countries who are interested in promoting popular welfare, justice and peace in Southern Africa and to the international agencies who share this interest."
2. The Lusaka Declaration marked the formal commitment of the majority-ruled governments of the region to Southern African Development Co-ordination and to a set of strategic goals. These include:
 - i. reduction of external dependence and in particular dependence on the Republic of South Africa;
 - ii. creation of operational and equitable regional integration;
 - iii. mobilisation of domestic and regional resources to carry out national, interstate and regional policies to reduce dependence and build genuine regional coordination;
 - iv. joint action to secure international understanding of, and practical support for, the SADCC strategy.
3. The Declaration stressed the importance of national and regional integration as a necessity for development aimed at meeting the basic needs of the peoples of the member states. It equally stressed the need to concentrate on practical actions to achieve progress in areas of mutual interest among two or more member states. The strategy is one of coordination, harmonisation and selective integration, not of supranationalism, extensive institution building or creation of a standard free trade area.

4. The Lusaka Declaration marked the end of the beginning - there had been a series of meetings including one with potential cooperating governments and agencies at Arusha in July 1979. It also marked a beginning toward developing the practical projects and policies stressed in the Declaration. Since Lusaka there have been a number of sectoral meetings at official level - particularly in Transport and Communications and in Manpower Development as well as a series of sectoral studies and proposals by particular states designated to undertake initial explorations in these sectors. The work of these meetings and groups was reviewed by the SADCC States at a Ministerial meeting held in Salisbury in 1980. Further steps were agreed and set out in that meeting's communique. Among them was the convening in November, 1980 in Maputo of a conference with governments and institutions capable of supporting the SADCC initiatives - initially particularly in the field of Transport and Communication.

II

THE SECTORAL STRATEGIES

5. The priority sector - as set out in the Lusaka Declaration in "Toward Economic Liberation" - is transport and communication. This is because:
- i. without better communication within and among the member states both national and regional development are severely constrained. This is generally true whether in respect of mineral development for export or of food production and storage for national and regional food security;
 - ii. because six of the SADC states are landlocked, transportation for them necessarily has critical multi-state coordination aspects;
 - iii. regional fragmentation of transport and communications and their incorporation into the Republic of South Africa's transport and communications network has been and remains the key factor in national and regional dependence on the Republic of South Africa and one which that country seeks to strengthen and expand;
 - iv. Multistate and regional transport and communications projects - even excluding the Trans Kalahari Railway - are likely to cost about \$ 2,000 million during the current decade, by far the largest single sectoral requirement for SADCC investment.
6. Therefore, the most advanced institutional structures and the bulk of the fully articulated project proposals to date are in this sector.

7. However, Southern African Development Coordination is not seen as a single sector strategy concentrating solely on physical infrastructure. Transport and communications have first priority because they are critical to integration in other sectors.

These include agriculture with emphasis on food security, livestock disease control, soil conservation and land use and crop research for the semi-arid tropics. They also include strategies for energy, production and conservation, and industrial harmonisation leading to enhanced intraregional trade in manufactures.

8. At some stage in the development of regional cooperation, a financial institution for mobilising and channelling funds and for carrying out evaluations and sectoral studies may become necessary. A further important priority is cooperation in manpower development initially based on wider regional knowledge and use of the stronger national institutions in specialised fields.

III

TRANSPORT AND COMMUNICATIONS

9. A major proportion of the practical work since the Lusaka Summit has been in the transport and communications sector. Two regional meetings of senior officials have been held. An interstate Commission with ministerial and official committees and a secretariat has been created and its Convention is in the process of ratification by member states. A list of priority projects has been agreed regionally within the Commission and endorsed at the Salisbury Ministerial Meeting. These projects are being elaborated into the form of proposals for submission to external financing bodies.
10. The order of priority in the sector is:
- i. rehabilitation of all existing transport and communication facilities including the major interstate rail links;
 - ii. establishment of telecommunications links and civil aviation infrastructures;
 - iii. new road, rail, air and lake transport systems for which feasibility studies are already completed;
 - iv. feasibility studies for further major regional road, rail, internal marine, air and ocean shipping facilities.
11. Within that framework, lists are being prepared for the Maputo Conference with preliminary costings, of projects necessary to create an effective network of transport and communication routes

for the achievement of the objectives of the SADCC. In addition the Commission and the member states have addressed themselves to coordinating traffic flows in order to utilise existing routes more effectively and have held several bilateral and multilateral meetings to that end among themselves and with Zaire.

IV

AGRICULTURE

12. Agriculture is primarily a national responsibility. However, specific areas have been identified in which gains can be achieved by regional coordination. One project has already been formulated and technical conferences for additional discussion and project formulation have been scheduled.
13. A particular strain of foot and mouth disease (SAT 2) is reaching or threatens to reach epidemic proportions in several SADCC member states with severe effect on their rural incomes and exports - especially in the case of Botswana. The only laboratory producing vaccine effective against this strain is in Botswana. The only way to control and end outbreaks is by joint action among affected states. A detailed proposal for a study to articulate and cost a regional control programme including expansion of vaccine production has been prepared by Botswana, and submitted to EEC. In addition Veterinary officials will meet to explore possibilities and requirements for coordinated regional action against other animal diseases.
14. Most of the region lies in the semi-arid tropics. Basic research and experimentation in surmounting the difficulties posed by this ecology is limited globally and particularly in Southern Africa. Botswana, on behalf of the nine member states, has addressed a formal request to the International Crops Research Institute on Agriculture in the Semi-Arid Tropics (ICRISAT) to establish a sub-centre in the region. As a first step ICRISAT has been asked to send a team to work out the requirements and initial programme priorities for such a centre.
15. Food security is of central concern to all member states. Most have significant deficits in supply of one or more basic foods and several are heavily dependent on food imports. A preliminary study by Zimbabwe has identified several areas for coordinated action in this field - technical data exchange, development of national and regional statistical data banks and of an early warning system, coordination of national and regional food plans and resources as well as joint action by member states in respect of food import

procurement including food aid. A technical conference to provide additional national data and to articulate action projects in these areas is being convened by Zimbabwe.

16. The same meeting will address itself to examining the need and possible programmes for a regional soil conservation and land utilisation body. The existing technical organisation is based in and dominated by the Republic of South Africa and does not include some of the SADC States. There is a felt need for an independent Southern African focussed initiative.

V

ENERGY

17. Energy represents a major constraint on development for several countries in the region whose petroleum, plus in three cases electricity, import bills exceed 25% of exports (50% in at least one case). At the same time it represents a major possibility for development through coal, natural gas and petroleum exports for a majority of the member states.
18. There appear to be significant opportunities for coordination here. There are significant real and potential electricity surpluses which may be usable to reduce regional energy imports. Large-scale coal production for export in Botswana, Swaziland, Zimbabwe, Mozambique and - potentially - Zambia and Tanzania will require coordinated rail and port development on a multistate basis if it is to become possible at all or possible without severe dislocation of existing uses or rail routes through the coastal states.
19. Further exchange of data on development of new or expanded traditional energy resources can increase the speed and efficiency with which dependence on imported fuel can be reduced and environmental degradation, from overcutting of natural forests for charcoal, limited or reversed.
20. A technical level conference on national energy policies, actual and potential resources as well as achieved and possible inter-regional trade in energy is to be held in Angola during the first part of 1981. It will, on the basis of papers and background materials prepared by Angola, seek to develop a more detailed and operational set of policies and projects.

VI

INDUSTRY

21. Industrial development is critical to economic liberation. It is central to the achievement of more nationally integrated, less externally dependent economies. In particular it is critical to reducing dependence on the Republic of South Africa - a dominant source of manufactured goods imports for a majority of member states.
22. The problems of industrial development in small, poor economies are well known, as are the potential advantages of harmonisation. So too are the problems of achieving these advantages and of dominance of regional groupings by one state to the detriment of other members.
23. Initial work in this sector has identified a three stage approach.
 - i. Identification of national manufacturing surplus capacity which could be brought into production for regional trade and of complementary import requirements now met from outside the region but available within the region. These are not negligible - an incomplete preliminary list identifies about sixty clusters of products including several intermediate and capital goods and at least one immediate export possibility in each SADCC member. To achieve the full potential for manufacturing output and consequential reduction in external dependence will require some form of trade planning and preferential access. The Mozambique/Tanzania Annual Trade Plans may be an example from which further bilateral trade arrangements for manufactured goods can be built.
 - ii. Data on national industrial projects commissioned or under construction can be exchanged. No SADCC state can envisage a complete range of industries in the foreseeable future because of capital cost, construction capacity and skilled personnel constraints. Therefore knowledge of advanced plans and decisions on a regional basis could facilitate harmonisation by enabling states to avoid duplication, and engage in more accurate projection of regional export potential and import possibilities.
 - iii. In certain branches of major industry, resource availabilities, market sizes, capital requirements and personnel availability suggest that a more formal multi-state approach may prove appropriate. Certain branches of chemicals, pulp and paper, basic metal production and engineering seem likely to fall into this category. In these fields, before proceeding to

detailed feasibility studies, more examination and discussion among participating States is required on the modalities of integrated planning, on durable inter-enterprise relations (joint enterprise or otherwise), and on acceptable balances of product and export gains.

24. This overall approach to industrial harmonisation was approved by the Salisbury Ministerial Meeting. A Substantial preliminary study has been prepared by Tanzania. Additional data is to be collected by each State to permit action to implement stage one and advance toward action in stages two and three. Officials from Ministries of Industry and commerce will meet in Dar es Salaam during the first months of 1981 to discuss immediate action possibilities and elaborate longer-term programmes.

VII

TRADE

25. Development of interstate and inter-regional trade is seen as flowing from and implementing goals in respect to energy, food security and industrial harmonisation rather than as an end in itself. Transport and Communications development is, or course, a necessary step toward making such trade economically practical as well as a source of substantial invisible export earnings to the coastal states.
26. Because trade is perceived as a way of achieving the benefits of coordinated activities in production and because of specific problems relating to the gradual reduction of dependence on the Republic of South Africa and to very uneven development and strength of manufacturing sectors, a standard preferential trade area is not seen as an adequate or even a necessary first step; nor is there any commitment to seek a regional free trade area or common market. Equally, SADC membership is not seen as incompatible with special interstate or regional economic co-ordination (including trade) arrangements with non-SADC neighbouring states. These are of substantial actual or potential significance for several member states.
27. Because trade is seen as a means to benefit from production coordination, initial development of policies will take place largely in sectoral discussions relating to food security, energy and manufacturing and probably especially the last of these. Because of the great significance of import licensing and foreign exchange allocation in most of the member states, policies in respect to regional trade concerning these areas will receive

special attention. Similarly the goal of equitable and genuine regional integration requires that in developing greater intra-regional trade, specific attention be paid to avoiding massive regional trade surpluses and deficits by different states and, therefore, to ways and means of articulating and achieving relatively balanced trade plans for exchange among partner states on a bilateral, multilateral or regional basis.

VIII

FINANCE

28. Regional coordination may at some point require financial institutions. Coordination of national institutions and development of their policies may well be adequate for the regional trade development aspects of the strategy. However, in respect of major projects involving significant investment by two or more states, special arrangements may have to be made for project articulation, mobilisation and channelling of finance.
29. The creation of a development bank would require significant investment of human and institutional resources. To undertake this before a substantial group of projects requiring large, multistate investment have emerged may be premature and, indeed, delay project development. Further, since a significant portion of major project finance must be secured from outside the region, the preferences of potential external funding bodies regarding procedures and channels of funding must be explored in greater detail.
30. At present the Transport and Communications Commission is charged with identification, articulation and coordinated mobilisation of domestic and external finance for projects in its sector. This provides a workable initial approach to coordinating approaches to cooperating governments and financial institutions.
31. A meeting of financial, banking, and legal experts will be convened by Zambia to organise a detailed study of institutional needs in this field taking account of progress already made in development cooperation, the existing institutional facilities, and the complexity of the field.

IX

MANPOWER DEVELOPMENT

32. Regional, like national, development in Southern Africa is severely constrained by the limited number of citizens with high and intermediate level education and training, especially in specialised fields. The range of specialised requirements - from transport equipment maintenance through financial management to soil conservation and wild life management - is wide and the number of specialities daunting.
33. Especially for the smaller States, building up a complete range of training institutions is impractical. Even for the larger it would be very expensive. However, taking the region as a whole one or more relatively strong secondary and/or tertiary institutions already exist in most specialised fields. The first steps toward regional coordination are seen, therefore, as building up an inventory of existing national institutions and facilitating placement of students from countries without particular training facilities, in the institutions of other member countries. Such interstate use of facilities already exists but is clearly handicapped both by lack of knowledge of opportunities and the related past tendency to underestimate possibilities within the region.
34. Over the medium term two additional possibilities for coordination are foreseen. The first is to develop semi-formal two-way commitments to accept and to place students to allow forward planning by specialised institutions with a substantial proportion of their students from other states and to ensure that manpower development plans based on such placements are not disrupted by sudden loss of previously available places. At this stage arrangements as to finance and to consultation on curriculum will need to be developed.
35. In the longer term it is possible that some institutions on a formal or regional base will become appropriate. Because past experience with such institutions has been mixed and their average survival relatively short, more investigation of possibilities, constraints, ways and means is required before any definite proposals can be made.
36. Swaziland has built up a substantial body of information on existing national institutions and their programmes and on their actual and potential use by other SADCC States. A meeting of education and manpower development officials of member states has been held in connection with this work. A further meeting to evaluate the completed study and to identify immediate, medium and longer-term operational possibilities will be held in 1981.

X

EXTERNAL COOPERATION

37. Southern African Development Coordination is a Southern African strategy. It has been formulated by Southern African states in response to Southern African needs. International understanding and cooperation is sought within the strategy and within the frame of regional determination and management of Southern African Development Coordination.
38. However, the member states regard global understanding and co-operation as important. They believe that international cooperation and support will be forthcoming because:
- i. the reduction of Southern African dependence on the Republic of South Africa is a necessary part of change in Africa and a critical element in speeding the pace and lowering the human and economic cost of such change;
 - ii. the development of the economies of the Southern African States to serve the basic needs of their peoples is in accordance with widely supported international declarations and programmes in respect to development assistance;
 - iii. Southern Africa possesses a significant array of resources - especially in the mineral sector - relevant to the world economy. The development of these resources is critical to laying the foundations for broader development in the region. At the same time it can be important to ensuring adequate supplies to the world economy at projectable prices. These two concerns are not identical - the division of gains obviously is a business bargaining topic - but they are overlapping and complementary;
 - iv. Resource development - for national integration, for regional coordination and for export - depends on improved transport and communication which can only be achieved regionally.
39. The modalities and programming of cooperation between the SADCC States and friendly governments and international institutions presents both challenges and opportunities. Southern African Development Coordination is operated through practical projects and technical programmes not through elaborate institutions. It seeks cooperation from industrial economies, from economies with structural surplus of external balances, from newly industrialised economies, and from global and regional international financial institutions. Because of the multiplicity of these relationships, coordination is necessary to achieve consistency and coherence in regional development programmes.

The structural characteristics of this situation offer such opportunities, for example, the coordination of external support by the Transport and Communications Commission allows potential donors to have a clear perspective of this sector's key elements as seen by member States.

40. Further, the diversity of potential cooperating governments and financial institutions presents an opportunity to achieve regionally what has repeatedly been stated to be a goal of international development cooperation - welding together the contributions of industrial economies, of structural balance of payments surplus economies, of global and regional development finance institutions, and of newly industrialised economies in support of developing country strategic initiatives.
41. It is particularly important to capitalise on these opportunities in the SADCC context for the following reasons:
 - i. especially in transport and communications, the sums required are large and even for single projects cannot necessarily be procured from one source;
 - ii. project by project picking, and choosing - especially if it also involves selecting only the portion of a multi-state project within one SADCC state and not those in others - may not in fact add up to effective support;
 - iii. the sources of external finance actually or potentially open to SADCC states are not uniform. In particular certain of the coastal SADCC states are not at present likely to receive substantial cooperation in capital funding from a number of bilateral and multilateral sources which are significant for other States and the SADCC region as a whole;
 - iv. because SADCC has no rigid institutional arrangements for cooperation, it affords an especially favourable opportunity for developing new methods of cooperation.
42. The exact form these modalities could take requires discussion by all concerned parties - i.e. the SADCC states; regional and global development finance institutions; industrial, newly industrialised and structural balance of payments surplus economies. The Maputo Conference should afford a good occasion for such a dialogue.
43. The Maputo Conference is expected to achieve the first substantial commitments of external support to SADCC's Programme of Action agreed at Lusaka, particularly in the Transport and Communications Sector. Here the Transport and Communications Commission presents itself as an organisation authorized to coordinate and negotiate projects and programmes, not only among the member states but also with external funding partners.

44. This is the beginning of a movement which will stretch far into the future, affecting the lives of all of us in Southern Africa and all who have interests here. We seek at the Maputo Conference to know who stands with us. We seek therefore from our friends clear statements of their political and national support for the objectives, programmes and policies of SADCC.
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ANNEX

STATUS REPORT ON

THE LUSAKA PROGRAMME OF ACTION

1. TRANSPORT AND COMMUNICATIONS

At the SADCC Ministerial Meeting held in Salisbury, Zimbabwe on 11 September 1980 Ministers approved the draft Convention on the establishment of the Southern Africa Transport and Communications Commission and recommended it to their individual Governments for ratification. They further directed that, pending ratification, the Commission should continue to operate in order that the work of programme co-ordination and project development should continue.

Ministers approved a provisional list of priority projects to be presented to the Second Southern African Development Co-ordination Conference in Maputo and agreed on an order of priority for projects.

2. FOOD AND AGRICULTURE

2.1 Control of Foot and Mouth Disease

The Government of Botswana has requested the Commission of the European Communities on behalf of SADCC to undertake a feasibility and design study for a system of co-ordinated control of foot and mouth disease in cattle on a region wide basis.

At the Meeting in Salisbury, Ministers expressed the view that there were other important diseases such as trypanosomiasis which should also be considered. Zimbabwe was accordingly invited to convene in the near future a meeting of the Directors of Veterinary Services of all Member States in order to:

- a) Identify the diseases which merit further consideration
- b) Outline the areas of the Member States which are suitable for and require regional projects
- c) Suggest the lines of investigation to be undertaken and the composition of any consultancies
- d) Assess the priorities of any proposed projects and comment on their feasibility and possible cost

2.2 Crops Research in Semi-Arid Tropics

The Government of Botswana has pursued with the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) the proposal the ICRISAT should set up a Southern African Regional Centre. ICRISAT is sending a six-man team which will visit all SADCC Member States between November 8 and December 3 1980 to examine the state of research in areas of work relevant to ICRISAT's research.

Following this mission it is proposed that ICRISAT would prepare a report on its conclusions which would be forwarded to the Government of Botswana as a basis for further consultations among the Member Governments of SADCC.

In the light of this report and these consultations, the Government of Botswana will hold discussions with ICRISAT with a view to:

- a) developing proposals for an ICRISAT regional centre
- b) determining financial and administrative implications of such proposals
- c) agreeing on further steps necessary to implement such proposals.

2.3 Food Security

At their Meeting in Salisbury Ministers agreed on the central importance of increasing national and regional food security. They took note of the study by the Government of Zimbabwe on aspects of food security emanancement. These included technical exchange in the areas of production and research, development of national and regional statistical data banks and of an early warning system, co-ordination of national food plans and reserves and joint action by Member States in respect of imports and food procurement including food aid.

A meeting of SADCC agriculture officials was held in Salisbury on 1-2 October 1980 to identify requirements and to articulate programmes within these areas.

Zimbabwe was asked to elaborate project proposals on the basis of this meeting.

2.4 Technical Co-operation in the Field of Soil Conservation and Land Utilisation

Ministers noted the intention of the Government of Zimbabwe to withdraw from the Southern African Regional Commission for the Conservation and Utilisation of the Soil (SARCUS), which has its headquarters in Pretoria, South Africa with effect from 30 September 1980. It was agreed that a meeting of officials from SADCC Member States should be convened in order:-

- a) to assess the need for and the feasibility of a similar organisation concerned with technical co-operation and collaboration in the field of soil conservation and land utilisation among SADCC Member States
- b) to advise on whether such an organisation should operate under the auspices of SADCC and be served by the Secretariat of SADCC or by an independent secretariat.

3. MANPOWER DEVELOPMENT

The Government of Swaziland has made progress in reviewing, in consultation with SADCC Governments, the needs and opportunities for regional co-operation in training in key areas and prepared a paper for the Salisbury Meeting.

The central role of skill development in the programmes for economic liberation is recognised by all SADCC Member Governments. The work of compiling inventories of training needs and facilities is continuing with a view to producing comprehensive proposals for accelerated training in priority areas within the region and for more effective use of existing national institutions by Member States. Such priority areas will reflect the functional priorities set out in the Lusaka Declaration on Southern African Development Co-ordination, especially transport and communications.

4. INDUSTRIAL CO-OPERATION

A paper was prepared for the Salisbury Meeting by the Government of Tanzania. Its proposals form a basis for additional work by Tanzania and a meeting of industrial sector officials of SADCC Member States will be held in March 1981. To facilitate preparations for the meeting all SADCC Governments have been asked to make available to Tanzania data on basic industrial capacity and import requirements for manufactured goods.

5. SOUTHERN AFRICAN DEVELOPMENT FUND

Ministers have reviewed the proposals of the Government of Zambia for the establishment of a Southern African Development Fund. There is a need for further and thorough expert study taking into account the progress made in development co-operation, the existing institutional facilities and complexity of this field, in order to fulfil the mandate given in the Lusaka Declaration concerning the establishment of a Fund for the Development of Southern Africa. To this end the Government of Zambia has been requested to convene as soon as possible a meeting of financial, banking and legal experts from SADCC Member States.

6. ENERGY

The Government of Angola has established a technical group, under their Minister of Energy, charged with the responsibility of pursuing the establishment of a regional energy conservation policy. There is to be a regional meeting of officials during the first quarter of 1981 followed by a Ministerial Meeting with a view to producing concrete programmes of co-operation. Member countries have been requested to bring to the meeting a statement of their national energy policies together with data on national energy resources and consumption.

Angola has been asked by Ministers to broaden the scope of its study to cover all forms of primary energy utilisation and in particular was asked to look at the possible exploitation of alternative forms of energy and related environmental problems.

7. SECURITY PRINTING FACILITIES

At Salisbury Ministers considered the need for regional security printing facilities. Zimbabwe which already has such facilities is, through the Reserve Bank of Zimbabwe, undertaking studies in consultation with other interested Member Governments to ascertain the practicability of more security printing being undertaken within the region.

8. SOUTHERN AFRICAN STUDIES

Ministers have agreed on the importance of incorporating Southern African Studies into the teaching and research of national universities. Centres for Southern African Studies have already been established in Lesotho, Mozambique, Swaziland, Zambia and Zimbabwe. Universities without such Centres have been urged to co-operate with existing Centres in the development of their own teaching and research. Such co-operation should include the secondment of staff