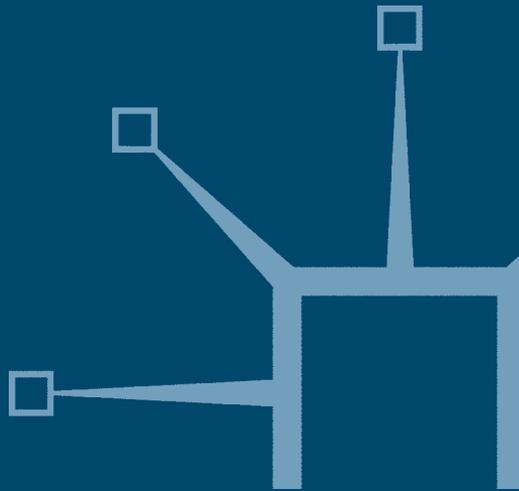# The Political Economy of Regionalism

The Case of Southern Africa

Fredrik Söderbaum

The Political Economy of Regionalism

Also by Fredrik Söderbaum

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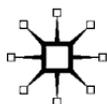HANDBOOK OF REGIONAL ORGANIZATIONS IN AFRICA

The Political Economy of Regionalism

The Case of Southern Africa

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For the needy
shall not always be forgotten:
the expectation of the poor
shall not perish forever.

Psalm 9: 18

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Foreword by Björn Hettne

This book is a welcome and original contribution to the growing field of new regionalism studies. Regionalism was previously ('the old regionalism') conceived as an endogenous process, which can be understood from the early efforts at theorizing it. Classical regional integration theories from the 1950s and 1960s primarily dealt with European integration, as there were few other regional experiments to theorize about. The historical context was the bipolar world order, which imposed a Cold War logic on the process of regionalization, not only in Europe but also in other areas where regional integration experiments were initiated. The 'new regionalism' from the mid-1980s, in contrast, is a multidimensional societal process that takes shape in a very different, increasingly multipolar world order, in which also a variety of non-state actors are operating at several levels of the global system. The new regionalism has been described as 'open', and thus compatible with a globalized world economy. At the same time it is a voluntary process coming from within the emerging regions, where the constituent states experience the imperative of cooperation in order to tackle global challenges.

Apart from signifying the growing field of studies of the new regionalism, the concept of regionalism refers to the region-building political project, whereas regionalization means the formation of regions, whether by region-building actors or through more spontaneous processes. The concept of region is one of the more complex in social science. It includes *subnational* regions (historical provinces or newly formed micro-regions) as well as *supranational* regions (world regions or macro-regions). Subregions form part of large macro-regions that provide a convenient political framework, legitimizing a more autonomous behaviour on the part of subnational regions, or micro-regions. The latter are complex and varying, sometimes crossing borders between adjoining countries, thereby forming transnational micro-regions. In all, this creates a new post-Westphalian political landscape. This new landscape is in spite of the growing literature still rather unknown. There is need for more theorizing as well as more empirical data. Above all it is essential to go beyond state-centric theories as well as too much focus on state actors.

This book on the new regionalism in Southern Africa is a welcome contribution in both respects since it has two mutually reinforcing aims, one theoretical and one empirical. The theoretical aim is to move towards a more coherent regionalism theory. The empirical aim is to analyse the social construction of Southern Africa in the post-apartheid, post-Cold War era, with a particular focus on by whom, for whom and for what purpose various forms of regionalism occur. It is shown that states, markets and civil societies are all involved in a series of overlapping, contradictory and sometimes competing forms of regionalism.

In order to improve the theory of regionalism relevant studies must analyse the interplay of regionalism on different levels of society, as well as between regionalization and globalization. This book shows how ruling political elites and 'big business' actors come together with certain external actors in mixed-actor coalitions in order to take advantage of economic globalization, reinforce privatization and liberalization, boost narrow regime interests or satisfy group-specific and even personal interests. However, only rarely do these forms of regionalism contribute to the poor and disadvantaged, who instead opt out and survive through informal economic regionalism from below or create alternative and transformative regionalism. Hence, there is a struggle for the political content of regionalization, in Africa as elsewhere in the world.

Acknowledgements

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Göteborg, February 2004
Fredrik Söderbaum

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List of Abbreviations

ACCORD	African Centre for the Constructive Resolution of Disputes
ADB	African Development Bank
ADEN	African Development Education Network
AEC	African Economic Community
AERC	African Economic Research Consortium
AFREPREN	African Energy Policy Research Network
AFRODAD	African Forum on Debt and Development
AFRONET	Inter-African Network for Human Rights and Development
AGOA	US Africa Growth and Opportunity Act
AIA	Africa Information Afrique
AIDC	Alternative Information and Development Center
ANC	African National Congress
APEC	Asia-Pacific Economic Cooperation
AU	African Union
BLNS	Botswana, Lesotho, Namibia and Swaziland
BOT	build, operate and transfer
BSAC	British South Africa Company
CBI/RIFF	Cross-Border Initiative/Regional Integration Facilitation Forum
CEO	chief executive officer
CEPGL	Economic Community of the Great Lakes Countries
CIC	Cabinet Investment Cluster
CIDA	Canadian International Development Agency
CIP	Investment Promotion Centre of Mozambique
CMA	Common Monetary Area
COMESA	Common Market for Eastern and Southern Africa
CONGAC	Confederation of Environment and Development NGOs in Central Africa
CONSAE	Constellation of Southern African Economies
CONSAS	Constellation of Southern African States
COSATU	Congress of South African Trade Unions
CSIR	Council for Scientific and Industrial Research
DBSA	Development Bank of Southern Africa
DFID	Department for International Development

DOT	Department of Transport
DRC	Democratic Republic of Congo
DPRU	Development Policy Research Unit
DTI	Department of Transport and Industry
EAC	East African Cooperation
EASD	Empowerment for African Sustainable Development
ECA	UN Economic Commission for Africa
ECCAS	Economic Community of Central African States
EGWA	Education of Girls and Women in Africa
EJN	Eastern and Southern African Economic Justice Network
ELCI	Environment Liaison Center International
EPZ	export-processing zone
ESSET	Ecumenical Service for Socio-economic Transformation
EU	European Union
FAWU	Food and Allied Workers Union
FDI	foreign direct investment
FEMNET	African Women Development Communication Network
FISCU	SADC Finance and Investment Sector Coordination Unit
FLS	Frontline States
FTA	free trade area
GATT	General Agreement on Tariffs and Trade
GDP	gross domestic product
GEAR	Growth, Employment and Redistribution policy
GNI	gross national income
GUE	Gender, Urbanization and Environment
HDI	human development index
ICVA	International Council of Voluntary Agencies
IDC	Industrial Development Corporation of South Africa
IDZ	industrial development zone
IFI	international financial institution
IMF	International Monetary Fund
IOC	Indian Ocean Commission
IORTB	Indian Ocean Rim Trade Bloc
IPD	Institute for Participatory Development
IPE	international political economy
IR	international relations
ISA	USAID's Initiative for Southern Africa
ISRI	Instituto Superior de Relações Internacionals

LARRI	Labour Resource and Research Institute
LED	local economic development
MARINE	Marine Science Cooperation Programme
MCC	Maputo Corridor Company
MDC	Maputo Development Corridor
MERCOSUR	Mercado Común del Sur/Southern Common Market
MII	Mpumalanga Investment Initiative
MISA	Media Institute of Southern Africa
Mozal	Mozambique Aluminium Smelter
MWENGO	Mwelekeo wa NGO/Reflection and Development Centre for NGOs in Eastern and Southern Africa
NAFTA	North American Free Trade Agreement
NAI	New African Initiative
NANGOF	Namibian Non-Governmental Organizations Forum
NEHAWU	National Education Health and Allied Workers Union
NEPAD	New Partnership for Africa's Development
NEPRU	Namibian Economic Policy Research Institute
NGO	non-governmental organization
NP	National Party (South Africa)
NRA	new regionalism approach
OAU	Organization of African Unity
OSDICC	Overall SDI Coordinating Committee
OSSREA	Organization for Social Science Research in Eastern and Southern Africa
Padrigu	Department of Peace and Development Research, Göteborg University
PERC	Political Economy Research Centre, Univ. of Sheffield
PPP	public–private partnership
Prodder	Programme for Development Research
PTA	Preferential Trade Area for Eastern and Southern African States
PTC	Mpumalanga MDC Provincial Technical Committee
REPH	Regional Research Collaboration in Reproductive Health in Africa
RESDIC	Regional SDI Committee
RSA	Republic of South Africa
SAACCI	Southern African Association of Chambers of Commerce and Industry
SACC	South African Council of Churches
SACDA	Southern African Catholic Development Association
SACP	South African Communist Party

SACU	Southern African Customs Union
SACTWU	Southern Africa Clothing and Textile Workers Union
SADC	Southern African Development Community
SADCC	Southern African Development Coordination Conference
SAHRINGON	Southern African Human Rights NGO Network
SANGOCO	South African National NGO Coalition
SANGONet	Southern African Non-Governmental Organization Network
SAP	structural adjustment programme
SAPES	Southern African Political Economy Series
SAPP	Southern African Power Pool
SARA	Southern African Railway Association
SARB	South African Reserve Bank
SARDC	Southern African Research and Documentation Centre
SARPN	Southern African Regional Poverty Network
SASU	Southern African Students' Union
SATCC	Southern African Transport and Communication Commission
SATUCC	Southern African Trade Union Coordination Council
SCU	Sector Coordinating Unit (within SADC)
SDI	spatial development initiative
SEATINI	Southern and Eastern African Trade Information Negotiations Institute
SEATOC	South East African Tourism Committee
SEJ	social and economic justice
SEMP	strategic environmental management plan
SIDA	Swedish International Development Cooperation Agency
SITCD	SADC Industry and Trade Coordinating Division
SMME	small, micro and medium enterprise
TIPS	Trade and Industrial Policy Secretariat
TRAC	TransAfrica Concessions
TRC	Transformation Resource Centre
TNC	transnational corporation
UN	United Nations
UNU/CRIS	United Nations University/Comparative Regional Integration Studies
UNU/WIDER	United Nations University/World Institute for Development Economics Research
USAID	United States Agency for International Development

USD	United States dollar
WEF	World Economic Forum
WESSA	Wildlife and Environment Society of South Africa
WILDAF	Women in Law and Development in Africa
WNLA	Witwatersrand Native Labour Association
WOA	world order approach
WTO	World Trade Organization
ZACPLAN	Zambezi River Action Plan
ZCTU	Zimbabwe Congress of Trade Unions
ZIMCODD	Zimbabwe Coalition on Debt and Development
ZMM-GT	Zambia–Malawi–Mozambique Growth Triangle
ZRA	Zambezi River Authority

1
Introduction

The research problem

Anyone following international affairs in the post-Cold War era is likely to be struck by the revitalization and proliferation of regionalism in most parts of the world, almost as a new 'urge to merge' into regional entities. An enormous number of studies have been produced on the topic, and important advances have been made in order to better understand contemporary regionalism. The simple point of departure for this volume is that there is still a pressing need to learn more about regionalism in general and in Africa in particular.

The study is informed by three, partly overlapping, weaknesses in the field of regionalism. The first is the overwhelming dominance of rationalist and mainstream theories of regionalism. There is no doubt about the fact that these theories have contributed to a better understanding of regionalism, especially regarding the role of power variables, institutions and the economic consequences of market integration. But their limitation is their specific mode of knowledge production and that they privilege certain research questions at the expense of others.

The second weakness is closely related to the first. It is related to the fact that the research field is overwhelmingly dominated by an empirical focus on Europe and more recently on North America and the Asia-Pacific region. Regionalism in the rest of the world is, to an overwhelming extent, analysed according to a specific reading of European integration. This has led to regionalism in Africa being more or less ignored in the general (mainstream) academic debate. If regionalism in Africa receives any recognition at all, then the standard argument is that it is primitive or failed.

There is, of course, a debate on regionalism in Southern Africa. However, the third weakness in the field is that the political analysis of Southern Africa is largely 'underdeveloped', concerned as it is with 'cataloguing economic relationships between South Africa and other states in the region' (Poku, 2001: 6) or 'synoptic overviews of inter-state policy frameworks' (Simon, 1998a: 3), such as the Southern African Customs Union (SACU) and the Southern African Development Community (SADC).

In sharp contrast to prevailing wisdom in the field, this volume proposes that there is a comprehensive and multidimensional regionalism in contemporary Southern Africa. In order to address this overall argument, there is a need to challenge the rationalist and largely 'positivist' theoretical frameworks, especially their specific mode of knowledge production and their narrow focus on formal and inter-state frameworks. In response, this study outlines a reflectivist theoretical framework – the new regionalism approach (NRA) – which is more sensitive to the historical context as well as the multitude of state–market–society relations prevailing within a given regional space.

The ambition is not, in the first instance, to reject rationalist and mainstream perspectives altogether, but rather to defend the argument that alternative perspectives are both possible and necessary. The rationalist theories that dominate the research field are in themselves social constructions and based on particular ways of theorizing, language, power and culture. Seen from this standpoint, there are always complementary and alternative ways to understand and explain a social phenomenon such as regionalism.

Contrary to dominant theories in the field, the NRA pays tribute to the multidimensionality of regionalism and the fact that regions are constructed and reconstructed – intentionally or unintentionally – by state, market, civil society and external actors, which come together in complex and often informal multi-actor coalitions for a variety of both positive and negative purposes.

During the last decade the NRA has been employed by a number of theorists in a series of cases all over the world (including Southern Africa). However, as will be elaborated upon in the theoretical review in Chapter 2, there is still a need to consolidate and theorize the framework. The revised NRA developed in Chapter 3 is then used to study the intriguing case of Southern Africa. More specifically, this volume has two mutually reinforcing aims, one theoretical and one empirical. The theoretical aim is to turn the still rather explorative NRA into a more consolidated theoretical construct. The empirical research puzzle

is to analyse the political economy of regionalism in Southern Africa in the post-apartheid, post-Cold War era, with a key focus on by whom, for whom and for what purpose various forms of regionalism occur and how these are connected.

Research approach

The study is based on a set of closely intertwined assumptions: that the world is not external to our theories of it; that theories help construct the world; and, consequently, that there is no such thing as value-free theory. These and other (meta)theoretical elements are elaborated upon and defined in Chapter 3. Here it suffices to briefly draw the implications for the general research approach employed in the study. The emphasis on departing from, but transcending, an existing theoretical framework (in this case the NRA), implies that a purely inductive research approach must be transcended. The limits inherent in inductive generalization would also circumscribe the reach of the theoretical contribution.

In the narrowest sense a purely deductive approach is also transcended, since that would require that theory is invented a priori. Instead I adhere to an eclectic and dynamic understanding of the hypothetico-deductive research approach, which combines and alternates between (empirically informed) theory and (theory-loaded) empirical evidence, whereby both are reinterpreted in the light of the other. Through this combination, it is possible to dig deeper and deeper into the empirical case, whereby both the theory (i.e. the NRA) and the empirical area of investigation (i.e. the political economy of regionalism in Southern Africa) are developed in a mutually reinforcing process. This can be seen as a learning spiral whereby theory and empirical data cross-feed on each other. According to this view, any anticipated contradiction between induction and deduction (or between theory and empirical evidence) is unnecessary. Induction and deduction can be combined in a way whereby both are strengthening one another. 'Other research approaches appear as both more one-dimensional and unrealistic compared to how research most often is carried out in reality' (Alvesson and Sköldberg, 1992: 42).

Such a research approach implies that the NRA is anticipated to provide new and important insights to the way the political economy of regionalism is played out in Southern Africa, while, at the same time, the case of Southern Africa is used in order to generate new (and better) theory. Needless to say, the same empirical evidence should not be used

in order to generate theory, and later in order to verify the theory. The emphasis is instead on a continuous process of 'moving forward', whereby the theoretical perspective and the hypotheses are constantly reformulated in light of new evidence and then again related to new empirical evidence. Hence, there is a dynamic relationship between theory and empirical evidence as opposed to the conventional static and snapshot hypothetico-deductive approach.

The NRA maintains a key focus on by whom, for whom and for what purpose various forms of regionalism occur. Compared with many other studies, it is more specific about the agency of regionalization. This requires in-depth knowledge of how actors think of themselves, their motivations, identities and strategies, as well as how they are influenced by other actors and their contextual surroundings. The case study approach is often recommended in such a situation, and when it is difficult to separate cause and context (Yin, 1984). The case study approach is also appropriate since it will promote an intense cross-fertilization and feedback between theory and empirical analysis.

The intention is not to build a specific (or particularistic) theory for regionalism in Southern Africa. Neither is a case study of Southern Africa per se enough for the generation or consolidation of middle-range theory, such as the NRA. Other regions will provide necessary complementary input for further theory-building. However, as indicated above, it is a major weakness in the research field that the intriguing case of Southern Africa has been more or less overlooked (cf. Fawcett and Hurrell, 1995; Mansfield and Milner, 1997; Adler and Barnett, 1998; Coleman and Underhill, 1998; Mattli, 1999). This study is based on the conviction that the case of Southern Africa can make an important contribution to theory-building in the field (cf. Vale *et al.*, 2001). (But since the case of Southern Africa in itself is not enough to build far-reaching theory, there is, of course, a need to continue to apply and revise the NRA in the future.)

Studying the political economy of regionalism

This volume transcends disciplinary boundaries and methodologies. The point of departure is in the disciplinary domain of international political economy (IPE), which is conventionally seen as a sub-field of international relations (IR). IPE is based on the notion that although the study of politics and economics, states and markets, is so intimately intertwined, their relationship merits consideration in its own right. Although many studies in the discipline of IPE make special reference to structures,

processes and interactions at the international level, it has become increasingly evident that there is an intriguing interaction between the 'domestic' and the 'international'. This makes it more appropriate to speak of one broad 'political economy', rather than two separate disciplines (the real divisions are more related to meta-theory and methodology). Furthermore, much of current reflectivist and critical IPE – the theoretical camp which this study belongs to – has transcended the conventional focus on the relationship between states and markets, and also added social forces and civil societies to the framework, thereby signalling the close relationship between IPE and sociology, and to some extent even social anthropology (cf. Cox, 1996; Murphy and Tooze, 1991). To sum up the point made here, this study is not trying to defend but go beyond disciplinary boundaries and constraints.

The conventional way to study regionalism, both worldwide and in Southern Africa, is to follow monodisciplinary methodology. In this industry, political scientists are first and foremost concerned with power politics and inter-state regional frameworks; economists with regional economic flows and the economic consequences of policy shifts; and sociologists and social anthropologists with regional sociocultural relations. This is a discipline-centred way of analysing and constructing regionalism, which often results in the disciplinary methodology becoming more important than the reality of regionalism. As will become evident in this study, the NRA builds on a different mode of knowledge production, which is more sensitive to the historical context and 'reality' of regionalization.

The concept of 'region' is obviously fundamental to the study of regionalism. 'Region' stems from the Latin word *regio*, which means 'direction' (Jönsson *et al.*, 2000: 15). It is also derived from the Latin verb *regere*, 'to rule' or 'to command'. Later on, the concept of region denoted 'border' or a delimited space, often a 'province'.

In academic research, a region has been defined first and foremost as a (subnational) space between the 'national' and the 'local' (municipality), primarily within particular 'states' (i.e. so-called 'regional studies'). There has been a re-emergence of such subnational regions, both within countries and as cross-border regions. These types of regions can be referred to as micro-regions. The concept of region can also refer to larger territorial (in contrast with non-territorial) units or subsystems, between the 'state' and the 'global' system level, for instance, Europe or Asia. These so-called macro-regions or 'world regions' have been the most common objects of analysis in international studies and affairs. In recent decades macro- and micro-regions have become much more intertwined. There have

been only a few scattered attempts to discuss their relationships. This volume seeks to overcome this weakness in the field and bridge the gap between the two separate discourses of macro- and micro-regionalism. In order to avoid conceptual confusion, henceforth the concept of region refers to macro-regions (such as Southern Africa), whereas micro-regions will be referred to as such.

Many disciplines and discourses have maintained a strong emphasis on 'territory' and 'rule' in the study of regions. A considerable degree of research capacity has been devoted to determining what types of regions are the most functional, instrumental and efficient 'to rule'. Often, especially in political science and economics, both macro- and micro-regions have been taken as pre-given, defined in advance of research, and not seldom simply seen as particular inter-state or policy-driven frameworks. Integral to this reasoning is that regions are believed to exist 'out there', identifiable through material structures, regional organizations and regional actors.

The reflectivist perspective built upon in this volume is different. It sees regions as social constructions. From this point of view, the puzzle is to understand and explain the phenomenon of regionalism and the process through which regions come into existence and are consolidated – their 'becoming' so to speak – rather than a particular set of activities and flows within a pre-given, and often pre-scientific, region or regional framework. As Neumann (2003: 161) eloquently points out, 'The existence of regions is preceded by the existence of region-builders.' This means, according to Neumann (2003: 162), that we need to ask questions about 'how and why the existence of a given region was postulated in the first place, who perpetuates its existence with what intentions, and how students of regions, by including and excluding certain areas and peoples from a given region, are putting their knowledge at the service of its perpetuation or transformation'. The NRA seeks to further such propositions of region-building by emphasizing questions such as by whom, for whom and for what purpose regionalism is being pursued.

In this kind of analysis, regional inter-state organizations are seen as a second-order phenomenon compared to the processes that underlie regionalization in a particular geographical space. As a consequence regions will not be taken for granted: they are not seen as 'natural', organic, essential or material objects. Instead, regions are considered to be dynamic settings for social interaction, with particular focus placed on the process through which they are 'becoming' and the way they are constructed/reconstructed by reflective actors.

Due to the fact that there are no 'natural' regions, they are, at least potentially, heterogeneous with unclear spatial delimitations.

Before moving on, some conceptual definitions are necessary. In this volume the concept of regionalism refers to the general phenomenon, which arises more or less all over the world. This is, for instance, regionalism in the sense of new or old regionalism. This general concept needs to be broken down into analytical categories. In a more operational sense 'regionalism' represents the body of ideas, identities and ideologies that are aimed at creating, maintaining or modifying the provision of security, wealth and other goals within a particular region or as a type of world order. As such, regionalism is usually associated with a formal programme and a regional project and often leads to institution-building. Furthermore, regionalism ties agents to one specific project that is clearly limited spatially or socially, but not in time (Hveem, 2000: 72).

'Regionalization' refers to the process of cooperation, integration, cohesion and identity creating a regional space (issue-specific or general). It furthermore implies an activist element, a strategy of regionalization, which can be pursued by both state and non-state actors. Regionalization may be caused by regionalism, but it may also emerge regardless of whether there is a regionalist project and regionalism ideology or not (Hveem, 2000: 73). Actors may engage in regionalization without necessarily being conscious of or dedicated to it. Conversely, the rhetoric and ideology of regionalism may not always have much practical significance for the reality of regionalization.

Since regionalization is often considered to be positive from a normative point of view, it should be pointed out that this is certainly not always the case. As this volume will show, regionalization and different types of regional interaction may be conflictual or exploitative, reinforce power asymmetries or create other negative effects. Some actors will undoubtedly lose and be excluded from regionalization, while others will benefit from it.

Regionalism and regionalization have started to become widely used in the academic debate, rather than the old concept of regional integration (Söderbaum and Shaw, 2003). Hettne (2002: 1) is correct in that the concept of regional integration 'belongs to the discourse of the first wave of regionalism'. Emphasizing regionalism and regionalization enables us to move beyond the narrow and somewhat artificial distinction between regional cooperation and regional integration (cf. Christiansen, 2001; Laursen, 2003). This allows us to better account for the complexity and multidimensionality of current regionalism, which

is built on *both* regional cooperation and integration among a variety of actors and supported by a diversity of institutional frameworks in both formal and informal settings. Furthermore, this conceptualization also makes it possible to bridge the divide between students of European integration and those of new and comparative regionalism.

In accordance with the definitions made above, globalism refers to the ideology that we shall organize worldwide and the corresponding vision of a borderless world. Globalization refers to the empirical trend that inspires or bears out this belief. Basically, globalization refers to the process of time-space compression of the world driven by market expansion, a global production pattern, technology, cultural compression, and functional logic.

Finally, it needs saying that it is by no means self-evident what is a valid indicator or measure of regionalism and regionalization. For instance, intra-regional economic flows are often used as indicators of regional economic integration. In reality, however, it may be very difficult to determine whether cross-border activity is an instance of globalization, regionalization or simply bilateral activity. It is therefore not uncomplicated to determine what is 'regional' or not. To some extent the answer may even depend on the context in which it is taking place. This study will show that regionalism is both a much more comprehensive and prevalent phenomenon than commonly believed. What some observers may conceive as separate bilateral activities may actually form part of a broader regional pattern. By the same token, given the significant attention devoted to 'globalization' in IR, there is a tendency to interpret more or less 'everything' as an instance of globalization. But since globalization and regionalization are intimately intertwined, there is often a regional dimension of globalization. Since globalization and regionalization form part of a larger process of structural change, the two may exist simultaneously and in parallel, but more often they tend to reinforce and shape one another. If and when the latter is the case, then mutually exclusive indicators may hide more than they reveal. As will be clarified in Chapter 3, one of the key solutions is to transcend the one-dimensional understanding of space ('space-as-container' schema) that has dominated mainstream theories of IR and regionalism.

The research case: Southern Africa

Due to the fact that the NRA views regions as social constructions, it is necessary to maintain eclectic and flexible definitions of what constitutes a particular region. 'Southern Africa' should not be taken as

'given', and it is not equivalent to a particular regional organization or a trading bloc. But analysing how regions are being made and unmade is not equivalent to saying that regional definitions and boundaries should be abandoned altogether. There is still a need for some point of departure. We are also concerned with explaining by whom, for whom and for what purpose the boundaries and delimitations come into being. In fact, few observers dispute the fact that there is a region that can be referred to as 'Southern Africa'. This study will reveal that its borders are not given but flexible and socially constructed, and who are the region-builders behind different notions of Southern Africa.

In the broadest sense Southern Africa often refers to the area today grouping the 14 SADC member countries: Angola, Botswana, the Democratic Republic of Congo (DRC), Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Seychelles, Swaziland, Tanzania, Zambia and Zimbabwe. (In 2003 Seychelles declared an intention to leave SADC, but this will need at least a year before it will be accepted.) It follows from the above that this definition is pragmatic, and motivated *inter alia* by the fact that it has a considerable degree of political relevance. It is also one of the most widely used regional delimitations both among policy-makers and in current research, and this study will reveal whom and what purposes this often used construction of Southern Africa serves. In addition, as already indicated, the study will also draw attention to the fact that there are several overlapping, contradictory and even competing regional 'boundaries' of Southern Africa and the neighbouring regions of East Africa, Central Africa and the Indian Ocean.

There are different ways to determine which aspects of Southern Africa to analyse in a study such as this. The volume contains four empirical cases (plus a historical analysis), which are selected and defined in order to contribute both to theory-building and to provide important empirical insights into the particular regionalization dynamics in Southern Africa per se. The selection of case studies by no means implies that other sectoral focuses and dimensions are less important. There is a rich literature on a vast number of other issue areas and dimensions of regionalism in Southern Africa that are not dealt with in this volume, the most important being peace and security. This being said, this volume has a comprehensive empirical scope and the empirical case studies relate to a whole series of different sub-themes and issues of regionalism in Southern Africa.

The first empirical case (Chapter 5) deals with the political economy of contemporary regionalism in a broad sense, covering different state,

market and external actors and their relationships. The second case (Chapter 6) highlights the frequently ignored role of civil society in regionalism. The chapter problematizes civil society regionalism and shows the close relationships between civil society actors and state and external actors. Both these chapters go beyond a narrow focus on one specific actor in the study of regionalism (most often the state), and deal with the variety of agents and agencies that result in a variety of forms of regionalism in Southern Africa.

The other two empirical chapters (Chapters 7 and 8) focus on how the political economy of regionalism is manifested in shared river basins (the case of the Zambezi) and micro-regionalism (the case of the Maputo Development Corridor, MDC). Shared river basins and micro-regionalism represent some of the most important forms of regionalism in present-day Southern Africa. There are no less than 15 shared river basins in Southern Africa, and the Zambezi constitutes one of the most fascinating examples. There exists some research on shared river basins and the case of the Zambezi, but it is seldom analysed from a political economy perspective, and even more seldom from the perspective of regionalism theory.

In a very short period of time, micro-regionalism has become a significant feature of Southern Africa. There are a large number of real and potential micro-regional projects in Southern Africa, especially in the form of spatial development initiatives (SDIs) and development corridors. The fact that the MDC is considered, in official discourse, to be the 'flagship' of this type of regionalism is in itself enough to justify a case study. This case study is also important in order to see how regionalism is taking place 'on the ground'. Finally, the MDC provides an opportunity to consider the overlooked relationship between macro-regionalism and micro-regionalism.

Methods and materials

This study is based on the methodological assumption that there is no reason to prefer quantitative before qualitative methods and materials (or vice versa). Methods and materials ought to be selected depending on what is most suitable for solving the research puzzle. The broad approach adopted in this study results in an eclectic combination of both quantitative and qualitative methods, using primary as well as secondary sources.

The materials used can be categorized as follows. The main primary sources are interviews, participatory observations and texts (treaties,

statements, strategy and policy documents, statistical information, information brochures and Internet resources). The secondary sources consist of academic research (books, book chapters, articles), research reports, newspaper articles and newsletters (often electronic).

A different mixture of research methods has been used in each of the empirical cases. Below some general considerations are briefly outlined, while more specific methodological concerns are elaborated in each empirical chapter. There are a wide range of obstacles to conducting research in the region, such as (i) a lack of reliable statistics and information; (ii) language limitations (of mainly but not only the author); (iii) constraints on discussing controversial issues or (iv) simply meeting and communicating with relevant role-players. However, some aspects of regionalism are reasonably well covered in existing literature, which I am able to draw upon, first and foremost the study of inter-state regional organizations (such as the SADC) and official policy-led economic integration. A fair amount of previous research has also been conducted on the Zambezi river basin. By contrast, there are only sporadic data on micro-regionalism, the role of external actors and civil society regionalism. As a result, a larger proportion of the field research has been devoted to the latter dimensions.

Ten field trips were conducted in the region between 1995 and 2003. In terms of country selection, all field trips, except one, included South Africa in combination with one or two of the following countries: Botswana (1995, 1999), Lesotho (2000), Mozambique (1999, 2000, 2001, 2003), Namibia (2000), Swaziland (2001), Zambia (1997) and Zimbabwe (1995, 1999). The large proportion of time and attention devoted to South Africa is due to (i) the importance of South African state and non-state actors in the region; (ii) the centrality of South African role-players in the empirical cases under investigation; (iii) the accessibility of information and data compared to the other countries; (iv) the large number of researchers and policy-makers who have an interest in the region; (v) that several of the research and policy workshops that were attended were organized in South Africa; and, finally, (vi) that the South African universities and research institutes – particularly their libraries – are the largest and most developed in the region. As follows directly from the above, priority was not given to field research in Angola, the DRC, Malawi, Mauritius, Seychelles and Tanzania, *inter alia* due to the violent conflicts in several of these countries and/or that at least some of them are not as central to the regionalization activities focused upon in this volume.

The interviews were semi-structured or informal respondent interviews, with a wide array of state and non-state actors and stakeholders in different sectors and on different levels (see the List of Interviews). In general the interviewees were selected on the basis of their 'position' and relevance for the issue being investigated. It is difficult to contest the importance of many of the interviewees, for instance those at national ministries and institutions involved in regional affairs, representatives of intergovernmental organizations, NGOs as well as foreign donors. However, not all relevant actors could (of course) be interviewed, first and foremost due to the fact that the number of possible interviewees was too vast. Furthermore, certain relevant actors, who clearly would have contributed to the material, were not accessible or simply not willing to be interviewed. A number of the interviews are taped, but not all. Several interviewees preferred not to be taped, and on several occasions non-taping was considered to facilitate a more open and constructive interview.

The participatory observations included meetings with the civil society organizations (CSOs), such as the Southern African Debt Summit, 1999; repeated workshops and meetings with the Swedish International Development Cooperation Agency (Sida); a workshop on 'Regional Integration in Africa', organized by the Nordic Africa Institute on behalf of the Sida for the Nordic development agencies and foreign ministries; and the research and policy workshops within the Industrial Strategy Project, which was coordinated by the Development Policy Research Unit (DPRU), the University of Cape Town. Participatory observations were also conducted at informal markets, transport nodes and a number of border crossings.

Organization of the study

Chapter 2, 'Reviewing the Theoretical Landscape', focuses on some of the most important approaches in the field in terms of their theoretical and conceptual formulations as well as empirical focus. Such a review is a necessary background for further theorizing in Chapter 3. A fundamental distinction is made between rationalist and reflectivist approaches to regionalism. The former refers to (i) neorealism, (ii) liberal institutionalism and (iii) liberal market integration, while the latter groups (iv) the world order approach (WOA), (v) the new regionalism approach (NRA) and (vi) the new regionalisms approach/weave-world.

Chapter 3, 'Theorizing the New Regionalism Approach', outlines the analytical and theoretical framework developed in the study. The

objective is to turn the previous and explorative versions of the NRA into a more consolidated theoretical construct. Four components are emphasized in this effort: (i) a meta-theoretical point of departure; (ii) processes of regionalization; (iii) regional space; and (iv) regionalizing actors.

Chapter 4, 'The Historical Construction of "Southern Africa"', seeks to capture how Southern Africa has been produced and reproduced as a region up until the early 1990s by various social actors and through the cumulative legacies and struggles over territory, land, race, labour and political, economic and social goals. The specificities of four broad historical periods are emphasized: (i) early spaces and the arrival of the Europeans; (ii) towards a regional political economy (1870–1948); (iii) apartheid, decolonialization and the solidification of the region (1948–90); and (iv) the post-apartheid, post-Cold War period (1990–).

Chapter 5, 'The Political Economy of Formal and Informal Regionalism', focuses on the processes whereby state, market and external actors separately and collectively make and unmake Southern Africa as a region. The regionalizing actors and their agencies are in focus. The chapter highlights a series of partly overlapping and partly competing forms of regionalism, two formal: (i) the project of market integration; (ii) regime-boosting; and two informal: (iii) shadow regionalism; and (iv) informal economic regionalism.

Chapter 6, 'Civil Society Regionalism', analyses the origins, dynamics and by whom, for whom and for what purpose civil society regionalism occurs in Southern Africa. The chapter is structured in six parts. The first problematizes and conceptualizes civil society in the Southern African context and also clarifies the regional dimension. The next section highlights the richness of civil society regionalism in Southern Africa, drawing attention to the diversity of actors and sectors of cooperation. The third section analyses the rather complex relationships between civil society and the state, whereas the fourth looks into the important role played by external actors in the construction of civil society regionalism. Then follows a short case study of so-called counter-hegemonic civil society regionalism, and what this type of regionalism represents. Finally, a brief conclusion rounds off the chapter.

Chapter 7, 'The Political Economy of Shared River Basins: the Case of the Zambezi' reveals that river basins are also socially constructed. Ever since the independence of the riparian states, the Zambezi river basin can be understood as a 'state construct', shaped by competing national elites and their interests, according to a logic 'where the basin stops at the border'. This logic continues to shape the Zambezi river basin

today, but it does so in combination with new types of market-based and environmentally oriented principles. The outcome of this meeting between 'politics', 'economics' and 'ecology' is far from clear or easily predicted.

Chapter 8, 'The Political Economy of Micro-regionalism: the Case of the Maputo Development Corridor', investigates the renewed pattern of micro-regionalism in Southern Africa. Special consideration is given to the case of the MDC, which is officially regarded as the flagship of the spatial development initiatives (SDIs) in Southern Africa. Special attention is devoted to how the governance mechanisms and formal development policies of the corridor relate and intersect with the underlying social fabric of the corridor.

Chapter 9, 'Conclusion', draws together the main theoretical and empirical results of the volume. The first section draws conclusions on the regionalizing actors, and the way these actors are grouped in a variety of 'partnerships' and mixed-actor coalitions. The second section discusses the relevance of the important assumption of 'reflective actors' and the underlying basis of interest formation. The third and most comprehensive section synthesizes the findings specifically with regard to by whom, for whom and for what purpose regionalism emerges. This section emphasizes four partly overlapping and partly competing forms of regionalism: (i) regionalism as privatization, liberalization and a regional market; (ii) regionalism as regime-boosting and regime survival; (iii) regionalism as survival, private accumulation and plunder; and (iv) civil society regionalism. The volume ends with a discussion of how to understand and analyse Southern Africa as a region.

2
Reviewing the Theoretical Landscape

The purpose of this chapter is to review some of the most important approaches in the field in terms of their theoretical and conceptual formulations as well as empirical focus.[1] The need for a review is explained by the fact that any attempt to develop a theoretical framework rests at least partly on previous and alternative theoretical experiences. This is to take one step back in order to later take two steps forward.

There are, of course, many different ways to categorize theories. One distinction, which has become widely used during the last decade, is the one between 'rationalist' and 'reflectivist' approaches to international theory. According to Smith (2001: 184–5) rationalist theory refers to neorealism and neoliberalism (and to a large extent several of their predecessors), while the reflectivist position refers to a diverse group of approaches, such as postmodernism, feminism, normative theory, critical theory and historical sociology. Many social constructivists in the field of international relations (IR), the so-called middle-ground constructivists, try to bridge the gap between the two points. Rationalist theories are based on rational choice and take the interests, ideas and identities of actors, which are seen as self-interested egos, as given, while reflectivists (as well as constructivists) focus on how inter-subjective practices between actors result in how interests, ideas and identities are formed in the process of social interaction (rather than prior to such interaction).

Within the context of this study, rationalist schools of regionalism refer to: (i) neorealism; (ii) liberal institutionalism; and (iii) market integration; while the reflectivist approaches covered are: (iv) the world order approach (WOA); (v) the new regionalism approach (NRA); and (vi) the new regionalisms approach/weave-world. The debate on the

political economy of regionalism cannot, of course, simply be captured by these six approaches.[2] Nevertheless, together they illustrate some of the key controversies in the field and important ways in which the debate has unfolded. Before proceeding with the review, the different meanings of old and new regionalism should be clarified.

Old and new regionalism

Regionalism is by no means a new phenomenon. Cross-'national' (cross-community) interaction and interdependencies have existed since far back in history. Nevertheless, what today is called (voluntary and comprehensive) regionalism is predominantly a post-Second World War phenomenon, although the protectionist trend of the 1930s is sometimes seen as constituting the first wave. Seen from this perspective there have been two main waves of regionalism. The first wave had its roots in the devastating experience of inter-war nationalism and the Second World War. It emerged in Western Europe in the late 1940s, but although it was exported to several other regions in the South it died out in the late 1960s and early 1970s. The second wave began to emerge in the mid-1980s, again starting in Western Europe (with the White Paper and the Single European Act) and gradually turning into a more widespread phenomenon.

The term 'new regionalism' is widely used in the debate. There is, however, some confusion over its meaning and the differences compared to 'old regionalism'. This confusion is primarily explained by the fact that regionalism can be 'new' in a variety of ways. As already indicated above, one distinction is temporal. The current wave or era of regionalism is sometimes referred to as the 'new regionalism'. However, due to the continuities and similarities between the first and the second waves, it is sometimes possible to get a déjà vu feeling when studying the current phenomenon. Therefore, rather than identifying a new era or new wave of regionalism (cf. de Melo and Panagariya, 1993: 5), I agree with Hettne (1999: 8) in that 'I find the identification of new patterns of regionalization (co-existing with older forms) more relevant.' This implies understanding the new regionalism in the empirical rather than temporal sense.

It is also possible to speak of new regionalism in a spatial sense, referring to a region, a real emerging region, that did not previously experience regionalism or in which it was imposed from 'outside'. This dimension is relevant since the regional phenomenon is now being transformed from a mainly European project and model during the

first wave of regionalism towards a more global and diverse phenomenon. As Mittelman (2000: 113) points out, '[t]he most important features of the new regionalism are its worldwide reach, extending to more regions, with greater external linkages'. Compared to the old regionalism in the 1960s, today's regionalism is not only emerging more or less all over the world, often it also takes different shapes in different parts of the world. Whereas the old regionalism was generally specific with regard to objectives and content, and (often) had a narrow focus on preferential trade arrangements and security alliances, the number, scope and diversity of the new regionalism have grown significantly during the last decade (Hettne, 2003; Schulz *et al.*, 2001b).

To this should be added that to a significant extent the new regionalism is new due to the close relationship between regionalism and the extra-regional environment, particularly globalization. In many ways this constitutes a break with old regionalism theory, especially with the leading variant of neofunctionalism, which often ignored the global environment, almost as if regions were insulated from the external world. In fact, most of today's observers in the field emphasize the fundamental difference between the old bipolar Cold War context of the old regionalism and the current post-Cold War context, in which the new regionalism is played out (Söderbaum and Shaw, 2003). The richness of the new regionalism is illustrated by the fact that there are many different interpretations regarding what the new context really looks like and particularly what are the implications for regionalism.

Finally, and perhaps most important, the term 'new regionalism' is also used for theoretical reasons. It is a widely used theory-building strategy in the sciences to add the prefix 'new' in order to distinguish theoretical novelties from previous frameworks. But the fact that the 'new regionalism' is employed by so many scholars has also led to some confusion of its theoretical content. Although rationalist approaches often include certain theoretical novelties and sometimes also make use of the new regionalism label, their 'newness' is mainly an adjustment to a different world order context, dominated by economic globalization. In fact, many rationalists draw attention to the same or similar driving forces, motives and effects of regionalism as during the old regionalism some three decades ago. In this way rationalists maintain a direct and rather close link between old and new theoretical frameworks (cf. Laursen, 2003). This explains why the term 'new regionalism' is used most consistently by reflectivist scholars, particularly those associated with what is broadly referred to as new, critical or heterodox IPE. Since it has become conventional to refer to a new IPE or simply new political

economy, it appears to be equally relevant to speak of a new regionalism (i.e. in a theoretical sense).

Rationalist schools of regionalism

The review in this section assesses the core theoretical arguments, main assumptions and empirical coverage of the three rationalist schools of regionalism: neorealism, liberal institutionalism and market integration.

Neorealism

Neorealism, still the most influential approach in IR as a whole, analyses regionalism and the formation of regions from the outside in. The structural features of the anarchical system make the states, which are looked upon as unitary and rational egoists, predisposed towards competition and conflict. The neorealist perspective privileges the states and emphasizes sovereignty, an emphasis that it shares with the closely related intergovernmental perspective. States are believed to have their own distinctive problems and concerns, which results in their interests often failing to converge. Any effort to build a community 'beyond the nation-state' will be very difficult, and may even intensify the differences and conflicts between states (Cini, 2003: 95).

Regions and regionalism may occur as a means for state survival and under certain circumstances, for instance when the distribution of power is opening up for cooperation, for geopolitical reasons, or through the politics of alliance formation, especially in order to counter the power of another state or group of states, within or outside the region (Gilpin, 1987; Buzan, 1991). States and politicians may embody domestic policy preferences, but decisions result from intergovernmental bargaining among states (Cini, 2003: 103).

Neorealists seek to construct a general theory of international politics based on the great powers. A central neorealist proposition is that a hegemon or 'stabilizer' can stimulate the emergence of regional cooperation and regional institutions in a variety of ways (see Hurrell, 1995: 51–3). According to Waltz (1979: 72), 'it would be … ridiculous to construct a theory of international politics on Malaysia and Costa Rica'.

The neorealist emphasis on the great powers and state-centric utilitarianism has been challenged from many quarters. One criticism is that the theory is developed from a selective reading of the United States' post-war experience, often with reference to nineteenth-century Britain (Payne and Gamble, 1996: 5). Another type of critique is that the power politics of neorealism tends to reproduce itself and reinforce

the existing self-help structure as well as the dominance of great powers. The theory and its particular problematic are not only a social construction (Wendt, 1992), but also designed for someone and for some purpose (Cox, 1996).

In response to the critique, coming mainly from liberal institutionalists, that they do not adequately explain the evolution of cooperation, neorealists and their intergovernmentalist comrades have argued for the continued relevance of state/national interests, power and sovereignty. Although the EU is seen as an interesting polity, they argue that it is shaped by more or less the same intergovernmental politics and bargaining that have determined it from the start. 'There is nothing particularly special about it, other than that it has taken a highly institutionalised form in Western Europe since the 1950s' (Cini, 2003: 95). According to this view, the EU has developed and become institutionalized in order to protect national interests. It is also argued that the bargains and supranational laws of the EU reflect the interests of the most powerful states whereas weak states 'bandwagon' or are kept in through side-payments (Christiansen, 2001: 200).

In an attempt to nuance the neorealist proposition, Grieco (1997: 175–9) argues that a regional hegemon is neither a necessary nor a sufficient condition for the development of regional economic institutions. Through his 'relative disparity shift' hypothesis, Grieco argues that when there is relative stability of capabilities, which depends in part on the relative gains from regional cooperation and the expectation of a continuation of such stability, then there is a likelihood of deeper institutionalization of economic relations. On the other hand, the instability of relative capabilities limits the likelihood of regional institutionalization.

This complements other recent neorealist studies. For instance, Mansfield and Bronson (1997) show that economic regionalism may prosper within political–military alliances. They argue that the efficiency gains stemming from trade flows can be used to enhance political–military capacity. This also implies that states may be concerned with absolute and collective power within alliances, but relative power distribution towards outsiders.

Barry Buzan is another theorist of regionalism who has some linkages to the broader neorealist school of thought (he is promoting the English School of IR or a particular form of 'liberal realism'). Buzan (1991, 2003) challenges conventional neorealism, particularly as defined by Waltz, and persuasively argues that power theorists underplay the importance of the regional level in international relations.

Buzan's invention of the 'regional security complex' has had a pro-found, and largely positive, impact on the research field. Originally it was defined as 'a set of states whose major security perceptions and concerns are so interlinked that their national security problems cannot reasonably be analyzed or resolved apart from one another', but it has recently been redefined as 'a set of units whose major processes of secu-ritization, desecuritization, or both, are so interlinked that their secu-rity problems cannot reasonably be analyzed or resolved apart from one another' (Buzan, 2003: 141). Buzan has several important similarities with his realist comrades. For instance, although Buzan acknowledges other units than states in the new and updated regional security complex theory, states are taken more or less as given and continue to dominate analysis as well as prescription. Furthermore, security com-plexes are seen as miniature anarchies. Buzan appears to share the con-ventional neorealist conviction that strong states make strong and mature regions (cooperative anarchies), whereas weak states, in their quest for power and security, tend to create (regional) conflicts and immature regions, or are considered so weak that they do not form a region at all. Not surprisingly, according to Buzan, Western Europe is an example of the former, whereas weak states/regions in Africa repre-sent the latter. Again, neorealism and the security complex theory are based on certain foundations, which make them more applicable to some parts of the world rather than others, especially those parts where Westphalian state-building prevails.

Liberal institutionalism

Liberal institutionalism refers to a variety of like-minded functionalist, liberal and institutionalist theories, both 'old' and 'new', which first and foremost analyse regions through the inside out and with empha-sis on institutional and liberal aspects. In spite of important differ-ences, this group of theories share some common traits, such as actor rationalism (although all frameworks are not 'pure' rational choice theories), pluralist assumptions, a similar liberal view of the state, and the regulating influence of institutional frameworks. Functionalism is one important and early approach to emerge within this school. Functionalism is primarily a strategy (or a normative method) designed to build peace, constructed around the proposition that the provision of common needs and functions can unite people across state borders (Mitrany, 1966). According to this line of thinking, form should follow function, and cooperation should at least initially con-centrate on technical and basic functional programmes and projects

within clearly defined sectors, without challenging national sovereignty or existing power structures within each country. Functional cooperation among experts to solve common problems would eventually lead to a shift of loyalties and expectations from the national to international authorities.

Neofunctionalism builds on the functionalist method, but challenges the functionalist assumption of separability of politics from economics. It claims to contain a greater concern for the centres of power (Haas, 1958, 1964). A utilitarian concept of interest politics is introduced, whereby 'function follows interests' and 'ruthless egoism does the trick by itself' (Mattli, 1999: 23). Neofunctionalists place emphasis on non-state actors, such as interest groups and social movements that are formed at the regional level, and the regional secretariat and authority. States continue to be important but by no means exclusive actors. Neofunctionalists emphasize the deliberate design of regional institutions, which are seen as the most effective means for solving common problems. These institutions and supranational authorities are initiated by the states, but then the regional bureaucrats and interest groups and self-organized interests become important actors in the process. The regional institutions are, in turn, instrumental for the creation of functional, political and cultivated spillover, and ultimately lead to a redefinition of group identity 'beyond the nation-state' and around the regional unit (Haas, 1964; Hurrell, 1995: 59). During the 1960s, neofunctionalism quickly enjoyed an enormous reputation and was often referred to as the paradigm of the European Communities (EC). It was also seen as the model for regional integration to be followed in other parts of the world, for instance in Africa and Latin America (Haas and Schmitter, 1965; Nye, 1965, 1971; Haas, 1967).

In retrospect it seems that the neofunctionalists expected too much too quickly. They underestimated the anti-pluralist and nationalist orientations of their time, at the same time as the theory had little regard for exogenous and extra-regional forces (Breslin and Higgott, 2000: 335). Its assumptions proved to be false or at least premature in Europe, and even more misleading in other regions. In a similar vein, the same underlying assumptions limit the global applicability of contemporary functionalist and institutionalist theories.

Without ignoring the rich variety of reformulated functionalist and neofunctionalist theories, neoliberal institutionalism has become the dominant approach within the larger liberal paradigm, at least as far as the study of regionalism is concerned. Just like their neorealist comrades, neoliberal institutionalists share the idea of an anarchical system

in which states are the most important actors (Keohane, 1984; Mansfield and Milner, 1997). However, the states' behaviour and motives for engaging in international affairs differ compared to neorealism. Neoliberal institutionalists argue that the state will act as negotiator at the intergovernmental and supranational level, limited by national political considerations, firms and pressure groups. Non-state actors will first and foremost influence regional politics from the bottom up and in relation to their national governments. In this sense the neoliberal institutionalists have some similarities with neorealists and intergovernmentalists. One of the important differences is for what purpose regionalism emerges and what variables help us understand the institutionalization process. According to neoliberal institutionalists, regionalism is primarily motivated by the procurement of public goods, the avoidance of negative externalities from interdependence, and absolute gains. Regionalism is expected to be an incremental problem-solving process, mainly driven by or through formal and informal institutions. Transactions and commerce generate a demand for regulation, institutionalization and supranational governance. In essence, 'institutions matter' and efficient regionalization is expected to become ever more institutionalized.

The widening and deepening of particular regional organizations and institutional variation are undoubtedly important research topics. Nevertheless, one weakness of this line of thinking is the heavy emphasis on inter-state frameworks, such as the EU, NAFTA, MERCOSUR and APEC (Fawcett and Hurrell, 1995; Mansfield and Milner, 1997; Coleman and Underhill, 1998). This bias is accentuated by the fact that regional organizations, especially as derived from Europe, are put forward as the point of reference for understanding the global phenomenon of regionalism. Christiansen (2001: 517) illustrates this favouritism: 'On the whole, these forms of regionalism [in the rest of the world] differ from European integration in only focusing on economic matters and relying on a very limited degree of institutionalisation.' Such generalizations are problematic, and often misleading. It is at least to some extent to miss the point of the dynamics of the processes to argue that there is regional integration in Europe and regional cooperation elsewhere in the world. Likewise, it is also overly narrow to believe that regionalism in the rest of the world is simply and mainly about economics. Furthermore, such generalizations ignore also the power asymmetries in the global political economy as well as important issues, such as by whom, for whom and for what purpose regionalism occurs.

Market integration

The study of regionalism in economics is overwhelmingly dominated by what is often labelled 'the' theory of regional economic integration. Sometimes it is also referred to as market integration, especially in Southern Africa, which explains why this label is used in this study. In reality it is a body of theories built around customs union theory and optimal currency areas. The theory assumes the creation, in linear succession, of increasingly more 'advanced' stages of regional economic integration, namely: preferential trade area, free trade area, customs union, common market, economic and monetary union and complete economic integration (Balassa, 1962; Robson, 1998). The market forces that are set in play at one stage are anticipated to have a spillover effect to the next stage, so that its implementation becomes an economic necessity. A related proposition is that because economic market integration has its own costs, resources will be misallocated if a more 'advanced' stage is embarked upon before a lower stage is completed.

At the lowest stage there is a preferential trade area, whereby member countries charge each other lower tariffs than those applicable to non-members. The second stage is a free trade area in which tariffs and quotas are eliminated among members, but each country retains its own tariffs against imports from non-members. A customs union moves further, and in addition to the free trade area members erect a common external tariff. The common market is a more developed stage of economic integration. It combines the features of the customs union with the elimination of obstacles for the free movement of labour, capital, services and persons (and entrepreneurship). The next step on the ladder is an economic and monetary union, which involves a common currency and the harmonization of monetary, fiscal and social policies. Complete economic integration constitutes the ultimate stage of economic integration. It presupposes the unification of economic and political policies, as well as a central supranational authority that not only controls economic policy but is also accountable to a common parliament.

The theory is not concerned with institutional and political dynamics and the choices whereby regions are produced. It focuses solely on welfare effects resulting from economic interaction and policy change, and as such it is not a theory of how regions are made and unmade, and by whom, for whom and what purpose region-builders engage in regionalism. In spite of its rather narrow focus, the theory continues to have an enormous influence on the debate on regional economic integration all

over the world, among academics as well as policy-makers (see Cable and Henderson, 1994; de Melo and Panagariya, 1993).

The welfare gains emphasized in the theory can be divided into static and dynamic gains (El-Agraa, 1997), which at the same time emphasize that there are both gains and costs of market integration. Owing to the difficulty of calculating dynamic welfare gains within traditional economic models, it has been conventional to concentrate on the static comparative gains, particularly whether the economic scheme is trade creating or trade diverting.[3] Static welfare gains may also arise as a consequence of more efficient allocation of resources, primarily as a result of the free flow of factors of production. Sometimes, but much less frequently, dynamic gains are also considered, such as economies of scale and positive terms-of-trade effects as a result of increased bargaining power. Although part of the theory as such, other dynamic benefits are often excluded from the analysis, for instance productivity gains, technological development, harmonization of macroeconomic policies and increased growth effects.

Before moving on, the 'development integration' model needs to be mentioned in this context. It developed as a dirigiste and structuralist-inspired challenge to the orthodox market integration approach. In the development integration model, high-level political cooperation and integration are required at an early stage in order to achieve its two main objectives: (i) a 'planned' stimulation of productive capacities and investment; and (ii) a balanced distribution of the benefits of economic cooperation and integration, which implies that the gains should not be allocated on the basis of market exchange and comparative advantage (Haarløv, 1997: 23). The model makes use of at least two broad sets of distributive instruments: compensatory mechanisms (transfer tax system, budgetary transfers, preferential tariffs) and corrective mechanisms (planned industrial strategy, regional development banks or funds, common investment code). Although certain aspects of development integration may still be referred to in the debate, especially in the SADC debate, the model has little influence on practical policies of much of today's economic regionalism. Instead new thinking has made an inroad into economics and market integration during the last decade.

The recent line of thinking is largely consistent with the orthodox theory, thus implying that the paradigm as such has not been challenged. The new thinking can be divided into two main categories: first, those concerned with the impact of economic regionalism on the world trading system; and second, those concerned with economic regionalism in terms of the economic blocs themselves (Robson, 1993: 330).

The first category is totally dominated by what is known as 'open regionalism', which prescribes that policy should be directed towards the elimination of obstacles to trade (and to some extent also investment) within a region, while at the same time doing nothing to raise external barriers to the rest of the world (Cable and Henderson, 1994: 8). The key question is whether the regional trading bloc is a 'stumbling block' or 'stepping stone' towards a free and open world economy. In a genuinely problem-solving fashion, open regionalism seeks to synchronize the global and the regional levels, and the normative concern is a smoothened multilateral trading system and the rather ambiguous notion of world welfare. According to open regionalists, there is no need to replicate the EU (which is often seen as protectionist) and there can be different routes to open regionalism in Africa, the Americas and Asia. Open regionalism accepts the fundamentals of orthodox market integration. However, while some market integrationists accept certain protectionist measures, such as infant industry protection for a limited period of time, open regionalists are closer to laissez-faire market fundamentalism and neoliberal thinking, whereby liberalization and opening up are seen as a panacea. This notion makes the formation of customs unions unnecessary, because of the real and potential risks of protectionism and trade diversion inherent in such ventures.

While open regionalism developed mainly in order to integrate the South into the global economy in line with neoliberal free trade assumptions, the second category of reformulations of economic regionalism has been developed in and for the industrialized countries, particularly in Europe. This thinking rests on a broader set of benefits and less restrictive assumptions than both orthodox market integration and open regionalism. As a result it is also more relevant in a global perspective and for the political economy of regionalism in Southern Africa (see Mistry, 2003). Unfortunately, this line of thinking has not attracted the attention it deserves in the discussion of regionalism in the South. The reformulated theorizing transcends the almost exclusive focus on discriminatory trade policies in the orthodox framework and open regionalism in favour of a wide range of non-orthodox and dynamic economic benefits. These benefits include domestic and foreign investment creation, production and employment creation, political–economic–social stability and credibility, economies of scale, avoiding the costs of non-integration, the development of infrastructure and other services as well as structural transformation (cf. Robson, 1993; Padoan, 2001). At the same time it relaxes the rather unrealistic

assumptions in the orthodox framework, which do not apply in Europe and are even more irrelevant in most other parts of the world. Still, this line of thinking is consistent with neoclassical economics, and it should not be confused with the development integration model referred to above.

Summary

The three rationalist schools of thought have had a profound impact on the study of regionalism. There is no doubt about the fact that they have contributed to the explanation of regionalism and regionalist projects, both in the past as well as in today's regionalism. In spite of important differences and to some extent competing explanations, there are important similarities between the three schools. What in the broader field of IR/IPE is generally referred to as the 'neo-neo-synthesis' – a merger between neorealism and neoliberal institutionalism – is also visible in the field of regionalism. Not only do the two neo-neo-approaches share a common epistemology and agree on several core assumptions, both are to a large extent focused on the variance of the institutionalization of regionalism and other rather specific issues of regionalism, such as trade and finance (Mansfield and Milner, 1997). One main difference is that neorealists emphasize structural and power-oriented variables, while neoliberal institutionalists give more weight to the regulating influence of regional institutions as such. Perhaps the most famous combination of the two approaches is Andrew Moravcsik's (1998) theory of liberal intergovernmentalism.

Moravcsik's liberal intergovernmentalism has emerged as one of the pre-eminent theories of European integration. Very simplified, the theory incorporates both realist and neoliberal elements and deals with both domestic and international politics. Moravcsik views the EU as an intergovernmental regime, and emphasizes the power of states and their preferences. This neorealist/intergovernmentalist perspective is then combined with a liberal stance of how national preferences are formed and the underlying societal factors that provoke a demand for cooperation and the management of economic interdependence.

Furthermore, most of the time there is a big divide and a general absence of genuine discussion between political economists and economists. Recently some interaction has re-emerged between the two disciplines. The different theorists do not necessarily reject one another's explanations but rather seek to complement the broader picture with their own particular variables. Just like the case during the era of old

regionalism, when there was an interesting dialogue between neofunctionalism and orthodox market integration, the main dialogue with 'outsiders' is when neo-neo-theorists integrate economic variables into their frameworks, such as strategic trade theory (Milner, 1997; Padoan, 2001) or broader market logics (Mattli, 1999). From the point of view of economics, the most important theorizing is done by those who transcend their own discipline by taking political, institutional, and at times even security variables into account (Robson, 1993; Page, 1998, 2000; Mistry, 2003).

These debates and theoretical developments are productive and have a good potential, especially if and when they lead to a transcendence of disciplinary boundaries, a questioning of narrow assumptions and more fruitful comparisons (instead of rather simple correlations between a limited set of variables). This being said, the overwhelming majority of scholars in the rationalist camp maintain a rather narrow focus on states as aggregated and unitary units, and/or formal inter-state frameworks and policy arrangements. This is problematic because contemporary regionalism cannot be properly understood simply by focusing on formal inter-state frameworks and relations. To a large extent the rationalist approaches are intra-paradigmatic, resulting in many important research issues and methodologies highlighted in the reflectivist camp remaining unaddressed or overlooked.

Part of the problem lies in that the rationalist theories are developed first and foremost for the study of Western Europe. When this case is transcended, the main focus is placed on North America and the Asia-Pacific region, with variation explained in terms of how it differs from the 'standard case' of Europe. It is revealing that one of the core contributions to rationalist regionalism, *The Political Economy of Regionalism* (Mansfield and Milner, 1997), 'conveniently' ignores Africa and the dynamic regionalization processes on this continent. The same neglect of African regionalism prevails in other mainstream texts in the field (cf. Adler and Barnett, 1998; Fawcett and Hurrell, 1995; Mattli, 1999).

Apart from the narrow empirical selection, the problem is, generally speaking, that the same underlying assumptions and conceptualizations that stem from a particular reading of European integration influence the description and prescription of regionalism in the rest of the world. The discursive hegemony is maintained through critical and reflectivist approaches being regarded as 'non-scientific' and speculative (Mattli, 1999: 3–16) or simply ignored as if these perspectives do not exist (Mansfield and Milner, 1997; Laursen, 2003).

Reflectivist approaches to regionalism

A series of reflectivist approaches to regionalism have developed since the mid-1990s. These approaches challenge core rationalist and problem-solving features, such as the separation of subject and object, fact and value, state-centric ontology and rationalist epistemology. All the diverse approaches to regionalism belonging to the reflectivist camp cannot be accounted for here. The ones discussed – WOA, NRA and the new regionalisms approach/weave-world – are widely referred to in the debate, but they are also selected because they will provide input to further theorization in the next chapter.

While the rationalist approaches are comprehensive 'schools of thought' with a massive research output and with its proponents often ending up defending their own perspectives, the reflectivist approaches are more embryonic, flexible and even provisional constructs. Another difference is that the reflectivist group consists of a much more limited number of scholars, who often intersect in partly overlapping and interactive research networks.

World order approach[4]

The WOA is heavily indebted to the critical IPE associated with Robert Cox. The by now famous Coxian proposition that 'theory is always for someone and for some purpose' – that theories are historically and politically based – constitutes the starting point for theorizing (Cox, 1981: 128). Gamble and Payne (2003: 46) go on underlining that critical theory 'was a theory of history concerned not just with the past but with a continuing process of change; it was directed to the social and political complex as a whole rather than to its separate parts; and it contained within its brief the possibility of identifying the outlines of alternative distributions of power from those prevailing at any particular time'.

The WOA builds on Cox's method of historical structures, defined as configurations of forces (consisting of material capabilities, ideas and institutions). The historical structures mean no more, but no less, than persistent social practices, made and transformed by collective human action:

> There is, of course, no absolute distinction between actors and structures. It is not a question of sacrificing the one or the other. Structures are formed by collective human activity over time.

Structures, in turn, mould the thoughts and actions of individuals. Historical change is to be thought of as the reciprocal relationship of structures and actors. There is a difference, however, between thinking of this actor–structure relationship as a process configuring structural change, and thinking of actions as confined within fixed, given structures in the manner of problem-solving theory. (Cox, 1995: 33)

The architects of the WOA particularly underline the need to go beyond materialist definitions of power and insert ideas into the standard framework. In their view this makes the framework 'substantially more nuanced than mainstream approaches and enables analysts to catch more of the essence of hegemony' (Payne and Gamble, 1996: 9). Following Cox, the proponents of the WOA emphasize that material capabilities, ideas and institutions interact on three interrelated levels: the social forces engendered in production processes; the varying forms of state/society complexes (not just states); and types of world order.

The key focus of the WOA is the relationship between globalization, regionalism and the development of world orders. Globalization and the ideological power or even 'triumph' of capitalism have, according to Gamble and Payne, established a new context within which regionalism has to be rethought. The central question for the WOA in this new context is to what extent states (and particular state/society complexes) respond to globalization by building states-led regionalist schemes.

The WOA remains sceptic of much of existing regionalism and the underlying motives of the leading actors. Its proponents claim that regionalism originates in discussions and negotiations within the policy-making elites in the core countries and it is part of the hegemonic power of free market capitalism and liberal democracy. Contrary to the realist fears that regionalism leads to a new era of trade wars and even military conflict between the great powers, the WOA theorists claim that current regionalism ties into and reinforces economic globalization and neoliberalism. Regionalism is a way to manage world order: 'regionalist projects emerge as a means to help achieve the globalist project in a world where there is no longer a single state with the authority and capacity to impose its leadership' (Gamble and Payne, 1996b: 252–3). According to this line of thinking, regionalism is part of and reinforces the prevailing hegemonic order, based on the neoliberal project, and 'there is very little evidence to suggest that new identities are challenging old, or that cultural barriers and stereotypes are being broken down' (Kearns and Hook, 1999: 250).

This also leads to the fact that contemporary regionalism is uneven. The WOA theorists argue that unless the questions of inequality and uneven development are addressed, regionalist projects are likely to lead to increasing problems and polarization within as well as between the regions (Gamble and Payne, 1996b: 258). There is a potential for states-driven regionalist projects to mitigate the negative effects of globalization and contribute to a new era of social regulation and community, especially if managed in an enlightened way and if opened up to the influences and interests of labour and civil society more broadly. However, the elites have devised these regionalist projects with little popular involvement or pressure for such projects. Kearns and Hook argue that regional cooperation 'is fundamentally an elite-led process wherever one looks around the world and, indeed, … it is often used in its own right to out-manoeuvre and stifle popular opposition to the kind of politics and neo-liberal economy which it itself represents' (Kearns and Hook, 1999: 249–50). If regionalism 'continues to use the public face of international cooperation to mask the needs of a few private interests, particularly amongst the elite, then it may well become one of the targets for any future radical challenge to capitalist civilization. There is a way to go yet before today's […] regionalism can be wholeheartedly welcomed' (Kearns and Hook, 1999: 257).

New regionalism approach[5]

The NRA starts from the proposition that in order to understand regionalism today it is essential to realize that we are dealing with a qualitatively new phenomenon, that is taking place in a new context and with a new content. With regard to context, the new regionalism needs to be related to the current transformation of the world, a more multipolar rather than the old bipolar world order, which is to a large extent shaped by globalization. Regions are not formed in a vacuum. Globalization and regionalization are intimately connected, and must thus be understood within the same framework, together shaping the emerging world order. 'The new regionalism and multipolarity [are], from a world order perspective, two sides of the same coin' (Hettne, 2003: 23).

The content of today's regionalism has also changed. While the old regionalism was often imposed, directly or indirectly, from above and outside, in accordance with the bipolar Cold War power structure, the new regionalism is emerging from within the regions themselves and in accordance with their peculiarities and problems. The old regionalism was generally specific with regard to objectives and content, with a

specific focus on free trade arrangements and security alliances, whereas the new is resulting from a more comprehensive, multidimensional societal process. As a consequence, the new regionalism is a truly worldwide phenomenon, taking place in more areas of the world than ever before.

Contrary to the rationalists' concern with more or less fixed and static definitions of regions and states, the NRA is more eclectic and more focused on the processes and consequences of regionalization in various fields of activity and at various levels, i.e. the processes through which regions are being made and unmade. The NRA by no means suggests that regions will be unitary, homogeneous or discrete units. Instead there are many varieties of regional subsystems, with different degrees of 'regionness'.[6] There are no 'natural' or 'given' regions, but these are made and unmade – intentionally or unintentionally – in the process of global transformation, by collective human action and identity formation. Regionalism is a heterogeneous, comprehensive, multidimensional phenomenon, taking place in several sectors, and at least potentially 'pushed' by a variety of state and non-state actors, both within and outside formal regional institutional arrangements. We are likely to experience regionalization at various speeds in various sectors as well as regionalization and de-regionalization occurring at the same time.

The NRA shares several common features with the WOA, especially the overall commitment to critical IPE and post-positivist methodology. Similar to the WOA, it views (economic) globalization as a strong and in some of its dimensions irreversible force, with deep implications for regionalism. Both approaches view economic globalization as a highly uneven process and both seek to reveal the power relations behind it. However, whereas the WOA sees today's regionalism primarily as a manifestation of economic globalization and prevailing forms of hegemony (i.e. as neoliberal open regionalism), the NRA is more enthusiastic of the regional phenomenon. In an innovative manner, its main architect, Björn Hettne, applies the thinking of Karl Polanyi (1957) in order to understand the emergence of the new regionalism in the context of economic globalization:

> The current phenomenon of regionalism could be seen as the manifestation of the second movement, the protection of society, on the level of the macroregion, as a political reaction against the global market expansion which gained momentum in the 1980s. Thus we can speak of a 'Second Great Transformation'. (Hettne, 1997: 86)

Hettne argues, building on Polanyi, that the dialectics of market expansion and attempts at political intervention in defence of civil society constitute the basic forces of societal change. Seen in this perspective the new regionalism represents the return of 'the political'; that is, interventions in favour of crucial values, among which development, security and peace, and ecological sustainability are the most fundamental (Hettne, 1999: 22). Using Polanyian terminology, economic globalization constitutes the first movement (with open regionalism being part of it), whereas political regionalism represents the second movement, and together they constitute a second great transformation. In this context Hettne also emphasizes that the new regionalism is a way to overcome the contradiction between a Westphalian and a post-Westphalian rationality; between the obsolete nation-state approach and immature or predatory globalization (cf. Hveem, 1999; Falk, 1999; Schulz *et al.,* 2001a, b). On the world order level it forms the basis of an improved and better functioning multilateral system, a 'regional multilateralism' (Hettne, 1999).

A closely related difference compared to the WOA is that the NRA has a somewhat different interpretation of the state in general and its role in the process of regionalization in particular. In contrast to the WOA's emphasis on states-led regionalist projects, the NRA emphasizes the weakened capacity of the state in a globalized world and the unlikeliness of a conventional redistributional solution on the national level. The NRA extends the Polanyian ideas about the (potential) political role of civil society as a means for the weak and the poor to protect themselves, i.e. the self-protection of society (Hettne, 2003: 37). Not only economic but also social and cultural regional networks and projects are anticipated to develop more quickly than the formal states-led regionalist projects (Hettne, 1994: 3). From this perspective, it is particularly important to identify and encourage the counterforces and agents of transformation in the context of globalization. Mittelman (2000: 225) labels this 'transformative regionalism', referring to the alternative and bottom-up forms of cultural identity and regional self-organization and self-protection, such as the pro-democracy forces, the women's movement, the environmentalists and so on. 'At the end of the day, the possibilities and limitations of transformative regionalism rest on the strength of its links to civil society' (Mittelman, 1999: 48).

New regionalisms approach/weave-world[7]

The theorists behind the new regionalisms approach/weave-world acknowledge the contributions made by the NRA and other critical

approaches in the field. However, its proponents seek to integrate a variety of other post-structural, political anthropological, critical realist and postmodernist influences into their framework. In so doing they claim to develop a more historical, contextual, agency-oriented approach, which is supposed to provide a more comprehensive understanding of the multiplicities, complexities, contradictions and diversities of regions and regionalization processes in the South (Marchand *et al.,* 1999). The label 'regionalisms' signifies, according to these theorists, the pluralistic nature of the regional phenomenon rather than the perceived 'singularity' of other approaches. In the early texts, its proponents placed emphasis on (critical) realism, which is referring, in a general way, to political realism in the tradition stemming from E.H. Carr, which can be understood as 'unmasking a utopia dressed up as real'. 'It is meant to be a state of mind; a way of thinking that encourages innovation rather than closure.'[8] By the same token, there was also a call for a 'reattachment' of regional organizations to the 'realities' of the underlying and informal fabrics of the regions.

Other approaches, including the NRA, are challenged (but not rejected) *inter alia* because they are considered to be 'singular', too concerned with states and overly optimistic about regional organizations and institutions. According to the new regionalisms approach/weave-world, more emphasis should be placed on what is broadly referred to as 'informal regionalisms from below', which include a wide range of non-state actors and informal activities, such as transnational corporations (TNCs), ecologies, ethnicities, civil societies, private armies, *maquiladoras*, export processing zones (EPZs), growth triangles, development corridors, diasporas from the South to the North, track-two diplomacy, and the informal border politics of small trade, smuggling, mafias and crime (Marchand *et al.,* 1999: 905–6; cf. Shaw, 1998, 2000). Emphasis is placed on connecting informal and formal processes within the same framework:

> It is only when we make deliberate attempts to connect the two broad processes of formal and informal regionalisms that we can get a clearer picture of the connections between them. … The point is that the outcome of these processes is highly unpredictable, and most often there is more to these issues than meets the eye. (Marchand *et al.,* 1999: 905–6)

In common with the two other reflectivist approaches described above, the new regionalisms approach/weave-world emphasizes the

close relationship between globalization and regionalization. But again, this approach is more concerned with the diversities and paradoxes, whereby the globalization/regionalization nexuses create a wide range of complex patterns of interactions and responses at various levels. Globalization has not only different and uneven impacts between countries and regions, but perhaps even more so within them. This results in a number of diverse local, national and regional level responses to the globalization/regionalization nexuses. It also implies a rejection of the notion of 'interdependence' between the various actors and units and the system at large, at least as introduced by Robert Keohane and Joseph Nye (1989). The new regionalisms approach argues that 'what we are confronted with are juxtaposition, contradictory processes and simultaneous co-operation and conflict interwoven into streams of ideas, identities and more tangible resource. This is the *weave-world of regionalisation and globalisation at the dawn of the next millennium*' (Bøås *et al.,* 1999b: 1062–3, emphasis in original).

Summary

The reflectivist approaches have a lot to contribute to our understanding of contemporary regionalism. The three approaches share a common reflectivist and critical foundation. In this way they challenge the ontology, epistemology and methodology of the rationalist approaches. Furthermore, the reflectivist approaches challenge the rationalists' conceptualizations, their view of the state as a unitary (and the most important) actor, as well as the anticipated importance of inter-state policy frameworks and trade flows. In so doing the reflectivist approaches integrate both top-down and bottom-up, formal and informal, intentional as well as unintentional dimensions of regionalism within the same framework. By implication, the reflectivist approaches thus refrain from juxtaposing regionalism elsewhere to European institutionalization and so-called 'deep' levels of trade and monetary integration.

One positive trend in the research field is that both rationalists and reflectivists tend to take a more global perspective and highlight the relationship between regionalism and globalism/multilateralism. However, many rationalists conceive mainly a linear relationship between the two grand processes. The various liberal theorists characterize the relationship in terms of whether regionalism constitutes a stumbling block or a building block for the multilateral trading system, whereas the neorealists emphasize the conflictual aspects in the system and (potential) clashes between regional blocs. By contrast, the reflectivist approaches

acknowledge the diversity of relationships between globalization and regionalization, and that these relationships depend on a range of different variables, such as the position of the region in the world economy, the politics and economics of various regional schemes, the type of regionalist project as well as the types of states, the internal regional distribution of power and labour in the region and so on.[9] In this way, the reflectivists have a more holistic and contextualized understanding of the relationship between globalization and regionalization, which prevents globalization from simply being reproduced as a Western project.

There are some important differences within the reflectivist camp. One is that the WOA and the early versions of the NRA primarily analyse regionalism from a world order and in a systemic perspective. In so doing they draw attention to the systemic and structural features of regionalism, whereas the new regionalisms approach/weave-world rejects any systemic and universalistic logic, emphasizing instead the contradictory nature of informal regionalisms from below in particular regions in the South. Each reflectivist approach has a proven track record in its own right and there is no need for far-reaching theoretical standardization. However, a relevant regionalism theory should, in my opinion, neither be reserved for the North nor for the South. Even if the culturally skewed 'universalism' of many Eurocentric perspectives must be avoided, there is no reason to construct a priori a particular regionalism theory only for the South, which the new regionalisms approach seeks to do.

Furthermore, even if the reflectivist approaches correctly distinguish between state and non-state actors and integrate both within the same framework, there is a tendency to favour either state or non-state actors in the actual analyses carried out. The WOA does not hide the fact that it is concerned with states-led regionalism. The early versions of the NRA opened up for non-state actors but often it was too state-centric in the actual studies carried out. Finally, the new regionalisms approach/weave-world tends to be overly concerned with informal and non-state regionalism.

Conclusion

This chapter has reviewed the theoretical landscape in the field of regionalism by concentrating on three rationalist schools of thought (neorealism, liberal institutionalism and market integration) and three reflectivist approaches (WOA, NRA and new regionalisms approach/weave-world). Although the former group dominates the research field

and certainly contributes to explaining the regional phenomenon, these theories can be challenged for a number of reasons. One weakness is related to their positivistic logic of investigation, which results in a concern with the methodology of regionalism rather than a genuine concern with the socio-economic circumstances and historical context in which regionalism occurs. The implication is that the concepts and assumptions on which the theories are based are seldom questioned or problematized. This is problematic because the underlying ontological and theoretical assumptions – such as the notion of unitary states, the regulating influence of regional organizations, trade and policy-led economic integration and so on – are certainly more relevant in certain contexts than in others. Thus, the rationalist theories are first and foremost designed for the study of the favourite case of Europe and contexts where state-building is predominant. They are also designed to address a set of particular research questions focusing on a limited set of variables. Neither the research questions nor the studies need to be irrelevant or wrong. The argument raised here is that there is a knowledge gap and that other theoretical perspectives are also justified.

The reflectivist approaches seek to open up for a broad and deep interdisciplinary analysis of regionalism. They are founded on the necessity to 'unpack' the state–society complex and critically assess the prevailing power structures and patterns of domination. They reject the rationalist claim that regionalism is primarily happening in Europe, the NAFTA and the Asia-Pacific region, and that it is mainly driven through formal supranational or intergovernmental regional frameworks. The reflectivists, at least the NRA and the new regionalisms approach/weave-world, emphasize the multidimensional nature of today's regionalism, with formal and informal dimensions and a multitude of state and non-state actors. However, in spite of many advantages of these frameworks, there is still a need for theoretical development and consolidation.

3
Theorizing the New Regionalism Approach

The point of departure for theory-building in this study is that the reflectivist approaches to regionalism constitute a theoretical foundation. But, in my view, there are still gaps in the explanation and understanding of the political economy of regionalism, how regions are socially constructed, what actors and coalitions of actors are 'pushing' the processes, with what visions and strategies, and who are the winners and losers. These limitations arise, at least to some extent, as a consequence of how the new regionalism is studied, theorized and conceptualized.

This chapter specifies and develops the theoretical components of an updated and revised NRA. It represents an attempt to move from the first rather explorative research phase of the NRA and turn it into a more coherent and consolidated theoretical construct. Four components are emphasized in this theory-building effort. The first is a specification of the meta-theoretical point of departure and what type of theory that is being built. The second element is a move away from the structuralist and systemic bias of the early versions of NRA, towards a perspective that is better designed to deal with the processes of regionalization. Third, there is a need for a more nuanced understanding of space in order to understand the linkages between different spatial levels as well as to bridge the rift between macro-regionalism and micro-regionalism. The fourth component is to acknowledge the multitude of regionalizing actors and the fact that they are not autonomous from one another but often have a range of different relationships.

A meta-theoretical point of departure

The NRA is based on the proposition that it is impossible to think about international relations without theory. The closely related

assumption is that understanding, explanation and prediction are not separate from theory. As Cox eloquently points out:

> there is no theory in itself, no theory independent of a concrete historical context. … Theory thus follows reality in the sense that it is shaped by the world of experience. But it also precedes the making of reality in that it orients the minds of those who by their actions reproduce or change that reality. (Cox, 1995: 31)

Theories help us define the external world. Hence, 'reality is not separate from theory … theory is a part of reality … both are cause and effect in unity' (Scholte, 1993: 141). This means that the NRA defines theory as constitutive theory, in contradistinction to explanatory/neo-utilitarian theory, which sees the world as external to our theories of it (see Smith, 2001: 226; cf. Ruggie, 1998). The rationalists often criticize the constitutive position as 'mere description' and/or not providing causal explanation. In response, Wendt eloquently defends the constitutive position:

> The 'independent/dependent variable' talk that informs causal theorizing … makes no sense in constitutive theorizing. … the bias of mainstream social science against 'mere' description or history is unfortunate. … constitutive theories are *theories*. They involve inferences from observable events to broader patterns, and inferences always involve a theoretical leap. … data [do not] speak for themselves. … Constitutive claims concern how social kinds are put together rather than the relation between independent and dependent variables, but they are no less 'theoretical' for that. (Wendt, 1999: 84–5, 87)

Furthermore, the NRA rejects the strict foundationalist (and positivist) claim that 'our beliefs about the world can be tested or evaluated against any neutral or objective procedures' and that all truth claims can be judged true or false (cf. Smith, 2001: 226). The epistemological stance adopted here is that there is no such thing as value-free theory as stipulated in positivist epistemology: so-called 'facts' do not speak for themselves and do not exist purely separately from theory. Since all knowledge involves signs, interpretation and inference, there are not, at least not from this perspective, any truly 'objective' methods for absolute knowledge.

The rejection of 'objective' and 'value-free theory' does not imply an automatic acceptance of a purely anti-foundationalist and relativist

position, whereby each theory will define what counts as facts and that there are no grounds for judging truth claims. There is no reason to replace one extremism with another. The stance adopted here is that there is an inherent bias in all theories and that every theory is based on 'something'. In Cox's famous words:

> Theory is always for someone and for some purpose. All theories have a perspective. Perspectives derive from a position in time and space. The world is seen from a standpoint definable in terms of nation or social class, of dominance or subordination, of rising or declining power, of a sense of immobility or of present crisis, of past experience, and of hopes and expectations for the future. (Cox, 1986: 207)

The important point is that one needs to be explicit about what theory is being built. The NRA builds further on 'critical IPE'. Robert Cox (1996) is one of the 'founding fathers' of this rather loose school of thought. Craig Murphy and Roger Tooze (1991) first advanced the call for a 'new IPE', which has also been referred to as heterodox or counter-hegemonic IPE (Hettne, 1995a, b; Neufeld, 1995; Gamble and Payne, 1996a; Hoogvelt, 1997; Gamble *et al.*, 1996; Mittelman, 2000). One of the major strengths of critical IPE, which the NRA builds on, is the ambition to understand and contribute to structural/social transformation and emancipation, with a particular emphasis on the impact and consequences of asymmetric power relations, patterns of dominance and hegemony. From this perspective, it is unsatisfactory to deal only with the patterns of power and domination in a structural and/or problem-solving fashion, which is often the case with mainstream IPE. We need also to focus on emancipation and historical and contextual development processes, in order to escape from unchanging transhistorical theory, artificially imposed on a changing reality, and characterizing what still is rationalist international IR/IPE theory (Hettne, 1995a; Hettne *et al.*, 1999b). Perhaps the most important component of this perspective is an unbending concern for the excluded, poor and marginalized people, which implies a critical questioning of existing structures and in whose interests prevailing strategies are carried out. Following directly from this, the NRA focuses on the content of regionalism rather than the form, implying a critical questioning of any given type of regionalism, for whom and with what consequences it is being put into practice, consolidated or resisted.

Processes of regionalization

As indicated in the previous chapter, the WOA and the early versions of the NRA tend to favour systemic perspectives, implying that they theorize about the larger systemic context of regionalism rather than the social dynamics of regionalization as such. This is reflected in their heavy emphasis on world order and the relationship between globalization and regionalism (Gamble and Payne, 2003; Hettne *et al.*, 1999). Structural approaches are both important and needed, particularly when (and if) they reveal power inequalities and patterns of domination. However, this is not enough, and the NRA as advanced here seeks to reorient the emphasis on structure and exogenous dynamics towards a more explicit focus on the processes of regionalization. Alexander Wendt (1992: 395) is correct in that 'structure has no existence or causal power apart from process'. It is here argued that, in order to understand structural and social change within a particular region, there is a need to move from structure and systemic perspectives towards regionalization processes and agency, actors, visions and strategies.

This is an important theoretical and methodological point. Although most theorists in today's social science combine structure and agency, one way or another, it is often those who have the most to say about 'structure' who tend to give it ontological primacy and privilege it over 'agency', which in the worst case leads to the subjects and their agency disappearing (Waters, 1994: 12; cf. Giddens, 1979). The insertion of constructivism into the reflectivist framework will make it possible to better account for agency and the processes of regionalization.

Reflectivist constructivism

The rise of constructivism is perhaps the most important theoretical development within the larger field of IR/IPE in recent decades. Although a rather banal statement, it has finally become clear since the late 1990s that there are many types of social constructivisms. It is therefore important to outline what particular ingredients from the social constructivist perspective that are inserted into the NRA.

Although there are other and more detailed distinctions, it is possible to identify at least three main strands of social constructivism in IR/IPE: (i) neoclassical; (ii) naturalistic; and (iii) postmodern constructivism (Ruggie, 1998: 35; cf. Baaz, 2002). Neoclassical constructivism refers to those who build further on the classical tradition of Durkheim and Weber and have an epistemological affinity with 'pragmatism'.

This group includes scholars such as John Ruggie (1998), Friedrich Kratochwil (1989), Nicholas Onuf (1989, 1997), Emanuel Adler (1997), Martha Finnamore (1996) and Peter Katzenstein (1996, 2000).

Naturalistic constructivism shares certain characteristics with the neoclassical variant, but this group takes its point of departure in the philosophical doctrine of 'scientific realism' of Roy Bhaskar. Its foremost theorists are Alexander Wendt (1987, 1992, 1999) and David Dessler (1989). Naturalistic constructivists treat social structures as superior to action, and according to Baaz (1999: 463), Wendt and Dessler can be understood as 'methodological structuralists' or even 'thin' constructivists.

Finally, the postmodern camp has its intellectual roots in Friedrich Nietzsche, Michel Foucault and Jacques Derrida. These scholars make a clear epistemic break with the precept of modernism and foundationalism. In postmodern constructivism it is the discursive practices that constitute the ontological primitives, implying that there is little hope for a 'legitimate social science' and causality is merely a chimera (Ruggie, 1998: 35). Postmodern constructivism refers to scholars such as Richard Ashley (1984, 1987), David Campbell (1992), James Der Derian (1987) and Rob Walker (1989, 1993).

Often it is argued that constructivism makes it possible to 'bridge the gap' between rationalist and reflectivist approaches to international theory (Adler, 1997; Smith, 2001). However, it should be recognized that many of the most distinguished constructivists in IR/IPE fail to occupy the claimed 'middle ground'. As pointed out by Smith (2001: 245), most of them are 'sitting' on the rationalist side of the fence 'trying to talk to those on the other'. This is particularly the case of (most) neoclassical as well as naturalistic constructivists, because the postmodern group does not try to hide that they belong to the reflectivist side of the fence. To a considerable extent the postmodernists tend to be 'deconstructivists' rather than constructivists. Needless to say, the neoclassical and naturalistic perspectives are both important and useful, but most often they do not acknowledge the contributions made by reflectivist and critical IPE. For instance, many constructivists are deliberately concerned with state actions and policies, and do not try to 'unpack' the state–society complex. They also lack the emancipatory research motivation that reflectivists consider to be such a crucial ingredient for the 'restructuring' of the research field (cf. Neufeld, 1995). According to Morten Bøås (2000: 311), the self-proclaimed 'middle ground' constructivists are reinforcing a state-centric and elitist perspective, which is embedded in liberalism and

idealistic notions about institutions, markets, democracy and peace. Bøås claims that their framework is incapable of questioning 'whose regionalism', and 'for what purpose' regionalism emerges. As a consequence, most of these 'research programmes/projects [are] neatly placed close to neoliberal institutionalism and to the democratic peace thesis' (Bøås, 2000: 311).

The theoretical perspective defined here – what can be understood as reflectivist constructivism – acknowledges several important contributions from the constructivist research programme, such as the way to handle agent and structures, the bridging of the gap between objectivism and subjectivism, the tribute paid to the role of ideas, identity and reflective actors. But it does not attempt to occupy the 'middle ground' between rationalist and reflectivist approaches. Instead reflectivist constructivism 'sits' on the reflectivist side of the fence in the discussion between rationalist and reflectivist approaches. But the standpoint developed here is closer to the fence compared to the postmodern constructivists.

There need not be any incompatibility between constructivism and critical/reflectivist IPE. In fact, as Price and Reus-Smit point out, certain versions of social constructivism and critical theory are mutually reinforcing.

> Contrary to the claims of several prominent critical theorists of the Third Debate, we argue that … the constructivist project of conceptual elaboration and empirical analysis need not violate the principal epistemological, methodological or normative tenets of critical international theory. Furthermore, we contend that constructivism can make a vital contribution to the development of critical international theory, offering crucial insights into the sociology of moral community in world politics. The advancement of constructivism should thus be seen as a positive development, one that not only enables critical theorists to mount a more powerful challenge to the dominant rationalist theories, but one that also promises to advance critical international theory itself. (Price and Reus-Smit, 1998: 259)

Agency, structure and reflective actors

The insertion of constructivism into the reflectivist and critical IPE framework implies a slightly different way to handle the agent–structure problem compared to more structurally informed approaches, such as the WOA and some early versions of the NRA. In so far as the agent–structure debate is concerned there are many similarities

between critical IPE and constructivism, but it is argued here that the latter provides an opportunity for a deeper theorization of agency as well as social interaction. In essence, constructivism implies the insertion of a more process- and agency-oriented content into the NRA.

The agent–structure debate centres around how social structures determine what agents do, how structures are created, and what are the limits, if any, on agents' capacities to act independently of structural constraints. Constructivism emphasizes the mutual dependency and constitution, rather than the opposition, between social structures and human agency. There is a dialectical process between social structures and human agency, in which the meanings given by individuals to their world become institutionalized or turned into social structures and then the structures become part of the meaning system employed by the individuals and their actions (Giddens, 1979). In other words, social structures should not be seen as barriers to action but are intimately involved in the production of action. The intriguing point is that actors are at the same time the creators of social systems yet created by them. Social structures are both constituted by human agency, and yet at the same time are the very medium of this constitution.

Constructivism (in IR) has arisen out of a critique of both Waltzian structural realism (structural power balance) and rationalist theories of cooperation (with their emphasis on fixed and endogenous preferences). Ruggie introduces a fruitful distinction between neo-utilitarian and constructivist theories. The former refers to the rationalist schools of thought, which, according to Ruggie (1998: 3), 'share a view of the world of international relations in utilitarian terms: an atomistic universe of self-regarding units whose identity is assumed given and fixed, and who are responsive largely if not solely to material interests that are stipulated by assumption'. Ruggie (1998: 3) is correct both in that these theories have produced interesting analytical results and that they have important 'blind spots and silences'. He defines the constructivist approach as follows:

> At bottom, social constructivism seeks to account for what neo-utilitarianism assumes: the identity and/or interests of actors. It views international politics on the basis of a more 'relational ontology' … than the atomistic framing of neo-utilitarianism. In addition, it attributes to ideational factors, including culture, norms, and ideas, social efficacy over and above any functional utility they may have, including a role shaping the way in which

> actors define their identity and interests in the first place. ...
> Finally, it allows for agency – actors doing things – to be not
> simply the enactment of pre-programmed scripts, as in neo-utili-
> tarianism, but also reflective acts of social creation, within struc-
> tured constraints to be sure. (Ruggie, 1998: 4)

Constructivists challenge rationalists on their 'interest-driven, ratio-
nal actor analyses of collective action. They *assume interests exist* rather
than explain how interests occur' (Higgott, 1998: 50). By contrast, con-
structivism 'provides a theoretically rich and promising way of concep-
tualizing the interaction between material incentives, inter-subjective
structures, and the identity and interests of the actors' (Hurrell, 1995:
72; cf. Berger and Luckmann, 1972; Smith, 2001; Ruggie, 1998; Wendt,
1999). Interests are not pre-given but socially constructed. Furthermore,
constructivists argue that understanding intersubjective structures
allows us to trace the ways whereby interests and identities change over
time and new forms of cooperation and community can emerge. The
basic assumption is that there is an inevitable connection between the
dynamics of collective action and the social identity by which the in-
dividual teams up with others in real or 'imagined communities'
(Anderson, 1991).

Constructivism constitutes a *sociological* approach to systemic theory,
which in turn is based on political communities not being structurally
or exogenously given, but socially constructed through historically
contingent interactions (Wendt, 1992, 1999). From this perspective,
agency is often motivated and explained by ideas, identity, accumula-
tion of knowledge and learning rather than by traditional routines,
structural factors or established institutions. Constructivists replace
determinism with voluntarism and make room for cultural factors and
the pooling or splitting of identities as determinants for action. In fact,
'actors do not act only in response to structural conditions or to estab-
lished procedures and rules, but attempt to modify and change them'
(Bøås and Hveem, 2001: 101–2).

The behaviour and choice of an actor – whether to choose coopera-
tion or conflict in a particular situation – are therefore contextually as
well as sociologically dependent, which means that broad generaliza-
tions cannot give a sufficient picture. The emphasis on reflective actors
contrasts with rationalist theories and the assumption that actors act
according to universally applicable and mechanical laws. To para-
phrase Alexander Wendt (1992), it implies a different rationality,
whereby 'regionalism is what actors make of it'. The reflective capacity

of concerned actors is seen as an important explanation for the emergence and quality of regionalism. In this way regionalization is seen as an instrument to change existing structures, take advantage of new opportunities that arise as well as to create bonds of identity and community. According to this perspective actors engage in regionalism not only on the basis of material incentives and resources (including power capability, routine behaviour or 'economic man') but they are also motivated by ideas and identities. In essence, what regionalizing actors do depends on who they are, their world views, who other actors are, as well as the quality of their interaction.

Identity is in itself ambiguous and multiple and does not explain action itself, the point is rather that it informs and transforms individuals (and their behaviour and their interests) as well as the quality of interaction. 'Identities are the basis of interests. Actors do not have a portfolio of interests that they carry around independently of social context; instead they define their interests in the process of defining their situations' (Wendt, 1992: 398). As Higgott points out:

> Interests can change as a result of learning, persuasion, knowledge and ideology, a phenomenon that parsimonious rationalist assumptions about utility maximization cannot accommodate. … interest is the outcome of a combination of both power and values. Indeed, interests cannot be conceptualized outside the context of the ideas that constitute them. (Higgott, 1998: 45–6)

Regional space

Mainstream and rationalist IR/IPE theory is characterized by an inability to problematize space. It is biased towards two spatial levels, namely the state and the global level, resulting in a neglect of regional space. Niemann has tried to understand the reasons why regions and regionalism have received so little attention in the study of global politics:

> I consider the answer to be a deep-seated theoretical inability to come to grips with social phenomena which cannot be represented within the state–global dichotomy. … this inability is, to a significant extent, the result of the *systematic* exclusion of spatial analysis from the debate of global politics. … questions related to space usually do not occur in the discourse of IR despite the fact that all global politics clearly takes place in space. … A very specific

notion of space, that of space as container, became the unques-
tioned, commonsense view of space which informed IR thinking. It
is only at this stage of the late twentieth century that this common-
sense conception of space is being challenged. (Niemann, 2000: 4–5)

Understanding regionalism requires a more nuanced theorization of
space, which moves beyond the conventional preoccupation with the
national scale and the space-as-container schema prevailing in main-
stream thinking. Jessop (2003) shows that the overwhelming domi-
nance of the national scale is associated with the 'thirty glorious years'
of post-Second World War economic expansion. The obsession with
the national scale has resulted in a simplistic and often misleading rep-
resentation of space. Two closely related assumptions about state and
space have plagued the debate.

The first notion is that much of the IR/IPE discussion has been domi-
nated by an analogy where '*states are treated as if they are the ontological
and moral equivalents to individual persons. …* This assumption privileges
the territorial scale of the state by associating it with the character and
moral agency of the individual person, an intellectually powerful feature
of Western political theory' (Agnew, 1998: 3, emphasis in original). The
second and often associated metaphor is that of 'states as home'. These
two metaphors have deep implications for the understanding of space: 'In
fact, it is difficult to think and talk of international relations without
using these metaphors. By the same token, they limit our vision' (Jönsson
et al., 2000: 15). These metaphors carry with them specific and often
misleading understandings of who and what is 'inside' and 'outside'.

When the 'taken for granted' national scale is transcended and prob-
lematized, then other scales/spaces automatically receive more recogni-
tion. A richer and more nuanced conception of context and space sees
the state's territory as only one of a number of different geographical
scales (Agnew, 1998: 2). This is further reinforced by the current 'rela-
tivization of scale', which occurs in the post-Cold War era and in the
context of globalization (Jessop, 2003). From such a perspective, there
is no pre-given set of spaces and scales; instead new spaces emerge or
existing ones gain in 'thickness'. Different scales of action are linked in
a variety of complex ways. As a consequence, regional space should be
inserted into a multiscalar/multilayered understanding of global space.

What is also becoming increasingly evident is that 'regional space' is
in itself becoming more elusive and multifaceted, at least compared to
what was the case during the era of old regionalism which featured the
dominance of national space (Söderbaum and Shaw, 2003). One may,

of course, continue to identify 'regions' defined in advance of research as done by many mainstream thinkers. However, as soon as one moves away from one-dimensional and hermetically sealed conceptualizations of space, then regional space automatically becomes more fluid and multi-level.

The new regionalism theorists who adhere to the constructivist and reflectivist camp emphasize that regions must not be taken for granted; that they are neither 'natural', objective, essential nor simply material objects. Regions are processes; they are in the making (or unmaking), their boundaries are shifting, and as Hettne (2003: 27) points out, 'in the constructivist approach regions come to life as we talk and think about them'. Jessop (2003: 183) is correct in that 'rather than seek an elusive objective … criterion for defining a region, one should treat regions as emergent, socially constituted phenomena'. Neumann (2003: 166) goes on to ask *whose region* is actually being constructed. In so doing he identifies a blind spot in much of (mainstream) regionalism research. All theories make assumptions about what a region is, but according to Neumann the mainstream and rationalist studies tend to neglect the 'politics of defining and redefining the region'. The point is that 'this is an inherently political act, and it must therefore be reflectively acknowledged and undertaken as such' (Neumann, 2003: 166).

Hence, the socially constructed nature of regions implies at the same time that they are politically contested. There are nearly always a multitude of strategies and ideas about a particular region, which merge, mingle and clash. Instead of a pre-given or pre-scientific regional delimitation, the research focus in the NRA is placed on how social, economic and political actors perceive and interpret the idea of a region and notions of 'regionness'. Since regions are political and social projects, devised by human (state and non-state) actors in order to protect or transform existing structures, they may, just like other social projects, fail. Regions can be disrupted from within and from without, by the same forces that build them up.

Bridging the micro–macro divide

The macro-region has been the most common level or object in regional analysis in IR/IPE, whereas (subnational) micro-regions have been seen as part of the study of domestic and comparative politics and economics. Within the former this has led to an underemphasis of the heterogeneity and pluralism of regionalism as well as micro-issues 'on the ground' (cf. Söderbaum and Taylor, 2003). There is therefore a need to bridge the gap between macro-regionalism and micro-regionalism.

In recent decades micro-regionalism in Europe and South-East Asia has been referred to in the IR/IPE debate. It is important to recognize the emergence of the same phenomenon also in other parts of the world, including Southern Africa. These micro-regions may or may not fall within the borders of a particular nation-state. Increasingly, micro-regions are constituted by a network of transactions and collaboration across national boundaries, which may very well emerge as an alternative or in opposition to the challenged state, and sometimes also in competition with state-led regionalism (Jessop, 2003). However, as illustrated by the concepts of growth polygons, growth triangles, development corridors and spatial development initiatives (SDIs), the phenomenon of micro-regionalism is nevertheless often state-assisted with a weak degree of institutionalization while at the same time being private-sector-led, market-driven, thus involving a high degree of interactions initiated by non-state actors (TNCs and NGOs) and interpersonal transnational networks (ethnic or family networks, religious ties, etc.) (Mittelman, 2000; Perkmann and Sum, 2002). Furthermore, there is a clear possibility that in the future these micro-regions may increasingly coordinate their activities or even integrate. This pattern is especially evident in Europe. But once again, the relationship between actors and processes at various levels is seldom linear or evolutionary but rather contradictory and disparate.

The great pluralism and diversity of regionalism at different levels imply that in trying to bridge the gap, it is not sufficient to dichotomize them as either 'from above' (macro) or 'from below' (micro), which is sometimes the case.

> Globalization has not spawned such ideal types but, rather, a mix of contested […]regional projects: strategies, in various degrees spontaneous or deliberate, home-grown or emulated. These include different generations or iterations of the NIC model, growth triangles and polygons often encompassing EPZs and development corridors, and transfrontier growth areas. (Mittelman, 2000: 158)

Sometimes the state has more autonomy from social forces and at other times the global market penetrates more deeply than in others.

Regionalizing actors

Even if old theories of regionalism, such as functionalism and neofunctionalism, appreciated cordial relations between states and non-state

actors for the promotion of commerce, these early perspectives were subordinated to the analysis of what 'states' did in the pursuit of their so-called 'interests'. Much of current mainstream regionalism theory continues to be dominated by state-centric perspectives and rather simplified (and sometimes overly idealistic) notions of 'interests'. Such assumptions are problematic in the study of Africa, to say the least. African states are actually states-in-the-making as well as unmaking. In addition, they are often very 'weak', to some extent artificial and quite often with shallow roots in society. In addition, a rich variety of literature on African states and their role in economic development points to their utilization of patrimonial power and not as the performance of legitimacy, drawn from the sovereign will of the people. Concentrating on the state in Africa in terms of its role in providing the public good, such as economic development and security, may very well result in missing the point. Yet, many theories are overly focused on state-centric regionalism. As Clapham points out:

> The model of inter-state integration through formal institutional frameworks, which has hitherto dominated the analysis of integration in Africa and elsewhere, has increasingly been challenged by the declining control of states over their own territories, the proliferation of informal networks, and the incorporation of Africa (on a highly subordinate basis) into the emerging global order. (Clapham, 1999: 53)

In spite of all its advantages, the WOA is primarily concerned with states-led regionalism. Non-state regionalization is assumed to be more potential than real. Perhaps this is related to an overly strong adherence to the teachings of Robert Cox. According to Cox (1995: 34): 'Critical theory examines the origins of the state, of particular forms of state. Critical theorists look into forces that may be changing the nature of the state and the inter-state system.' If and when non-state actors are included in the analysis of the WOA (as subjects) this is mainly in regard with how these actors influence state strategies, statist policy formulation and states-led regional organizations.

The early versions of the NRA were also geared towards the state. In summing up the UNU/WIDER project, Björn Hettne admits that '… our project, in spite of good intentions to the contrary, has been too state-centric and too focused on formal organisations rather than pinpointing the processes of more informal regionalization that take place on the ground' (Hettne *et al.*, 2001: xxxii). In response, the revised

NRA developed in this study seeks to do what was the original intention of the NRA research programme, namely to include rather than exclude non-state transnational actors in the study of regionalism.

This is by no means equivalent to rejecting the state. States and inter-governmental organizations are often crucial actors and objects of analysis in the process of regionalization. The state as well as the forces of state-making and state destruction are all at the core of understanding today's political economy of regionalism. However, there is a need to understand how this so-called national/state interest is formed in the first place. Neither states nor regions can be taken for granted. All too often the state is much less than what it pretends to be. The so-called 'national interest' is often simply a group-specific interest or even the personal interest of certain political leaders, rather than the public good or national security and development in a more comprehensive sense. This implies that it is very important to understand how state and non-state actors relate to one another, and what are the patterns of inclusion and exclusion. There are many problems and weaknesses with mainstream and rationalist theories. One is that states and regions are taken for granted. These theories are also based on highly normative assumptions about the state, and therefore, tend to generate highly normative assumptions about regionalism. As a consequence, state-centrism should be transcended, especially the notion of the 'unitary' state which is assumed to promote the national and public interest.

The NRA suggests that in the context of globalization, the state is being 'unbundled', with the result that actors other than the state are gaining strength. By implication, the focus should not be only on state actors and formal inter-state frameworks, but also on non-state actors and what is sometimes broadly referred to as non-state regionalism.[1] The latter category includes a wide range of non-state actors and often informal activities, such as transnational corporations (TNCs), SMMEs, ethnic business networks, civil societies, private armies, and the informal border politics of small-scale trade, bartering, smuggling and crime. This means that the state and the non-state (or 'real') processes of regionalization need to be connected and integrated within the same analytical framework. We need to avoid assumptions a priori of who is the dominant and 'driving' regionalizing actor. State actors are important, but most of the time the same is true for non-state actors.

The implication is that students of regionalism need to adopt more flexible approaches, which go beyond the formal structures of inter-state relations and policy frameworks, and instead recognize the range

of forces – both positive and negative, formal and informal – that exist beyond the sphere of states and formal regional arrangements. This is especially imperative in an era when states themselves are under pressure from the forces of globalization and neoliberalism to be competitive, which leads many of them to seek new forms of 'partnership' at all levels, from the local to the global.

To the trio of state, market and civil society actors should be added the role, strategies and impact of what in this study is generally referred to as external actors, such as governmental and non-governmental donors, external NGOs, IFIs and extra-regional powers and international organizations. External actors often have an important impact on the production of regionalism, especially in the South, but are nevertheless seldom given appropriate emphasis in the research field. External actors are seldom autonomous regionalizing actors, but tend to seek to influence or act together with other actors. In a brilliant study: 'The Making of Civil Society from the Outside', Jude Howell (2000) draws attention to the weakness of conceptualizing various actors in terms of the conventional 'holy trinity' of states, civil societies and markets:

> The imagery of a holy trinity, where state, civil society and market pose as distinct, autonomous actors … embodies a normative position of how the world should be rather than an accurate depiction of how it actually works. … Analyses of post-colonial states in sub-Saharan Africa point of the pervasiveness of patron–client states which weave social interests closely with state structures. … The triadic unity not only masks the potential contradictions between the state, civil society and market but also hides from the view the role of international donor agencies. More accurate would be the image of a square rather than a triad. The absence of donors in this conceptualization creates the illusion that donors are neutral in the relations that unfold amongst the other three actors. (Howell, 2000: 8–9, 10)

External actors can be distinct regionalizing actors in their own right. But as emphasized by Howell, they often interact and interfere with state and non-state actors. It is, therefore, important to move beyond the analytical distinctions between the four spheres of (state, market, civil society and external) actors, and also acknowledge the way various actors come together in different types of mixed-actor collectivities and hybrids, modes of regional governance and regional networks.

Conclusion

The reflectivist approaches to regionalism have a decent research record and have collectively contributed to extending the research frontier. Nevertheless, there is still a need to move beyond the first largely explorative research phase and take some steps towards a more coherent theoretical construct. Essentially it means addressing some of the silences in the previous frameworks and/or making some revisions in order to better deal with the agency and socially constructed nature of regionalization.

The first component of the revised NRA is a clarification of its metatheoretical point of departure. It was stated that our understanding of the world is not separate from theory, and there is no such thing as value-free theory. But although all theories have a perspective, this does not lead to an acceptance of the extreme relativistic and antifoundationalist position. Building on constitutive and critical IPE, the NRA seeks to contribute to the 'restructuring' of international theory in a post-positivist and emancipatory direction.

The second theoretical element in the NRA is that structuralism and systemic theory should be transcended in favour of a more explicit focus on the processes of regionalization as constructed by reflective actors. Essentially, what is argued for is introducing 'reflectivist constructivism' in order to safeguard against a possible exaggeration of structural elements, especially in the form of globalization and world order dynamics. The political economy of regionalism is more than simply a response (positive or negative) to globalization and exogenous pressures. This creates a need for theorizing agency and regionalizing actors. It is proposed that an actor's decision to engage in regionalism will depend not only on fixed material incentives and resources (including power capability, routine behaviour or 'economic man'), but also on ideas and identities. What regionalizing actors do depend on who they are, their world views, who other actors are as well as the quality of their interaction.

Third, the NRA emphasizes the need for a more nuanced understanding of space, particularly regional space. It rejects the simplified space-as-container schema prevailing in most mainstream literature, which privileges two spatial levels, the state and the global level. Regionalization is not emerging in a vacuum, but is intertwined and formed in relation to social processes at other levels (global, interregional, bilateral, national and subnational). Although many theorists acknowledge the fact that regionalism occurs at different levels (macro/meso/micro), the studies deal most of the time only with regionalism at one of these levels at a

time. This results in a neglect of the multifolded nature of regional space. In response the NRA seeks to bridge the rift between macro-regionalism and micro-regionalism. A closer emphasis on micro-regionalism makes it possible to overcome the exaggeration of the macro-perspective and better account for micro-issues on the ground.

The fourth theoretical element is a theorization and more appropriate conceptualization of regionalizing actors. The revised NRA emphasizes transcending state-centrism and the narrow concern with regional institutional frameworks. This is by no means equivalent to abandoning a focus on the state. But states are not the only actors around, and market, civil society as well as external actors are deeply involved in the political economy of regionalism. Thus, there is a need for a theoretical and conceptual framework that has a potential role for all relevant actors, from the state, market, civil society as well as for external actors. In addition, rather than separating actors into perceived 'autonomous' groups of actors, the NRA suggests that actors will often be grouped in formal or informal networks, partnerships and multi-actor collectivities.

Regionalism will be used for the achievement of a wide range of different goals – private as well as public – that can be compatible and mutually reinforcing but also competitive. Regionalism is more complex and sometimes also more detrimental than simply an instrument to enhance an ambiguous 'national interest' (realism) or the 'public good' and 'trade' (liberalism). Potentially, certain 'state' actors will be able to use regionalism in order to achieve private goals and promote particular group-specific interests rather than broader societal interests. Regionalism will not necessarily be harmonious or beneficial to all participants. Under certain circumstances it will be exclusionary, exploitative, and also reinforce asymmetries and imbalances.

The NRA highlights the possibility of 'political' regionalism. If so, regionalism will emerge in order to achieve and protect crucial values, such as economic development, ecology and peace due to the fact that these values are not necessarily ensured by the state. But the state will not necessarily be the main object of political allegiance. Regionalism becomes a political struggle between various social forces over the definition of the region, how it should be organized politically, and of its insertion into the global political economy. Depending on the quality of the dominant form of regionalism and who sets the agenda, alternative and counter-hegemonic visions of regionalism may emerge in response. The latter is assumed to increase when hegemonic regionalism creates and reinforces imbalances and exclusion.

4
The Historical Construction of 'Southern Africa'

This chapter reveals some key elements of how Southern Africa has been historically constructed as a region by state, market, society as well as external actors. The ambition is not to make an exhaustive description of the history of Southern Africa, but rather to show how social actors and the cumulative legacies and struggles over territory, race, labour, political, economic and social goals have served to construct the heterogeneous regional space referred to as 'Southern Africa'.

This process of region formation (and region destruction) has developed in stages. The chapter draws attention to the specificities of the following broad historical periods: (i) early spaces and the arrival of the Europeans; (ii) towards a regional political economy (1870–1948); (iii) apartheid, decolonialization and the solidification of the region (1948–90); and finally (iv) some key events in the post-Cold War and post-apartheid period.

Early spaces and the arrival of the Europeans

Since early times San hunter-gatherers have been widely distributed throughout Southern Africa. About 2000 years ago some Khoe-speaking groups in northern Botswana acquired livestock and moved south to the Cape and became known as Khoikhoi pastoralists. In the migratory drift from the north, also starting some two millennia ago, Bantu-speaking mixed farmers gathered in the region, especially in the eastern part of the region. Soon more organized chiefdoms and societies were created as a result of livestock production and trade. These societies were different in size and organization as well as quite randomly spread throughout Southern Africa.

Located on the southern shore of the Limpopo, Mapungubwe was one of the larger political communities. It emerged in the late tenth century and became a prosperous political community on the basis of livestock and as a trading centre. Subsequently, during the African iron age, it was deserted, and in the twelfth century the regional power centre was concentrated around Great Zimbabwe (Iliffe, 1997: 137). Great Zimbabwe declined during the fifteenth century, when power moved north to the Zambezi valley or was divided between many centres. Kingdoms and political strongholds emerged and were subsumed under the pressures of wars, environmental and demographic factors (Iliffe, 1997). At this time most societies were organized in smaller communities. Outside relations were scattered and randomly spread, first and foremost through trade and migrations, and did not have a very strong impact on everyday life. Often geographical and environmental obstacles prevented more organized interaction. In this regard Southern Africa was still more of a pre-regional space or proto-region (with a low level of regionness).

The arrival of the Europeans in 1482 changed the region for ever. For the Europeans the key objective was the slave trade. Millions of slaves were exported during the next 300 years. Initially the Europeans had a minimal presence and their activities were limited to small settlements along the coastal areas from which they undertook slave raids. These small, armed coastal possessions were integrated into a colonial network, which was built on the Atlantic slave trade, the control of trade routes and colonial possessions in South-East Asia. In this sense the spaces initially occupied by the Europeans can be understood as extensions of other spaces, particularly the Atlantic space which linked Brazil to Portugal's other colonial possessions, and the Dutch colonial space which connected its possessions in the East Indies with the other trading networks. Once the new spaces had been established, however, they imposed their own strictures and created new possibilities (Niemann, 2001: 68).

Since far back in history there has been a migratory tradition in Africa, *inter alia* documented by the spread of people of Bantu origin to cover all of Southern Africa. During the first decades of the nineteenth century an important trend of migration started with the *Mfecane*, whereby Zulu-Nguni warriors left KwaZulu/Natal and steered north, towards what is present-day Malawi, Mozambique, Swaziland, Zambia and Zimbabwe. This migratory pattern created new ethnicities, social and cultural structures and spaces, as well as more bureaucratic and organized political entities, compared to the

smaller chiefdoms that previously coexisted. Some examples of the stronger political communities include the Shangans and the Empire of Gaza in Mozambique, the Ngori in Malawi, and the Ndebele, who created a powerful, centralized state during the mid-1820s in the Transvaal. In 1838 the Ndebele ruler, King Mzilikazi, moved north across the Limpopo, and recreated his state in what became known as Matabeleland in south-western Zimbabwe. Yet another example is the powerful Zulu state, created by the famous Shaka Zulu in the beginning of the nineteenth century, after long and violent clashes between a number of smaller chiefdoms (Saunders and Southey, 1998: 151).

The Europeans were also on the move, first and foremost appropriating land for grazing and cattle. In the early nineteenth century the *voortrekkers*, the Dutch-speaking descendants of the European settlers in the Cape, set up connections from the Orange river to Lake Tanganyika in the north. It is the Mfecane and the *Great Trek* that together mark the beginning of the creation of a Southern African region. The British imperialists, with Cecil Rhodes as the leader, subsequently followed the treks of the Mfecane and the Great Trek in the construction of the infrastructural links that were so important for 'holding' the region together in various ways (Niemann, 1998: 8). These same routes and links were later used during the gold rush.

Conflicts and armed struggles were a key characteristic of this period. Although a series of wars had been fought earlier along the white frontier, it was not until the mid-eighteenth century when larger territorial conflicts emerged. Between 1750 and 1870, 29 separate wars or skirmishes were fought in what is now South Africa (Ohlson and Stedman, 1994: 25–6). There were wars between Boers and Africans, British and Africans, Boers and British, and Africans and Africans. No one victor emerged, and by 1870 there was a rather delicate balance of power in the region. About 180,000 Europeans had settled in the British Cape Colony, and there were considerable tensions along its eastern frontier. In Natal a small British community was involved in struggles with Zulus to the north. The two Boer republics, the Transvaal and the Orange Free State, which together had a population of about 30,000 Europeans, maintained a fragile state in interior South Africa. Resource scarcity and population growth were causing further conflict and instability, but it was mainly a power balance and the lack of predominant military strength that resulted in a 'grudging coexistence between Africans and settlers' (Ohlson and Stedman, 1994: 25–6).

Towards a regional political economy (1870–1948)

The discovery of gold and diamonds, in 1870 and 1886 respectively, marks a fundamental turning point for the region. It meant that Southern Africa was transformed from being of secondary interest and a mere stopover route to a major resource. Subsequently, this resulted in the 'scramble for Africa'. The attempt to gain control over the mineral resources constituted a crucial part in the drive to establish the various states in the region. At the same time, this required the creation of a regional space. In fact, it is in the quest for mineral exploitation that we find the link between state-building and the construction of the region (Niemann, 2001: 69). It is also here where we find the temporal 'beginning' of Southern Africa.

Without any doubt, there were competing colonial interests among the British, the Boers, the Portuguese and the Germans. In fact, the attempts to establish colonial control and exploit mineral resources led to an unprecedented use of military force in order to create the states and transform the regional space. With some exceptions, such as the Xhosa frontier wars of the 1850s, wars in Southern Africa until 1870 had been limited in scope and means, whereas the subsequent period, between 1870 and 1920, brought wars of domination and even extermination of peoples (Ohlson and Stedman, 1994: 31).

Step by step the British vision of Southern Africa became the dominant one. In the 1890s the British established control over the Cape Colony, and many neighbouring areas were annexed as parts of the Empire. The British South Africa Company (BSAC), founded by Cecil Rhodes, was granted a charter by Queen Victoria in 1889 to operate in a large territory north of the Limpopo, and gradually expanded between 1889 and 1923. It is evident from its dealings with the other colonial powers that Britain perceived the region as a single entity rather than as 'parts making up a whole' (Poku, 2001: 20). British expansionism meant the end of the imperial ambitions of Portugal, whereas the Germans and the Boers were surrounded by the British. It should be noted that, in spite of many conflicts between themselves, the colonial powers often cooperated in order to avoid conflict in the region, which would disrupt their economic interests (Poku, 2001: 18–19). The quest for control of states and the spatial production of the region were mutually reinforcing, and once the colonial boundaries were settled 'the connections between region and state emerged ever more clearly' (Niemann, 2001: 69).

The minerals offered enormous opportunities and the colonialists tried to create the conditions for mineral exploration. This necessitated and gradually led to the formation of a truly regional space. The BSAC territories, the Protectorates as well as Mozambique, quickly became part of an integrated regional system, which was centred on the mines in South Africa and to a lesser extent in present-day Zambia and Zimbabwe. The existence of cheap labour was crucial for the functioning of the regional political economy. In the late nineteenth century masses of people started to move south from Malawi and Mozambique, mainly in order to work in the gold mines. There was also a flow of migrants from south of the Save River in Mozambique, who looked for work on the plantations in KwaZulu/Natal and the diamond mines in Kimberley. The working conditions were harsh and to a considerable degree the labour migration depended on force. After the so-called pacification campaign carried out by Portugal in Mozambique in 1895, the colonial powers in Mozambique and Transvaal signed the first accord to regulate the influx of labour to the mines in Transvaal in 1897. The Chamber of Mines in South Africa (the representative of the great South African mining houses) established the Witwatersrand Native Labour Association (WNLA) in order to recruit workers from southern Mozambique and several neighbouring countries. See Table 4.1 for the historical fluctuations of the number of contract migrants to the South African gold mines, 1920–95.

Another aspect of the creation of the regional space was the circuit of capital that combined British and German capital with some local capital and created transportation links, which were to become the physical structures of the region. In this way the migrant and export linkage rested on the transport spine, which together consolidated the region (Niemann, 2001: 70).

This period also marks the beginning of the racialization of Southern Africa. Until the 1870s the Boers were deeply divided and it was not until now that a common consciousness was formed on the basis of the idea of a distinct culture and history, and in opposition to British imperialism. A compelling group mythology and identity grew out from the Anglo-Boer War, which had the goal of creating an 'Afrikaner' and winning political power in the creation of the Union of South Africa in 1910. The Union grouped previously separated states, and since it had no consideration of non-white people its identities and interests were constructed on the basis of race and group identity. The Union of South Africa suited British interests, since it eased its military, financial and political obligations, while it posed little threat to

Table 4.1   Contract migration to the South African gold mines, 1920–95

	1920	1940	1960	1980	1995
Angola	0	698	12 364	5	0
Botswana	2 112	14 427	21 404	17 763	12 736
Lesotho	10 439	52 044	48 842	96 309	100 892
Malawi	354	8 037	21 934	13 569	2
Mozambique	77 921	74 693	101 733	39 539	73 874
Swaziland	3 449	7 152	6 623	8 090	16 753
Tanzania	0	0	14 025	0	0
Zambia	12	2 725	5 292	0	0
Zimbabwe	179	8 112	747	5 770	0
Other	5 484	70	844	1 404	0
Total	99 950	168 058	233 808	182 449	204 257

Source: Adapted from MacDonald (2000: 15). Data from Southern African Migration Project database.

Britain's economic and strategic concerns due to the fact the Union of South Africa remained within the British Empire.

The next phase of Afrikaner identity formation was aggressively promoted from the late 1920s and through the establishment of the National Party (NP). Saunders and Southey eloquently describe the construction of the Afrikaner identity:

> In the process of welding different Afrikaner groups into an ethnic coalition large enough to win political power, important roles were played by the Afrikaner Broederbond, the Nasionale Pers group of newspapers, and the financial institutions Santam and Sandlam. Afrikaner intellectuals dwelt on the second-class status of Afrikaans, and in the 1930s took advantage of the economic crisis to mobilize poor Afrikaners with the message that their future was bound up with that of the *volk* as a whole. Immense popular enthusiasm for the nationalist cause was whipped up in 1938 during the commemoration of the centenary of the Great Trek. Gustav Peller and other writers created a largely mythical history in which a united Afrikaner people, chosen by God, had been oppressed by Britain and the English in South Africa. Eventually, sufficient Afrikaner farmers and urban workers, though still a minority of the white electorate, were persuaded to vote for the National Party (NP) to enable it to form a government in 1948. It was another decade before Afrikaner nationalist control was firmly in place, and not

until 1961 that the NP was able to introduce the promised republic.
(Saunders and Southey, 1998: 6–7)

At the turn of the century, indigenous African political and social
affiliations were heterogeneous and not seldom in conflict. The colo-
nizers effectively destroyed and disintegrated local relations and identi-
ties. Anything resembling modern nationalism emerged only in South
Africa and Mozambique. The formation of the African National
Congress (ANC) is the most important event in this regard.

First formed as the South African Native National Congress, the ANC
was founded in 1912 as a moderate pressure group for African interests,
and it did not become a mass movement until 1940. The ANC was a
response to the establishment of the Union of South Africa in 1910
and particularly the Natives Land Act from 1913, which prohibited
Africans from owning or renting land outside designated reserves
(Saunders and Southey, 1998: 1–4). Although large-scale forced re-
movals did not occur until later, the Natives Land Act was one of the
key instruments used in order to consolidate the white state and for
the associated racialization of space. Through this process the state
layer witnessed a significant amount of spatial production, with a
deliberate creation of 'insides' and 'outsides'. In the minds of the white
oppressors, this racialization was 'necessitated by the contradiction
posed by the continuing need for labor and the ideological and
immunological notion of racial contamination, a threat which could
only be overcome through physical separation' (Niemann, 2000: 107).
In short, space and race were intimately related.

It is crucial to understand that this does not in any way imply the
retreat or a reduced significance of the region. The region was already
an integral part of the functioning of the political economy of the
states, and the region was further constituted and integrated through
production, capital transport and migrant labour patterns. In this way
the states and the region were consolidated in a mutually reinforcing
manner, which was detrimental for the poor and served the interests
of the white oppressors. During the colonial era a form of capitalism
emerged that was based on and reinforced a high level of structural
integration between South Africa and the regional economy. This
regional economy was centred on South Africa, whereas the neigh-
bouring states were peripheralized as service economies. A multitude
of infrastructural investments in railways, roads, energy and commu-
nications complemented investments in mineral production and cash
crops. These investments, in combination with labour migration, land

policies and legislation, tied the entire region together in a system that served the interests of mining and plantation capital, and cemented patterns of domination, subordination and racism not only in South Africa but also in the British and Portuguese colonies. Hence, this particular blend of colonialism and capitalism was characterized by intense inequalities (Gibb, 1998: 290; Davies, 1990). In fact, the 'economic exploitation and enfranchisement that Southern Africans experienced was so total that even today many people in the region equate capitalism with domination, exploitation, repression and racism' (Ohlson and Stedman, 1994: 37–8).

The solidification of the region (1948–90)

Several overlapping processes are crucial in the reconstruction of Southern Africa after the Second World War. Three elements are highlighted here: apartheid, decolonialization and the Cold War. With regard to the first, the racialization of South and Southern Africa was strengthened when the NP won the South African elections in 1948 on a platform of apartheid. The NP erected a large number of laws and regulations aimed at regulating all race relations in the country. Compared to earlier forms of domination, apartheid was much more profound and covered all sectors of political, economic, social and cultural life. Apartheid was designed to establish a completely segregated society, in line with Afrikaner politico-religious doctrine and mythology; to secure white political and economic supremacy; and raise up the Afrikaner identity in parity with the English-speaking race, which had dominated economic and urban life in Southern Africa since the beginning of capitalism (Ohlson and Stedman, 1994: 41).

> Like Fascism, Nazism and Communism, Apartheid as an ideology was based on a particular understanding of history and a perception of how the future should be constructed. The theorists of apartheid drew upon a legacy of cultural nationalists who believed in a God-given mission of the Afrikaner people. The Afrikaans language, the Calvinist theology of the Dutch Reformed Church and the tales of the Great Trek bestowed a sentiment of unique identity whose destiny apartheid was meant to protect. (Poku, 2001: 40)

The NP established a totalitarian police state in order to control blacks and accomplish the apartheid vision of racial domination and material privilege. Laws such as the Population Registration Act, the

Prohibition of Mixed Marriages Act, the Immorality Act and the Group Areas Act strictly segregated South Africans by race.

The subsequent period, with a gradual increase of apartheid-based legislation and structures, divided not only South Africa but also neighbouring areas into territories for various ethnic groups, all which were dominated by whites. The regional dimension will be elaborated upon below. Before that, the internal South African situation needs to be outlined. The *Homelands* (also know as Bantustans) constituted a key component of the racial segregation and oppression. The policy to create African 'independent' and 'self-governing' homelands had the goal of transforming them into self-governing states, e.g. Transkei, Venda, Bophuthatswana and Ciskei. In reality it was nothing but a strategy to seek to deprive Africans of their South African citizenship and make them citizens of new 'states', which would be totally dependent on South Africa and simply serve as labour reserves.

South Africa's regional thinking after the Second World War was founded on a deeply colonial utopia: 'the dream of a white republic where black neighbouring states existed only to minister to the white man's needs but otherwise discreetly and unobtrusively kept to their own place, and places, in an unalterable state of tribal innocence' (Poku, 2001: 24). This is explicitly revealed by Connie Mulder, whom P. W. Botha narrowly beat in the 1978 leadership election:

> If our [National Party] policy is taken to its logical conclusion as far as the black people are concerned, there will not be one black man with South African citizenship. Every black man in South Africa will eventually be accommodated in some independent new state in this honourable way and there will no longer be a moral obligation on this parliament to accommodate those people politically. (Connie Mulder quoted in Poku, 2001: 115)

The Homelands were allocated the worst land in the country and in several instances the territory was not even contiguous. For instance, Natal consisted of 40 pieces of to some extent useless land. Fortunately, none of the 'independent' Homelands received international recognition, but they were nevertheless brutal reality, and in practice these areas were turned into rural slums. In 1960 about a third of South Africa's native population lived in the Homelands, and in 1980 the figure was 40 per cent. As will be further discussed below, the distinction between the Homelands and neighbouring countries was rather

academic. It was part of a regional system, constructed by the whites and made possible with the help of certain external actors and powers.

The apartheid regime received only muted international criticism during the 1950s. While the UN drew attention to the apartheid regime's racist policy, the major European powers and the United States remained silent for the most part. Great Britain worried more about South Africa's role in the region than of apartheid, and also pushed through a plan for the Central African Federation of Southern Rhodesia, Northern Rhodesia and Nyasaland in order to counter the rise of Afrikaner power in South Africa (and it had no consideration for African interests).

The Federation lasted for 10 years and after its collapse in 1963, Southern Rhodesia forged closer ties with South Africa, particularly through military cooperation, and similar race policies were erected as in South Africa. After the unilateral declaration of independence by Ian Smith's regime in 1965, South Africa refused to join the rest of world in imposing sanctions. The continued supply of petroleum, fuel and military hardware from South Africa was crucial for the survival of the Smith regime. However, it was politically inexpedient for South Africa to associate too closely with Britain's 'rebel colony', which ironically hindered rather than helped the establishment of stronger ties between the two states (Poku, 2001: 26–7).

During the 1960s, 1970s and 1980s politics in Southern Africa was dominated by the struggle between the apartheid and the anti-apartheid blocs. One bloc was led by the apartheid regime in South Africa and its allies (the Portuguese colonial regimes and the white settler regime in Southern Rhodesia) while the other consisted of the independent countries and liberation movements. The anti-apartheid bloc was gradually strengthened hand in hand with the decolonialization process. But it is evident that for too long a number of European governments, the United States' administration and various wealthy foundations and lobby groups supported the apartheid regime in South Africa, the white regime in Rhodesia and the Portuguese colonial rule. Other European governments, including the Nordic countries, together with solidarity and popular movements in both Europe and North America, supported the anti-apartheid coalition. Periodically the Soviet Union, China, Eastern Europe and Cuba were active supporters of this side.

The South African apartheid regime pursued different policies at different times. The Homelands policy aimed both to give these areas political independence and to maintain the economic relationship

in a colonial-style fashion. The external dimension was that these countries could serve as 'buffer' states towards the rest of Africa. The original vision was that Rhodesia could join in this loose arrangement. The independence of Botswana and Lesotho in 1966 and Swaziland in 1968 provided new impetus to these 'community plans', which in 1969 led to a renegotiation of the SACU agreement from 1909.

The 'era of détente' in Southern Africa was, however, rather short-lived (Poku, 2001: 29). The apartheid regime's attempts at maintaining the status quo failed for a host of reasons, such as changes in the economic system, the oil crisis and a strengthening of the anti-apartheid movement, both internationally and domestically, which led to the collapse of the strategy of white-ruled buffer states. In the new environment and with a changed balance of power in the region, the apartheid regime was under pressure to reorient. This led to South Africa's attempts to pursue a more distinct African and international policy, whereby the sharp difference between South Africa and the other countries would be blurred (Poku, 2001: 30).

President P. W. Botha's initiative of the Constellation of Southern African States (CONSAS) aimed to increase regional 'interdependence' (or in effect dependence) between South Africa and the neighbouring states through economic relationships, and thereby reduce their interest in supporting liberation movements, lessen the threat of international sanctions and at the same time safeguard markets for South African manufactured goods (Gibb, 1998). The proposal received considerable support, notably among South Africa's politicians as well as its business community. One of the core features of the programme was to appeal to the moderate African countries against the so-called common Marxist and communist 'threat'. In reality, however, it was designed in order to forestall a united African front against the apartheid regime.

The failure of CONSAS coincided with a new wave of international criticism against the apartheid state. This led, in turn, to ever-increasing conflict escalation and intensified South African destabilization of the region. In the region South Africa's 'total strategy' manifested itself in open or secret acts of intimidation against civilians and neighbouring states and as military action and the destruction of infrastructure (Poku, 2001: 32; cf. Hanlon, 1986a, b). These actions had the multiple aim of removing the South West Africa People's Organization (SWAPO) and ANC forces from the borders of South Africa, to weaken the neighbouring states and/or to increase their dependence on South Africa.

The neighbouring states used regional organizations, such as the SADCC, the PTA and the OAU, as instruments in the larger anti-apartheid struggle and for 'disengaging' from the pariah state. As a matter of fact, SADCC was explicitly designed as an instrument to mobilize development assistance to the region as part of the anti-apartheid struggle. Immediately before the independence of Zimbabwe, the Frontline States (FLS) created this economic grouping in order to reduce dependence on South Africa (and the world) and forge closer economic ties among themselves (SADCC, 1980). The organization was based on a rather modest regional strategy, which mainly emphasized economic coordination in a series of sectors.

The SADCC became an important tool in the anti-apartheid struggle for many donors. While the Nordic and like-minded countries whole-heartedly embraced the SADCC, for some European countries, notably Britain and Germany, development assistance to the SADCC served as a form of political compensation for the fact that these countries maintained economic relations with South Africa and for their resistance to economic sanctions against the apartheid regime (Cedergren, 1993: 240).

This draws attention to the fact that the persistence of apartheid cannot be separated from the Cold War, and the two processes re-inforced one another in a vicious circle of war and hostility. It is equally important to recognize that the situation within the individual countries – for instance in Angola, Mozambique and Zimbabwe – was intimately connected with regional dynamics. To a large extent the apartheid system and the struggles in the region could continue so long only because the white racial oppressors were so successful in framing apartheid in terms of a Cold War struggle between the 'free world' and communism. On the other hand, there was a significant degree of cooperation and community among the neighbouring states. Carol B. Thompson eloquently catches much of the overall dynamics at play:

> The Frontline States not only survived South African destabilisation, but took the lead in countering Cold War propaganda, especially from the United States, Great Britain and Germany, which sought to characterise the apartheid regime as a bastion against 'communism'. Because of their history, sovereignty has long been viewed in a regional context, with, for example, every head of state stating that their own national security is inseparable from regional security. It is worth repeating too that such statements were not mere rhetoric, but were accompanied by economic, military and political support

at high costs in terms of loss of life and delayed economic growth. This Southern African security legacy thus remains unique not only on the African continent but also among Latin American and Asian countries. (Thompson, 2000: 50–1)

The post-apartheid and post-Cold War context

The remainder of this volume deals with the contemporary political economy of regionalism in Southern Africa. The brief section below will not pre-empt such analysis, but as an inroad to this effort it is relevant to briefly highlight the most important processes of change that have occurred or intensified since the late 1980s. The Cold War ended in 1989 and when F. W. de Klerk was elected President in South Africa the same year it marked the beginning of the end of apartheid. The winds of change were felt throughout the region. Soon Namibia became independent and held elections, and in South Africa the ANC and other opposition parties were legalized and sanctions were lifted. Subsequently Nelson Mandela became President and South Africa could emerge as the 'rainbow nation'. Majority rule in South Africa created an opportunity to focus on regional political and economic cooperation and integration as opposed to policies of state security and disengagement. While the SADCC had been established in response to the apartheid regime, Nelson Mandela became the high-profile chair of the renewed SADC. In this sense 'the prospects for further economic integration amongst the countries of Southern Africa are the most encouraging since 1948' (Gibb, 1998: 305–6).

These changes occurred hand in hand with a new political economy that has developed during the last two decades. Regionalism is taking place in a new context, which is heavily influenced by economic and political (neo)liberalism, structural adjustment and economic globalization. These, at least partly, new characteristics have deep implications for the power relations in society. It has led to a new mix and balance between state, market and society actors within the individual countries, which in turn has deep implications for the political economy of regionalism.

As seen in the historical account above, external actors have played a crucial role in the making and unmaking of Southern Africa in the past. This continues to be the case. As one expert in the field points out: 'Regional economic cooperation is influenced, and will always be influenced by the industrial powers outside the region, through the aid flows and through international capital. The commonality of interests

between a regional organization like SADCC and other third world regional organizations tend to be overshadowed by such influence' (Isaksen, 1989: 217). What has happened in Southern Africa since the late 1980s is that the donors have moved from Cold War and apartheid interests towards a strategy and agenda informed by market liberalization, state deregulation and democracy. This has, in turn, resulted in a transcendence of state-centric policy strategies in favour of neoliberal policies and the formation of 'partnerships' with states, private market and civil society actors.

Conclusion

This chapter shows how Southern Africa has been constructed by a variety of agents in a series of stages and around the continuing struggles over territory, race, sovereignty and economic, social and political goals. One key conclusion is that Southern Africa is characterized by a high degree of structural integration, which has been produced and gradually consolidated through several hundred years of colonialism, mining exploitation, racism, state-building, apartheid and anti-apartheid struggle. A single country perspective misses key dynamics of this process, which supports the analytical strategy to take the region as a unit of analysis. Nevertheless, even though regional level interactions have been important, the global/external pressures as well as domestic level dynamics should be included in the analysis (i.e. multi-level analysis).

One intriguing aspect that comes to the fore in the historical analysis is the multidimensionality of regionalism in Southern Africa, whereby a number of actors (not only states) cooperate and compete in a series of sectors. In fact, it is difficult to understand the construction of Southern Africa without taking into account the close relationships between state, market, society as well as external actors. In contrast to much of the prevailing wisdom in the study of regionalism, Southern Africa has not been constructed within or through formal inter-state policy frameworks and institutions. The construction of Southern Africa should instead be understood in a broader and more historicist–holistic sense: created by a multitude of actors in historical stages and 'in terms of a series of oppositional positionings: inside/outside; black/white; us/them; good/evil' (Swatuk, 2000: 212). The remainder of this volume will show that such a perspective continues to be relevant.

5
The Political Economy of Formal and Informal Regionalism

This chapter deals with the political economy of formal and informal regionalism in Southern Africa, and how state, market and external actors relate to one another and often come together in hybrid and multi-actor coalitions. Four distinct regionalisms are highlighted, two formal and two informal. The formal are: (i) the project of market integration and (ii) regime-boosting, while the informal are: (iii) shadow regionalism and (iv) informal economic regionalism.

The first rather comprehensive section in this chapter draws attention to the fact that since the late 1980s there has been a dramatic shift from introverted and protectionist strategies to extroverted forms of market integration and open regionalism. The practice of market integration results in the reconstruction of a South African-centred Southern Africa. The analysis in this chapter goes beyond most other studies in the field – which tend to start and end with the analysis of trade flows – and explains by whom, for whom and for what purpose this asymmetric region is constructed. Particularly important in this regard are the partnerships between ruling political elites around the region and the South African big businesses, a coalition which is backed up by powerful donors and actors from the North.

Regime-boosting adds yet another dimension to the intriguing nature of regionalism in Southern Africa. The analysis concentrates specifically on the underlying motivations and strategies of the ruling regimes, and the fact that regionalization is sometimes used as an instrument in order to boost absolute state sovereignty and the official status of the ruling regimes, rather than to promote broader societal and national interests.

The third type of regionalism, shadow regionalism, shows that certain political actors use the façade of the state or formal regionalism in order

to bolster their own private economic interests. Regime-boosting and shadow regionalism tend to be overlapping and complementary rather than competitive. The former enhances political goals and the ability to stay in power, while the latter serves the private economic interests of ruling elites.

Informal economic regionalism has received rather muted attention in the study of regionalism. This is unfortunate since for more than 100 years myriads of informal private economic actors – such as informal traders, settlers, farmers and ethnic business networks – have been deeply involved in the multidimensional construction of Southern Africa. The fourth section draws attention to how this particular type of regionalism is played out, who is behind it, and the reasons why it occurs.

The 'project' of market integration

The general ideological foundation of regional cooperation and integration in Africa is first and foremost formulated in the visions and series of treaties developed within the framework of the African Union (AU), formerly the Organization of African Unity (OAU), most notably the Lagos Plan of Action, the Abuja Treaty, and more recently the Constitutive Act of the AU as well as the New Partnership for Africa's Development (NEPAD). The common vision is that pan-African economic regionalism provides a solution both to the balkanization of the African economies on a continental level and to the marginalization of Africa in the world economy. Continental unity should be achieved through the building-block approach, whereby sub-continental economic communities, such as the Southern African Development Community (SADC), the Common Market for Eastern and Southern African States (COMESA), the Economic Community of West African States (ECOWAS), are gradually established as intermediate steps towards the African Economic Community (AEC).

In the past the pan-African visions stressed collective self-reliance and introverted strategies based on protectionism, planned distribution of resources and import substitution industrialization. Even if there are still some scattered demands for a revitalization of such 'old' ideas, there has been a dramatic shift in regional visions and institutions in Africa during the last decade. Today there is a wide consensus that the old strategies have not achieved their objectives and that the economic integration schemes should be revised (SADC, 1992a; Asante, 1997; AU, 2000; World Bank, 2001; NEPAD, 2002; Mistry, 2003). Most analysts

and policy-makers continue to emphasize the problems of weak and small African economies (i.e. balkanization) and often they favour the ultimate goal of the AEC as well. However, the introverted strategies of collective self-reliance and import substitution industrialization have been replaced by a vision and strategy whereby Africa 'must unite' in order to exploit the opportunities provided by economic globalization and liberalized markets. According to this view, African economies and regions are too weakly rather than too deeply integrated into the global economy. Market integration is seen as an instrument to achieve this goal (NEPAD, 2002).

This paradigm has secured a foothold in all major regional economic integration schemes in Southern Africa, such as SADC, COMESA as well as the Cross-Border Initiative/Regional Integration Facilitation Forum (CBI/RIFF). See Table 5.1 for the major regional integration arrangements involving SADC countries.

The paradigmatic shift from introverted towards more open and market-oriented regionalism is perhaps most obvious in the case of SADC. Although some other actors/organizations are even firmer promoters of the universal market mechanism, SADC has probably gone through the most fundamental ideological reorientation. The old SADCC was deliberately designed to *avoid* trade and market integration, claiming that in the underdeveloped world the development of the productive capacities precede, rather than proceed from, rising levels of intra-regional trade (SADCC, 1980). On paper the SADCC favoured a strategy of dirigiste import substitution industrialization coupled with the equitable distribution of costs and benefits, in contradistinction to distribution according to comparative advantages as emphasized in neoclassical market integration. (In practice, however, the SADCC was basically a project coordination scheme.)

Although today's SADC is surrounded by the aim of deeper economic cooperation and integration on the basis of 'balance, equity and mutual benefit', this is coupled with the objective to 'develop policies aimed at the progressive elimination of obstacles to the free movement of capital and labour, goods and services, and of the people of the Region generally, among Member States' (SADC, 1992b: Article 5, 2b). Contrary to the case in the past, the SADC has embraced a conventional market paradigm, dominated by a commitment to market liberalization and open regionalism. In fact, besides its security leg, market integration has become one of the most important components of today's SADC. The launch of the SADC Free Trade Area (FTA) Protocol in September 2000 is the most important event in this regard. Under

Table 5.1 Major regional integration arrangements involving SADC countries

Country	CMA	SACU	SADC	COMESA	CBI/RIFF
Angola			•	•	
Botswana		•	•		
DR Congo			•	•	
Lesotho	•	•	•		
Malawi			•	•	•
Mauritius			•	•	•
Mozambique			•		
Namibia	•	•	•	•	•
Seychelles			•	•	•
South Africa	•	•	•		
Swaziland	•	•	•	•	•
Tanzania			•		
Zambia			•	•	•
Zimbabwe			•	•	•

Sources: Websites of organizations; Söderbaum (1996).
COMESA also includes: Burundi, Comoros, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Rwanda, Sudan and Uganda (total 20).
CBI/RIFF also includes: Burundi, Comoros, Kenya, Madagascar, Rwanda and Uganda (14). South Africa is an observer.
Other regional integration arrangements involving at least one SADC country include:
East African Cooperation (EAC): Kenya, Tanzania and Uganda (3).
Economic Community of Central African States (ECCAS): Burundi, DRC, Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea, Gabon, Rwanda, Sao Tomé and Principe (10).
Economic Community of the Great Lakes Countries (CEPGL): Burundi, Rwanda and DRC (3).
Indian Ocean Commission (IOC): Comoros, Madagascar, Mauritius, Seychelles, and France (representing the French Overseas Department of Réunion) (5).

the SADC FTA there should be a gradual move towards free trade with the objective that 85 per cent of intra-regional trade should be totally liberalized/duty free by the year 2008, and full implementation by the year 2012. According to one government official in Mozambique: 'The SADC FTA is a way to sell the Southern African market as one market.'[1]

Owing to its mainly rhetorical commitment to 'development integration', through the principles of 'balance, equity and mutual benefit', the SADC is supposed to erect some balancing measures, such as budgetary transfers, a regional development fund and postponed trade liberalization prioritizing the weakest members. These measures can then, so the official discourse goes, be coupled with project or sectoral cooperation and policy coordination. But there is very little in this strategy that does not correspond to market integration. It is, for instance,

very clear that the introverted strategies for a regional industrial policy have been put in the historical dustbin, whereas the few 'balancing' measures that are discussed are in fact compatible with conventional neoclassical and neoliberal regional economic theory. In essence, development integration is more theoretical and rhetorical than real. Apart from a few voices scattered around the region, this model has been more or less abandoned as a political project, and there is really no questioning of market liberalization and open regionalism as the guiding principles to achieve the so-called development community.

This paradigm, which is built on the acceptance of the universal market mechanism, is even more firmly established in other institutions and policy-making circles than SADC, such as SACU, COMESA and CBI/RIFF. The SACU is a customs union agreement between South Africa and Botswana, Lesotho, Namibia and Swaziland (BLNS), that provides for the absence of tariffs, duties and quantitative restrictions on trade within the area and for a common external tariff towards third parties. The trade relations in SACU are extremely asymmetric. The BLNS countries depend heavily on trade with South Africa, while their mutual trade is very modest. It is beyond dispute that the regional market, in combination with the de facto monetary zone, has served the interests of South African business. In addition all important policies regulating activities within SACU and with third parties are determined and administered by the South African Board of Tariffs and Trade, in which the BLNS are not represented. The SACU includes various measures to deal with the needs of the less developed BLNS countries, the most important being the compensation for lost customs revenues. This revenue accounts for a significant portion of government income in the BLSN countries, especially in Lesotho and Swaziland. The SACU agreement has been subject to a renegotiation ever since the end of apartheid. Regardless of interpretation and what the future agreement will look like, it is clear that the SACU will be influenced even more by market criteria, especially following the liberalization trend and market orientation of South Africa's economic policies.

The primary aim of COMESA is to promote the establishment of a full FTA, and later a common market as well as a common currency (COMESA, 1993). The COMESA FTA was launched in November 2000. At its launch, Djibouti, Egypt, Kenya, Madagascar, Malawi, Mauritius, Sudan, Zambia and Zimbabwe proclaimed that they had published the legal instruments that effected an FTA. Of the non-FTA countries, Burundi, Rwanda, Congo, Comoros, Eritrea, Uganda and the Seychelles

proclaimed they had reduced barriers between 60 and 80 per cent. Angola, the DRC and Ethiopia had undertaken no tariff reductions, and in Namibia and Swaziland tariffs were pending due to SACU rene-gotiations (www.comesa.int, 23.05.2002). Other official achievements include the following: several non-tariff barriers have been dropped; certain rules of origin have been eliminated; the adoption of a single COMESA Customs document; the installation of a customs manage-ment system to facilitate data and revenue collection; and the imple-mentation of a customs bond guarantee scheme in order to facilitate transit traffic (EU, 2001: 11).

The CBI/RIFF is yet another framework for the harmonization of policies and the promotion of a market-driven concept of regional eco-nomic integration in Eastern and Southern Africa and the Indian Ocean (CBI, 1995, 2002). It is to operate within the larger context of economic reform programmes and structural adjustment, thereby making reform/adjustment and market integration mutually reinforc-ing. Its objectives are to: (i) dismantle barriers that have traditionally resulted in high transaction costs of cross-border flows of goods and factor markets; (ii) liberalize trade and exchange rate systems; (iii) deregulate cross-border investment and strengthen financial intermedi-ation; and (iv) promote a new economic integration paradigm based on competition and efficiency in regional markets with low protection vis-à-vis third parties. Its proponents conceive this strategy to be differ-ent from past integration approaches in sub-Saharan Africa in that it promotes:

- Variable geometry versus fixed boundaries.
- Voluntary action and peer pressure versus treaty obligation.
- Fastest reforms setting the pace of integration versus the slowest movers.
- Integration into the global economy versus 'fortress Africa' para-digm.
- Private sector participation in design versus public sector driven.

The paradigm of market integration, which is the dominating regional ideology in Southern Africa, is essentially based on two main components: first, the ambition to synchronize regional market inte-gration with economic globalization/multilateralism, and second, the downsizing of the role of the state in the economy in order to boost the private sector and spur competition.

With regard to the first ingredient, it is anticipated that any regional trading bloc in Africa is too small to generate economic development,

with the result that the overall intention should be to ensure a closer integration of the region (and continent) into the global economy. There is heavy emphasis on liberalization *both* on a regional and extra-regional level. As two influential economists emphasize:

> For all SADC members, regional integration should not be perceived as an alternative to more general trade liberalization, which is crucial if African economies are to grow, but rather as one step in a process of greater integration into international markets. Regional integration is complementary to global integration: it can play an important role in facilitating trade and investment through creating larger markets, which could ultimately enable SADC to compete in the global context. (Jenkins and Thomas, 2001: 168)

The second and often closely related component is the strong emphasis on the state needing to be deregulated and made more efficient in order to encourage private sector development. State intervention is, to a considerable extent, seen as a distortion, whereas the 'market' is seen as the engine of growth and a much more efficient mechanism for resource allocation. This vision is promoted by many policy-makers around the region, especially the South African President, Thabo Mbeki:

> Accordingly, and again driven by our painful experience, many on our continent have introduced new economic policies which seek to create conditions that are attractive to both domestic and foreign investors, encourage the growth of the private sector, reduce the participation of the state in the ownership of the economy and, in other ways, seek to build modern economies. (Mbeki, 1998: 247)

According to this line of thinking, states are seen as ineffective and bureaucratic and therefore their role in the economy should be drastically reduced. The state and the public should first and foremost ensure an enabling environment for the private. 'Good governance' is thus defined as 'less government' and 'getting the prices right' (Thompson, 2000: 45). The project of market integration should not be singled out from the broader and more general project of neoliberalism. Neoliberalism and market integration go hand in hand in the Southern African context.

Market integration should be understood as a distinctive 'project', with a highly political content, fashioned and pursued by identifiable

actors, institutions and interests. The project is shared and reinforced by a wide range of politicians and policy-makers, think tanks and researchers, businesses and corporations, private sector alliances and other agents. The remainder of the analysis of market integration in this chapter will explain by whom, for whom and for what purpose such market integration is being built and promoted.

A significant amount of research in the field has been devoted to analysing market integration and the role of South Africa in the region (Maasdorp, 1996; Ahwireng-Obeng and McGowan, 1998; Simon, 1998b; Odén, 2000). Whereas most studies on this topic, especially among economists, tend to concentrate on the structural 'gap' and, as was mentioned in the introduction, 'cataloguing economic relationships between South Africa and other states in the region' (Poku, 2001: 6), the analysis here seeks to complement these by focusing on the processes through which this asymmetric region is being made and unmade. Due to their heavy emphasis on structure the majority of studies in the field have little to say about the agency of regionalization, especially by whom, for whom and for what purpose this uneven regionalism occurs. The analysis draws attention to the fact that market integration is promoted not only through formal states-led policy frameworks and regional integration schemes, but also through semi-formal partnerships between political and economic elites, and from the outside by external agents, such as the major donor agencies and the IFIs. Before going into more detail about the region-builders of market integration, it is necessary to look at some data on market integration.

The reality of market integration: the consolidation of a South African-centred region

This section describes market integration put into practice, which implies the reconstruction of a South Africa-centred region. The rather limited ambition is to provide a select set of data on some of the most important economic flows and relationships in the region. The goal is not to provide an exhaustive statistical account of all economic relationships in Southern Africa (which has been done elsewhere, e.g. SAPES, 2000).

Ever since early colonialism South African business and corporate actors have played a hegemonic role in the regional economy. Although they were also active during the time of apartheid sanctions – mainly operating through informal routes, smuggling and through third parties – it is undoubtedly easier for them to do business in the region today. The South African actors can also take opportunities

from the liberalization and market reform programmes that most countries have implemented during the two last decades.

During the 1990s there has been a steady increase of official trade in Southern Africa. In the 1980s the percentage of official intra-regional trade in Southern Africa (thus excluding South Africa and present-day Namibia) was in single digit figures, whereas trade figures have increased dramatically during the last decade. According to the SADC Industry and Trade Coordinating Division (SITCD), intra-SADC merchandise trade as a percentage of total trade was 35 per cent in 1995, with exports at 18 per cent of total trade and imports at 40 per cent (SAPES, 2000) (see Table 5.2). There are many competing statistical figures of intra-regional trade, and other sources generally speak of amounts in the range of 17–24 per cent. Although part of the reason for the dramatic increase during the last decade lies in the simple fact that South Africa now counts as part of the region, all available evidence indicates that there is a steady increase of intra-regional trade in the region. Tables 5.2 and 5.3 show different figures of economic integration in Southern Africa.

South Africa is the most dominating trading partner of several countries in the region, especially the BLSN countries, but also with a relatively high proportion for Malawi, Mozambique, Zambia and Zimbabwe (Odén, 1998: 37). South Africa's trade with Africa in general and with the SACU countries in particular continues to increase rapidly (Ahwireng-Obeng and McGowan, 1998: 9).

It is sometimes claimed that (Southern) Africa is of little importance to South Africa's economy, and that the developed countries are its main trading partners (Holden, 2001). According to Ahwireng-Obeng and McGowan (1998: 6–7), 'this generalization is at best a partial truth'. It hides the very important fact that South African products are not competitive on world markets, with a few exceptions such as minerals and a limited range of agricultural products, such as wine. However, and this is important, South Africa's value-added products have a competitive edge on the African and Southern African market. Southern Africa is, therefore, of strategic value for South Africa. And its importance is increasing. Great Britain, the United States, Japan and Germany were at the top of South Africa's export and import statistics in 1995, but several Southern African countries also belong to South Africa's most important export markets, for instance Namibia (rank 5), Botswana (6), Zimbabwe (7), Swaziland (9), Lesotho (10), Mozambique (17) and Zambia (20) (Ahwireng-Obeng and McGowan, 1998: 6–7). The SACU countries clearly contribute most to South

Table 5.2 Intra-SADC merchandise trade as percentage of total trade, 1990–97

	1990			1995			1997		
	Export	*Import*	*Total*	*Export*	*Import*	*Total*	*Export*	*Import*	*Total*
Angola	0.1	2.0	*0.7*	0.1	1.0	–	–	–	–
Botswana	12.4	87.8	*51.7*	25.0	79.7	*50.7*	18.3	77.3	*44.0*
DR Congo	–	–	–	–	–	–	–	–	–
Lesotho	96.9	78.8	*76.0*	–	93.3	*80.3*	–	88.5	*88.5*
Malawi	11.3	38.2	*27.1*	18.0	45.8	*33.3*	22.8	54.6	*37.5*
Mauritius	0.8	9.1	*5.6*	1.0	12.1	*7.2*	2.4	12.9	*9.3*
Mozambique	24.2	15.5	*14.9*	–	33.7	*33.0*	–	45.7	*45.7*
Namibia	28.7	24.0	*57.6*	–	26.4	*44.6*	–	23.6	*87.0*
Seychelles	–	–	–	–	–	–	–	–	–
South Africa	21.8	1.8	*13.4*	24.5	2.0	*14.2*	–	–	–
Swaziland	54.5	–	–	111.8	90.4	–	–	–	–
Tanzania	1.8	1.0	*1.2*	5.4	5.8	*5.7*	–	–	–
Zambia	2.7	24.3	*13.3*	9.5	25.8	*17.8*	12.0	47.4	*28.3*
Zimbabwe	32.8	23.8	*28.4*	30.6	43.2	*37.9*	31.4	42.4	*37.9*
SADC	19.8	27.8	*26.4*	18.0	40.1	*34.6*	12.4	49.0	*47.3*

Table 5.3   SADC economic integration index, 1998

Country	SADC trade index as % of GDP (TI)	SADC investment index as % of GDP (FII)	SADC citizens as % of total employed index (LMI)	SADC Integration Index (SII)	SII rank
Angola	0.009	0.269	–	–	–
Botswana	0.304	0.162	0.127	0.198	6
DR Congo	–	0.006	–	–	–
Lesotho	0.487	0.581	0.019	0.362	2
Malawi	0.117	0.069	0.046	0.077	5
Mauritius	0.039	0.072	0.004	0.038	9
Mozambique	0.123	0.015	–	–	–
Namibia	0.227	0.295	0.332	0.285	4
Seychelles	–	0.009	–	–	–
South Africa	0.025	0.028	0.188	0.080	7
Swaziland	0.761	0.434	0.473	0.556	1
Tanzania	0.013	0.006	–	–	–
Zambia	0.063	0.032	0.131	0.075	8
Zimbabwe	0102	0.058	0.807	0.322	3

Source: Adapted from *SADC Regional Human Development Report* (2000: 236–7, 211–12).
Key: The index, which must be treated with caution, measures the level of intra-SADC activities or the degree of openness in the goods, capital and labour markets. It ranges from zero to one.
   Explanation and fixed minimum and maximum for the indicators.
TI: intra-SADC merchandise exports and imports as percentage of GDP: 0% and 180%.
FII: intra-SADC foreign liabilities and assets as a percentage of GDP: 0% and 80%.
LMI is measured by intra-SADC labour emigration and immigration as percentage of the total employed persons: 0% and 10%.

Africa's (regional) exports, and during the period 1990–94 South Africa's exports to the SACU countries went through a tremendous increase: exports to Botswana increased by 18.6 per cent; Lesotho by 57.3 per cent; Namibia by 40.2 per cent; Swaziland by 110.6 per cent, making an average total of 45.4 per cent (Ahwireng-Obeng and McGowan, 1998: 9). The trade has continued to increase since then, albeit not so much.

   Similarly to trade, until the early 1990s there were modest (official) intra-regional investments in Southern Africa. A significant feature of the current and emerging regionalization pattern is that South African businesses have dramatically increased their

investments and presence in the rest of Africa, particularly in Southern Africa. Recent data from BusinessMap[2] shows that South African corporate actors dominate foreign direct investment (FDI) activity into most SADC countries compared with other countries – see Tables 5.4 and 5.5. The South African firms are involved in FDI activities in a range of different sectors, such as tourism, banking and financial services, food and beverages, transport and communications, forestry and agro-industry, selected manufacturing, retail trade, mining, steel and gas plants (Kalenga and Oosthuizen, 1999; IGD, 2000). The large South African mining conglomerates, such as Anglo-American, De Beers and JCI Ltd, are key players in their sectors. Furthermore, as seen in Table 5.6, other big businesses from South Africa that play a crucial role include Profurn, Woolworths, Shoprite, Pick'n Pay, Steers, South African Breweries, International and Southern Sun, Protea, Eskom and Standard Bank (also see Corporate Research Foundation, 1998).

The project to construct synergy between different forms of market integration

The essence of market integration put into practice is 'barrier-dropping', that is, negative integration and the elimination of obstacles to economic integration, with no or few attempts of positive integration and creative interventions in order to achieve broader policy aims and make the regional market more effective (Tinbergen, 1965). Barrier-dropping rests on the assumption that more or less all types of market integration and market liberalization at different levels are assumed to be compatible and mutually reinforcing. This works both *vertically*, in relation to global frameworks, African continentalism, micro-regionalism and national reform programmes, and *horizontally*, between different macro-regional market integration schemes.

With regard to the vertical dimension, the global–regional relationship was touched upon above; that is, economic regionalization is seen as an instrument to integrate into the world economy and reinforce economic globalization and multilateralism (i.e. the 'stepping stone' argument). According to this thinking, an integrated global economy and the different market integration schemes in Africa and Southern Africa are assumed to be part of the same process. President Nelson Mandela illustrates this by referring to the African renaissance as 'the creation of a new world order that involved the reconstruction of countries through regional economic associations capable of successfully competing in the global economy' (*Daily News*, 16 July 1997).

Table 5.4   Total and South African FDI into SADC (excluding South Africa), 1996–98 (USDm.)

Target country	Total FDI 1996	SA FDI 1996	Total FDI 1997	SA FDI 1997	Total FDI 1998	SA FDI 1998	Total FDI 1996–98	Total SA FDI 1996–98	SA share % 1996–98
Angola	0	0	1.78	0.78	133.03	103.00	134.81	103.78	76.9
Botswana	3.58	8.35	14.07	9.99	55.25	57.25	72.90	75.59	–
DRC	–	–	190	–	199.7	–	389.70	–	–
Lesotho	–	–	2.43	2.43	0.4	–	2.83	2.43	85.9
Malawi	3.83	1.62	363.48	0	41.22	41.30	408.53	42.92	10.5
Mauritius	–	0	–	0	–	7.30	–	7.30	–
Mozambique	163.99	126.03	2936.44	1380.89	3499.20	393.21	6599.63	1900.13	28.8
Namibia	905.81	5.81	265.39	15.39	138.28	124.45	1309.48	145.65	11.1
Swaziland	–	–	–	32.61	–	48.77	–	81.38	–
Tanzania	200.83	0.83	208.30	26.30	63.28	443.29	472.41	470.42	–
Zambia	34.50	4.50	283.53	186.24	375.60	212.39	693.63	403.13	58.1
Zimbabwe	3	–	552.79	586.52	321.75	340.24	877.54	926.76	–
Total	1 315.54	147.14	4 850.82	2 241.15	4 827.71	1 771.19	10 961.46	4 159.49	37.95

Source: Adapted from DPRU (2000) and IGD (2000). Both sources use BusinessMap's SADC FDI Database.

Table 5.5 FDI activity in SADC according to source and target country (number of deals), 1996–98

Target	Source										
	South Africa	*USA*	*UK*	*Australia*	*Germany*	*Portugal*	*Canada*	*Japan*	*France*	*Other*	*Total*
Angola	3	2		1					1	3	10
Botswana	14		1				1			5	21
DR Congo	4		1	1			1			2	9
Lesotho	3	1									4
Malawi	4		1							4	9
Mauritius	3										3
Mozambique	41	7	9	5		24	1		2	12	102
Namibia	18	3	2	2						2	27
South Africa	–	84	57	8	20		5	17	9	125	368
Swaziland	7		3								10
Tanzania	14		4				2			4	24
Zambia	31	4	17	1	1		1		1	20	76
Zimbabwe	28	5	7	6	3		6		1	9	67
Total	170	106	102	24	24	24	17	17	14	186	730

Source: Kalenga and Oosthuizen (1999). Data are based on BusinessMap's FDI SA and SADC Database.

Table 5.6   Actual and planned investment in SADC by select South African firms (number of investments/branches)

	Profurn	Woolworths	Shoprite	Pick'n Pay	Steers	South African Breweries	International and Southern Sun*	Protea*	Eskom*	Standard Bank of SA*
Botswana	37X	11X	3X		2X	X	X	X	X	X
Lesotho	13X	2X	3X		X	X	X		X	X
Malawi	2X	P	X				P	X		
Mauritius	14X	P			X			X		
Mozambique	6X	P	3X		X	X	XP	X	X	X
Namibia	29X	4X	7X	X	3X		X	X	X	X
Swaziland	6X	2X	2X		2X	X		X	X	X
Tanzania	X	X	X	X	X	X	XP	X	X	X
Zambia	18X	X	17X		X	X	X		X	X
Zimbabwe	28X	2X	X	50X	2X	X		X	X	X

* Number of investments and/or branches not available.
P: Planned investments.
Sources: BusinessMap (2000) and various Internet resources.

Similarly, in the New African Initiative (NAI), that later became NEPAD, it is stated that:

> The world has entered the new millennium in the midst of an economic revolution. This revolution could provide both the context and the means for Africa's rejuvenation. While globalisation has increased the cost of Africa's ability to compete, we hold that the advantages of an effectively managed integration present the best prospects for future prosperity and poverty reduction. (NAI, 2001: 5)

Micro-regionalism is another layer in this strategy whereby regionalisms at different levels are supposed to be mutually reinforcing and complementary. Both former President Mandela and current President Mbeki have claimed that the spatial development initiatives (SDIs) and development corridors contribute to the 'African renaissance'/NEPAD (see more in Chapter 8). The same type of complementarity is supposed to exist on the broader SADC level, between macro-regionalism and micro-regionalism. According to SADC officials, development corridors are part of 'SADC's way of doing things', thereby constituting crucial components of the fostering of regional economic integration.[3]

Following the same logic, market integration is at the same time conceived to be compatible with national economic reform programmes. More or less all of the major regionalist schemes in Southern (and Eastern) Africa, such as SACU, SADC, CBI/RIFF and COMESA, conform to or applaud the structural adjustment/market reform paradigm, which has led to the underlying vision also being labelled 'adjustment-adapted market integration' (Haarløv, 1997; cf. CBI, 1995; Söderbaum, 1998b; World Bank, 1989). The CBI/RIFF is the most outspoken proponent in this regard, since it is officially founded with the goal of synchronizing market integration and structural adjustment. This leads us to the horizontal complementarity.

With regard to the horizontal dimension, it is sometimes argued that the variety of large-scale macro-regional economic integration projects in Southern Africa – such as SADC, COMESA, SACU and CBI/RIFF – are competitive, and that their mandate and membership should be rationalized (Sidaway and Gibb, 1998). However, from the perspective of the project of market integration this pluralism constitutes no major problem as long as the schemes contribute to the same goal of state deregulation, market liberalization and a deeper integration into the global economy. As the SADC's former Secretary-General, Kaire Mbuende, has stated with regard to SACU:

'We see SACU as a building block – SACU is where we as SADC want to get to' (*The Namibian*, 20 May 1998). This also appears as a feasible explanation of the reasonably 'peaceful co-existence' between COMESA and SADC. In addition, it seems to explain why the donors and the IFIs have not intervened more consistently to rationalize the 'problem' of overlapping frameworks. The donors have expressed some caution, but they have nevertheless continued to support (and often finance) all the main market integration schemes in the region. Instead of demanding a strict rationalization of the regional integration arrangements, important sections of the donor community have been promoting the creation of the CBI/RIFF. The proponents of CBI/RIFF emphasize that 'it is not an institution or a new trading bloc' and that it is designed to 'complement' what has already been achieved in other fora (CBI, 2002). However, it is very clear that CBI/RIFF is not 'neutral', it is simply claimed to be so because it promotes the hegemonic project of market integration and open regionalism (more on this below).

Consolidating uneven market integration through 'partnerships'

One important element in the reconstruction of Southern Africa is the reorientation of South Africa's macroeconomic strategy. Early ANC strategies, most notably the Reconstruction and Development Programme (RDP), emphasized poverty alleviation, job creation and participatory development and governance. In 1996 the South African government launched the Growth, Employment and Redistribution (GEAR) strategy. Its main focus is, so the official discourse goes, to accelerate the rate of economic growth and thereby 'create hundreds of thousands of new jobs', in itself seen as a primary source of redistribution. The main thrust of the GEAR is to move from the introverted and import substitution economy of the past and make South Africa an open competitive trading economy (Marais, 2001). One of the key components of turning this into reality is to increase (non-gold) manufacturing exports. The problem facing the South African government is that, with a few exceptions in mining and wine production, its firms are not competitive in markets outside the African continent. However, there are vast opportunities for expansion in Africa, and many South African firms have (or are anticipated to have) a competitive edge, even in comparison to global investors and products. As revealed in the previous section, this has resulted in an aggressive South African export promotion and business expansion into the rest of Africa, Southern Africa in particular.

There is a strong link between South Africa's government institutions and its corporate sector in the promotion of South African business expansion into the region. The South African government is actively promoting its business sector in this regard. The South African government wants to see its business expansion in mutually beneficial or even egalitarian terms. The then Minister of Foreign Affairs, Alfred Nzo, stated that: 'By encouraging the involvement of our private sector elsewhere on the continent, we will also be contributing to the transfer of South African expertise and technology to other African countries, which would in turn contribute to their development' (Alfred Nzo quoted in Patel, 1999: 18–19).

Not surprisingly, this strategy is heatedly debated in the literature and at least in some policy-making circles (Maasdorp, 1996; Simon, 1998b; Odén, 2000). In direct opposition to the South African government's view, Ahwireng-Obeng and McGowan (1998) claim that the market forces and South African capital are now creating economically what the old apartheid regime failed to do politically some two decades ago, i.e. a Constellation of Southern African Economies (CONSAE) instead of the old proposal of a Constellation of Southern African States (CONSAS). Similarly, two influential South African observers, Lisa Thompson and Chris Tapscott, claim that the South African behaviour should be understood as a 'thinly veiled economic imperialism':

> The South African government and business leaders have spoken openly about the need to take GEAR strategies into the region while at the same time paying lip-service as to how much the region is a 'necessary' component of South African development policy. … The unfortunate conclusion, at least for critical theorists within South Africa observing the evolution of our new foreign policy, is to have to accept what our regional colleagues have up until recently been saying amongst themselves and now to us: it does not appear as if South Africa is particularly interested in regional decision-making, unless, that is, the South African government or business are defining the terms. (Thompson and Tapscott, 2000: 92)

Although Thompson and Tapscott's point about the South African government's 'lip-service' to regional decision-making is correct, their 'imperial' label seems to overlook the fact that both external agents as well as ruling political elites in the target countries are deeply entrenched in promoting the South African business expansion. It is

not simply an expansion carried out by the South African businesses themselves, with support from South African government. What we are witnessing is a much more profound and cooperative process, with the formation of partnerships between ruling political elites and big business. The fact is that apart from the support from their own governmental institutions the expanding South African businesses also rely on the governments in the countries they are expanding into, as well as the indirect promotion and legitimacy from the donors and the IFIs in the North.

The close relationship between governments and businesses is promoted through a rich variety of 'smart partnerships' and other similar and rather loose networks. These partnerships are promoted at all levels. For instance, the fifth Southern African Economic Forum, convened by the World Economic Forum (WEF) in association with SADC, proclaimed that 'business and government leaders jointly call for regional integration under SADC in Southern Africa' (WEF, 1997). According to then Executive Secretary of SADC, Kaire Mbuende, 'hope lies in that government and the private sector have shown surprisingly converging views' and 'that SADC's challenge is to promote the business opportunities the region offers to the rest of the world' (quoted in WEF, 1997). Another example of such processes in the making is the Southern Africa International Dialogue on Smart Partnership, which seeks to forge links between governments and the private sector in order to enhance investment in and across the SADC region (*Southern African Economist*, May–June, 1997: 15). The creation of the SADC Chambers of Commerce and Industry in 1999 is yet another example of the trends towards the formation of partnerships between SADC governments and the corporate sector. Its objective is to create a forum for dialogue with governments in the region, promote a free market economy, promote the viability and competitiveness of the region, and promote the interests of the private sector (*IRIN News*, 28 October 1999, 'SADC: Regional Chamber of Commerce Formed'). (Chapter 8 will elaborate in detail on partnerships in the Maputo Development Corridor.)

Ahwireng-Obeng and McGowan give more details on the way in which such partnerships are formed and promoted:

> In his first official visit to the new South Africa in May 1996 the president outlined an ambitious plan to attract South African investment to his country that included making Walvis Bay an export processing zone (EPZ) and with that a waiver of corporate taxes, customs duties, sales and transfer taxes, and stamp duties for new

investors. Moreover, the government persuaded Namibian unions in the port and its EPZ to agree to a five-year no-strike and no-lock-out deal in order to ensure labour peace and continuity of production for potential South African investors. The director of the Namibian Investment Centre said 'No strikes will be tolerated' … and President Nujoma opined that 'It is therefore natural that we should look to South Africa … for capital, technology and managerial skills as Namibia embarks on a new era of economic reconstruction and development …' (Ahwireng-Obeng and McGowan, 1998: 30)

In a similar move to attract South African investment, the Mozambican government exempted Shoprite from excise duty on the importation of its initial stock, most of which will be imported from South Africa.

One observer describes the South African business expansion into the region as 'The new Great Trek' (*Southern African Economist*, August–September 1997: 3–5). But the expansion has often been perceived as positive rather than 'imperialist' and with the negative connotations of the Great Trek. The South African commercial actors have successfully been able to position and market themselves as promoting and being part of key policy strategies, such as the 'African renaissance' – today's NEPAD – as well as regionalist visions and discourses of SADC, SACU as well as the MDC. Making such associations provides them with the necessary legitimacy for conducting business activities that otherwise could have been seen as more detrimental and exploitative.

The visions of the African renaissance and the NEPAD emphasize the key role of the 'African' business sector. This creates an opportunity for South African commercial actors expanding into Africa to emphasize their 'African identity' and the importance of fulfilling the African renaissance and the NEPAD. One prolific example is Eskom, South Africa's gigantic electricity supplier.

Two drivers, in particular, continue to shape Eskom's response to change: firstly, globalisation and, secondly, the combination of forces and needs that have been articulated and given direction in Deputy President Thabo Mbeki's vision of the African Renaissance. … Globalisation and competition have defined what we need to do – we must become a global business with an emphasis on superlative performance, and be the supplier of choice in the markets in which we operate. The African Renaissance has defined where the emphasis will be placed in our quest to become a global leader without losing our

African identity. ('Globalisation and the African Renaissance Vision', www.eskom.co.za)

Spoornet is another example. Growing rail operations in Southern Africa are of increasing importance to South Africa's Spoornet. Through its joint venture arm the company is active in 17 African countries. At present Spoornet is the largest rail company in Africa, and the largest freight rail company outside the USA. It is also part of the Southern African Railway Association's (SARA) 10-railway network, where it has the potential to dominate the region. The official discourse is that Spoornet contributes to the African renaissance and to regionalism in Southern Africa:

> Spoornet's role in the Southern African Region is that of a neighbouring railway which assists, leases resources, is active in an ambassadorial role and supports the African renaissance … Spoornet would want to be given the opportunity to continue to pursue business in the rest of Africa and build itself into an African rail icon. ('Spoornet Operates Internationally', *Business in Africa*, October 2001, www.spoornet.co.za)

A proclaimed African 'identity' is also forming part of the business strategies of purely private South African companies. For instance, Woolworths 'aspire to being the most trusted and respected African retail brand' and in so doing its owners seek 'to clarify our pride in being African' (www.woolworths.co.za). Yet another example is Shoprite, a major supermarket and retail company, with branches in most countries in Southern Africa (see Table 5.6). During the past seven years Shoprite has quickly expanded throughout Africa, and in 2002 it had 77 outlets in 11 African countries. According to its 'mission and vision':

> The expansion beyond the borders of South Africa is an essential development for Shoprite as the potential for more large supermarkets in the country has almost reached saturation point. Secondly, Shoprite has always supported the idea of the African Renaissance and we believe our successes in Africa show the way for others to make this Renaissance a reality. (www.shoprite.co.za)

South African banks are significant players in the region. BusinessMap shows that they have invested in excess of USD 70 million between 1994 and 2000 (out of a total foreign investment of about USD 250 million). According to BusinessMap's investor survey, some of the most important

reasons for their engagement with the region is to: (i) serve the needs of South African businesses expanding in the region; (ii) benefit from higher returns; (iii) develop greater deposit tools; (iv) take advantage of proximity of markets; (v) optimize superior knowledge and understanding of regional risks; and (vi) finance cross-border projects (BusinessMap, 2000: 89).

Needless to say, the expansion into the rest of Africa is a business strategy for optimizing profits and returns according to market criteria. BusinessMap emphasizes that the South African players are taking advantage of their historical presence in the region, proximity of markets as well as their stronger position compared to smaller players in the target countries. But there is more to the picture than just this. The business expansion would not be possible without support and legitimacy from the political elite in the hosting countries. The South African businesses successfully tie into the government-led discourses of African renaissance, NEPAD and MDC, and the more general discourse of market-oriented regionalism, which want to promote an African business sector. As will be elaborated in the next section, the outside support from the donor community is an important element in enhancing these processes.

This type of market-driven regionalism is certainly constructed by someone, for someone and for a specific purpose, with deep exclusionary effects. To a large extent the South African presence in the region can in many ways be seen as an extension of South Africa. According to Southern Sun's director of operations, Helder Pereira: 'we are looking at Maputo because of the Maputo corridor. That is another way of minimising risk. We predict that Maputo will become successful. It's part of southern Africa and it will ultimately become an extension of what South Africa needs' (*African Business*, June 1997: 12).

Whereas there is a strong link between South African business and the host government, local business feels discriminated. Local Mozambican business is provoked by the favourable conditions given to Shoprite's establishment in the country:

> … what constitutes an incentive to some can be a disincentive to others. Existing Mozambican retailers complain that they are being faced with unfair competition as the exemption of duty will mean that Shoprite undercuts them. Furthermore, they argue that there is ambiguity as to what is the time frame for 'first stock'. It is a new form of imperialism, says one retailer in Maputo, 'But what can we do?' he asks, helplessly. (Quoted in Fernando Goncalves, 'The New Great Trek', *Southern African Economist*, August–September 1997: 4)

The distribution effect of regionalism is perhaps the single most important issue in the debate on regionalism in Africa and the South. While this issue has attracted a great deal of attention and caution in the past, today it is almost ignored or at least treated with much more optimism by the proponents of market integration and the partnership discourse.

Although there is some limited scope for exceptions, it is generally accepted that the liberalization of trade and investment barriers is the way forward, and that resources should be allocated according to comparative and competitive advantages. According to this line of thinking, asymmetries and economic imbalances in the region are not considered to be very problematic. The problem is instead the threat of protectionism and state intervention. The then CEO of the CBI, Keith Atkinson, illustrates this view. Atkinson criticizes the old socialist economic theory of the 1960s and 1970s, which in his view was based on politically decided industrial locus and ideal world scenarios rather than what he sees as the 'realities' on the African continent. Atkinson is optimistic regarding the potential of the market to generate economic development: '… what is wrong with private capital and private decisions … the African entrepreneurs and middle class can challenge the governance and paternalism and patronage that today disrupts the system …'[4] As far as the much discussed imbalances and asymmetries between South Africa and its neighbours are concerned, these should not, according to Atkinson, be exaggerated:

> … nobody argues that the Netherlands will have balanced trade with the U.S., so why should the SADC countries have it with South Africa? Look at the relative size of South Africa: how do you expect balance in that situation? … it is natural that South Africa will dominate. … And so what? It is impossible to have balanced trade in a market economy.[5]

The NRA takes the problem seriously of an exaggerated emphasis on market principles, especially when there are no measures that can stabilize the market and enhance poverty reduction. It is therefore important to recognize the limits of the neoliberal market integration paradigm that currently dominates the discussion on economic regionalism. As James Mittelman points out:

> Concerned as it is with purportedly universal laws of development, neoliberal theory posits that, in principle, the same rules of economic development can be applied across the board from the most

developed to the least developed countries. As such, the theory is overly mechanical and represents a slot machine approach to regionalism. Taking an individualist approach, it is silent about deep structural inequalities, especially the qualitative aspects of underdevelopment lodged in the blockage of highly inegalitarian social systems. … What is more, neoliberals' vision of a friction-less world of shared meanings, the uncontested adoption of the ideology of capitalism, is structurally blind to patterns of domination and hegemony. (Mittelman, 1999: 44)

Before moving on to the analysis of how neoliberal market integration is promoted from the outside, it needs saying that market integration/open regionalism is by no means a linear or irreversible drive towards totally 'free' trade and integration into the global economy. Sometimes state elites seek to prevent or resist market liberalization, for instance in order to prevent anticipated de-industrialization in the domestic economy (cf. Mittelman, 2000). Such resistance may arise when the costs of liberalization and market integration are visible. Under certain circumstances this resistance may certainly be positive from a normative point of view, and for the poor. But as will be elaborated upon in the sections on regime-boosting and shadow regionalism, market integration in Southern Africa is seldom resisted in order to promote a development-oriented regionalism but rather for a series of other more myopic and rent-seeking motives.

Promoting market integration from outside

External pressures and actors are crucial for the creation and consolidation of the prevailing project of uneven market integration in Southern Africa. A variety of external actors, such as multilateral institutions, donor agencies and foreign powers, create and sustain – intentionally and unintentionally – certain regionalist projects. In other fields of operation, external agents and activities may be contradictory and competitive, rather than mutually reinforcing. Nevertheless, as far as market integration is concerned there is a considerable degree of 'sameness' and compatibility. Since the late 1980s the IFIs, foreign powers and donor agencies have moved from Cold War and apartheid-related interests towards a strategy and agenda for poverty reduction built on the principles of market liberalization, good governance and democracy. This leads to a general support and even external imposition of liberal market integration and open regionalism. The role of external actors in the promotion of this paradigm cannot be exaggerated. In

fact, without the active involvement of external agents, economic regionalism in Southern Africa would be very different. In order to understand more about how market integration is promoted and even imposed from outside, this section elaborates on the strategies of some of the most influential donor agencies, such as the World Bank, the United States, the EU and the Nordic countries.

In general the World Bank and the IMF emphasize overall liberalization and an opening of national markets. These agencies favour 'the globalization option', which implies national adjustment and unilateral/multilateral adaptation to the global economy. The point of view of the World Bank and the IMF is that there is a disappointing track record of African economic integration and always a 'threat' that it will turn protectionist. Both agencies operate on a national basis and, apart from a few rather visionary proposals (e.g. World Bank, 1989), their support has been limited to functional regional cooperation and more recently the CBI/RIFF. Although the World Bank has been supporting separate functional programmes and projects in the field of water management, transport and so on, it has been fairly sceptical of a more broadly based regionalization strategy in the fields of trade and factor market integration. During the last few years, however, there has been a shift of thinking whereby the World Bank has started to reformulate its role and attitude towards African market integration (World Bank, 1998, 2001). According to the new way of thinking – which can be understood as open regionalism – the rationale for economic integration in sub-Saharan Africa lies in overcoming fragmentation and closure towards the global economy. The new ambition is 'to create a sub-regional unified, open economic space for the free movement of goods, services, capital & people; and move away from unsuccessful import substitution strategies' (World Bank, 2001, cf. 1998). Such open regionalism should be achieved by:

- Creating larger markets to permit economies of scale, wider competition and increased foreign investment.
- Accelerating the opening of national economies to the rest of the world.
- Enhancing credibility of national reform through lock-in policy mechanisms.
- Strengthening unity for international negotiations.
- Reducing/resolving interstate conflicts.[6]

The Bank emphasizes the need to promote other stakeholders in sub-regional and cross-country issues (i.e. other than state and regional

organizations). 'Such an approach will recognize the multiplicity of relationships among the countries, many of which involve the private sector, and could be operationalized pragmatically by working with different groups according to the specific issue of concern' (World Bank, 1998: 7). Here it should also be noted that the World Bank underlines the mutual benefits by South Africa's reintegration in the region.

> With the changes in the political and economic environment, there is an understanding that the fortunes of South Africa and the rest of the sub-region are now intertwined. South Africa is the most likely source of investment and expertise for the activities that would underpin growth in many neighboring countries. And, South Africa in turn, perceives gains from more rapid sub-regional growth. (World Bank, 1998: i)

The United States' African Growth and Opportunity Act (AGOA) is an important component of US policy towards Africa. The AGOA rewards those African states that liberalize, privatize and democratize, by way of debt relief, loan guarantees, business partnerships and particularly access to United States' markets. The focus is on trade rather than aid, and sub-Saharan Africa is identified as a 'region richly endowed in both natural and human resources' and 'of enormous economic potential and significance to the U.S.' (US, 2002: 1). The AGOA offers tangible incentives for African countries to continue their efforts to open their economies and build free markets. It provides reforming African countries with the most liberal access to the US market available to any country or region with which the United States does not have an FTA. The eligibility requirements include: good governance, transparency, ending corruption, opening up markets (especially to the United States) and economic reforms, protection of human rights and worker rights, and elimination of certain child labour practices.

United States Agency for International Development (USAID) has a special Initiative for Southern Africa (ISA) that is distinct from its bilateral country programmes. USAID perceives Southern Africa as the most 'promising' region in sub-Saharan Africa, and the ISA is intended to open markets and exports and 'to encourage the region to continue with growth-oriented reforms; to expand economic and political cooperation; and to support the reintegration of South Africa's industrial, financial and technical resources into the regional economy in a manner that stimulates mutually beneficial development' (USAID, 2001).

In accordance with most other donors/powers, the EU favours open regionalism and 'the smooth and gradual integration of the developing countries into the world economy' (EU, 1995a: 1). However, although heavy emphasis is placed on the universal market mechanism, the EU has a slightly different approach that includes an emphasis on a stable and adaptable institutional framework as well as a more broadly based and coherent regionalization strategy:

> … successful regional integration requires a market-friendly economic environment, openness towards third countries, institutions which are sufficiently strong and have a clear mandate, adequate resources and political support. A flexible institutional framework, permitting progress at various speeds ('variable geometry'), broad participation by the private sector and civil society, and a set-up where responsibility for dealing with an issue is kept as close as possible to the population concerned ('subsidiarity'), can also be seen as critical ingredients for success, as the EU experience shows. (EU, 1995b: iii)

Furthermore, the EU has drawn attention to the negative spillover effects of uncoordinated SAPs, and therefore seeks to synchronize market integration and structural adjustment/economic reform. 'By emphasizing that regionalism is not an alternative to integration in the world economy, the European Commission has been influential in making both the IMF and the World Bank more sympathetic to regional initiatives' (EU, 1995b: 5).

Crucial for understanding the EU's role in the promotion of regionalism is its self-image as a 'natural' supporter of regional initiatives. Although the EU claims that it does not try to export the European integration model, it is very evident how clearly its self-image as 'the most advanced regional integration project in the world' comes out in its policies. According to the EU's policy documents, the European model of integration has become an unavoidable 'reference model' for virtually all regional initiatives in the world (especially in the South, and Africa in particular). This was revealed in the quote above, and is even more explicit in the following statement:

> There are a number of lessons that can be drawn from the experience of regional integration in various parts of the world. Probably the most important lesson can be derived from the European experience, not only on account of its long history but also because, to a

large extent, it can be considered as the only successful example of regional integration so far. (EU, 1995b: 8)

Historically, the Nordic countries have been strong supporters of the SADCC, especially due to the fact that it was seen as an important partner in the larger anti-apartheid struggle. Conventionally the Nordic countries have emphasized loose and functional regional programmes and projects, especially in transport, communications and energy (Sellström, 1989). It should be recognized that while the Nordics were previously sceptical of free trade areas and a customs union in Southern Africa, first and foremost due to the perceived negative distribution effects, the prevailing market integration paradigm has now been more or less accepted. It is now held that the anticipated negative distribution effects for the weaker SADC countries in their relationship with South Africa should be handled through the market mechanism, functional cooperation in other sectors, and a strengthening of the capacity of the weakest countries to regionalize and participate in the process of market integration (Sida, 2002; Utrikesdepartementet, 1999).[7] What this means is that compensatory and corrective mechanisms discussed in the past and in the development integration model have been more or less abandoned in favour of a vague strategy whereby the weaker countries are supposed to be strengthened in order to take advantage of the opportunities provided by market integration. Although the policies of the Nordic countries differed from the EC/EU in the past, that is no longer the case. As pointed out by an official at the Swedish Ministry for Foreign Affairs, 'Swedish policy does not diverge from the EU approach. Trade is part of the EU's first pillar and the European Commission determines the process.'[8]

Summing up, in spite of some minor differences between them, some of the most influential donor agencies in the world are actively promoting the synchronization of globalization, multilateralism (within the WTO) and barrier-dropping market integration. These donors also seek to create the conditions for market-driven integration through the imposition of common macroeconomic conditionalities, hence inevitably, external control. This can be understood as a result of their seeking to establish and guarantee regional trading regimes in Africa as well as more stable trade between Africa and themselves. It needs to be recognized that all the donors believe that South Africa's reintegration into the region is favourable, while there is no genuine reflection over the asymmetries and imbalances that are created in this process, and the patterns of inclusion and exclusion.

Regime-boosting

Southern Africa is also characterized by another rather sophisticated type of regionalism, which is aimed at strengthening the status and the interests of the political regime, both on the international arena and domestically. Many ruling political leaders in Southern Africa engage in a rather intense diplomatic and symbolic game, whereby they praise regionalism and sign treaties, such as free trade agreements and sector protocols. By doing so they can be perceived as promoters of the goals and values of regionalism and regional integration, which enables them to raise the profile and image of their often authoritarian regimes.

At first glance, regime-boosting has some similarities with more conventional types of states-led regionalism, both in liberal and realist schools of thought. However, the NRA suggests that the underlying reasons for regime-boosting are different compared to these theories. Regime-boosting promotes neither various types of public goods (liberalism) nor broader national and societal interest (realism).

Liberal institutionalist theories are very concerned with the reasons for and the way in which states transfer sovereignty to regional institutions. It is a widespread belief in the research field that 'the fear of giving up sovereignty are substantial obstacles for integration in all SADC countries' (Dieter *et al.,* 2001: 63). Although this dichotomy is first and foremost a remnant from neofunctionalism and 'old' regional integration theory, it continues to influence the debate. The problem is that the dichotomy is one-dimensional and fails to take into account that there is a more complex relationship between regionalism and sovereignty/regime interests. There is no zero-sum game between these two phenomena: regional integration is not necessarily a challenge to sovereignty. On the contrary, by showing commitment to and participating in the process of 'integration', political leaders are able to promote state sovereignty and the profile of the ruling regime. The notion that sovereignty constitutes an obstacle towards regionalism is to misunderstand the ways through which regime actors and political leaders are able to use regionalism in order to foster the interests of their regimes.

At first sight regime-boosting may resemble intergovernmentalist and neorealist types of explanations. However, there are two related reasons why conventional state-centric and intergovernmental analysis is not enough or even misleading. First, due to their inherent 'weakness', most of the post-colonial states in Southern Africa are

overly concerned with absolute sovereignty as well as the formal status and survival of their regimes, rather than the promotion of the 'national interest' in a broader sense and the achievement of national security. This is closely related to the second reason, namely that in many cases the so-called 'state' is much less than what it pretends to be. We need to distinguish between the 'state' and the ruling regime. Sometimes the ruling regime is not much more than a (neopatrimonial) interest group, and in the worst case it has degenerated into a postmodern mafia syndicate, like for instance in Zimbabwe. The implication is that regime-boosting regionalism is exclusivist and centralized, 'reflecting the perceptions of government leaders, small groups of civil servants and perhaps also key bilateral and multilateral donors' (Simon, 2003: 71).

In order to understand how regimes use regionalism in order to promote regime-boosting, one has to consider the nature of statehood in Southern Africa. It is widely agreed that the states in Africa, including Southern Africa, are 'weak'. Sometimes they are even referred to as 'quasi-states' (Jackson, 1990). However, these states enjoy international recognition in spite of the fact that they often lack substantial and credible 'statehood'. This means that in their international relations weak states (or 'quasi-states') tend to place heavy emphasis on formal and absolute sovereignty – i.e. the maintenance of existing borders and the principle of non-intervention in domestic affairs – because it enhances the power of the governing political elite and its ability to stay in power (Clapham, 1996). As Sørensen (1999: 397) points out, 'political elites in these states strongly embrace the institution of formal sovereignty; it is their right to continued existence as states'. The principle of formal sovereignty has clearly been successful in Africa. In spite of the fact that most states are extremely 'weak', the states system and the old colonial boundaries have, with a few exceptions, remained intact and seemingly everlasting. The result is a somewhat paradoxical situation with 'weak' states and rather 'strong' or at least 'stable' regimes' (Bøås and Dokken, 2002: 138; Bøås, 2003).

Even worse, many of the post-colonial states in Southern Africa are ruled by personal leaders, who seek to be portrayed as embodying the idea of the state. Even if some of the personal rulers, for instance Kenneth Kaunda and Hastings Banda, have left the scene, this continues to influence politics in Southern Africa. It is evident that neither personal leaders nor weak states seek to transfer formal sovereignty to supranational regional institutions, 'beyond the nation-state' (Haas, 1964). But they nevertheless engage in a rather sophisticated type of

regionalism, which is aimed at strengthening their political regimes, sovereignty and formal status, rather than anything else (cf. Hentz and Bøås, 2003).

The SADC is used as an image-boosting arena whereby the leaders show support for each other, regardless of the character of their regimes. The SADC meetings are gigantic and even majestetic events where the political leaders can show to the world and their citizenries both that they are promoting the cause of regionalism and that their political regime is important on the international scene. Decision-making within SADC is highly formalized, and to some extent even ritualized. SADC summits are, to a significant extent, image-boosting exercises where the regimes can express their loyalty to each other, praise their authoritarian regimes and the values and goals of their regional organization. This social practice is then repeated and institutionalized at a large number of ministerial and summit meetings, which in reality involves no real debate and no wider consultation within or between member states (Simon, 2003: 71). For the political leaders, it is a matter of constructing an image of regime- and state-building:

> formal participation in SADC is another way whereby the states [i.e. regimes] seek to confirm, fix and secure the appearance and power of 'sovereignty'. Rather like the boundaries and colour schemes of political maps, participation in fora such as SADC is a way in which the state is actively represented as a real, solid, omnipresent authority. In doing so, the fact that it is a contested, socially constructed (not simply natural) object is obscured, and states would have us take them for granted as the natural objects of governance and politics. (Sidaway and Gibb, 1998: 179)

There are many critical voices of the nature of states-led regionalism in Southern Africa. According to the Southern African Peoples' Solidarity Network (SAPSN):

> the governments of our countries have for long mainly engaged in rhetorical declarations … with few effective achievements; [they] are at the same time, committed to supporting and defending each … and are using SADC as a self-serving 'old boys' club' for such mutual support. (SAPSN, 2000: 1)

One example of such an old boys' club is the SADC leaders' political back-up and support of Robert Mugabe's regime. Instead of discussing

the problems for the people in Zimbabwe and the whole region arising out of authoritarianism, rigged elections, state-organized land-grabbing and murder, the SADC summit ended up condemning the sanctions and any critique of Mugabe's regime, on the basis that it was intervention in 'African affairs'. The SADC summit also considered the elections in Zimbabwe in 2002 as 'free and fair', whereas the elections were heavily criticized by international election monitors as well as the independent SADC Parliamentary Forum.

Due to the fact that the regimes by definition seek to mask and hide their underlying interests, the indicators of regime-boosting necessarily remain double-edged and contested. What follows below is an attempt to provide some empirical evidence of how regime-boosting affects the way regionalism is played out in practice.

One important feature of the SADC is the signing of a large number of treaties, agreements, charters, memoranda of understanding, and sectoral protocols. Apart from the SADC Treaty, the protocols are the most important. From its creation in 1992 and until 2004 the SADC leaders have signed 23 sectoral protocols and ratified less than half of them (see Table 5.7). There is no doubt about the fact that some protocols contain quite a progressive content. But the argument raised here is that the activity of signing protocols has been part of regime-boosting regionalism. The signing of protocols makes it possible to create an image that the organization is developing and that the signatories promote the goals and values of regionalism. It needs saying that some regimes are certainly more interested in implementation than others. The problem is that the protocols seldom make any real demands on the signatories, and the regime-boosting actors are able to hijack the process and prevent implementation from taking place. The regime-boosting hypothesis suggests that through this activity the SADC leaders are able to create a façade and an image that they promote the goals of regionalism, but then do very little as far as implementation is concerned. In short, resisting implementation is instrumental for regime-boosting and the promotion of absolute sovereignty.

The implementation that has been achieved within the SADCC/SADC has first and foremost been tied to its project portfolio and its Programme of Action. See Table 5.8 for SADC projects by main sectors. However, this type of regionalism enables regime-boosters to manipulate the process.

Part of the problem is that the project portfolio in many respects is a mere paper tiger. There is a substantial funding gap and the majority of the projects will never be implemented. In this sense it can be seen as a

Table 5.7   SADC sector protocols

	Protocol	Date of signature	Entry into force
1	Immunities and privileges	1992, August	X
2	Shared watercourse systems	1995, August	X
3	Transport, communication and meteorology	1996, August	X
4	Energy	1996, August	X
5	Combating illicit drugs	1996, August	X
6	Trade	1996, August	X
7	Education and training	1997, September	X
8	Mining	1997, September	X
9	Tourism	1998, September	X
10	Wildlife conservation and law enforcement	1999, August	
11	Health	1999, August	
12	Tribunal and the rules of procedure	2000, August	X
13	Legal affairs	2000, August	
14	Revised protocol on shared watercourses	2000, August	
15	Amendment protocol on trade	2000, August	
16	Politics, defence and security cooperation	2001, August	
17	Control of firearms, ammunition and other related materials	2001, August	
18	Fisheries	2001, August	X
19	Corruption	2001, August	
20	Culture, information and sport	2001, August	
21	Forestry	2002, October	
22	Mutual legal assistance in communal matters	2002, October	
23	Extradition	2002, October	

Source: www.sadc.int (December 2003).

rather naive 'wish list'. However, this is, at least to a certain extent, a deliberate and instrumental strategy for the regimes, whereby they can pay tribute to the goals of regionalism without providing the funds for implementation. The fact that donors have funded the lion's share of the SADC's projects has served the needs and interests of the regime-boosters. This way they have received funding for projects, without providing any funds themselves. In reality the projects are mainly national projects. It is widely accepted in the SADC debate that 'the majority of projects are national and lack a clear regional focus' (SADC, 1997: 63; Isaksen and Tjønneland, 2001). This means that the SADC's

Table 5.8 SADC project financing status by (selected) sectors, 1997/98

Sector	No. of projects	Total amount (USD million)	Foreign amount (%)	Local amount (%)	Total funding secured (%)
Transport and communications	174	6 474.40	85.30	14.62	46.2
Energy	42	843.60	95.57	4.43	74.2
Food, agriculture and natural resources	86	618.44	87.36	12.64	50.4
Agricultural research	14	120.44	78.56	21.44	64.1
Livestock production and animal disease control	13	96.27	96.60	3.40	56.4
Industry and trade	19	20.01	76.60	23.40	52.2
Mining	36	18.51	67.42	32.58	54.8
Water	3	11.55	80.00	20.00	84.4
Environment and land management	6	7.80	83.97	16.03	26.0
Finance and investment	10	1.92	80.21	19.79	19.8
Grand total (all sectors)	404	8 054.05	68.64	13.36	49.5

Source: *SADC Annual Report 1997/98.*

projects are, in reality, national projects dressed up as regional. In short, the regime-boosters have been able to get 'national' projects funded from outside and yet at the same time be perceived as official region-builders.

According to the 'SADC way of thinking', one of the 'strengths' of its institutional structure is that new members and new sectors can easily be added (SADC, 1997: 63). The regime-boosting argument suggests that this structure has promoted the aim of enhancing absolute sovereignty and 'national pride' rather than effective implementation. By

adding more and more members and sectors the SADCC/SADC's political leaders have been able to create an image that the organization has been constantly developing.

The allocation of sectoral responsibilities to each member country was an interesting institutional structure when it occurred in 1980. See Table 5.9 for responsibilities in the year 2002. At this time, it was seen as positive that the decentralized structure could avoid the cost of a regional bureaucracy and also provide a sense of 'ownership' to each of the member states (SADC, 1997). However, it is clear that this type of organization was hijacked by governments seeking to promote their own national and more narrow goals. It has resulted in a general lack of regional thinking as well as effective implementation. As indicated above, the majority of the projects in the project portfolio were national rather than regional projects. The ownership mentality of each sector became so strong that it even resulted in competition between countries, with each sector representing 'national pride' and status (in reality the regime's pride and status). Even the sectoral coordinating units that lacked the administrative capacity and the funds to be functional and implement projects and programmes were still seen as important. According to two self-critical evaluations, the SADC institutional structure 'encourages political (and rhetorical) rather than economic developments' (SADC, 1997: 63; Isaksen and Tjønneland, 2001).

Table 5.9   SADC sectoral responsibilities (before restructuring 2002)

Angola	Energy Commission
Botswana	Agricultural research and training; livestock production and animal disease control
DRC	–
Lesotho	Environment and land management; water
Malawi	Inland fisheries; forestry; wildlife
Mauritius	Tourism
Mozambique	Culture, information and sport; Transport and Communication Commission
Namibia	Marine fisheries; legal affairs
Seychelles	No sectoral responsibility
South Africa	Finance and investment; health
Swaziland	Human resources development
Tanzania	Industry and trade
Zambia	Employment and labour; mining
Zimbabwe	Crop production; food, agriculture and natural resources

Source: www.sadc.int

Seen from this perspective, it is fortunate that SADC's organization has been fundamentally restructured and centralized, and the sectoral coordinating units in the individual member countries have merged into four directorates at the SADC Secretariat in Gaborone, Botswana. However, it is still too early to say what will be the effects of the institutional restructuring process. Regime-boosting is backed up by strong and flexible agents, and these agents may find ways to continue to manipulate the regionalism in the future.

Shadow regionalism

Many African countries are ruled by authoritarian regimes and even personal rulers. These types of regimes and leaders are often able to use the coercive instruments of the state in order to monopolize power and boost their regimes. The regime-boosting can serve as a façade that can assist certain political and economic actors to promote their hidden private interests by way of shadow regionalism. In other words, politics may be a business strategy, whereby the political resources provide access to economic resources (Bøås, 1997: 363; see also Médard, 1982). It is a widespread position in the research field that rent-seeking and the nature of African statehood block effective regionalism. For instance, Sidaway and Gibb (1998: 178) elaborate on the extremely drawn-out process of renegotiating the SACU agreement in the post-apartheid era. They quote a representative of the South African negotiation team, who claims that dominant rentier–elite fractions in the BLSN countries 'are dragging their feet because the old formula is advantageous to them'. A similar stance is advanced by the Canadian International Development Agency (CIDA):

> The road to genuine regional integration is strewn with obstacles but the benefits could be enormous. 'The perceived interests of states steer them away from integration. Concerned with seeking rents, they have preferred vertical cooperation with Europe and neglected trade with each other' … The elites fear losing the privileges they have acquired within their micro-states, impeding the creation of regional entities, which would mean renouncing the concept of self-sufficiency and isolationist policies. (CIDA, 2001: 10)

The argument raised here is that it is problematic to dichotomize regionalism and rent-seeking. Whereas 'dragging their feet' and self-enrichment may prevent formal policy integration, it may instead be

closely related to the existence and increase of other forms of informal regionalism, namely what is referred to here as shadow regionalism.

Shadow regionalism is intimately linked to informal market activities rather than any institutionalized and formal process. The shadow activities depend on the exploitation of boundary disparities, political and economic differences on a rent-seeking basis, and also demands their preservation in order to prosper (Lavergne, 1997: 8). That is, shadow agents do not seek the implementation or rationalization of regional economic integration schemes and tariff liberalization, thereby explaining the phenomenon of 'dragging feet'. The agents may actually hide behind formal political power in order to seek rents through informal market activities.

Basically, shadow regionalism is the same phenomenon that Bach (1999c) refers to as 'trans-state regionalism'. The 'state' dimension is related to the fact that politicians and government officials are actively involved in informal market activities. For instance, the parallel economy in former Zaire, which exceeded the official economy in size, expanded as a consequence of the systematic corruption, theft of state revenues and the personal rule of President Mobuto Seso Seko (Reno, 1998). In the case of Sierra Leone this type of state was referred to as the 'Shadow State', a state where corrupt politicians were sheltered by the formal façade of political power based upon informal markets (Reno, 1995). The concept of shadow regionalism draws attention to the fact that there is often a strong regional dimension in these types of activities.

> International trade in Africa, and inter-continental trade particularly, occupies a crucial strategic position chiefly because of the scarcity of foreign exchange which is necessary to import manufactured goods and which can play a vital role in the construction of a political power-base. Government ministers and officials regulate access to hard currency either by their control of the state, or by going into business themselves or through nominees including members of their own family, or indirectly, by forming alliances with traders. The interplay of the resulting trade and clientist networks is an ingredient in most successful political careers in Africa. (Ellis and MacGaffey, 1996: 31)

The viability of shadow regionalism is dependent on the lack of transparency of the state, as well as the flexibility and adaptation of the informal market activities. It is by nature informal, fluid and,

according to Daniel Bach (1999a), also detrimental because it is built upon rent-seeking and the pursuit of personal economic interests of the involved actors. The expansion of shadow regionalism is tied to state decay and states' declining financial capacities and territorial control. As observed by Taylor and Williams (2001: 281), 'a number of state elites in the Great Lakes and southern African regimes have ceased to use the mantle of sovereignty to promote the collective good. Instead, they have used it to help bolster their own patronage networks and weaken those of potential challengers.' The decline of the state is further magnified by the privatization and retreat of the state, which in turn gives rise to increasing shadow regionalism.

The profits involved in the more conventional as well as the new types of shadow networks are considerable. These accumulation strategies have become vital for important support groups of the patrimonial regime and sometimes for the state apparatus itself. With the main exception of the SACU and the CMA, most formal and policy-led regional integration schemes in Southern Africa have failed to support and provide a framework for the private sector and civil forces in the process. The concept of shadow regionalism suggests that important state elites and rentier classes actively seek to preserve existing boundary disparities and the continued failure of regional organizations and policy frameworks. In essence, informal shadow networks prevent formal regionalism from taking place. The main exception is regime-boosting regionalism, which can provide a formal façade for engaging in shadow regionalism.

Shadow networks are inherently inequitable and extremely uneven. They accumulate power and resources at the top, to the rich and powerful, rather than to the unemployed, the urban poor, and rural producers. Small-scale cross-border traders have a disadvantage since the economies of scale are 'only for those who can pay the necessary bribes' (Bach, 1999c: 162). Although the dividing line is a difficult one to draw, this distinguishes shadow regionalism from other forms of informal economic regionalism (discussed in the next section). 'The only "popular" dimension of trans-state [shadow] regionalism is to be found in its capacity to adjust to market demands and in the ruthless exploitation of populations that are confronted with a diminishing of alternatives to satisfy their needs' (Bach, 1999c: 162).

Shadow flows were an integral part of apartheid South Africa's external relations. Until the 1990s South African public and private corporate actors were often linked in trans-state shadow networks and informal partnerships, which were active in trade and finance, mining,

arms sales, political lobbying as well as paramilitary activity. 'It was only after the end of the bipolar world and South Africa's internal transitions that the distinction between formal and trans-state regionalism began to make sense in South Africa' (Bach, 1999c: 163). Bach (1999c: 165) points out that the de facto monetary zone in SACU has had the effect of shifting the destructive influence of shadow flows along the external frontiers towards its non-SACU neighbours.

One solution to the negative effects of shadow regionalism is the coordination of economic policies in order to eliminate the rationale for these types of activities, for instance through some sort of regional coordination of economic reform programmes. As pointed out by Ellis and MacGaffey:

> The free trade and foreign exchange policies which have been widely implemented in Africa since the early 1980s encroach on powerful vested interests. As long as differential currency rates and pricing regimes exist, national frontiers in Africa … may themselves be considered a resource. … The frontier, the point of import and export, is the critical factor in most smuggling operations. (Ellis and MacGaffey, 1996: 32)

But the attempts to restrict shadow flows have been unsuccessful and have also been met with destabilizing boomerang effects (Bach and Hveem, 1998). In the new neoliberal and post-Cold War context where the state apparatus itself offers less opportunities for private accumulation and where formal barriers between countries have been reduced, shadow regionalism stems no longer only from the exploitation of existing Southern African border disparities. Instead it has expanded to more criminal activities, such as new trades in illicit drugs, including heroin, mandrax and cocaine, arms, light weapons and other merchandise of war, which means that the networks have expanded beyond the frontiers of the continent (Bach, 1997; MacLean, 1999).

Shadow regionalism is shaped by the special characteristics of African statehood and its insertion in the global political economy. Many of these states are not constructed on robust social bases. Instead political and economic elites have been able to use the state apparatus for personal accumulation, often through the involvement of international economic actors and businesses. Today it appears that shadow regionalism has entered a new and more detrimental phase, which gives rise to 'networks of plunder', according to Sandra MacLean (2003). Without disregarding the security aspects of the conflicts in the

Great Lakes during the last decade, there are a range of questionable reasons and motives for the military interventions in these conflicts. The ad hoc and informal nature of the SADC Organ is sometimes seen as a failure of organized security cooperation. There are persuasive reasons, however, to believe that this informality has enabled particular leaders to use the (quasi)legitimacy of the SADC Organ more or less as a façade in order to bolster their own personal economic interests (Söderbaum, 2003a). Taylor and Williams emphasize the motives for private accumulation in the war zone:

> Far from being a humanitarian and developmental disaster which sabotages the nascent [African] Renaissance, for well-placed elites and businessmen the wars in the Great Lakes region … offer potentially substantial resources for those able to exploit them. This explains much of the foreign interventions in the DRC: it is not only about preserving national security and defeating enemies, it is also about securing access to resource-rich areas and establishing privatised accumulation networks that can emerge and prosper under conditions of war and anarchy. In this sense, war assumes the characteristics of a business venture, the beneficiaries of which are unlikely to abandon the venture easily. (Taylor and Williams, 2001: 273)

This logic illustrates the political economy of conflict at work in the region, in which both state and non-state actors come together in diffuse and volatile informal 'networks of plunder' in order to profit from violence and underground economies. It is a devilishly well-calculated terror war and obviously has little to contribute to human development (and security). A fairly limited number of regional players tend to be involved in various overlapping sectoral networks of plunder, particularly in minerals, timber and arms. According to MacLean (2001: 9), the recent UN reports on illegal activities in the Great Lakes read like a 'Who's Who' list of prominent political and military figures in the region.[9] There are tight connections among Zimbabwean, Namibian, Angolan and Congolese politicians and military, with links to international business, around trade in gold, diamonds, copper and cobalt in the DRC (MacLean, 2002: 523). As MacLean (2002, 2003) points out, anyone following the Zimbabweans in the DRC conflict is probably familiar with names such as Billy Rautenbach, John Bredenkamp and Lieutenant General Vitalis Zvinavashe, as well as company names such as Gecamines, DRC-based Comiex, Sengamines, Oryx, Osleg (controlled by the Zimbabwean

Defence Force), Cosleg and Ridgepoint Overseas Development Ltd. Both Rautenbach and Bredenkamp have had long-standing and close connections with government officials in current as well as previous, even oppositional, regimes. Other well-known figures in this dirty business include Zimbabwe's former Justice Minister and Permanent Secretary of the Ministry of Defence, the General Manager of the Zimbabwe Minerals Development Corporation, the Acting General Manager of the Minerals Marketing Corporation of Zimbabwe, and the Commander of the Zimbabwean Defence Force.

Informal economic regionalism

Southern Africa is characterized by myriads of informal cross-border interactions and activities among small and private business, traders and people, the mosaic of ethnic, religious and family trading and business networks, migrant labour, refugees and so forth. These informal cross-border activities can arise for a variety of reasons. They can be survival strategies, organized business strategies, criminal strategies, strategies for opting out from the formal economy, or they may simply arise as a consequence of regional concentration of economic interests and geographical circumstances. Some arise for sociocultural and historical reasons, while others are based on tax and tariff evasion and the exploitation of price and institutional differences between countries with common borders (Bach, 1997; Meagher, 1997).

Since informal trade often depends on the presence of formal barriers to trade, it is not self-evident what happens when such barriers disappear. One comprehensive empirical study of informal trade, undertaken at a large number of border crossings between Malawi, Tanzania, Zambia and Zimbabwe, predicts that formal trade would expand by more than 80 per cent if informal cross-border trade is eliminated (Chirwa *et al.*, 1995).

Although it is, for natural reasons, difficult to estimate the magnitude of informal economic regionalism, these activities should not be ignored, which has often been the case in the study of the political economy of regionalism. In large parts of Africa, large groups of the population owe their survival to the semi-official, illegal or informal cross-border flows of trade, capital and services. One researcher in the field has described the dynamics of informal regionalism as follows:

> The black market is thriving today as never before. It is a reborn, dynamic market force. The methods used and the commodities

traded differ … but the aim is the same to capture some kind of profit however small in order to survive. … For many African governments it is easier to let the parallel economy finance a substantial part of their population than to find the funds to do it themselves. This has led to a situation where a substantial (increasing) part of the African population have no other choice than to ignore their own governments and create their own economies. (Bøås, 2001: 34–5)

There is a comprehensive pluralism and innovation of informal economies. One needs only spend a day at a strategic border-crossing in order to get a first insight into some of its dynamics. In East Africa the traders involved in petty cross-border trade are known as 'wanachi' (Bøås, 2001). Another documented phenomenon are the Zimbabwean females who trade along the Harare–Gaborone–Johannesburg route (Mupedziswa and Gumbo, 1998). The female traders from Masvingo have, according to Mudzvidziwa (1998), created 'a strategy for climbing out of poverty'. This strategy has been created in the context of structural adjustment in Zimbabwe and the more recent crushing of the formal economy from above. The gender dimension is important. It seems to be a general feature that women are more deeply involved than men in informal cross-border trading (Chirwa *et al.*, 1995). Several of the female traders from Masvingo 'felt that through cross-border trade they were able to overcome many of the disadvantages that deny women equal access to resources. They all felt that they had found a domain in which men were second-best players' (Mudzvidziwa, 1998: 33). It should be noted that in general the cross-border traders in the Masvingo study are law-abiding and their activities are transparent and conducted in accordance with the law on either side of the border, although some laws that placed high demands on traders are broken at times.

In Mozambique the *mukhero* is one interesting example of informal economic regionalism (Lundin and Söderbaum, 2002). Informal market activities and petty trade have flourished following the abandonment of the socialist project in Mozambique and the gradual disappearance of the old safety net provided by the state. This marks the beginning of the institution of *mukhero*, whereby a variety of goods, vegetables, fruits, clothes and small home appliances are brought in from other parts of Mozambique and the neighbouring countries in order to be sold on the informal market in Maputo. Again, the activities are often conducted by females, and revenues are used to buy goods in South Africa and Swaziland and other neighbouring countries, only to be sold back in Maputo. The vivid cross-border interactions that make up the *mukhero*

involve all countries bordering Mozambique, but particularly South Africa. Initially it was mainly a question of acquiring agricultural products to supply a market in need, but gradually other products have been incorporated. To a large extent these activities constitute a modern survival strategy, but several of the female traders are also ending up building viable informal business enterprises (Little and Lundin, 1993). Various attempts have been made to regulate and control borders, smuggling, informal trading and hawking, but people have often found other ways to get around these restrictions. In the words of one mukherist:

> None of us hold a valid passport or visa, we cross the border under the fence. We have special arrangements with some officers, 'we pay and they don't see us'. However, the agreement is not always respected because many times we pay and they catch us anyway. When that is so we have no choice other than either to pay again, many times with sexual services to more than one of them, or to lose our goods risking also being arrested. *Mukhero* is not an easy business, but as far as I see it is at the moment the only alternative for us to survive. (Quoted in Lundin and Taylor, 2003: 99)

Although there is a blurred line between the two, informal economic regionalism needs to be kept analytically distinct from shadow regionalism. Whereas shadow regionalism is built on 'criminal' strategies, rent-seeking and arbitrage, with little positive influence on productivity and development, informal economic regionalism is more positive and has much less disruptive effects. Informal economic regionalism is often a survival strategy emerging within a context of economic crisis and state decay, and built on the entrepreneurship and creativity of people on the ground. It occurs, to a large extent, because the formal sector is malfunctioning, which can be a deliberate strategy designed from above or as a consequence of failed economic reform programmes. Often these activities are legal, transparent and conducted in accordance with the law, although some laws that place high demands on informal trading are sometimes broken. These informal activities can continue and also expand because they are more efficient and flexible than the more formal activities. The major problem for development and emancipation is not the existence of informal economic regionalism as such, which seems to be the view in official policy discourse. The fundamental problem is instead that policy-makers are not able to unlock the creativity and entrepreneurship of the informal sector.

Conclusion

This chapter has analysed the many agencies of state, market and external actors in the contemporary political economy of regionalism in Southern Africa. Although there are also other regionalisms, the chapter has identified and assessed four particular types, two formal – the project of market integration and regime-boosting – and two informal – shadow regionalism and informal economic regionalism.

The different forms of regionalism are not always related. However, to a considerable extent they overlap and stand in a rather complex (and even dialectic) relationship with one another. The political economy of regionalism in Southern Africa is by no means dominated by one single logic. On the contrary, regionalizing actors are perfectly capable of being involved in more than one regionalism at the same time. This also explains why the different forms of regionalism are rather persistent in spite of their often detrimental effects, at least for the poor and the people on the ground. This conclusion summarizes the most important characteristics of each of the four forms of regionalism as well as how they are related.

Even since before independence regionalism has been a central component of the discussion of economic growth and development in Africa. In the past the main emphasis was on introverted regionalism, built around notions of collective self-reliance and import substitution industrialization. An active and intervening state was an integral part of this ideology. In today's regionalism this ideology has been deserted in favour of more extroverted and market-friendly regionalism, here referred to as the project of market integration.

The project of market integration seeks to integrate the region into the global economy in a series of different ways. Its pervasiveness is reinforced by the fact that it fits and ties into the broader neoliberal strategy and market universalism that dominate economic and political thinking on the continent. This also explains why market integration occurs in different guises, such as continental African frameworks (e.g. NEPAD), various macro- and subregional economic integration schemes (e.g. SADC, COMESA, CBI/RIFF), as well as cross-border micro-regional initiatives (e.g. development corridors and SDIs). Market integration is also perceived to be in line with the intentions of national economic reform programmes around the region, not least the South African government's GEAR strategy.

The project of market integration is promoted by important factions in society. Formally it is created by governments, but it is supported by

many think tanks, big business corporations, as well as from the outside by external powers and state donor agencies. Many external agents favour the construction of a South African-centred region whereby South Africa is seen as 'the last hope' for the continent.

The project of market integration is believed to promote the public interest, so the official discourse goes. However, with few exceptions, there is little empirical evidence of spread effects to broader segments of the population, especially on the periphery. The gains accrue to a small and narrow economic and political elite, especially in South Africa and those actors engaged in business relations with big business from South Africa. This pattern reinforces unevenness and imbalances across the region as well as within countries. The fundamental problem is twofold: (i) the public is subsumed under the private; and (ii) the market activities that are actually carried out depend on (global and South African) market demands and access to international and South African capital, resulting in a lack of concern with poverty reduction and public goods.

However, the discourse of policy-driven market integration is stronger than its implementation. At least to some extent market integration constitutes more of a model than the reality of regionalization. Nevertheless, the South African business expansion and the partnerships between governments and big business around the region are brutal reality, which take place even if the market integration policies and liberalization programmes are not implemented. That is, the South African business corporations are extremely strong in comparison with the local business actors in the neighbouring countries, and they are able to take advantage of the new opportunities even if the market integration policies are not fully implemented.

The second main type of regionalism highlighted in this chapter, regime-boosting, implies that regionalization is used as an instrument to promote the absolute sovereignty and formal status of the political regimes involved. Regime-boosting means that there is no contradiction between sovereignty and integration as stated in neofunctionalist and liberal thought. Regime-boosting is a very peculiar type of regional integration. Neither should it be confused with the promotion of the type of national interest emphasized in neorealist and intergovernmentalist thought. This is because these theories are not capable of explaining how the so-called 'interests' are formed and developed. The so-called 'state' is much less than what it pretends to be. In this type of regionalism the main concern of involved regimes is with their own survival and status, rather than broader national and societal goals. All

types of regime-boosting may not necessarily be detrimental. But, ultimately, its desirability depends on whether the involved regimes are ruling for or against the people and the public interest.

Regime-boosting regionalism is emerging in the context of, and at least partly as a response to, neoliberal market integration and economic globalization. What is happening in Southern Africa is, therefore, rather intriguing. On the one hand, regimes are implementing market integration reform packages that actually undermine much of their power, patronage and formal status, yet on the other hand, there is a rising resentment against conditionalities, donor interventions and such markets reforms.[10] Regime-boosting appears as an attempt to reassert or rescue the formal image and absolute sovereignty of their regime in the face of an erosion of such tools and as a consequence of political and economic conditionalities and economic globalization. In this sense, regime-boosting is a counter-reaction against market integration, conditionalities and economic globalization. But it is masked under a rhetoric of a reassertion of 'African sovereignty' and 'dignity' against outside interference in what are considered to be strictly African affairs. This is, for instance, witnessed in the reaction by SADC political elites over the rigged elections in Zimbabwe in 2002.

Shadow regionalism implies that certain regime actors join forces with informal or criminal private actors in order to enhance neopatrimonialism and promote their private economic interests. Since there are corrupt and neopatrimonial 'shadow states', it is equally relevant to speak of shadow regionalism. Shadow activities are not isolated domestic phenomena, but contain strong transnational and cross-border dimensions. This type of regionalism is triggered by private accumulation and rent-seeking, but it has also strong links to other forms of regionalism. Part of the explanation of shadow regionalism lies in the fact that there is not that much left to plunder of state assets as a consequence of neoliberalism and the subsequent downsizing of the state (including market integration). As a result certain corrupt regime actors, together with certain businessmen, are able to use the formal façade of the state and inter-state frameworks to engage in informal shadow activities.

Shadow regionalism implies that governments resist formal regionalism, at least in the form of policy-driven market integration and open regionalism. However, shadow regionalism travels well with the detrimental forms of regime-boosting, since the latter provides a shelter for carrying out the former. When combined in this way, regime-boosting satisfies the regime's political self-interest, whereas shadow regionalism promotes its self-enrichment.

Finally, this chapter draws attention to a fourth form of regionalism: 'informal economic regionalism'. At first sight, informal economic regionalism resembles shadow regionalism, but the former does not involve political and regime actors, so the two should be kept analytically distinct. Informal economic regionalism is driven purely from below, by a large set of different informal and private actors, such as small-scale traders and ordinary people, trying to 'survive' in a precarious situation. Informal economic regionalism is more comprehensive and important compared with the attention it receives in the regionalism debate. It is not simply a domestic phenomenon, but also involves a transnational dimension. This type of regionalism comes in many varieties, attesting to the richness and vitality and entrepreneurship of people on the ground.

There are several explanations for its occurrence. It provides an opportunity for 'exit' from the formal economy, when this has crashed, or due to its detrimental and exclusionary effects. It may arise as a result of the failure of the formal economy to provide opportunities for sustainable economic activity. Informal economic regionalism is therefore often a survival strategy or a means for climbing out of poverty. As will be seen in the case study of the MDC (Chapter 8), governments are doing nothing or very little in order to promote the dynamism and entrepreneurship of ordinary people and the informal sector.

6
Civil Society Regionalism

A large number of studies in the research field deal with more or less all aspects of regionalism and all regions around the world, with the main and crucial exception of civil society regionalism (Söderbaum and Shaw, 2003). Judging from the limited amount of research on the topic, civil society regionalism appears to be absent, or at least insignificant. This ignorance is unfortunate, because, as this chapter will show, civil society is a dynamic force also on the regional level.

Some critical theories of regionalism, such as the world order approach (WOA), would like to see civil societies forming part of counter-hegemonic regionalism. However, the theorists behind the WOA claim that states-led regionalist projects have been designed with little popular involvement or pressure from labour and civil society, and the lack of civil society in regionalism is only to be lamented (Gamble and Payne, 1996b: 258). The NRA emphasizes, just like the WOA, the existence of detrimental and polarizing neoliberal regionalism, which is intimately connected with economic globalization. According to Polanyian terminology, this type of regionalism is part of the 'first movement'. However, some versions of the NRA, such as Hettne (1999, 2003), Mittelman (2000) and Thompson (2000), are more enthusiastic about the regional phenomenon, and also expect counter-hegemonic and transformative regionalism with strong links to civil societies. These scholars anticipate that civil society regionalism will form part of the 'second movement'.

The revised NRA as developed in this volume takes civil society seriously, and also assumes that it plays a role in regionalism. However, compared with scholars such as Hettne and Mittelman, the revised framework is more cautious in postulating the shape and nature of civil society regionalism. This chapter will suggest that civil society

regionalism is multidimensional and heterogeneous, comes in many varieties, and arises for a host of complex reasons. In consequence, the nature and shape of civil society regionalism are an open empirical question, rather than a theoretical postulate.

This chapter provides an overview of contemporary civil society regionalism in Southern Africa, with a particular focus on by whom, for whom and for what purpose it emerges, and the different relationships to states and external actors. The analysis is structured as follows. The next section conceptualizes civil society in the Southern African context and clarifies the regional dimension. The second section draws attention to the richness of civil society regionalism in Southern Africa, highlighting the diversity of actors and sectors of cooperation. In sections three and four it is argued that the nature of civil society regionalism in Southern Africa can only be understood by analysing the rather complex relationships between civil societies and states, on the one hand, and civil societies and external actors on the other. Thereafter follows a critical assessment of the so-called counter-hegemonic civil society forces. Finally, a brief conclusion rounds up the chapter.

Studying civil society regionalism

There are a rich variety of definitions and meanings of 'civil society' (Scholte, 2000, 2002). Often it is loosely defined as the public realm and the associational life existing between the state and the private. From this perspective civil society is seen as an arena where different associations and interest groups can express their interests and engage with the state. Although it is not always conceptualized in this way, civil society is generally considered to be distinct from the state. Furthermore, some conceptualizations, such as for instance Hegel's nineteenth-century definition included the market, but this contrasts with much of contemporary notions, which tend to treat civil society as a non-profit sector (Scholte, 2002: 146).

Civil society is here defined as '*a political space where voluntary associations deliberately seek to shape the rules that govern one or the other aspect of social life*' (Scholte, 2002: 146). It includes a rich variety of actors and voluntary associations, such as non-governmental organizations (NGOs), community-based organizations, interest groups, trade unions, social movements, faith-based organizations, academic institutions, clan and kinship circles, lobbies, youth associations, development cooperation initiatives and more. Active political orientation is an important

ingredient in this definition of civil society (Scholte, 2002: 147). As a consequence, those voluntary associations that do not try to shape policies, norms or structures in society are excluded, for instance service NGOs or recreational clubs. Furthermore, the definition excludes political parties since these have a quest for political power, and profit-seeking actors.

This chapter seeks to transcend the conventional conceptualization and proposition of civil society as open, autonomous and engaging in a constructive dialogue with the state. Instead, civil society is problematized, and the analytical perspective allows for civil society to contain within itself a series of paradoxes and conflicts. What on the surface may appear to be egalitarian 'civil society behaviour' may not always prove to be so in a deeper assessment. Furthermore, civil society actors may be involved in complex, rather than simple and straightforward, relationships with other types of actors, which blur the distinctions between civil society actors, states, and private market actors. At the same time, it is evident that external actors play an important role in the promotion of civil societies in Africa, a powerful role that does not seem to be the case in civil societies in the West.

According to conventional literature in the field, civil society in Africa is weak (cf. Monga, 1999). The problem with such a statement is that it does not account for the fact that associational life in Africa is very rich. It needs therefore to be acknowledged that civil society in Africa is not simply powerless or weak, but rather vivid and active. 'In spite of being forgotten, neglected or deliberately excluded from decision-making, civil society is developing; it is extending its field of competence every day' (Monga, 1999: 77). Furthermore, given that civil societies in Southern Africa are in an early stage of development and sophistication, the level of regional interaction and regional cooperation is quite strong, at least in certain sectors. There are many types of transnational links and cross-border relations between civil society actors. The history of Southern Africa is one with strong transnational elements in associational life. For instance, the liberation movements throughout the region are good testimonies of the regionalization of resistance.

One of the major reasons why civil society in Africa is often misunderstood is the fact that Western political thought has dominated the debate. A great deal of civil society research is based on the notion that civil society operates and consolidates on a 'national' basis. This notion needs to be transcended both in order to escape the Western bias and

in order to accommodate the changes of world order and politics. As Scholte lucidly points out:

> In earlier Lockean, Kantian, Hegelian and Gramscian formulations, 'civil society' related to *western* politics in a *national* context. However, talk of civil society today circulates all over the world and is sometimes applied to political practices (like kinship networks in Africa and so-called Civic Fora at the local level in Thailand) that derive largely from non-western traditions. Moreover, in contemporary politics civil society associations often operate in regional and global spheres as well as local and national arenas. Conceptions of 'civil society' need to be recast to reflect these changed circumstances. (Scholte, 2002: 147)

In other words, civil society is not hermetically sealed from the external environment. On the contrary, civil society activities at different levels tend to be tightly connected. There can be competition between activities at different levels, but what happens on one level is not necessarily an obstacle to activities on another. Instead, civil society regionalism may occur in order to achieve goals that otherwise cannot be achieved or as a means to strengthen national goals. This chapter will draw attention to the multiplicity of interactions between national, regional and other transnational level interactions.

The richness of civil society regionalism in Southern Africa

Civil society regionalism in Southern Africa is complex and multifold. The processes are fluid, dynamic, heterogeneous, and take many different shapes, depending on who are the involved actors, their capacities and the particular nature of the sector. These types of activities arise in a wide range of different fields, but regional cooperation and regional networking among civil society actors are particularly evident in the fields of social and economic justice; debt and structural adjustment; trade and globalization; media; human rights; law; health and HIV/Aids; food security; student associations; trade unions; and regional research and education networks (Prodder, 1998; Odén, 2000). Table 6.1 shows a select list of regional civil society networks and organizations in Southern Africa and some of the most frequent sectors of cooperation.

Table 6.1   Select civil society organizations and networks in Southern Africa

Sector	Name of organization or regional network
Human rights and democracy	Inter-African Network for Human Rights and Development (AFRONET), Southern African Human Rights NGO Network (SAHRINGON), Human Rights Research and Documentation Trust of Southern Africa
Media	Southern African Research and Documentation Centre (SARDC), Media Institute of Southern Africa (MISA), Africa Information Afrique (AIA)
Economic development, trade, economic justice and debt	Southern African Network on Debt and Development, Jubilee 2000 Southern Africa, African Forum on Debt and Development (AFRODAD), Economic Justice Network (EJN), Ecumenical Service for Socio-economic Transformation (ESSET), Southern Africa's Peoples Solidarity Network (SAPSN), Alternative Information and Development Centre (AIDC), Southern and Eastern African Trade Information Negotiations Institute (SEATINI)
Environment	Environmental Justice Networking Forum (EJNF), ZERO, Enviroteach, Empowerment for African Sustainable Development (EASD), Wildlife and Environment Society of South Africa (WESSA)
Health and HIV/Aids	Southern African Network of Aids Service Organizations (SANASO)
Trade unions, students' unions, chambers of business	Southern African Trade Union Coordination Conference (SATUCC), Southern African Business Forum, Southern African Association of Chambers of Commerce and Industry (SAACCI), Southern African Students' Union (SASU)
Faith-based organizations	Southern African Council of Churches (SACC), Southern African Catholic Development Association (SACDA)
Gender	Education of Girls and Women in Africa (EGWA), Gender, Urbanization and Environment (GUE), Women in Law and Development in Africa (WILDAF), Women and Law in Southern Africa, Southern African Network of Higher Educational Institutions Challenging Sexual Harassment and Sexual Violence
Regional research networks	African Economic Research Consortium (AERC), African Energy Policy Research Network (AFREPREN), Southern African Political Economy Series (SAPES), Organization for Social Science Research in Eastern and Southern Africa (OSSREA), Marine Science Cooperation Programme (MARINE), Regional Research Collaboration in Reproductive Health in Africa (REPH)

Table 6.1   Select civil society organizations and networks in Southern Africa *continued*

Sector	Name of organization or regional network
Peace building	Ceasefire Campaign, African Centre for the Constructive Resolution of Disputes (ACCORD), Centre for the Study of Violence and Reconciliation, Centre for Conflict and Resolution (CCR)
General/ multifunctional	Southern African Non-Governmental Organization Network (SANGONET), SADC Council of NGOs, Reflection and Development Centre for Eastern and Southern Africa (MWENGO)

Organization

Civil society actors organize themselves in a wide range of different types of organizations. There is neither a need nor space to go into too much detail about the different organizational forms, and only some general features are elaborated upon below. An analytical distinction can be made along a continuum ranging from loose and open associations and networks, to increasingly more institutionalized and centralized organizations and projects: (1) regional association; (2) regional network; (3) regional programme; (4) regional centre; and (5) regional company/consultant (cf. Söderbaum, 1999).

(1) *Regional association*. This can be a professional association or an association with an open and rather inclusive membership, such as the Association of African Political Scientists (AAPS); the Southern African Association of Chambers of Commerce (SAACCI); the Southern African Students' Union (SASU); the Southern African Council of Churches (SACC); the Southern African Development Research Association (SADRA).

(2) *Regional network*. This can be a rather loosely structured regional network, or a regional umbrella organization grouping 'national chapters' and/or individuals. Civil society organizations (CSOs) that fall within this type include, for instance, the Southern African Network of Aids Service Organizations (SANASO); the Economic Justice Network (EJN); the Southern African Human Rights NGO Network (SAHRINGON); the Southern Africa's Peoples Solidarity Network (SAPSN); the African Energy Policy Research Network (AFREPREN).

(3) *Regional programme*. This can be a regional programme or project, which is often limited in scope and time, but with a clear membership, such as the Marine Sciences Cooperation Programme (MARINE) and the Regional Research Collaboration in Reproductive Health in Africa (REPH).

(4) *Regional centre*. This can be a regional advocacy, policy, research, information and/or documentation centre/organization (often it is a non-member organization, but it may also allow members to be supporters or associated), such as the Southern African Research and Documentation Centre (SARDC); the Southern African Political Economy Series (SAPES); the Reflection and Development Centre for Eastern and Southern Africa (MWENGO); the African Centre for the Constructive Resolution of Disputes (ACCORD); the African Forum on Debt and Development (AFRODAD).

(5) *Regional non-profit company/service provider*. A non-profit company (Section 21/22) or service provider, operating within the region, rather than within one country, such as the Southern African Non-Governmental Organization Network (SANGONeT); the Southern African Communications for Development (SACOD); the Southern Africa Media Services Organization (SAMSO); CRIAA Southern Africa-Development & Consulting (CRIAA SA-DC).

Many activities are rather loosely organized in 'networks' and programmes, and many of the emerging networks are interlinked, forming networks of other networks. Often rather loose and open-ended institutional and organizational structures constitute the starting point for regional cooperation and interaction. This means that one organizational form can be replaced by another when cooperation intensifies. According to the coordinator of the Eastern and Southern African Economic Justice Network (EJN): 'the initial challenge was to build networks … and now we start to emphasize building better cooperation and agree on what it should be used for'.[1] In some cases a loosely organized 'network' fulfils the needs and demands of participants while in other cases the network may gradually be strengthened. If and when participants manage to agree on a common agenda and strive towards a common goal, then the networks may get institutionalized and organized. Some networks comprise an extremely heterogeneous group of members, coming from a range of different backgrounds and sectors. As will be elaborated below, this is often the case with the resistance movements, whereas other networks may be grouping 'national' chapters and perform more functional duties.

The motives for civil society cooperation

Civil society regionalism arises for a number of reasons. Some of the motives for civil society cooperation are manifest, and relatively easy to grasp. These motives come in different mixes depending on what actors are involved, what their goals are and in what sector they co-operate. In some cases only a few types of motive are enough in order to make regionalism a reality. The following types of motive are declared by civil society actors in order to justify their cooperation and interaction, both among themselves and towards other observers:

- creation of knowledge, discussion and learning
- policy formulation
- collection and sharing of information
- advocacy, lobbying, coalition-building, joint monitoring
- solution and management of cross-border and common issues
- economies of scale, joint pooling of resources, rationalization of activities, and sometimes provision of funds
- capacity-building, organization strengthening, institution-building, training and human resource development
- adherence to the norms of 'regionalism' and/or a 'shared' identity
- meeting donor demands or guidelines, and in order to attract donor funding (this dimension will be elaborated upon in detail below).[2]

Civil society regionalism is, of course, more complex than the above. Civil society is by no means homogeneous, harmonious or automatically contributing to the common good and a democratic order, which tends to be postulated in much of Western thought. There are also competing interests and conflicts within civil society, quest for power, control, personal status and even pecuniary gain. Since such motives and underlying interests are mainly hidden, they are also more difficult to detect.

What on the surface is officially claimed to be 'civil society activity' may sometimes be more of a business strategy, or an exercise to boost the status and personal interests of the individuals involved. These activities do not contribute to civil society as defined in this chapter (i.e. they do not attempt to shape the rules that govern social life). There may thus be a blurred line between civil society and business activities. The CRIAA Southern Africa-Development & Consulting (CRIAA SA-DC) is an example. The representative of this so-called NGO argued that the organization formed part of 'civil society', but at the same time it wanted to be seen as a professional consultancy firm, defined in a regional fashion and riding on the wave of regionalism.[3] Other companies that are defined as non-profit organizations, for

instance the Southern African Non-Governmental Organization Network (SANGONeT), can best be understood as service providers without any ambition to influence norms in society. Although the label NGOs can be correct, these types of organizations should not be seen as representatives of 'civil society' as defined in this study. Commercially oriented NGOs and consultancy firms are seldom detrimental, but there is not much that distinguishes them from ordinary business organizations.

There are also other underlying motives for engaging in NGO activities. What are commonly referred to as 'My Own NGO' – an individual person who is able to hide behind the façade of being or representing an NGO – can serve as a platform for enhancing personal status and interests. Furthermore, NGO activities are not seldom carried out by relatives of family members of the ruling political elites. This may be for charity purposes, but questions still need to be raised concerning loyalty and relationships to the government (more on this later in the chapter).

The balance between the 'national' and the 'regional'

The regional level of interaction is by no means hermetically sealed from national level activities. In fact the two levels are closely connected. However, this does not mean that the relationship is necessarily mutually reinforcing. On the contrary, there can be competition between activities at different levels. In fact, regional cooperation may detract attention and energy from other local or national issues. According to one representative, 'some NGOs have difficulty understanding what is the common "regional" interest, because we work with different national issues … there is not always something to learn'.[4] Put differently, regional networking activities may not be so useful in contributing to specific and local objectives, such as educating illiterate people about their democratic and human rights. As one network-builder puts it:

> The balance between the 'regional' and the 'national' is perhaps the biggest challenge … we must emphasize this much more … to get a balance and what the regional is good for and should do … the problem is that it is difficult to measure the benefit and impact of regional cooperation.[5]

Furthermore, the different backgrounds of civil society actors coming from different countries can be a reason why regional civil society

cooperation is weak or does not really develop. According to a representative of the Namibian NGO Forum (NANGOF), 'there is not yet a common thing that brings all of us together'.[6] An official at the Congress of South African Trade Unions (COSATU) claimed that many trade unions in Southern Africa are too weak and not radical and anti-capitalist enough, and therefore it is not very worthwhile to cooperate with them.[7]

On the other hand, there are several examples whereby similar national experiences in fact create a common ground for evolving regional cooperation. It is particularly interesting to note that needs and interests can be created and changed during the course of interaction. For instance, one representative explains that before meeting with other CSOs in the region there was no clear idea what was or could be a common interest, but there was nevertheless a feeling of 'community' and that the CSOs from various countries had many things in common and 'ought to cooperate'. The same regionalizing actor argues that mutual interests are formed in the process of interaction, and 'as we become more "regional" new challenges may come up'.[8] Another civil society actor argues that although regional integration had not caused the debt problem in the first place, the experience of structural adjustment and debt is fairly uniform throughout the region, which has led to a dramatic increase in regional cooperation and regional networking in Southern Africa in this field.[9]

Similarly to other forms of regionalism, the role of South Africa is a heated issue. A South African actor admits that there is a tendency that they are dominating too much: 'the lesson for South African NGOs is that … not only we should push the agenda … we are equal partners … we need to take into consideration that some are weaker …'.[10] The role of South African-based actors will be further elaborated on below, in other sections of this chapter. What is interesting to note at this stage is the fact that the same actor claims that his and others' interests and attitudes are changing in the process of interaction and hand in hand with a changed identity:

> Our dominance is to a large extent an attitude and communication problem. … We can also be unconscious about domination … but I think we have 'adjusted' to our partners … This naturally must have to happen within a network … we have a better understanding of the region today … [and are] more accommodative of what is happening in the region … I have changed, I have now a sense of being involved in the region … and [am] more aware of the region.[11]

Relationships to the 'state' and states-led regionalism

The relationships between states (governments) and civil societies should be problematized and nuanced. The state does not play an identical role in all societies, and the extent of its intervention in the economy and society varies a great deal. There are important differences in Southern Africa of political systems and governing political ideologies, resulting in different relationships between the states and civil societies, and with implications for civil society regionalism. This results in the dichotomy between 'state' and 'civil society' sometimes being a false one. Needless to say, some CSOs do have (relative) autonomy from the state, but there are other CSOs that have intricate and very close relationships with the state. To some extent, it is even difficult to distinguish between the two. It is, for instance, a common strategy for governments to set up research institutes and think tanks that more than anything else serve as extended arms or fronts for the government. They never criticize their government, but rather seek to legitimize its activities, even in situations where they are authoritarian or even illegal. One example is the NGO set up by the then Zambian President, Frederick Chiluba, to debate his (unconstitutional) third term as President. There are many other organizations that need to be critically assessed, for instance in Botswana, Swaziland and Lesotho, where many NGOs are headed by daughters/wives/relatives of the ruling elite. As Ian Taylor points out, 'if you or anyone else was to look at an NGO in Botswana, the first thing you need to find out is: who is the head and the leading office-holders in the NGO?'[12] This is not the same as saying that every NGO is intertwined with the government. Even if there are strong links, this does not always stop such NGOs from criticizing the government. However, the strong links to government, often on a personal or family basis, tend to result in a very special relationship, whereby both protect one another. One example of this is Ditshwanelo, a human rights NGO in Botswana, which is headed by a daughter of the ex-foreign minister and at one point was confrontational about the treatment of the San people, but then at the Durban conference on racism the organization kept a very low profile and said nothing about this. Afterwards this issue was debated in Botswana, but a widely held stance was that Ditshwanelo did not want to embarrass Botswana on the international scene.[13]

The different relationships between governments and civil societies at the national level have created some obstacles to cooperation between civil society actors. Some civil society organizations tend to

work closely with their governments, whereas others oppose the ruling regime's attempts at national integration and national consolidation (cf. Monga, 1999: 77). Civil society regionalism in the field of human rights is one such sector. Some participants argue, for instance, that Botswana's national chapter of the SAHRINGON (which is also the coordinator of the human rights network) is too close to government, which has prevented a fruitful cooperation with other participants seeking a more critical stance.[14]

Several governments and intergovernmental regional organizations, such as the SADC, make proud proclamations that they involve civil societies in the process of regionalization. The SADC Treaty stipulates that:

> SADC shall seek to involve fully, the people of the Region and non-governmental organisations in the process of regional integration. … SADC shall co-operate with, and support the initiatives of the peoples of the Region and non-governmental organisations, contributing to the objectives of this Treaty in the areas of co-operation in order to foster closer relations among the communities, associations and people of the Region. (SADC, 1992b: §23)

The problem is that these proclamations are fulfilled only to a very limited extent. The SADC governments are supportive only of the non-controversial and non-critical sections of civil society and the broader NGO sector, particularly those who want the SADC governments to provide the means and strategy for regionalism. As the Director of the Namibian Chambers of Commerce and Industry (NCCI) stated, 'our leaders have decided on the formation of a SADC, and therefore it is our "responsibility" to contribute to that aim …'.[15] This is undoubtedly a rather weak foundation on which to build regional cooperation.

There are civil society actors who organize themselves at the SADC level, for instance within the SADC Forum of NGOs. This strategy is supposed to provide access to governments and facilitate advocacy on the SADC level. The Southern African Network of Aids Service Organization (SANASO) is another example of a civil society organization fully determined to liaise with governments. This network has defined its field of operations at the SADC level, first and foremost because this enables them to interact and lobby governments on a clearly defined regional level. As a consequence, SANASO participates and wants a strengthened SADC Forum of NGOs. In addition to that, at SANASO's annual meeting in 2000 it was agreed that its objective is to get a seat or observer status in the SADC health sector coordinating

unit – which if it happens would be an 'extraordinary success'.[16] The coordinator of the EJN anticipates that there will be closer discussion between governments and civil societies on a regional level in the future.[17]

Many other CSO representatives are more cautious, and anticipate that interactions between governments and civil society may or may not increase on the SADC level. One CSO representative argued that we have to 'wait and see'; in case political cooperation within SADC becomes more important, but also more responsive to civil society than is the case today, then NGOs can quickly respond, mobilize and organize in order to be able work and relate with governments at a regional level.[18]

There are significant obstacles towards better interaction and dialogue between states and civil society organizations both at the national and at the regional level. Many of the representatives of CSOs interviewed felt excluded from states-led frameworks. They argue that the highly stated proclamations, for instance by SADC leaders, about the need to involve civil society are only 'lip-service', and that their main interest is with the promotion of what in this study is referred to as regime-boosting regionalism and shadow regionalism. According to one anonymous interviewee, 'the political elite in [our country] … is only concerned with survival and their own self-interest, therefore there exists no systematic foreign policy … the main concern is how to mobilize aid and resources'. Somewhat similar to the 'establishment's' demands for 'good governance', a declaration by the SAPSN states that:

> the governments of our countries are mainly concerned with preserving and promoting their own individual and group status, power and privileges, and their personal and aspirant-class appropriation of our nations' resources; and, for these reasons, are frequently engaged in divisive competition and even dangerous conflicts amongst themselves at the expense of the interests of the people at national and regional levels. (SAPSN, 2000: 1)

There is a clear tendency by the SADC leaders to force civil society to conform with top-down policies rather than promote civil societies on their own terms, or simply exclude and counteract those actors who are critical or seek change. For instance, one rather active CSO, the MWENGO, operates in both Eastern and Southern Africa, and seeks to promote closer links and engage in a dialogue with the SADC, as a way to communicate with governments and facilitate advocacy. The

MWENGO has been active in the attempt to organize NGO meetings parallel to the SADC summit. The fundamental problem is that many ruling regimes and the SADC as an organization have refused to interact with certain CSOs, including the MWENGO. There have been some instances of interaction, but in general the organization is excluded. It is beyond dispute that many actors in civil society are excluded or even harassed. The Deputy Secretary-General of the South African Communist Party (SACP), Jeremy Cronin, is straightforward on the problems facing members of civil society in Southern Africa: 'When Alec Erwin, minister of trade and industry, negotiates with Zimbabwe around the free trade issue, for example, he takes Cosatu with him. This embarrasses Robert Mugabe who has trouble finding trade unionists that have not been beaten up' (*Global Dialogue*, October 1997: 7).

Promoting civil society regionalism from outside

The role of external actors and their financial resources in 'national' development is well documented, whereas their impact on regionalism is largely overlooked. The great majority of the civil society organizations discussed in this chapter depend to an overwhelming extent on promotion and funding from external actors, either government development agencies or northern NGOs. Without such external actors, civil society regionalism in Southern Africa would be very different, and also less significant.

There are many, often related, explanations for the interest from donors and northern NGOs to promote civil society regionalism in Southern Africa and elsewhere. Two of the main reasons for their support are: (i) the emphasis on civil society actors as 'partners' in the development cooperation process, and (ii) the ideology of regionalism.

The first reason is related to the fact that in the past many donors worked primarily with the state, while today there is a strong emphasis on forming 'partnerships' with government, the private sector as well as with civil society. There is a strong belief in the donor community that a strengthened civil society will contribute to a 'pluralistic' society and economic, political and democratic development. External actors are extremely important for the financing of civil society activities in Southern Africa, both on a national and on the regional level. To a limited extent the local NGOs can obtain funding from providing services or from their own governments, but a large proportion of the funds for more 'pure' civil society activities comes from donor agencies or external CSOs.

This is closely related to the consolidation of the ideology of regionalism in the donor community, at least in Europe. Regional level activities have been supported before, but it is interesting to observe how widespread this ideology has become, especially considering the fact that there is a rather weak debate and few studies that explain why and under what conditions these regional forms of support contribute to welfare, development, democracy and capacity-building in the regions of Africa. This regional approach in the donor community appears to have close links to the worldwide trend of regionalism, particularly European regionalism.

It is difficult to dispute that donors have a large impact on civil society activities in Southern Africa, both on the national and the regional level. They may, through their funds, strategies and ideas, play a positive role in the advancement of regional networking and capacity-building among civil societies. However, donors are by no means 'neutral' or contributing to a 'natural' Southern Africa. Neither do they necessarily have a positive impact on development and democracy. On the contrary, they are actively involved in the social construction of the region, and in this process their own interests and mode of operation play a significant role.

One problem with the way civil societies are constructed from the outside in Southern Africa is that it leads to an excessively South Africa-centred region, both through South Africa-centred programmes and the fact that many of the regional offices are located in South Africa.

Another problem is that at least many of the state donor agencies are not always very effective or well-suited to support civil society activities (cf. Söderbaum, 2001c). An influential analysis by Moore and colleagues (1995: 32) shows that the way aid agencies operate is inimical to effective NGOs and networking activities. The study criticizes, for instance, that many donor agencies: (i) operate in a blueprint rather than a process mode; (ii) are relatively inflexible and prefer standard formulas, instrumental models and rules of thumb (as a result they lack sensitivity to the particular cultural and political environment and context into which the institution is to fit); and (iii) have as their main objective to achieve the main goals by which they are judged (i.e. spending large quantities of money in the short term and therefore only pay serious attention to large-scale activities).

There is also an ambiguity in the way many foreign powers and donors promote regionalism from the outside. As was elaborated upon in Chapter 5, the major powers and donor agencies, such as the World

Bank, USA, the EU and the Nordic countries, support policy-led market integration and open regionalism in Southern and Eastern Africa. However, at the same time many of these donors also fund NGOs and civil society actors that are critical of such impulses. There is a somewhat more consistent 'partnership' between Northern NGOs and their recipients. In fact, few external NGOs support economic globalization and open regionalism. As MacLean points out:

> many North–South NGO partnerships are forged on principles which do not adhere to the neo-liberal ideology and which may in fact (or in deed) be more consistent with the ideals associated with the notion of a counter-hegemonic transnational civil society. … In Southern Africa, such NGOs share with each other and their counterparts in the North a common discourse which identifies a shared commitment to promoting social change: that is, change in social as well as government structures: and change simultaneously at grassroots, national, regional, and global levels. (MacLean, 1996: 29)

It is relevant to make a more detailed assessment of such counter-hegemonic forces and their relationships with both states and donors.

Counter-hegemonic civil society regionalism

A radical and counter-hegemonic civil society regionalism is now occurring in a range of sectors, such as social and economic justice, human rights, environment, and peace-building (Mittelman, 2000; Niemann, 2000; MacLean, 2003). There is no space here to go very deeply into all these intriguing processes. The main focus in this section is on the struggle over the definition of the overall paradigm of regionalism and the attempts by some important civil society actors to formulate alternative visions of regionalism and counter-hegemonic resistance.

The African NGO Networks Caucus is one interesting example in this regard. The Caucus was formed in August 1996 in Harare, Zimbabwe, with the overall ambition to assert the agendas, priorities and concerns of African civil society both in Africa and in international institutions. Participating organizations come from a host of African countries and include members from trade and development networks; trade unions and other labour bodies; debt and development networks; community and faith-based bodies; students', youth and women's organizations; gender networks; rural and environmental NGOs; research and education bodies (www.mwengo.org). One of the key goals of the Networks

Caucus is to contribute to redefining development and situating it within the African context, and to address Africa's marginalization with a view to reasserting the voice of the African continent in the global arena. Furthermore, it highlights gender dimensions, develops mechanisms to interact with national governments, regional organizations, and institutions; promotes sustainable human development through participatory governance, poverty alleviation, economic empowerment and conflict management; and attempts to find innovative ways to mobilize resources locally in order to reduce external donor dependency (see www.mwengo.org).

The Southern African Peoples' Solidarity Network (SAPSN) has quickly become one of the key nodes for counter-hegemonic resistance – see Table 6.2 for members. The network is extremely critical of the 'establishment', and sees itself as being part of the worldwide anti-globalization movement:

> We are part of this global movement saying
> NO TO CAPITALIST GLOBALISATION!
> NO TO THE WTO! NO TO A NEW ROUND! (SAPSN, 2001: 1)

In an open letter to Mick Moore, the President of the WTO, it is declared that: 'We hold the view that the WTO together with the IMF and World Bank are imposing capitalist-led globalisation on the people of the world, and of our region, in particular' (SAPSN, 2001: 1). The United States' AGOA, the EU's Cotonou agreement for the African, Caribbean and Pacific countries as well as the general insistence upon the benefits of 'free trade' are considered to form part of the same neoliberal paradigm, which should be resisted. The members of the SAPSN demand that:

> the Governments of SADC desist from their collaboration and collusion with national and international political and economic forces and neo-liberal agencies, particularly the IMF and World Bank, to turn SADC into an 'open region' of free trade, free capital movements and investment rights, to the benefit of international traders, transnational corporations and financial speculators. This runs counter to the potential for full and effective, internally-generated and rooted national and regional development. (SAPSN, 2000: 2)

These critics claim that the discursive elements are important in eliminating critique and forging the hegemonic paradigm consisting

Table 6.2   Member organizations of the Southern African Peoples' Solidarity Network (SAPSN)

Country	Organizations
Africa	Africa Trade Network, Gender and Trade Network, Jubilee South
Angola	Associacao para Desenvolvimento Rural de Angola (ADRA)
Malawi	Catholic Commission for Justice and Peace
Mauritius	Lalit, All Workers Conference
Mozambique	Groupo Divida
Namibia	Labour Resource and Research Institute (LARRI), Namibian Economic Policy Research Institute (NEPRU)
South Africa	Institute for Participatory Development (IPD), Ecumenical Service for Socio-economic Transformation (ESSET), South African National NGO Coalition (SANGOCO), Alternative Information and Development Centre (AIDC), Jubilee 2000, National Education Health and Allied Workers Union (NEHAWU), Food and Allied Workers Union (FAWU)
Southern Africa	Reflection and Development Centre for NGOs in Eastern and Southern Africa (MWENGO), Southern African Council of Churches (SACC), Southern and Eastern African Trade Information Negotiations Institute (SEATINI), Southern Africa Clothing and Textile Workers Union (SACTWU)
Swaziland	University of Swaziland, Political Science Department, Swaziland Solidarity Network
Uganda	Uganda Debt Network
Zambia	Debt Project/Jubilee – 2000 Zambia
Zimbabwe	Zimbabwe Coalition on Debt and Development (ZIMCODD), Zimbabwe Congress of Trade Unions (ZCTU)

Source: SAPSN, www.aidc.org.za/sapsn/member (10/01/04).

of 'neoliberal' globalization and open regionalism. The emphasis on how the hegemonic discourse is maintained and consolidated is an important observation. Yash Tandon, a Harare-based anti-globalization activist, argues that the neoliberal policies originate and are defined in the West, and are then often blindly replicated in the South:

This is done through peer group certification of knowledge that is admissible in scientific discourse and publishable in books and journals that carry mainstream ideas that support the 'real' ie material processes of globalization and centralization of capital ... [any alternative strategy is dismissed as] going back to the old days of outdated

and defeated Soviet thought. … By this dual process of reaffirmation of the dominant paradigm and the rejection of the liberatory theories, the process of centralization of capital proceeds unabated. (Quoted in Madakufamba, 2001)

However, the SAPSN and the counter-hegemonic resistance movement are also a construction and a discourse, built by a small but vocal elite and activist network. The proclaimed links to the grass roots can be debated. This is true for Professor Tandon. Dot Keet is another individual who has been able to influence the counter-hegemonic movement. Keet is one of the most well-known Southern African critics of a 'simple and simplistic neoliberal argument', which according to her, will allow the market forces to determine which areas or industries should survive and develop and which not (Keet *et al.*, 1996). It is interesting to note that Keet has played an important role in the development of the SAPSN's visions and strategies. She is one of the authors of a document that subsequently was adopted by the SAPSN:

A more strategic development approach, while encouraging efficiency aims, and recognising comparative advantages goes beyond simple commercial criteria and narrow business profitability. Development strategies have to take on board wider economic and social considerations, and counter or compensate for the economic inefficiencies or waste, social costs, and environmental damages that accompany the functioning of market forces. Specific economic, social and security considerations – in identified cases and for defined periods and purposes – have to be factored in. This would include, for example, the temporary application of tariff regulations and the utilisation of other financial, legal and technical instruments to promote certain economic regions, economic or social sectors, or even specific industries. (Keet *et al.*, 1996)

In many ways this vision resembles the 'development integration' model. However, the SAPSN has emphasized the need for 'Making Southern African Development Cooperation and Integration a People-centered and People-driven Regional Challenge to Globalisation' (SAPSN, 2001). Compared to ('old') development integration strategies, this vision implies a stronger focus on the limitations of state-steered regionalism at the same time as it makes a call for the effective participation of organized forces of civil society. In other words, the SAPSN is critical of much of the states-driven regionalism that has occurred until

now. The network claims that the governments have mainly engaged in rhetorical declarations about development cooperation and integration, with few effective achievements. The network states that the SADC leaders are, at the same time, using the SADC as a self-serving 'old boys' club' for mutual support 'whenever the interests and power of the ruling elites come into conflict with the human rights, and the democratic and development aspirations of their own populations' (SAPSN, 2000: 1). Hence, the SAPSN seems to accept the argument made in the previous chapter that leaders use regionalization *inter alia* for the purpose of regime-boosting (see Chapter 5).

The SAPSN is very critical of both the South African government as well as its business sector. It is stated that the increased economic interaction between South Africa and its neighbours according to market demands will increase rather than reduce the inherited inequalities and imbalances in the region, which will not serve the interest of the people in the region. According to the SAPSN:

> the grossly uneven development in the region [is] caused by a long history of deliberate political and economic programmes in favour of the needs of South African and international companies, and privileged (mainly white) elites; and that, with the increasing penetration of the region by South African business, the dominant role of the South African economy in the region has not diminished but actually increased since 1994. (SAPSN, 2001: 3)

According to this line of thinking, it is believed that the South African government is able to pressurize other African governments to implement policies that enhances South African hegemony, which goes against the will of its peoples:

> We learn, with particular concern, the position of the South African government in support of a new round and in defense of the role of the WTO, and the tactics it is using to persuade or pressurise African countries to its positions. This is having divisive effects within Africa and not serving the interests of its peoples. (SAPSN, 2001: 1)

It is certainly correct that an overly South African-centred region may be detrimental for the peoples of Southern Africa. However, the argument raised in this volume is slightly different compared to the SAPSN's understanding of how Southern Africa is constructed. The SAPSN tends to underestimate the underlying interests of the hosting governments

(and exaggerate the influence of the South African government). In Chapter 5 it was emphasized that many hosting governments actively promote the South African business expansion into their own countries. What this means is that we are witnessing a trend whereby governments (not only South Africa's) and big business form 'partnerships' in the construction of a market-driven and South African-centred region, with important back-up from big powers and IFIs in the West.

Furthermore, there are indications that the SAPSN's critique of South Africa's economic policy is related to the fact that many of the most active and strongest participants in the network are from South Africa. Many South African civil society actors have a particular understanding and interpretation of Southern Africa, which not always corresponds to those of other actors in the rest of the region. In other words, their critique is tightly tied with the domestic political debate in South Africa, thus implying a regionalization of South Africa's domestic political debate. Such spillover of domestic politics is not necessarily problematic, but it tends to be so when South African issues and agents dominate.

In this context it needs saying that in spite of their critical stance some so-called counter-hegemonic forces in civil society maintain a rather ambiguous attitude towards their own governments. Sometimes they fiercely criticize the SADC governments, while at other times it is the external dependence and penetration that are the root of the problem. The policy declarations of the SAPSN place a lot of emphasis on the fact that the SADC states are dominated and subordinate to external forces and pressures 'from governmental agencies in the richest industrialised countries, and their global corporations, banks and other financial organizations'. In response, the SAPSN 'call upon all the governments of Southern Africa, and the rest of Africa to stand together, and with African social forces, to resist the expansion of the scope and powers of the WTO' (SAPSN, 2001: 2). The SAPSN's argument seems to be that if their governments could be freed from external demands, then they would also implement a more cooperative and development-oriented regionalization strategy. This is, however, an ideological stance that is more hypothetical than real. Still, it draws attention to the often overlooked role of external actors in the making and unmaking of regionalism.

Conclusion

There are many studies of contemporary regionalism, but civil society regionalism remains largely an overlooked topic. This neglect is mainly

a result of an exaggerated concern with states-led and market-driven forms of regionalism in the research field. It is unfortunate and also rather surprising, considering the significant research carried out on global civil society and social movements in recent decades.

This study takes civil society seriously. Compared to the earlier versions of the NRA, it provides a slightly different view of the dynamics of civil society regionalism. The earlier studies are correct in their emphasis on the existence of civil society regionalism as well as that there are important counter-hegemonic tendencies. However, it needs to be acknowledged that civil society regionalism is by no means necessarily counter-hegemonic. Civil society actors are engaged in regionalism for a wide range of different reasons. There are, for instance, more pragmatic or revisionist forces in civil society regionalism, whose main concern is how they can be 'included', how they can influence and lobby governments and formal states-led regionalism rather than to resist or serve as a counter-hegemonic force against the establishment. These differences come out quite clearly in the way civil society actors relate to and perceive their governments. There are also other actors who want to be perceived as civil society actors, but in reality they are driven by personal or business-related motives. Examples include non-profit or profit consultancy firms and NGOs as well as one-man organizations and certain charity organizations driven by elites with very close ties with governments.

Both donor agencies and northern NGOs are extremely important for most types of civil society regionalism in Southern Africa. In fact, there would not be much civil society regionalism without these external actors. There is a rather ambiguous situation whereby many big donors, such as the EU and Nordic countries, support both the hegemonic order, through neoliberal and open regionalism, at the same time as they support revisionist or even counter-hegemonic forces in civil society. The NGOs and non-state donor agencies from the North are more consistent in that they often remain critical of neoliberal regionalism and mainly support revisionist and counter-hegemonic civil society organizations. Thus, there is a tendency that a series of transnational North–South counter-hegemonic partnerships are forged in fields such as social and economic justice, globalization and trade and human rights.

Finally, it needs saying that the theory and methodology of civil society regionalism need to be further developed. Since civil society has been neglected in regionalism theory, we may need to look elsewhere for theoretical input. The discourse on 'global civil society' seems to be the best candidate for improving the theory and study of civil society regionalism.

7
The Political Economy of Shared River Basins: the Case of the Zambezi[1]

There are no less than 15 shared river basins in Southern Africa (see Table 7.1). Being one of the largest rivers in Southern Africa and passing through eight countries, the Zambezi provides an intriguing case study of the political economy of shared river basins. The Zambezi river basin is not only the basis for the daily survival of millions of people, it is also the core of hydroelectric power production, mining industry, agriculture, fishery, urban development and tourism. This

Table 7.1 Shared river basins within continental SADC states

Country	No. of shared river basins	River basin
Angola	5	Cunene, Cuvelai, Okavango, Zambezi
Botswana	4	Limpopo, Okavango, Orange, Zambezi
Lesotho	1	Orange
Malawi	2	Ruvuma, Zambezi
Mozambique	9	Buzi, Incomati, Limpopo, Ruvuma, Save, Maputo, Pungue, Umbeluzi, Zambezi
Namibia	5	Cunene, Cuvelai, Okavango, Orange, Zambezi
South Africa	4	Incomati, Maputo, Orange, Limpopo
Swaziland	3	Incomati, Maputo, Umbeluzi
Tanzania	4	Nile, Ruvuma, Zabezi, Congo
Zambia	2	Zambezi, Congo
Zimbabwe	6	Buzi, Limpopo, Okavango, Pungue, Save, Zambezi

Source: *SADC Today*, Vol. 2, No. 5, January (1999), p. 3.

chapter analyses the rich plethora of regionalizing actors and stake-holders in the basin, which are grouped into a variety of formal and informal networks and coalitions.

The analysis is structured in four sections. As a point of departure, the first section elaborates on the Zambezi river basin in terms of ecology and geographical demarcation. An attempt is also made to elucidate some facets of the underlying sociocultural fabric and divisions related to culture and identity. The second section concentrates on the way the river basin has been constructed from colonialism until the early and mid-1990s, with a focus on key sectors, such as energy, mining and agriculture. This analysis reveals that the national political elites have been competing rather than cooperating in the exploitation of the natural resources of the basin. The third main section shows that the Zambezi river basin is undergoing a deep transformation process, whereby its future depends on the outcome of a combination of 'old' state-centric modes of natural resource management and 'new' market-based and ecological strategies. A brief conclusion summarizes the chapter.

The Zambezi river basin

The Zambezi is the fourth largest river basin in Africa. From its source on the Central African Plateau it flows eastward nearly 3000 km before running into the Indian Ocean. The river passes through eight countries in Southern Africa, and it is networked by a number of major tributaries, such as Shire, Luena, Chobe, Cuando, Kafue and other surface and groundwater resources. See its geographical delimitation in Map 7.1.

As seen in Table 7.2, there is great variation in contribution of area and population from the riparian countries to the basin. About one-quarter of the total area of the riparian countries is located within the basin. Some countries make up the lion's share. For instance, Zambia is the largest contributor to the Zambezi basin area (almost 41 per cent), followed by Zimbabwe (19 per cent). From a different perspective, more than 90 per cent of Malawi and more than 70 per cent of Zambia is located within the basin. The eight riparian countries have a total population of more than 100 million people of which more than 30 per cent live within the basin. The river is a veritable artery of life and development for large parts of this population, particularly in the main basin countries (Zambia, Zimbabwe, Malawi and Mozambique).
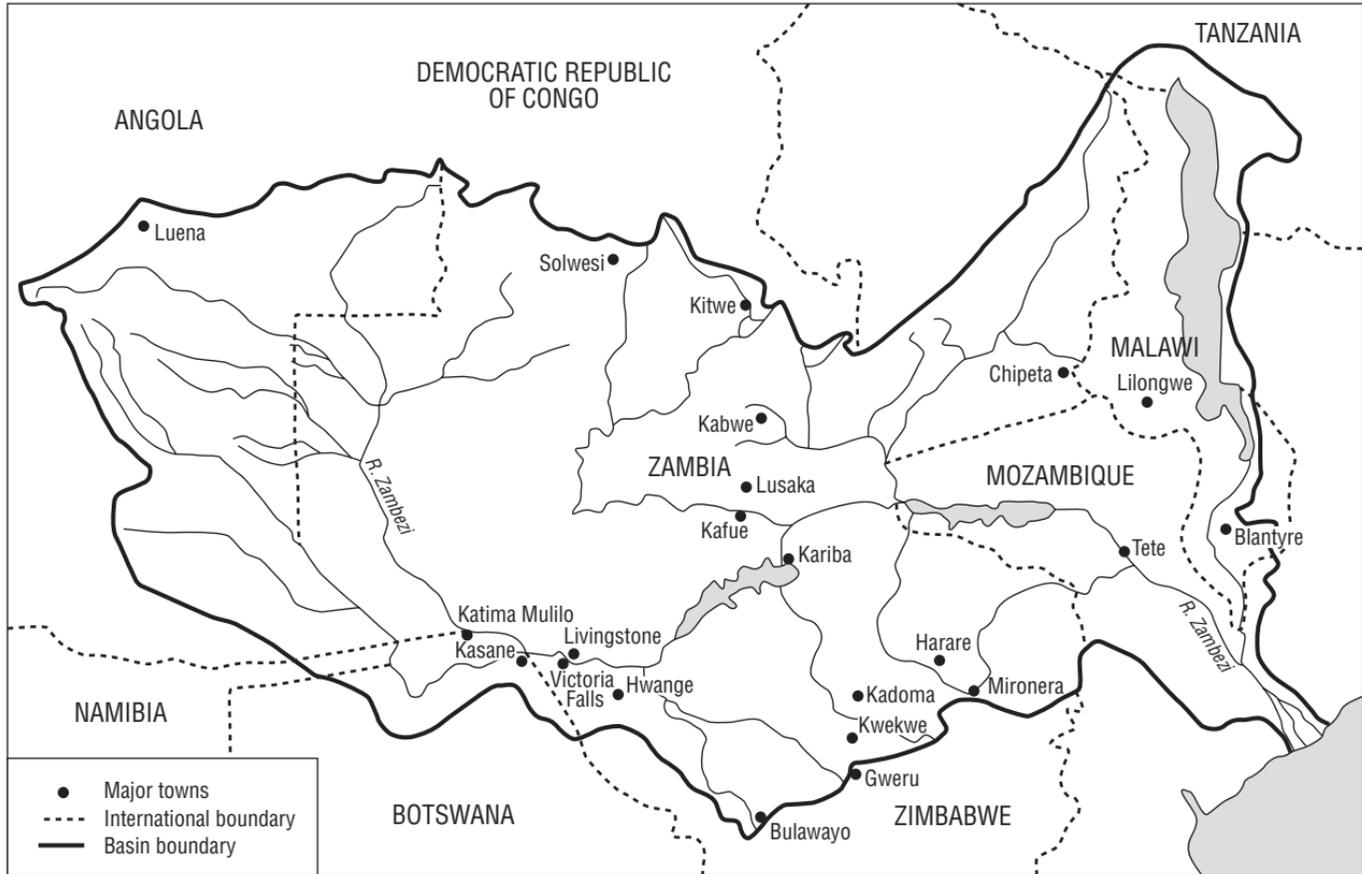
Map 7.1 The Zambezi River Basin

Table 7.2   National area and population distribution in the Zambezi river basin

Country	Total area (1000 sq km)	Area in basin	% of national area in basin	% of basin area	Total population (m. 1998)	Population in basin	% of national population in basin	% of basin population
Angola	1 247	145	11.6	11.0	13.2	0.5	3.7	1.6
Botswana	582	84	14.4	6.4	1.5	0.01	0.8	0.03
Malawi	118	110	93.2	8.4	11.4	9.8	86.1	30.9
Mozambique	802	140	17.5	10.6	20.8	4.0	19.2	12.6
Namibia	824	24	2.9	1.8	1.6	0.06	3.7	0.2
Tanzania	945	27	2.9	2.0	31.2	1.3	4.0	4.1
Zambia	753	540	71.6	40.8	10.0	7.0	70.2	22.1
Zimbabwe	391	251	64.3	19.0	12.6	9.0	72.1	28.5
Total	5 662	1 322	34.8	100	102.3	31.7	32.5	100

Source: Nhamo (1998: 2).

As an ecosystem the Zambezi river basin is among the richest in Africa. But it is also threatened by pollution, land degradation and deforestation that increase the risk of conflict. Furthermore, hydro-electric power production along the river ties the basin together in a web of tensions between upstream/downstream users and national elites. As will be elaborated upon below, competing national (elite) interests have shaped the dynamics of the Zambezi river basin. Before analysing the making and unmaking of the basin, it is fruitful to consider the relationship between local forms of identities and state/nation-building.

Identity and state formation

The river basin includes a plethora of distinguished subspaces, several which are cross-border in nature. River systems have been the nexus of civilization ever since the beginning of mankind. Rivers have attracted nomads, searching for water for themselves and their cattle, and rivers have provided the easiest, and in many areas the only, means of entry and circulation for traders and settlers. But whereas rivers traditionally have constituted the focal point for many groups, the colonial powers

often turned them into national borders. Consequently, many of the approximately 30 ethnic groups today found in the Zambezi basin are divided between at least two nation-states. Most of the people living in the basin speak languages of the Bantu lineage that together with their common cultural and religious heritage provides a strong driving force for cross-border integration.

Despite national borders, migration of new groups and increased economic developments, many of the traditions of early inhabitants in the basin continue to thrive. The case of the Lozi is a particularly interesting example. The Western province of Zambia, formally known as Barotseland, is still a stronghold for the paramount Chief Lewanika of the Lozi people, and separatist sentiments continue to flourish among the Lozi. Today the Lozi people live in an area divided between Zambia, Namibia and Botswana. Zambia hosts the largest group of Lozi, which make up 15 per cent of Zambia's total population. Prior to the 1884–85 Berlin Conference, when the colonial powers carved out Africa and established the political borders that are still in place, the Lozi lived in one nation under one king, and they retained considerable autonomy in accordance with British indirect rule. As part of the effort to create a united front against the British in the run-up to independence, Kenneth Kaunda entered into an agreement with the then King of the Lozi, Sir Mwanawina Lewanika. After independence Kaunda shattered the dreams of a united Lozi nation by incorporating the autonomous region into Zambia. The post-independence governments in Lusaka have used a variety of strategies to build national unity. After independence the Lozi area was renamed 'the Western province' clearly alluding to the centrality of the nation-state. As an acknowledgement of the political importance of the Lozi, their leaders have continuously been ensured high-level representation in the government and the parliament.

Following slow economic development and growing distrust of the Lusaka government, the relationship between the central government and the Lozi has increasingly been called into question during recent years. The Barotse Patriotic Front has intensified its efforts for independence for the Lozi in Zambia in close cooperation with other Lozi separatist movements in neighbouring Botswana and Namibia. Chief Lewanika has declared that 'We are one people, with the people of Caprivi, and we have been meeting since God created us. The Zambezi River has never been an iron curtain for us' (*The Namibian,* 1998).

The agreement between Malawi and Tanzania on the Songwe river basin is an intriguing example whereby state strategies even change the

nationality of people living along the Zambezi. The Songwe river drains into Lake Malawi and marks the border between the two countries. Every year the Songwe river experiences severe flooding and meandering in its 30 km fertile and densely populated floodplain. These floods displace large groups of people and according to a border agreement from 1901, whenever a piece of land is cut off and becomes part of the other side of the river the residents change nationality.

These are only a few illustrations of the rich cultural heritage of the Zambezi river basin. This said however, local identities have played only a marginal role in the way the Zambezi river basin has been organized and shaped during the last 100 years. This is because until recently the Zambezi basin was organized and managed as a 'state-construct', in accordance with the interests of ruling national elites. The next section will explain how political and economic elites have been able to construct such a state-centred basin. The section following after that elaborates on the patterns of transformation in the Zambezi river basin.

Patterns of natural resource management

The social system in the Zambezi river basin is constructed around the exploitation of natural resources in the basin area. The river is the core of hydroelectric power production, mining industry, agriculture, fishery, tourism and urban-centred development and so on. This section concentrates on the three key sectors: (i) hydroelectric power; (ii) mining; and (iii) agriculture.

Hydroelectric power

The Zambezi river provides extensive hydroelectric power production. In fact, a great deal of the electricity production in the SADC region derives from hydroelectric schemes in the Zambezi river basin. Energy production is a prerequisite for mining, agricultural production and the formation of urban centres, which in turn generate increased dependence on energy production. As a result hydroelectric power generation has been and continues to be important for the nation-building project and national development.

For more than 100 years the significant interests vested in hydroelectric power production have resulted in an intriguing game of both cooperation and conflict between national elites in the riparian states. The strategic role of hydroelectric power generation can be traced back to the 1920s, when rising demand for copper boosted world market

prices and spurred an intensification of mining activities in Northern Rhodesia (present-day Zambia). Combined with a rapid expansion of the manufacturing sector in Southern Rhodesia (present-day Zimbabwe) the subregion experienced a need for a cheap and stable supply of electric power. The ruling political and economic elites in Southern and Northern Rhodesia shared the need for long-term supply of energy. Soon this need became a central driving force for regional cooperation introduced in the basin area during late colonialism.

As British colonies Southern and Northern Rhodesia were closely linked, which facilitated joint endeavours along the common border (i.e. the Zambezi river). The fact that large parts of the ruling elites in the two countries were part of the same community of white settlers provided for a sense of shared history and common construction of the future. The first major step towards the establishment of a large hydroelectric power plant was taken in 1946 when the two Rhodesias formed the Inter-territorial Hydroelectric Power Commission. In 1953, the commonalties between the countries led them to join with present-day Malawi in the formation of the Federation of Rhodesia and Nyasaland. Crowning this regional endeavour, the Kariba Dam was completed in 1958.

The construction of the Kariba Dam, which at the time was the largest man-made reservoir in the world, resulted from the unique moulding of economic and political elite interests and identities in the Zambezi basin. The interests vested in the dam and its power production plant were strong enough to ensure continued cross-border cooperation in spite of growing political and ideological differences among the elites. The Federation was dismantled in 1963 following increased tensions between Ian Smith's Southern Rhodesia and the drive for independence in Northern Rhodesia and Nyasaland (present-day Malawi). Northern Rhodesia and Nyasaland gained their independence soon after, and subsequently took part in the liberation struggle in Southern Rhodesia. Nevertheless, the Central African Power Cooperation was established at the time of the break-up of the Federation in order to manage the Kariba Dam complex. In other words, despite continued struggles around race and liberation, the ruling political elites managed to cooperate regarding hydroelectric power generation in the Kariba complex.

In 1987 the Zambezi River Authority (ZRA) replaced the Central African Power Cooperation. The mandate and membership of the ZRA are specific and limited in scope. As Swatuk (2000: 236) points out, it 'is little more than a modern-day version of its colonial precursor'.

Despite the need to extend membership to other riparian states as well as to broaden its mandate, the ZRA covers only the section of the Zambezi river forming the common border between Zambia and Zimbabwe, and particularly the operation and maintenance of the Kariba hydroelectric power complex. The ZRA reports to the state-controlled power supply companies in the two member countries, the Zambia Electricity Company and the Zimbabwe Electricity Supply Authority. During the last decade there have been pressures to 'open up' the scheme, but the core problem is that the recent steps in this direction are often hampered by the incumbent elites who try to maintain their power positions (Turton, 1998). The benefits for those in control are so large that it is rational to keep the status quo and not allow other riparian countries to join the venture.

In addition to the Kariba complex, major hydroelectric facilities are found at Victoria Falls, Kafue Gorge and Cahora Bassa. These facilities produce 4620 MW, which is less than 25 per cent of the estimated potential capacity of the Zambezi (Nhamo, 1998: 3). The drawn-out negotiation between Zimbabwe and Zambia on the construction of the Batoka Gorge Dam is one example of the complicated nature of interstate agreements on the management of shared resources. The protective and competitive behaviour of each of the riparian states has led to a situation characterized by lost opportunities and conflicts ready to break out.

Moreover, increased utilization of hydroelectric power is dependent on massive interference with the natural flow of the river. Recent assessments of the social, environmental and economic impact of the Kariba Dam illustrate how problematic such schemes can be. The magnitude of the negative effects is only starting to be realized today, almost 50 years after the construction of the Kariba Dam. The development of the existing hydroelectric power potential in the basin risks multiplying the negative effects and also spillover into the subnational and local level, where interests within a variety of sectors are affected (Chiuta, 2000; World Commission on Dams, 2000).

Mining

Industrial development in the Zambezi basin started at the end of the nineteenth century with the drifting of white settlers from South Africa towards the north, settling in present-day Zimbabwe and Zambia. The settlers came to the basin looking for minerals, but their push into this hinterland of Africa was also the result of the effort to spread Western civilization. From the late 1880s, Cecil Rhodes was an active promoter

of white settlement in the area, using the British South Africa Company (BSAC) as the chief instrument.

The same settler elite that stood behind the development of hydro-electric power production carried out the exploitation of mineral resources. The development of the mining industry created a strong demand for energy, tying the two sectors together. The close relation-ship between the two sectors and the electricity demand was a key motive behind the formation of the Federation in 1953. Through the Federation, the mining industry could benefit from a safe supply of energy from the Zambezi as well as a steady supply of labour from Nyasaland. This boosted the economy, promoted linkages between a variety of economic sectors and was a main reason for the creation of urban centres. This functionally (and settler) driven regionalism ended with the move for political independence throughout the region in the 1960s and 1970s. The independence movement was built on a nation-alistic rhetoric that did not travel well with regional cooperation.

The mining industry around the Zambezi basin is characterized by a production mechanism that is highly dependent on local conditions and to a large extent also built on nationalist sentiment and organiza-tion. This has effectively prevented and still prevents cross-border cooperation. At the same time, however, the industry is truly global, both in terms of ownership and demand structures. Many of the mining companies are part of international (and mostly foreign) mining conglomerates. The bulk of the minerals are exported outside of the basin, contributing as much as 60 per cent of foreign exchange earnings for the basin countries (Chenje, 2000; Mbendi, 2000).

The principal mining countries in the basin are Angola, Namibia, Zambia and Zimbabwe, and some of the main ore products are dia-monds, coal, copper and nickel. The mining industry contributes about 10 per cent of the GDP of the basin countries, and it is a major employer. No data are available on how much of this is directly related to mines within the basin as such. However, some of the main mining areas are located within the basin, such as the Copperbelt in Zambia and the Great Dyke in Zimbabwe.

It is evident that the mining industry can benefit from increased regionalism, *inter alia* due to lowered transaction costs and risks in the acquisition of energy and labour. The mining industry is under severe pressure, and it has been argued that if mining is to remain the engine of growth in the region, governments and business need to cooperate in order to ensure a smoother operation of mines, improvement of appropriate and mining technology, a move away from nationalistic

and unilateral inclinations, and towards common product marketing and removal of trade barriers (Jourdan, 1995).

Agriculture

The early development of the agricultural sector was closely linked to the expansion of other sectors in the basin, especially the mining sector in the Copperbelt and Kabwe. Increased demand for food crops was further triggered by the growth of urban centres in the basin. Through state-driven efforts, such as the Master Farmer Scheme, the ruling elite in Zimbabwe spearheaded the transformation of the agricultural sector in a way that soon was adopted throughout the basin, especially in Zambia and Malawi.

A large majority of the economically active population in the Zambezi basin is engaged in the agricultural sector. Agriculture can be seen as the key to political power and control throughout the basin. The prevailing mixture of tenure systems and agricultural traditions is a remnant of different historical elites and power struggles. As a result the agricultural sector is characterized by a highly biased social distribution of resources. The much needed reforms in the sector are the core of the political power base and the agricultural sector thus holds the potential to offset large-scale civil unrest, as exemplified by recent land struggles in Zimbabwe.

Several attempts have been made to transform the agricultural sector. Few, if any, of these have effectively addressed issues of distribution and food security for the citizenry. During colonialism the agricultural markets (for the main crops) were more or less dominated by state monopolies. These bodies aimed at price stabilization, food security for the mines, and subsidized consumption to maintain political stability. Subsequently, these marketing monopolies became powerful instruments of independent governments. The politicians have maintained a strong control of the agricultural sector through the marketing monopolies and a nationalist jargon, which in turn has prevented food security as well as regional cooperation.

Efforts to address the uneven distribution of resources have increasingly been turned into high politics, with commercial and predominantly white farmers as the main target. Since independence the number of white commercial farmers has dropped significantly, for instance to about 400 in Zambia and 4500 in Zimbabwe. In Mozambique and Angola the large landholdings of Portuguese settlers who left after independence were converted to cooperatives or communal farms, while many others simply fell into disuse. In Mozambique these farms are now

being offered to private and corporate actors. In spite of these signs of controlled and incremental reforms, much still needs to be done. The slow and non-transparent implementation of land reforms in several countries, together with the high dependence on land by a large share of the population, make land redistribution one of the most explosive social and political issues in the basin.

During the 1990s a number of decentralization and market reforms were implemented within the framework of structural adjustment. The objective was to promote an adjustment of the production base to suit international market demands. Structural adjustment and the emphasis on the liberalization of agricultural markets counteract regional cooperation in agriculture between the basin countries. This is explained by the fact that the heavy emphasis on cash crops leads to a narrow selection of crops being produced. This has been detrimental to regional cooperation as well as for overall food security in the basin. The economic gains from increased 'unilateral' adjustment and the so-called 'market adjustment' of the agricultural sector must be seen against the negative impact on regional food security in the basin and the larger Southern African region. It is quite clear that the tragic effects of food and crop shortage in the region felt during 2002 could have been reduced through regional food security cooperation. As Thompson (2000) points out, it is more appropriate to calculate grain availability on a regional rather than on a national and country-by-country basis. Yet the pressure to do the latter is enormous from the IFIs, the WTO and foreign aid agencies.

Summary

There is no doubt about the fact that the management of natural resources in the Zambezi river basin has contributed to the economic and social well-being of the peoples in the riparian states as well as to national development in a broader sense. As noted above, there are important instances of inter-state cooperation regarding the use of resources. However, there are also a large number of different problems, such as environmental degradation, resource waste and unrealized potential. Although there are also other causes related to underdevelopment, this study shows that many of the problems and conflicts are directly related to competitive state-centrism and the divisiveness of sectoral segmentation (within as well as between countries).

To a large extent the special character of the Zambezi river basin is the result of competing national elite interests. Although there is a history of mainly bilateral interstate cooperation in the basin, there

has been no comprehensive and genuine cooperative sharing of resources for mutual benefit. The nationalist orientation has prevented regional cooperation between states as well as in cases where there have been an abundance of natural resources. As a self-critical senior hydrologist at the Department of Water Development in Zimbabwe put it, 'the basin stops at the national border'.[2] One expert in the field describes the logic as follows:

> each riparian state monitors, assesses, plans, develops, conserves and protects the Zambezi River resources within its own territory. The utilization of the water resources is done at the country level with little consultation and co-operation among riparian states. This situation is not conducive to the effective management of shared waters since each of the countries uses different standards. … The Zambezi River basin represents an arena of different national interest in which the various riparian states are developing diverging policies and plans that are usually not compatible. Upstream/downstream users are often not keen to consider the problems of each other. (Chiuta, 2000: 153)

The nationalist orientation has not always been detrimental. It was better functioning in the past and during the nation-building project in the 1960s and 1970s. However, hand in hand with the ruling regimes becoming increasingly concerned with absolute sovereignty, patronage and rent-seeking, it has resulted in increased waste, ecological mismanagement and unrealized potential. Furthermore, the regional cooperation that actually exists tends to target specific groups in society, typically the ruling elite and its support groups.

Sectoral segmentation has been the second deficiency of how the basin has been organized. During colonialism and after independence up until the early 1980s there was important cross-fertilization between different sectors. However, since then the management and bureaucratic policies of the main actors (particularly states and donors) have been characterized by a strong sectoral segmentation.

> Many of the current efforts still focus on sectoral approaches towards strengthening development capacities and potentials (e.g. transport, water, tourism, power, and agricultural production) while integrated approaches to sustainable natural resource management remain weak. The shared water resources management problems faced in the basin are primarily the result of a sectoral focus, weak

inter-sectoral coordination and the absence of transboundary coordination mechanisms. (Chiuta, 2000: 153)

This sectoral segmentation has increased over time and become increasingly problematic. There are many strong arguments for moving towards a basin-wide and holistic approach, whereby the linkages between sectors are taken into consideration. 'Sustainable development' is per definition an integrated enterprise. The sectoral segmentation has resulted in a number of adverse effects. For instance, the great dams in the basin hold great potential for irrigation. The problem is that only a very small fraction of agricultural land in the basin is irrigated. The recurrent floods in the middle and lower Zambezi river are another tragic example of the devastating effects of weak inter-sectoral coordination. The floods were caused by a combination of two years of exceptional rains and the heavy emphasis on the maximization of hydroelectric power generation at the Kariba and Kafue dams. Somewhat in contrast to public media coverage that mainly emphasized downstream victims in Mozambique, the flooding also hit large areas of Zimbabwe. The severe negative effects of the flooding were mainly a result of heavy emphasis on energy production (which causes significant interruptions of normal flood patterns), and an absence of both inter-sectoral coordination and an integrated approach to the management of the resources of the Zambezi river basin. Due to the fact that energy production is the major focus of the dams, this activity is controlled by the Ministry of Energy in each country. However, it is the Ministry of Rural Resources and Water Development that is responsible for coordinating data on water levels and empowered to issue flood warnings. The problem lies in the lack of functional channels for communication between the two ministries, even within Zimbabwe.

Both the prevailing nationalist orientation and the sectoral segmentation have been reinforced by the modus operandi of the international donor community. For instance, within one of the major donor agencies operating in the basin, the Sida, there is a separation and lack of communication between the desks for regional and national water affairs. One official claims that this division is unfortunate and has prevented a move towards an integrated resource management approach.[3] As will be further discussed below, in recent years important sections of the donor community have been trying to enhance integrated resource management. One of the main problems is that the donors lack a coherent strategy how to navigate between the 'national' and the 'regional', i.e. how to uphold a balance between the

politically sensitive issue of national sovereignty versus a basin-wide approach. The ecologically sustainable and more cooperative basin-wide approach is often difficult to pursue since few stakeholders have the means and mandate to operate outside their national contexts. As an official at a large Christian NGO put it: 'We try to manage our side and hope they manage theirs.'[4]

Patterns of transformation

This section focuses on the patterns of transformation in the Zambezi river basin. Three processes of change are emphasized: (i) the ongoing efforts towards integrated water resource management; (ii) the recently established Southern African Power Pool (SAPP); and finally (iii) some recent micro-regional initiatives. In important ways these transformation processes signal a transcendence of the nationalist orientation and sectoral segmentation that have characterized the basin for the past four decades. They also show that even though the underlying material resources of the basin basically remain the same, the Zambezi river basin is malleable and a social construct.

Trends towards integrated water resource management

There is a growing awareness since the mid-1980s of the problems with the nationalist orientation and sectoral divisions, which has resulted in trends towards more integrated water resource management approaches. The new approach is based on a devastating critique of the old strategies.

> [The first point of critique] is that they are elitist, high-political projects that exclude and/or ignore the needs of indigenous people – usually rural, small, subsistence farming communities – and the impacts on the natural environment. A second is that they are overly technocratic and single-issue-oriented. … What is needed, quite simply, is an approach to River Basin Management that does not in every case privilege the arguments of science and business and the perceived needs of indebted governments. … To ignore the needs of the rural people in hope of generating power for export or to increase irrigation for cash crops is to sacrifice long-term ecological sustainability and human security for short-term, debt-driven gains. (Swatuk, 2000: 238)

Integrated water resource management can be seen as a spillover from economic and environmental problems to reformulated institutional

approaches and increased political cooperation. It is also reinforced by the increasing strength of environmental principles, such as 'green lenses', 'the Green Revolution', the Rio Declaration and the Dublin Principles, which to a considerable extent are embraced by donors and powerful environmental civil society organizations in the North. Taken together, these influences and actors give the integrated water resource management approach a considerable strength. As a result the new way of thinking has the potential to overcome the divisions of competitive national elite interest and sectoral segmentation.

Some concrete steps have been taken towards an integrated water resource management approach in the Zambezi river basin. Given the limited mandate and membership of the ZRA, the basin states agreed on the Zambezi River Action Plan (ZACPLAN) in 1987, which aims to promote the development and implementation of integrated and environmentally sound water resource management throughout the Zambezi river basin (*SADC Review*, 1999: 979). Another step forward was the signing in 1995 of the SADC Protocol on Shared Water Courses. The protocol establishes basic principles for the 'equitable' sharing of the region's water resources. It also aims to promote exchange of information, to maintain balance between development and protection of the environment, as well as the formation of river basin organizations, such as the Zambezi River Basin Commission.

The fundamental problem in moving forward is twofold. One problem is related to member states' disagreement on the basic meaning of the 'equitable' use of international waters, while the other relates to institution-building and the control of river basin organizations. The problems are basically caused by the prevailing nationalist orientation and the lack of commitment to the principle of 'sharing' (and cooperation) by state elites. Turton (1998) emphasizes the fact that Zimbabwe is not showing much interest in the ZACPLAN and the Zambezi River Basin Commission simply because a strengthening of these projects would affect its predominant status within the existing ZRA.

> In the Zambezi Basin, riparian interests have tended to erode the cohesiveness, unity and integrity of the concept of sharing. The principle of sharing requires sacrifices and some riparian states are not prepared to make sacrifices for the benefit of others. In addition, the concept of sharing requires riparian states to acknowledge the principle of limited sovereignty, i.e. accept the principle of community interest. (Chiuta, 2000: 153–4)

In spite of the problems, there is a process of two steps forward, one step back. One of the steps forward was the approval in 1998 of the 'Regional Strategic Action Plan for Integrated Water Resources Development and Management 1999–2004'. The implementation of the plan is being carried out under the auspices of the SADC Water Sector Coordinating Unit. Even though there is a long way to go in order to make a long-term impact, it provides an action plan that can make a small but concrete contribution to integrated resource management. Another positive event happened in 2000, when SADC governments agreed on a Revised Protocol on Shared Water Courses. This cooperation process was instrumental when SADC governments finally agreed to establish the much talked about Zambezi River Basin Commission (although it still remains to be seen how the commission will function).

The donors and external actors play an extraordinarily important role in the management of the Zambezi river basin. Conventionally, the donors have supported and reinforced the nation-state project in Africa. In so doing they have reinforced the nationalist strategies, which resulted in the division of the Zambezi river basin in the first place. Today there is a trend whereby many important donor agencies – e.g. from the Nordic countries, the Netherlands, Canada, the Global Water Partnership and also the USAID's Regional Centre for Southern Africa – increasingly recognize the importance of the cross-border dimension as an integral part of the move towards integrated water resource management (Söderström, 2000; USAID, 2001). The donors have certainly not abandoned the national focus, but seek to promote integrated water resource management at national and regional levels simultaneously. The general idea is that sustainable development and natural resources cannot simply be managed through a number of parallel and largely isolated national programmes. It is stressed that regional programmes should contribute, stimulate, 'trickle down' and 'add value' to the national level, rather than undermine the national programmes.

Needless to say, there are many impediments to such development. One obstacle are the internal bureaucratic inconsistencies within the donors and the fact that the underlying donor strategies are not very coherent, resulting in uncertainties even within their own administrations. Perhaps more important is the fact that the new ideas challenge the same forces and actors that have created the competitive dynamics of state-centrism and sectoral segmentation from the beginning. In this sense there is a conflict of interest between the 'old' nationalistic approach and the 'new' holistic and ecological approach.

The Southern African Power Pool

The establishment of a regional power grid, the SAPP, in 1995 is perhaps the most important development in the energy sector in Southern Africa during the last decade. According to its proponents, interconnected power systems are more reliable, require lower investments in creating new capacities, and provide better efficiency and security than national systems in case of shocks. The regional grid is also seen as an important instrument in order to level out generation imbalances and inequities in the region, thereby reducing inefficiencies and uncertainties.

A regional electricity grid in Southern Africa has been discussed for a long time, 'but was unviable until the resolutions of the conflicts and the great apartheid divide which plagued the subcontinent' (Simon, 1998b: 247). A series of actors and interests have contributed to its formation. At least since the mid-1980s the SADC's energy sector has been a forum for discussion. The Nordic donors have also played a catalytic role, and initially the grid was modelled on the Nordic power pool concept (Lopes and Kundishora, 2000: 207). In recent years, however, the power utilities in the region, not governments or outside players, have become the main drivers of SAPP. In fact, 'since parastatal corporations rather than political leaders are responsible for this sector, progress has been swift and relatively unproblematic, far outstripping the formal political agreements and regional institutional evolution within organizations like SACU and SADC' (Simon, 1998b: 247).

The SAPP is made up of the national power utility operator from each of its member countries: Angola, Botswana, DRC, Lesotho, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. One priority is to connect non-operating members (Malawi and Tanzania) to the grid. These national power utilities should manage and operate the regional regime (Horvei, 1998; Lopes and Kundishora, 2000). The chief executives of the national power utilities form the executive committee, which is responsible for overall decision-making and determining the future of the SAPP. An overall management committee is divided into three subcommittees: the operating, planning and environmental subcommittees. A coordination centre is located in Harare.

The SAPP contains no strong regional regulatory authority (Lopes and Kundishora, 2000: 207). Decisions should be by consensus and it is assumed to function according to some rather weakly formulated obligations on open access and transmission planning. The system is therefore supposed to be self-governing. Considering the history of economic nationalism and the strong national interests vested in

electricity production, it appears realistic to start without too high ambitions. However, the very flexible approach has its limitations.

This particular mode of regional governance in the electricity sector is designed in order to uphold national energy markets and national regulatory agencies at the same time as it seeks to enhance regional cooperation and coordination along commercial principles. The national market is upheld and regulated in the way that membership is restricted to one single national energy utility in each country. The grid allows the member utilities to source electricity in bulk and then redistribute it nationally at cheaper prices (BusinessMap, 2000: 70). In this way, the SAPP can be seen as a compromise between the state-controlled and regulated (national) system and the market-oriented, commercial and coordinated (regional) system. The SAPP is supposed to function not through planning or authority, but through incentives and commercial pressure. In this context it must be noted that the formerly regulated energy markets and the national energy production companies are going through a process of radical deregulation and privatization (albeit the states expect to maintain control of the transmission system). The privatization of energy markets creates numerous opportunities for private sector involvement. This results in the energy sector becoming more market-oriented and commercial, and fewer decisions are (or can be) taken in the name of the 'national interest' and for political reasons. But with this said, considering the history of competition in the basin, whereby each government protects its own interests, any smooth functioning of the SAPP remains to be seen.

Furthermore, in reality there is a certain degree of ambiguity regarding the mix of regulation and market principles. The role of private and commercial interests and actors is not finally determined, and it differs considerably between different countries. Private companies (should) have observer status within the SAPP, but it is not specified how this relationship will be handled.

The new situation has created vast opportunities for South Africa's mighty electricity commission, Eskom, which is one of the world's largest electricity companies. One major rationale for the creation of the regional electricity grid is the large South African demand for energy in combination with the significant capacities for energy production north of South Africa. It is beyond doubt that Eskom – due to its size, dominance and expertise – plays a crucial role in the formation of the energy sector in Southern Africa. In this sense Eskom has become the most dominant region-builder in the sector. Given that it will be beneficial to South African electricity consumers, Eskom has

been approved to invest in and promote the electricity infrastructure in the SADC region. Beyond the SAPP itself, there are other examples of Eskom's involvement, such as the Mepanda Uncua hydro project in Mozambique, the Inga project in the DRC, and projects that aim to link Malawi and Tanzania to the SAPP (Horvei, 1998: 162).

Several experts in the field see the strength of Eskom as a potential resource and benefit. For these optimists, the SAPP is seen as a formula for success, which will enable participants both to benefit from Eskom's expertise and dominance while at the same time also regulate the regional giant. Horvei's optimism is illustrated in the following quote:

> A South African lead in regional integration of the power sector through the SAPP will reduce risks for investors, governments and end-users alike. It will stimulate national efforts in the important area of widening access to electricity. Prerequisites for this to happen are that national governments throughout southern Africa should take the necessary steps to modernise their legal and regulatory frameworks and continue the process of commercialising power utility operations, moving towards cost-reflective and market-based electricity tariffs, and stimulating private sector involvement in the power industry. Under such a scenario, South Africa can certainly contribute to 'powering the region' in a constructive manner. (Horvei, 1998: 162)

However, handling the imbalances in the region and Eskom's role are heated as well as potentially risky matters. It is by no means automatic that Eskom's interests are the same as the broader interest of the region, and particularly not the peoples of the region.

Micro-regionalism and the promotion of private business

Since the late 1990s the Zambezi river basin has been characterized by a series of partly overlapping micro-regional initiatives that seek to promote private business and crowd in private capital to the micro-regional spaces. Examples include the Nacala Development Corridor, the Beira Corridor, the Zambezi Valley Spatial Development Initiative (ZVSDI) and the Zambia–Malawi–Mozambique Growth Triangle (ZMM-GT). Micro-regionalism in the case of the Maputo Development Corridor (MDC) will be analysed in detail in the next chapter. Suffice it here to make a few general comments on the way these micro-regional initiatives are transforming the Zambezi river basin.

In accordance with the MDC, the Nacala and Beira corridors and the ZVSDI form part of the Mozambican SDI Development Corridor programme. These initiatives are designed to promote a closer integration into the global economy, sustain the role of market forces and 'crowd in' private investments into the micro-regional spaces (Nuvunga, 2003; Söderbaum and Taylor, 2003). The few government-led agencies and actors involved in the projects are to work closely together with the main purpose of attracting private investments to the region. These types of strategies are interesting, but have many limitations, especially with regard to the highly stated goals to ensure holistic, participatory and environmentally sound development.

The ZMM-GT is another micro-regional initiative. The introduction of the growth triangle concept in Southern Africa is a direct result of the United Nations Development Programme's (UNDP's) Africa Regional Programme for Innovative Cooperation among the South (PICAS) (Zambia Investment Centre, 2002: 1). The idea was originally developed in 1999 by the UNDP representative in Zambia, together with representatives from the private sector and the three governments included in the arrangement. According to the official aims of the project, the growth triangle concept places the private sector at the centre of the growth process, incorporating it in the promotion of economic integration, thereby resulting in the private operators themselves assuming ownership over the initiative (Zambia Investment Centre, 2002: 4). According to Joao Carrilho, Deputy Minister of Agriculture and Rural Development, the government's role should be limited:

> The Government would like to see that the growth triangle continues to be a private sector-led venture. The Government's role should be limited to endorsement, facilitation and whenever needed a regulator taking into account the national context and legal framework as well as regional cooperation and appropriate protocols. Let us join forces and allow the private sector in the GT to retain more of the ownership of this brilliant initiative. (Carrilho, quoted in Zambia Investment Centre, 2002: 20)

The growth triangle initiative is believed to be compatible with most other ongoing regional initiatives, ranging from NEPAD, SADC, COMESA to other SDIs and development corridors in Southern Africa. The official but rather naive assumption is that the various projects are compatible and mutually reinforcing. They are also assumed to enhance the beneficial integration into the world economy and the

crowding-in of private investments. In addition it is proudly proclaimed that one of the unique characteristics of the growth triangle is that will promote development in the periphery (Zambia Investment Centre, 2002: 5). However, apart from the fact that the growth triangle initiative seeks to enhance 'private market activities' and facilitate regional trade, there are no or very few measures that are explicitly designed to promote development as such in the so-called periphery. The rather naive assumption is that trade integration and private business activities will automatically promote economic development in the periphery. The underlying thinking is very similar to that in the SDI and corridor programme in Mozambique and South Africa. All these micro-regional initiatives (in their current form) are compatible and an integral part of a market-oriented development path, which contains very few direct measures to eradicate poverty and the fostering of human development.

Finally, it needs saying that these new efforts signal that the state itself has become more outward-oriented. The nation-state boundaries in Africa were imposed by the imperial powers during colonialism. The heavy emphasis on national security and development after independence further reinforced nationalism and state-centrism and the importance of these boundaries. The new forms of micro-regionalism are slowly peeling away the layers of the colonial heritage and the current demarcations of national boundaries. What is emerging instead is a more multilayered, more complex and possibly more turbulent political landscape.

Conclusion

Few observers contest the fact that the Zambezi river basin has a material base, consisting of the river and the natural resources in the basin. However, this chapter shows that there is nothing 'given' or deterministic about how the Zambezi river basin is imagined, organized and managed. On the contrary, the Zambezi river basin is, without doubt, a social construction.

The Zambezi river basin is clearly a multidimensional and heterogeneous socio-political, socio-economic and socio-ecological unit. There is a great pluralism of motives and strategies for region building and region-destruction in the basin. Seen in a historical perspective, the Zambezi river basin was shaped and defined in accordance with colonial interests. The driving actors consisted of a tight mixed-actor coalition of colonizers, white settlers and commercial economic interests.

After independence the individual state-building ambitions became the driving force for how the Zambezi river basin was to be perceived as well as shaped. During this period the Zambezi river basin was reconstructed around largely competing nation-building projects. There was a certain degree of regional cooperation, for instance in the field of hydroelectric power production, but for the most part the Zambezi river basin was organized along the national boundaries, according to a logic where 'the basin stops at the border', and 'we manage our side and hope they manage theirs'. In this way the Zambezi river basin was a 'state construct'. It is evident that this way of perceiving and managing the river basin has suited certain powerful elite interests. Without doubt it contributed to the nation-building projects of several countries, first and foremost in the upstream countries, while it was rather detrimental to those not able to use their power positions, particularly downstream users.

Sectoral segmentation is another closely related facet of the way the Zambezi river basin was organized in the past, and increasingly so since independence. Activities in the main sectors (hydroelectricity, mining and agriculture) were artificially separated by bureaucratic logic, inefficiencies and lack of sectoral coordination (within as well as between countries).

Today there are important trends whereby the basin is being transformed from a state construct to new (and competing) types of organization, based on 'market' and 'environmental' principles. These transformation processes signal alternative ways of imagination and organization, implying that the outcome is far from clear or easily assessed.

The increased importance of market principles is intimately tied to the general emphasis on state deregulation, privatization and increased private sector involvement in the provision of water, energy and services. This is not necessarily a positive development from a normative point of view. The replacement of 'politics' with 'economics' leads to new power relations and new patterns of inclusion and exclusion. Albeit it certainly gives a huge leverage to the SAPP, there is a risk that the mighty South African electricity company, Eskom, will reconfigure the Zambezi river basin as well as hydroelectrical power production in Southern Africa in accordance with its own particular needs. Neither is it necessarily the most optimal solution with regard to the environment.

As far as ecology is concerned, the underlying principle is that the Zambezi river basin should be seen as one single ecological unit, whereby natural resources should be managed in accordance to what is

best for the basin as a whole. It is emphasized that many environmental and resource management issues are cross-border in nature and often require some sort of basin-wide solution. This reduces the possibilities for implementing isolated national development strategies. According to this view, no state should be left behind in the search for environmentally sustainable solutions to water problems. In many ways this is an attractive roadmap for the future. However, powerful interests resist the ecological principles. In addition, it is crucial to recognize the external pressure in the restructuring of the Zambezi river basin along ecological principles. This is felt through the donor agencies and global environmental norms stemming from the Rio process and the Dublin Principles.

Two closely related problems should be recognized in this context. First, it is by no means self-evident what actually is an appropriate 'environmentally sound' solution. There are many, partly competing, environmental principles, and in the real world ecology can hardly be separated from politics and economics, thereby creating an even more difficult situation. Second, this is closely related to the fact that many donor agencies tend to support contradictory principles and management approaches. Many donors support state-centric, market-based and environmentally sustainable models at the same time, but with poor or no coordination.

8
The Political Economy of Micro-regionalism: the Case of the Maputo Development Corridor

In line with most other macro-regions of the world, Southern Africa is experiencing a (re-)emergence of micro-regionalism. The Spatial Development Initiative (SDI) programme is the most distinct form of policy-driven micro-regionalism in current Southern Africa. The SDI programme was initiated by the South African government in 1995. These initiatives are intended as an integral part of the South African government's macroeconomic strategy as set out in its Growth, Employment and Redistribution (GEAR) policy. A key component of the SDI paradigm is therefore to move away from the protected and isolated import substitution approach to economic development towards one in which international competitiveness, regional cooperation and a more diversified ownership are paramount. The SDIs are targeted, short-term and often extremely comprehensive initiatives, designed to facilitate global competitiveness, access to global capital and investment, infrastructural development and 'sustainable' job creation in certain specific spatial locations in South Africa and Southern Africa (Jourdan, 1998: 718). See Table 8.1 for an overview of the South African SDIs, and Table 8.2 for an overview of the regional SDIs and development corridors in the broader Southern African region. Map 8.1 shows the geographical overview of the regional SDIs.

It is evident that the SDIs have released a new momentum to the discussion on economic development and regionalism in Southern Africa. The MDC is marketed as the 'flagship' of the SDI programme, and it is perhaps the most interesting example of the new forms of micro-regionalism in contemporary Southern Africa. The MDC seeks to revitalize the axis between the economic heartland of South Africa in Gauteng, the Mpumalanga province (former Transvaal) and the city and port of Maputo, through the rehabilitation of the primary infrastructure and

Table 8.1 Main South African Spatial Development Initiatives

Name of SDI	Location	Focus
Fish River SDI	Eastern Cape	Mineral processing, industrial development at ports and through IDZ
Gauteng SDI	Gauteng (five development nodes)	Value-added and high technology manufacturing
Lubombo Initiative	Northern KwaZulu-Natal, eastern Swaziland, southern Mozambique	Tourism, agriculture, fishing, mariculture, transport
Phalaborwa SDI	Northern Province and Mpumalanga (started out as a subcorridor of MDC)	Transport, mining, industry, tourism, agriculture and forestry
Pietermaritzburg/ Msunduzi SDI	KwaZulu-Natal	Industry, forestry, aluminium, tourism
Platinum SDI	Pretoria to Northwest Province and Botswana	Mineral and industrial project, tourism, transport infrastructure (to join the TransKalahari highway in Lobatse, Botswana)
Richards Bay-Empangeni SDI	Northern KwaZulu-Natal	Transport, industry, mining and agri-tourism, IDZ and port
West Coast Investment Initiative	Western Cape	Agriculture, mariculture, tourism, mineral processing and associated industries
Wild Coast SDI	Eastern Cape	Tourism, agriculture, transport infrastructure, forestry, agriculture and mariculture

Source: www.sdi.org.za (2002).

the maximization of investment and social development. Map 8.2 shows the geographical definition of the MDC.

This chapter deals with the origins, dynamics and impacts of micro-regionalism in this very special part of Southern Africa. As emphasized in the NRA, the analysis is founded on the need to go beyond the formal institutional structures and policy strategies of the

Table 8.2   Development corridors and SDIs in the SADC region

Name of SDI development corridor	Location	Focus
Beira Development Corridor SDI	Mozambique and Zimbabwe	Transport infrastructure, port
Central Development Corridor SDI	Tanzania, the Democratic Republic of Congo (DRC), Rwanda, Burundi and Uganda	Transport infrastructure, investment projects in mining, agriculture, tourism etc.
Coast-2-Coast Corridor	Namibia, Botswana, South Africa, Swaziland, Mozambique	Linking Walvis Bay to Maputo harbour. Transport, tourism and trade logistics
Gariep SDI	Northern Cape and Namibia	Mining, agriculture and processing, aquaculture, tourism
Limpopo Valley SDI	Mozambique	Agriculture, agri-processing, mining and tourism
Lobito Development Corridor	Angola, DRC and Zambia	Transport infrastructure, mining and agricultural industry
Malange Corridor	Angola	Connecting Malange with Luanda. Rail and infrastructure project
Maputo Development Corridor	Gauteng, Mpumalanga, Mozambique	Agriculture, mining, manufacturing, forestry, port
Mtwara Development Corridor SDI	Tanzania, Malawi, Mozambique, Zambia	Infrastructure and natural resource exploitation, port, forestry, gas, tourism
Namibe Development Corridor	Angola and Namibia	Connecting the interior city of Menongue with the port of Namibe
Nacala Development Corridor SDI	Mozambique, Malawi and Zambia	Mining, transport, port, agriculture, agri-processing
Tazara Development Corridor	Zambia and Tanzania	Rail and road investment

Table 8.2 Development corridors and SDIs in the SADC region *continued*

Name of SDI development corridor	Location	Focus
Walvis Bay SDI	Namibia	Tourism, agriculture, mining and minerals (to continue to Botswana)
Zambezi Valley SDI	Mozambique	Mining, agriculture, agri-processing, animal husbandry

Source: www.africansdi.org.za (2004).

MDC project per se, and also include the underlying sociocultural and socio-economic fabric in a broader and historical sense. It is only by relating the formal and the informal that we will be able to understand the patterns of inclusion and exclusion, and by whom, for whom and for what purpose the various micro-regional processes develop in the corridor area.

The analysis is structured as follows. The next section highlights the fact that the Maputo corridor has constituted a link between South Africa and Mozambique for more than 100 years, by way of labour migration, transportation and trade. The third section briefly sketches the main objectives, while the fourth outlines the governance mechanisms of the MDC. This is followed by the two most comprehensive sections in the chapter. The first of these focuses on the governance and management mechanisms of the MDC, the reasons for their existence and the patterns of inclusion and exclusion. Then, the next section analyses the development strategy of the MDC and for whom the MDC is actually being built. In the conclusion the threads of the analysis are brought together. Some lessons for other SDIs in Southern Africa are also discussed.

The historical construction of the Maputo corridor

The process of building the MDC is very much an attempt to reconstruct a cross-border relationship that has effectively existed since at least the beginning of industrialization in the area around present-day Johannesburg. Indeed, the geographical space pointing north from the eastern part of South Africa to Mozambique and Swaziland

Map 8.1   Development corridors and SDIs in the SADC region

Map 8.2   Maputo Development Corridor

Map labels:

PIETERSBURG
TZANEEN
PHALABORWA
Maputo Province
(Mozambique)
To
Inhambane
Xai Xai
STEELPOORT
KOMATIPOORT
WITRIVIER
RUSTENBURG
PRETORIA
MIDDELBURG
NELSPRUIT
JOHANNESBURG
WITBANK
BELFAST
MAPUTO
ERMELO
MBABANE
MANZINI
Swaziland
Petro Chemical
Cluster
PONTA DO OURO

Legend:
● Main towns
○ Urban nodes
Primary corridor
Secondary corridor area
Sub-corridor
Feeder links
▲ Tertiary resource nodes

has constituted a historical regional space – with the Maputo corridor as the 'core' – for the people of south-eastern Africa for centuries (McGregor, 1994).

At the end of the 1800s and throughout the next century a number of migrant labour accords were signed in order to regulate the influx of labour to the mines in South Africa. These arrangements allowed white South African capital to exploit black Mozambican labour, often against the wishes of the local Portuguese. The arrangements made Mozambique a regional conduit and effective labour reserve for the minerals-based industries in South Africa (Smith, 1991). Also importantly, the agreements accorded the Witwatersrand Native Labour Association (WNLA) the exclusive right to recruit black labour in southern Mozambique in return for directing 47.5 per cent of the export traffic from the Witwatersrand through the port at Lourenço Marques (present-day Maputo) (Mondlane, 1969: 93). Being the shortest link to an export harbour for South Africa's industrial heartland, this corridor rapidly became a major intersection for Southern Africa's linkages with the world economy. In short, these processes served to crystallize an already nascent micro-region.

The formal mine workers' agreements were, of course, in the interest of rulers and mining houses in Transvaal/South Africa, and *inter alia* implied that they did not have to compete for migrant labour and that salaries could be kept low. These contracts also benefited Portugal as it received deposits in gold for 'native' labour, which then could be sold at market price (since a portion of the miners' wages could only be received back in Mozambique).

Throughout the century there was a steady flow of migrant labour from southern Mozambique to South Africa. The annual flow of legally recruited labourers from Mozambique has fluctuated considerably over time (see Table 4.1). For instance, in January 1976 substantially more than 100,000 miners came from Mozambique, but at the end of the year this number had decreased by more than half. The number remained about 30,000–40,000 from the mid-1970s to the mid-1980s, and then increased again by about 50 per cent only a few years later (Davies, 1990). There are several explanations for the fluctuations, but to a large extent they are the result of the apartheid regime's infamous 'carrot and stick' strategy.

Regulated labour migration has decreased further in the 1990s for all involved countries, not only for Mozambique. Nevertheless, there were approximately a total of 340,000 formal labour migrants in South Africa in 1996 (cf. MacDonald, 2000; Niemann, 1998; Sachikonye,

1998). Thus, the end of apartheid has not implied the end of migration, which has increased for other purposes than mining and formal contracts. There is now an estimated number of 1–3 million so-called 'illegal aliens' in South Africa, many of whom come from Mozambique (an aspect which will be attended to later).

It is important to keep in mind that for more than 100 years labour migration created a specific cultural pattern in southern Mozambique, constituting part of the ritual of passage to adulthood (cf. Lundin and Söderbaum, 2002). In fact, in the countryside of the provinces of Inhambane, Gaza and Maputo, there exists a 'migrant culture', whereby young males migrate to work in South Africa and stay away sufficiently long to accumulate enough money to be able to build a house and get married. Most migrants are not settling permanently in South Africa. Often there are several generations of migrants, whereby the elders care for the continuation of the trend through relatives' contacts with local officials at the mines. A good worker paved the way for young relatives, starting a new cycle of contacts and contracts for the younger generation. The migratory patterns and other cultural and socio-economic linkages have gradually transformed models of social life in southern Mozambique, introducing money and a dramatic increase of imported goods. It has also changed the bridewealth in Mozambique, the institution of the *lobolo*, which is (was) the ultimate means by which the elders control the younger men in their kingroup. Migration has created certain needs in the countryside and brought about innovations to productive life, like new ploughs, sowing machines, bicycles and more recently pick-ups. Goods are sent to the family in rural zones, where the miner is still recognized while home on visits or returning to stay longer, for instance by the clothing and special manners acquired from compound life.

The historical 'corridor' is larger than just Maputo as an end-station. Agricultural products have for long been brought in from other parts of Mozambique and sold in Maputo, and revenues are used to buy goods in South Africa and Swaziland and other neighbouring countries, only to be sold back in Maputo (van den Berg, 1987). This movement and trading have created a never-ending circle of new types of business, hawking, trading and interaction, increasing the flux of people along the corridor and between borders. Various attempts have been made to regulate and control borders, smuggling, informal trading, hawking and migration, but people have always found ways to get around these restrictions. The insurgency by Renamo simply intensified and opened up further space for the informal cross-border linkages and trading

networks centred on Maputo, but which at the same time also permeated the whole micro-region (McGregor, 1998).

This cross-border interaction has increased after the abandonment of the socialist experience in Mozambique and when the old safety net provided by the state gradually disappeared (see Simpson, 1993; Abrahamsson and Nilsson, 1995). Despite (erratic) attempts to provide some form of economic incentives to agriculture (Cravinho, 1998), many people left this traditional occupation and got involved in informal market activities (Kyle, 1991), thereby increasing informal economic regionalism and giving rise to the *mukhero* (described in Chapter 5).

In spite of the strategy by the international financial institutions (IFIs) and some donors to label Mozambique a 'success story', the deep economic crisis in Mozambique is contrasted with the proximity of South Africa, which is seen as a regional paradise in terms of opportunities. Many Mozambicans are selling on the streets of Johannesburg, or small towns in Mpumalanga and Gauteng, often illegally without proper documents. Others are seeking agricultural work on plantations in KwaZulu-Natal, Mpumalanga and the Northern Province. One problem here relates to the exploitation of cheap labour in South Africa, using legal or illegal migrants from neighbouring countries, since they are willing to work for lower wages and under poor working conditions. Another problem is the destructive trend whereby the patron denounces his workers as 'illegal aliens' at the closest police station, as soon as they are to receive their salary. This is made possible by the consolidation of xenophobia both in rural and urban parts of South Africa. Table 8.3 shows the massive increase of deportations of SADC citizens from South Africa.

This so-called 'migrant problem', and the xenophobia that follows along with it, is created and maintained, consciously as well as unconsciously, by certain groups in South African society in order to serve specific ideological goals (including racism of course). This is a historical irony considering the role of the Southern African peoples and countries in the anti-apartheid struggle. But it is also a misunderstanding of both the construction of South Africa and the effects of migration. The so-called migrant problem is constructed in the minds of those who see states, borders and citizens from a particular viewpoint. Peter Vale (2003: 86) is a profound critic of this line of thinking, whereby 'migration can be addressed only in a specific predetermined way: migrants are always and forever aliens, outsiders, unwashed'. According to this ideology, migrants are seen as threats to national security, state stability and for some people even their identity. There

Table 8.3   Deportations of SADC citizens from South Africa, 1990–96

	1990	*1993*	*1996*
Angola	–	1	69
Botswana	596	105	7
Lesotho	3 832	3 090	33 344
Malawi	78	250	1 920
Mozambique	42 330	80 926	157 425
Namibia	–	219	–
Swaziland	1 225	789	1 589
Tanzania	6	52	998
Zambia	1	1	20
Zimbabwe	5 363	10 861	14 651
Total	53 431	96 294	210 023

Source: *SADC Regional Human Development Report* (2000). Data from the Southern African Migration Project database.

are many reasons why this way of thinking must be challenged. Two can be mentioned here. First, as Vale (2003: 87) correctly points out, without migration to the space known as South Africa, there would quite simply be no state, no South Africa. And there has always been migration to South Africa, and this includes a large number of whites from Africa and Europe (which, of course, never have been seen as threats). Second, in critical thinking, it is stated that national boundaries are unstable, flexible or may not even matter at all, and by consequence, then, migration is not a security threat either. Vale is persuasive in his argument that: 'In the construction of the South Africa state, migration has always been a source of security, not a cause of insecurity. … Southern Africa's people have continuously serviced South Africa's growing wealth and its assertion of political and strategic hegemony over the states that have been constructed around it' (Vale, 2003: 95, 101).

Objectives of the MDC

The MDC was set in motion in August 1995 by the Ministers of Transport of South Africa and Mozambique, Mac Maharaj and Paulo Muxanga, when they agreed to revitalize the corridor and cross-border relationship that had effectively existed for more than a century. The MDC was initiated by these leading figures, with the active support from President Mandela and President Chissano as well as the first

Premier of Mpumalanga, Matthews Phosa.[1] Since then the MDC has become the most high-profile project of the South African as well as the Mozambican SDI programmes.

The official view is that the MDC is important for GDP and employment growth, increasing local and foreign investments and export growth in both countries, but also as a means to contribute to other key policy areas, such as international competitiveness, regional economic integration and a broadening of the ownership base.

The MDC is based on four key objectives:

1. To rehabilitate the primary infrastructure network along the corridor, notably road, rail, port and dredging, and border posts, with the participation of the private sector in order to have minimum impact on the public purse.
2. To maximize investment in both the inherent potential of the corridor area and in the added opportunities that the infrastructure rehabilitation will create, including the provision of access to global capital and facilitation of regional markets and regional economic integration.
3. To maximize social development, employment opportunities and increase the participation of historically disadvantaged communities.
4. To ensure sustainability by developing policy, strategies and frameworks that should ensure a holistic, participatory and environmentally sustainable approach to development (SDI, 2000; de Beer and Arkwright, 2003).

At the investors' conference held in May 1996 (which marked the official launch of the MDC), 180 project proposals were presented to the investors, with a value of nearly USD 7 billion and with the stated potential to generate up to 35,000 jobs. With regard to the rehabilitation of primary infrastructure, the following projects should be mentioned (with an estimated total value of USD 661.5 million):

• Witbank–Maputo N4 Toll Road, which is the first major private–public partnership (PPP), concessioned for 30 years to a private sector consortium, TransAfrica Concessions (TRAC), on the basis of build, operate and transfer (BOT).
• Rehabilitation of the port of Maputo.
• Establishment of a public/private company to manage, operate and maintain the southern Mozambique rail network.
• A one-stop border post at Ressano Garcia/Komatipoort.

Of the industrial investment projects the most comprehensive are:

- Mozambique Aluminium Smelter (Mozal), phase I and II (with a combined value of more than USD 2 billion);
- Maputo Iron and Steel project (USD 1.5 billion); and
- Pande/Temane Gas (USD 250 million).

The official project portfolio also includes a significant number of other investment projects in fields such as mining (a magnetite, vanadium and heavy minerals project), energy, chemicals, manufacturing (agro-industry), agriculture (a fertilizer plant), forestry (a project by the Sappi conglomerate) and tourism (ecotourism, lodge and game-park development) and so on (Maputo Development Corridor, 1999).

The governance mechanisms of the MDC

In terms of institutional structure and governance mechanisms, the MDC is based on the so-called SDI methodology. According to this view the institutional structure should be kept at a minimum, the main role of the institutions being to fast-track project implementation. South Africa's SDI programme is coordinated by the Overall SDI Coordinating Committee (OSDICC), which initially fed into the inter-ministerial Cabinet Investment Cluster (CIC). The meetings of the OSDICC are attended by all SDI project managers as well as a number of senior representatives of national government departments and parastatals, such as the DBSA, Investment South Africa, the IDC, Transnet, Portnet, Spoornet and the CSIR. During 2000 the OSDICC was split into two entities: the coordination committee of the so-called resource-based SDIs and the Regional SDI Committee (RESDIC). The MDC is included in the latter.

Each SDI has a project manager (one in each participating country), who is to put together temporary technical teams, made up of officials from government and parastatals as well as consultants and other relevant experts, and then promote the project on all levels.

On the provincial level in Mpumalanga there is an intersectoral Maputo Development Corridor Provincial Technical Committee (PTC). It consists of representatives of most departments in provincial government but also several representatives of national government. Investment South Africa is promoting all the SDIs, and the Mpumalanga Investment Initiative (MII) is a key driver in contributing to investment implementation in the province.

The institutional structure in Mozambique is more centralized and weaker than in South Africa, with capacity lacking on the provincial level. Through the Bureau for the Coordination of Development Corridors, located within the Department of Transport and Communications, Mozambique has a similar structure to that in South Africa. It is an umbrella bureau with one technical unit for every development/transport corridor in Mozambique, i.e. Maputo, Lubombo, Beira, Nacala and Zambezi Valley. The Investment Promotion Centre of Mozambique (CIP) performs similar duties to the MII in Mpumalanga and Investment South Africa.

In the original plan the Maputo Corridor Company (MCC) was supposed to manifest the institutionalization of the MDC, be the legal entity at the local/provincial level, bring together local and business actors, provide support, information monitoring and contribute to capacity-building. This has failed, among other things due to lacking capacity on local and provincial levels, both among public and private actors.

Another characteristic of the SDI methodology is a detailed planning and implementation process (see Table 8.4). This planning process emphasizes speedy implementation and the removal of bottlenecks and constraints to investment, which are often infrastructural in nature (roads, ports, railways) or trade-related (border posts, trade procedures). The initial phases should be driven by the central government institutions and the different line departments (mainly transport, and trade and industry), whereas in the last stage of implementation, in the so-called 'exit phase', the administration should be decentralized to the provincial and local institutions, particularly their investment promotion agencies whose main brief is to facilitate new investment in the region.

Governing the corridor

This section analyses how and for whom the corridor is governed. The MDC is built on a governance structure, which has some special characteristics. The analysis concentrates on the following special governance features: (i) network structure; (ii) fast-tracking implementation; (iii) political champions; and (iv) national–provincial relations.

Network structure

The institutional structure of the MDC is 'networked' and non-bureaucratic, with a more or less minimalist approach to institutions. It is believed that this type of structure will involve few bureaucratic costs

Table 8.4   Planning and implementation phases of the MDC

Phase	Activity
1. Set-up phase	Appointment of project manager; gathering of socio-economic and institutional data on the loosely defined corridor area
2. Pre-feasibility	Pre-feasibility appraisal of data; organization of conceptual workshop, development framework and spatial definition (led by project manager)
3. Institutional	Establishment of structures at the political, official and technical capacity levels, e.g. set-up of political team; interdepartmental team; technical team; working groups; identification of local champions
4. Feasibility	Together with key stakeholders, further development of the conceptual framework into terms of reference for more detailed appraisal. Identification and appraisal of lead projects and the developmental programme of action. DBSA and IDC play a significant role in identifying and testing projects
5. Packaging	Finalization of a detailed development perspective document which indicates a list of viable projects and investment opportunities
6. Launch	Launching of the MDC, at the investors conference, to present vision, objectives, perspective, anchor projects and investment opportunities; establishment of investment promotion mechanism and implementation capacity. Technical teams and project identification teams are dissolved
7. Exit strategy	Institutional arrangements to facilitate momentum and implementation of the initiative and the 'hand over' to provincial structure, e.g. the establishment of the Maputo Corridor Company and the consolidation of Provincial Investment Promotion Agencies. Establishment of clusters for selected sectors in the MDC area, which bring firms across the supply chain together and enhance their collective efficiencies

Source: SDI (2001).

at the same time as being suited to meet the demands of the private business sector. The network structure is also (stated to be) designed in order to meet the challenge of interdepartmental coordination and to maintain flexibility and speed in planning and implementation. Although this structure consists of numerous new committees, sub-committees, project and technical teams, it builds mainly on existing institutional capacities and draws together capacities and policy-makers in a loosely organized and flexible network structure.

According to its architects, one strength of this approach is that it has sustained interdepartmental cooperation, and that 'it is *slowly* teaching government departments to work together' (Ismail and Jourdan quoted in SDI, 1998). However, even if it mainly seeks to build on existing institutional resources, progress depends on the quality and strength of these capacities. Such a strategy is risky when skills and capacities do not exist or are weak, which is the reality not only in the South African provinces and Maputo but also in several quarters in Gauteng. To some extent the lack of institutional capacities has been catered for, as illustrated by the creation of a new PPP unit in the Department of Finance and new units in the DBSA as well as the IDC. But this has mainly been done at the central government level. Faizel Ismael and Paul Jourdan are correct in that: 'This ad hoc institution building has happened as we've gone along, on a crisis management basis so far. This has to be more packaged than before' (Ismael and Jourdan quoted in SDI, 1998).

Although there are a number of different committees and actors involved in the MDC process, there is a general lack of formal institutions and bureaucratic frameworks on both sides of the border (although it is particularly deep on the Mozambican side). Many committees and task teams are only temporary in nature, and apart from the project manager there is no organizational and legal structure that represents and takes responsibility for the MDC. It is difficult to track the centre of decision-making and power as well as understand where responsibility and accountability lie. The DTI is obviously a main player but it does not seek responsibility since it wants to 'hand over' the initiative to the province, whereas the province on its side has not been part of the design and build-up of the MDC and feels it does not 'own' the initiative. As the South African project manager points out, 'it needs to be established who is carrying the Corridor'.[2]

The minimalist and informal network structure leads to the MDC strategy being heavily dependent on the use of informal power and 'political capital' in order to ensure progress. 'The bureaucratic dangers inherent in this approach are obvious; a guiding SDI policy statement notes "that there is always a risk of allowing certain key role players, including government departments, to get left behind in the process, thereby creating the impression of exclusivity"...' (Hall, 1998, fn. 12). Differently expressed, the informal network structure is mainly designed and effective for those on the 'inside' rather than those on the 'outside' of the network. As will be elaborated upon below, the provinces and the citizenry in particular are those on the 'outside'.

Fast-tracking implementation

A quick planning and implementation process is essential to the whole idea of the MDC and the SDI process more generally. The MDC management team is to identify obstacles to investments and implementation and then speedily mobilize political support from the political champions in order to generate momentum and facilitate 'delivery'. Key architects of the MDC have characterized such fast-tracking 'like rowing a canoe with holes – if you stop you sink' (Ismail and Jourdan quoted in SDI, 1998).

There are some strengths with this strategy. Through its speed and its establishment of a link between input/effort and output/delivery, it provides a strategy for implementation and gives concrete meaning to the process of cross-border cooperation in a way that many other comprehensive projects have failed to do in the past. 'The main strength of the SDI methodology', according to the South African project manager, 'is that it has brought a new approach, through a precise set of steps, which could get things moving.'[3] The Mozambican project manager, Francisca Soares, fills in that 'it started to challenge things … and brought new things to Mozambique … back in 1995 it seems that such push-approach was actually needed'.[4]

Nevertheless, in certain respects the speed was *too fast* for Mozambique as well as for South Africa, especially with regard to the inclusion of non-governmental actors and the citizenry.[5] As a matter of fact, Jonathan Mitchell in the Mpumalanga provincial government points out that 'the extreme emphasis on speed has been counter-productive', and, 'the fast-track approach is slower than a slow-track approach'.[6] This is because design and implementation must be so quick that there exists no time for rational and bureaucratic decision-making that is adjusted to local conditions and the interests of concerned actors and institutions. The extremely rapid design and decision-making process is particularly problematic in a context with low institutional capacities, such as that in Mpumalanga and Mozambique. Several key officials involved in the MDC project emphasize the need for the development of institutions and management systems that can ensure a more coherent and well-thought-through policy- and decision-making process.[7]

The fast-track approach is also risky for the quality of capital investments by the private and public sectors. To offset these risks, the government has mobilized considerable technical expertise from both the public and private sectors to back up the process, mainly in the form of consultancy and expert teams. Although such expert teams are important, the proclaimed 'urgency' has not allowed any time for discussing the *content* of the MDC project and letting all parties understand what the MDC

actually is and is not about (see more below). Essentially the MDC has been designed on the drawing tables in Gauteng and quickly enforced in a top-down manner, without ensuring that provincial and local actors are integrated and consulted or that it can work for the people living in the corridor area.

Political champions

The implementation of an SDI requires considerable political commitment and political will at relevant levels of government. The political commitment provided by the political champions is supposed to increase coordination and integration between all the government departments that are involved in the process. It appears to be difficult to mobilize a higher degree of political commitment to a development project than that which has been ensured in the case of the MDC. The project has received political commitment not only from the very highest levels in the form of the Presidents of the two countries (Chissano and Mandela), but also from a number of highly ranked politicians, such as then Vice-President Mbeki, the Ministers of Transport in both countries, the Minister of Trade and Industry in South Africa, as well as the (former) Premier of Mpumalanga, Matthews Phosa. In addition some influential ANC policy-makers, such as Ketso Gordhan (Director-General at the Department of Transport, DOT) and Paul Jourdan (Deputy Director-General at the Department of Trade and Industry, DTI), have 'pushed' the project. There is little doubt about the fact that this political commitment has contributed to decision-making and speedy implementation of the MDC.

   The strategy with political champions is particularly interesting in view of the more or less chronic difficulties of ensuring implementation of most types of intergovernmental regional cooperation projects in Africa in the past. It appears that the high level of political commitment can be explained by the fact that the MDC has been a 'test case' of the SDI programme. In fact, it is anticipated that a 'failure' of the MDC would possibly have undermined the whole SDI programme in both countries. The MDC simply 'had to work', and it was an imperative to mobilize whatever political support was needed in order to overcome the hurdles along the way. In Mozambique the MDC in general and the Mozal project in particular served as the showcase for proving that industrial projects could be both implemented and be on time.[8] Seen from this perspective, it was more important that the Mozal was completed on time compared to it having a democratic input or involving Mozambican contractors and labour to the largest possible extent.

Exactly how important the high level of political commitment has been for implementation is difficult to estimate. The fact that it has been important is illustrated in that, as an anonymous official described it, 'at one stage the whole project was rapidly approaching crisis, which served as a major wake-up call for Mozambique, and a new more senior minister took over the Department of Transport … which led to the MDC receiving a boom overnight and was then almost driven by Mozambique'.

The crucial importance of political commitment is illustrated by the new Premier in Mpumalanga succeeding Matthews Phosa. While Phosa was very committed to the MDC, the new Premier, Ndaweni Mahlungu, clearly has other priorities than the MDC and projects associated with the legacy of Phosa. One anonymous official confirms that 'everything has changed because it was all linked to Phosa'. In fact, as a provincial policy-maker points out, 'the Corridor has collapsed as a provincial thing … the Mpumalanga MDC Committee [the PTC] is officially restructured but basically the province has walked away from the process'.[9] According to the South African project manager the 'SDI pro-gramme no longer has the requisite political support to enable it to keep going as we know it'.[10] After the collapse of the provincial commit-tee, the Mpumalanga Investment Initiative (MII) has become the only provincial institution involved in the MDC process. This shows that the institutional structure is weak as well as heavily dependent on which particular individual happens to be the political champion, thereby adding a striking amount of uncertainty and instability to the project.

National and provincial relations

A network consisting of various national institutions was the driving force of the first main phase of the MDC, whereas the MDC was then (supposed to be) 'handed over' to provincial and local institutions in the 'exit phase'. The problem is that the central government and its development finance institutions have neither been enthusiastic about, nor successful in, integrating and involving provincial and local gov-ernments in policy- and decision-making. Here it should be noted that there is a fundamental difference between the way the Department of Transport and the Department of Trade and Industry (DTI) handle relationships with the provinces. According to a provincial economist participating in the PTC:

> initially the Department of Transport took an enlightened stance and understood that the Province needed support … it actively sought to

provide impetus to the province, but when the SDI Unit at the DTI took over the process was centralized …[because] the DTI works under the assumption that the Province cannot do anything.[11]

One set of problems with the centralized design and decision-making of the MDC is related to the investors' conference. In the SDI approach much effort was put into the design and packaging of investment projects to be presented at the investors' conference. The CEO of MII argues that there was 'bad sequencing of the MDC approach … and even if the MII was not created at such early stage … the MII ought to have been involved much earlier in the process'.[12] Provincial and local actors were not integrated into identification and design of these projects, which in turn created a host of different problems. The CEO of the MII claims that: '…. it is embarrassing to market and present the projects inherited from the investors' conference. The investors' conference was more like a wishing list … the MII does not know the details of these projects … and the projects were not adjusted to local conditions.'[13] As a result the MII concentrates on the cluster processes and downstream production instead of the projects stemming from the investors' conference.

A somewhat similar critique is raised by Peter Hall (1998), who criticizes the extreme emphasis in the SDI methodology on the preparation and crowding-in of *exogenous* investment resources. This gives rise to the misconception that there is no *endogenous* growth dynamic in the SDI area, and also enhances a poor national–provincial relation. Hall strongly suggests that central government institutions, including the national conglomerates, such as Portnet and the IDC, must operate better at the provincial level. 'The challenge for the SDI Office in the DTI is to convince these agencies to provide the correct incentives for changes in the relationships of key local organisations and actors' (Hall, 1998: 14). This argument is similar to Ash Amin (1998) as well as Lewis and Bloch (1998: 753), who claim that 'cluster initiatives and other industrial support programmes to enhance competitiveness need to develop a clearer regional/provincial focus, and that the SDIs need to design their mechanisms with a greater emphasis on strengthening regional [i.e. provincial] agglomerations and clusters'.

Whose development?

This section examines the MDC with regard to what type of development is fostered and the consequences for the people living in the area,

particularly the poor. In so doing three aspects are in focus: (i) the underlying development paradigm; (ii) privatization and PPPs; and (iii) local participation in development.

Development paradigm

The corridor's prospectus makes strong commitments and references to developmental and environmental awareness. For instance, the MDC's 'Strategic Context' and 'Vision' outline that:

> The re-establishment of the [Witbank–Maputo] axis will significantly enhance the underlying conditions for development along its entire length. … The development corridor will also present opportunities to address the important (corridor and wider regional area) issues of sustainability (natural resource use, refined industrial processes etc.), poverty and access to basic needs and social services. (SDI, 2000)

The MDC has been marketed and 'sold' to the public as a mechanism to bring social and human development and jobs within a holistic, participatory and environmentally sustainable framework. There are a number of problems with this paradigm. The developmental impulses of the MDC are profoundly compromised by diverse and often contradictory understandings of the aims and strategies of the MDC, at all levels of policy-making.

One main confusion relates to whether the MDC should be portrayed as an 'investment initiative' or as a 'development corridor'. These contradictions have had a number of adverse effects. According to the then regional SDI coordinator, a lot of confusion about the content of the MDC is a consequence, contrary to the official rhetoric surrounding the MDC, of the need that it 'should be understood as an investment initiative and not as a development corridor'.[14] But this view contrasts sharply with the South African project manager, David Arkwright, who claims that he has relentlessly emphasized that the MDC is not only about investments:

> You will know that I was always under pressure to conform to the focused SDI approach, to concentrate only on investment projects and to leave other development issues to others. I resisted this because I considered it important to create a proper base for the big investments. Hence the reason why we created a support programme, including Strategic Environmental Management Plan (SEMP), small,

micro and medium enterprise (SMME), Local Economic Development (LED) etc., why we established a training programme etc etc.[15]

The problem is that such development-oriented ambitions have not been influential for the 'really existing' MDC. The use of the language of 'development' and 'participation' is mainly a rhetorical façade or at best a way to beef up the status of 'bankable' and private investment projects, which are the cornerstones of the MDC put into practice. Needless to say, some resources are in place to support key objective 3 (to maximize social development, job opportunities and the participation of historically disadvantaged communities) and objective 4 (to ensure sustainability by developing policy, strategies and frameworks that ensure a holistic, participatory and environmentally sustainable approach to development). With regard to key objective 3 there is an emphasis on: (i) minimum proportion (value) of contracts to emerging business; (ii) cluster processes; and (iii) targeted interventions to support SMMEs, including a corridor equity fund. As far as key objective 4 is concerned, it is officially claimed that this should be sustained by: (i) the establishment of the Maputo Corridor Company (MCC); (ii) a support programme, which includes an SEMP, a LED programme aimed at supporting local government in maximizing corridor opportunities, a SMMEs study to develop strategic direction and identify projects, and an agricultural study to develop strategic direction and identify projects; and (iii) a training programme for public sector managers in project and programme management (SDI, 2000; de Beer and Arkwright, 2003). Table 8.5 shows the financial resources made available to the MDC, much of which is aimed to promote so-called 'development' goals.

The problem is that these mechanisms and resources are underdeveloped as well as insufficient, and their impact on social development, job creation and a holistic and participatory framework are by no means in proportion to the attention devoted to key objectives 1 and 2, which involve investment in infrastructure and gigantic industrial projects for billions of USD. As pointed out by Paul Jourdan, the person at the DTI who was then responsible for the whole SDI programme in South Africa: 'In order to be selected for inclusion in the SDI process, a project must offer a commercially viable return on investment, ie it must be a bankable project – a project which a commercial financial institution would be willing to back' (Jourdan, 1998: 720).

The limitation is that employment creation and participatory development in the periphery are seldom a 'bankable project'. This implies

Table 8.5 South African financial resources to MDC operational and project budget

Year	Purpose
Aug. 1995–July 1997	R5 million from DOT for operational costs leading up to and including the MDC conference
Aug. 1997–March 1999	R1.2 million from DOT for operational costs associated with MCC
March 1998–June 1999	R2.5 million from DFID for the Policy Research and Capacity Building Programme (Funding was suddenly withdrawn after the first of a planned three-year programme and a pledged total funding of R8.75 million, which was due to a stated lack of commitment from Mpumalanga Province.)
April 1999–June 1999	R600,000 from DTI for operational costs
June 1996–June 1999	R5.5 million from DOT to Mpumalanga Province in order to achieve MDC key objectives 3 and 4. Funds were allocated to: Local Economic Development: R1 million (MDC objective 3) SME Development: R1 million (MDC objective 3) Strategic Environmental Management Plan (SEMP): R2 million (MDC objective 4) Tourism Development Strategy for Mpumalanga: R1 million (MDC objective 4) R0.5 million for identification of agricultural projects (MDC objective 4)
July 1999–March 2001	R3.835 million from DTI for all related operational costs
Grand total	R18.635 million

Source: de Beer (2001).

that SDIs are not more (and not less) ambitious than large investment initiatives, and 'employment generation per se is NOT an objective nor is local development more generally' (Bernstein, 1998: 10). It should be noted that the MDC has been reasonably successful in the rehabilitation of primary infrastructure and crowding in 'bankable' investments in the corridor (i.e. objectives 1 and 2). However, what this means is that key objectives 3 and 4 are squeezed into the MDC framework and they are only part of the practical implementation of the project in so far as they are compatible with the first two objectives. As a result, there is a deep rift between official rhetoric surrounding the MDC as a 'development' project and its practical implementation.

The MDC is predicated on a 'big bang' approach strongly emphasizing capital-intensive and large-scale investment, with a minimal degree of state as well as local involvement. Apart from the fact that this paradigm has involved very little input from the populations concerned, it is only to a minor extent a planning exercise involving an allocation of public resources. Basically it is about investment attraction and market guidance, whereby the state suggests opportunities to the big business sector, hoping that this will generate development and job opportunities. As stated in the proceedings of a workshop on SDIs in South Africa and Southern Africa: 'The nearest paradigm to this is what was in last year's World Development Report on market guidance. SDIs are textbook World Bank stuff' (SDI, 1998).

This means that the 'really existing' MDC is based on a narrow strategy on how to promote economic growth and export promotion, whereby 'development' is believed to arise more or less automatically as a result of the implementation of mega-projects, mainly in infrastructure, aluminium smelters, iron and steel projects and so on (Söderbaum and Taylor, 2003). Needless to say, these mega-projects are bound to have some effects on economic growth and foreign exchange. Anything else would be a disaster given the magnitude of the investments. For instance, the USD 1.3 billion investment of Mozal I is estimated to double the export earnings of Mozambique (*Agencia Informação Moçambique,* Maputo, 9.10.2000). Combined with the Mozal II investment the export earnings will increase even further. The problem is that there is a lot of wishful thinking regarding how the Mozal and other capital-intensive projects will impact positively on the disadvantaged communities. Available evidence suggests that the most important purpose of the MDC was not to create jobs and generate social development, but to use Mozal as a showcase that 'mega projects can be viably undertaken in Mozambique – increasing the profile and credit rating of the region' (BusinessMap, 2000: 37). In fact the MDC and the investment strategies being advanced conform to neoliberal trends towards 'jobless growth', which can be observed in many other parts of the world. In late 1999, investments worth USD 4 billion had been secured for the MDC project as a whole, but these projects are only estimated to create 12,000 jobs, implying a cost of more than USD 330,000 per job. For instance, 9000 workers were employed during the construction of the USD 1.3 billion Mozal I project, but it will only create less than 750 permanent jobs in itself (BusinessMap, 2000: 37). When the temporary jobs are taken into account, each job at the Mozal costs an average of USD 200,000. In a context of labour-surplus

economies, such capital intensity can certainly be questioned (cf. Taylor, 2002; Hentz, 2003). Carlos Nuno Castel-Branco is a well-known Mozambican economist, who is a harsh critic of the Mozal but nevertheless was commissioned by the company itself to undertake a comprehensive evaluation of the Mozal and its societal impact. Castel-Branco argues that 'the Mozal is without any doubt the most professional company that has ever operated in Mozambique, but it is an integral part of a development strategy that is the worst possible for Mozambique and its peoples'.[16]

Yet another problematic aspect, with regard to development strategy, is that water is both limited in access and frequently contaminated during the rainy season in Mozambique. It is therefore extremely provocative that the foreign-owned Maputo Iron and Steel Project and the Mozal together will make use of nearly 40 per cent of the total water resources of the Maputo region. As Taylor (2002: 157) points out, the amount of water left is simply not enough to supply the city of Maputo. The ecological management of these two mega-projects is not convincing either. The hurried speed in the implementation has added to the general lack of serious investigation of their development and environmental effects. The ecological security and the welfare of residents remain a side-issue to the interests of investors, i.e. cheap electricity, tax initiatives, water access (Taylor, 2002: 157). The list of unproblematized development aspects of the MDC initiative can be made long. Furthermore, gender aspects and gender equality were not integrated into the design and rural local women, mainly traders, have been negatively affected in conjunction with sex work that has sprung up along the Toll Road route.

It is thus evident that the MDC is founded on a capital-intensive, 'big business' and top-down development strategy, with the real intention to increase export growth and GDP rather than people-centred development. The MDC is basically an 'investment initiative' of gigantic proportions, to some extent resembling the old 'capital-push', 'big-bang approaches' prevailing in the 1950s and 1960s, but minus the guiding role of the state in mediating between the interests of capital and labour.

In defence of the official MDC strategy it should be pointed out that the extremely high expectations placed on the MDC have made it difficult to inform stakeholders and the public about its actual content (regardless of how this actually should be defined). This confusion has then been further escalated by the fact that some politicians and policy-makers, especially in the Mpumalanga Province, have a poor

understanding of the content and strategy of the MDC. According to an officer in the Mpumalanga provincial government, 'neither politicians nor the citizenry understand PPPs or the Corridor' and 'in Nelspruit there is no understanding or conception what the Corridor is about'.[17] The MDC has also been undermined by the fact that some provincial politicians have criticized certain aspects of the MDC, such as the toll fees, and then proclaimed that they are going to change them.[18] This may perhaps be blamed on political populism (or even political incompetence), but it may also be explained by the fact that the architects of the MDC have not made enough effort to inform the provinces or citizenry of the content of the MDC.

Privatization and public–private partnerships

One crucial component of the SDIs is to involve the private sector in the process. This has led to the emergence of so-called public–private partnerships (PPPs), which are mechanisms for involving the private sector and broadening the ownership base, especially in order to enhance the development and delivery of infrastructure, such as roads, railways, energy, telecommunications and ports. The point of departure of this strategy is that when the public sector have difficulty raising funds for investment in infrastructure, with PPPs 'the private sector can play an active role in financing, managing and maintaining large infrastructure projects that would traditionally have been seen as purely the public sector's responsibility' (Driver, 1999: 18). The Witbank–Maputo N4 Toll Road is the most comprehensive PPP within the MDC project (Taylor, 2000; Ngwenya and Taylor, 2003). Other PPPs within the MDC include the one-stop border post at Ressano Garcia/Nkomati and the Maputo port. The PPPs imply a commercialization and/or privatization of conventional state functions and public goods. In addition, the Mozambican state is in a rapid process of outright privatization of infrastructure, such as roads (*Agencia Informação Moçambique*, Maputo, 13.1.2000; BusinessMap, 2000). In Mozambique this means a retreat from one extreme to another: the state has now abandoned its heavy dirigiste position to one of abdication in involvement in the economy. An outspoken 'market paradigm' rules investment decisions in the MDC project, with the mediating influence of the state being absent at most levels.

What is emerging is not a partnership between state and capital in the service of the public good, but rather a deal between the political elite and transnational capital, supported by the IFIs and the donor community, to rush headlong into liberalization and privatization

(Hanlon, 1991). In doing so, the pay-off is predicated on the belief that 'development' will inexorably proceed from economic growth – in short, 'trickle down' theory. According to the dominant line of neoliberal thinking, good governance is defined as less government. Indeed, as Hanlon (1999: 32) notes, 'the hegemony of this view is now absolute; even relatively progressive Northern government ministers, officials and legislators (and many in the South) accept unquestionably that "good governance" is synonymous with IMF structural adjustment policies'. In the case of the MDC this is taken even one step further: the state is reduced to an investment promotion agency that provides technical support in the privatization process. In accepting this neoliberal ideology the state becomes a 'transmission belt' for economic globalization, rather than a mediating influence seeking to craft beneficial partnerships that promote development (Söderbaum and Taylor, 2001).

Clearly, it would be illusory to think of the state in Mozambique acting to 'protect' the citizenry. Its legitimacy has always been suspect and, perhaps except for a brief period in the immediate post-independence period, has acted according to type; namely, having been born and bred as the instrument of international capital, the state has a function that has remained largely constant. In this light, the retreat by the Mozambican state from its grandiose development-building ambitions is a return to normalcy and not some aberration. Having said that, regarding the communication between the state and civil society, there now seems to be a greater willingness to forgo popular consent and dialogue, which is remarkable in that Mozambique has gone through an ostensible democratization process. This of course is not to romanticize Frelimo's relationship with civil society: tensions have long existed and autocratic rule has long staked out this association. In fact, the strains between state and citizenry over the MDC may be but a continuation of the alienation experienced between state and citizen that stretches back to the colonial period and, as has been intimated, marked out much of Frelimo's post-independence rule.

Yet, and this needs saying, neoliberal ideology in practice lacks a concern for the victims of structural change. This helps us understand that the people living in the corridor have not been consulted about the MDC strategy nor integrated into decision-making. This, combined with the long-standing practice by Frelimo of adopting top-down directives with little democratic input, produces what may be seen as a democratic deficit, particularly on the Mozambican side, but similar problems arise in South Africa as well. The comment by the

Mozambican project manager that the people simply 'have to get used to paying' is indicative of this change in mindset by many within the Frelimo state.[19]

It is beyond doubt that these PPPs are being pushed by certain elite interests, for certain purposes and often with negative consequences for the poor and 'excluded' (Taylor, 2002). The problem is that conventional public goods and services, such as a road, are privatized or made into PPPs. It indicates a retreat of the conventional welfare ambitions of the state and the commodification of basic material needs. User fees are a worldwide trend but they clearly increase the burden for the poor and disadvantaged, especially in Mozambique where many of the poorest of the poorest can be found.

Local participation in development

There has been very limited communication between central government actors and local governments, local communities and local private sector, and the citizenry. 'It is a paradox that, although the Corridor is well-known nationally and internationally, many local communities which will be directly affected by the development have very little information about the project' (Mitchell, 1998: 760). The official view from the SDI Unit within the DTI is that there is some degree of 'participation' and that the SDIs are supposed to deal with locals to some extent, but that 'it is not a deep-rooted participatory process' (Ismail and Jourdan quoted in SDI, 1998). Local participation is supposed to come in only through the 'exit phase', but then the problem is that this eliminates stakeholders from the basic design and prioritization of projects. This does not travel well with the official rhetoric that the MDC is supposed to foster participatory development. The analysis in this section suggests that the MDC project is reasonably 'inclusive' and open for big business and central government institutions and (capable and resource-rich) actors in the national departments, the DBSA, the IDC, Investment South Africa, the CSIR and so forth, but that it is exclusionary in regard to (weaker) actors and people outside this inner core of the network. The purpose of this closed and largely undemocratic network is to implement gigantic investment projects and to deal with a few dozen 'big' investors rather than large groups of dispossessed people at the local level. Local participation is equally badly served by the provincial government: 'Mpumalanga's economic affairs department agrees that the small man [*sic*] has not always featured significantly in the Maputo Corridor planning' (*Mail and Guardian*, 15 June 1998).

Under present circumstances there is no convincing evidence that the state will be able to build a participatory and people-centred development in the corridor, which works hand in hand with civil actors. The role of the state is simply reduced to facilitating private, commercially viable investment projects and not much else. For instance, the then Deputy Director-General responsible for the SDI process at the DTI asserts that 'SDIs are a proven means of giving government more job-creating bang for its very limited bucks [and the strategy] is too important … to be derailed by vested interests and narrow agendas' (*Mail and Guardian,* 7 November 1997). But it is all too easy to dismiss concerns expressed by local communities and civil society as that of 'vested interests'. Yet, in doing so bottom-up forces may be marginalized and ignored, which will only lead to problems in the future.

Some policy-makers recognize that the lack of local participation constitutes a serious deficiency of the MDC. In order to meet this challenge the Mpumalanga provincial government tried to develop a comprehensive communication strategy, together with an innovative community tracking system. Unfortunately this suddenly ended with the changes in the provincial leadership in Mpumalanga. The question of local participation is not just about democratic instinct. It also means that problems are created which sooner or later have to be dealt with.

It must be recognized that there have been many types of local protests against the MDC. These appear to be the result of the way the MDC project has been designed and implemented from the very beginning. The N4 Toll Road is one of the most contentious issues of local participation and for whom the corridor is actually constructed (Taylor, 2000; Ngwenya and Taylor, 2003). Many local residents are outraged that placing tolls on the N4 will separate them from their schools, jobs and the main shopping centres, for instance in Nelspruit. According to the local Federated Long and Local Distance Taxi Association, the 'organisation [was] not invited to any decision-making meetings about the toll gates' (*Mail and Guardian*, 15 June 1998). After a protracted dispute with the operators of the toll route, concessions were granted to local residents, who now pay reduced rates for using the N4. The toll fee transforms the N4 from a genuine public good, to a private or at least quasi-public road (i.e. a club good). It is also remarkable that the prices seem to have been imposed upon locals (arbitrarily) by private and commercial concerns, with little regard for the social (and collective) implications of such financial impositions.

This argument is confirmed by the CEO of the MII, who argued for deeper societal cost/benefit analysis of the toll road, and that the tolls seem to create social dilemmas because they do not deliver a public good and have the result that the secondary roads are ruined instead.[20] Another example is that the rural local women were chased off the N4 for trying to sell fruit (which they have done for decades). There has been minimal consultation with local communities over such issues and only really enacted when affected local inhabitants complain, leading to the MDC's 'democratic deficit'.[21] As Mozal's chairman, Rob Barbour, correctly points out, fundamental questions need to be asked vis-à-vis the ownership of the micro-region (*Business Day*, 4 October 1999).

Conclusion

The MDC is the most high profile of the SDIs in Southern Africa and in the media and in official rhetoric it is claimed to be a major 'success'. There is little doubt that micro-regions and SDIs will increase in number and scope in Southern Africa. A few of these have been or are in the process of being implemented while others are merely potential. A host of different countries, institutions and actors are promoting the construction of SDIs and development corridors, which means that they are likely to increase in importance. For instance, the South African government promotes regional SDIs throughout the SADC region through its regional SDI support programme hosted by the DBSA. The official policy is to transfer the lessons learned and the skills gained during the execution of the SDIs in South Africa. In fact, many high-level politicians in South Africa, including Nelson Mandela and Thabo Mbeki, have repeatedly stated that the SDIs in Southern Africa form part of the vision of 'the African Renaissance' and the NEPAD. The South African government has also put other policies in place in order to promote the development of the broader region. For instance, the mandate of the DBSA has recently been extended to cover the whole SADC region, and this institution is now involved in several of the regional SDIs. Other important institutions, such as the IDC and the CSIR, are also participating in the regional SDI processes.

The SADC Secretariat has tried to be involved in the promotion of SDIs and development corridors in the region. In fact, SADC has declared that SDIs, transport and development corridors have 'always' been the 'SADC way'.[22] However, SADC's actual involvement in the

MDC has been rather muted and has not impacted to any significant degree, especially not in South Africa. The MDC's management has been deliberately kept at a bilateral level because of the differences in opinion vis-à-vis SADC as an organization. At least the South African promoters of the MDC had a very sceptical attitude towards SADC and feared that the MDC project would be disrupted or even 'hijacked' by any SADC involvement.

This chapter has tried to reveal by whom, for whom and for what purpose the MDC is constructed and designed. It has concentrated particularly on the governance mechanism and development policies, and assessed these with regard to the consequences and impacts on emancipation and the patterns of inclusion and exclusion.

The MDC as a governance structure is loosely organized and draws together select capacities and policy-makers in a flexible network structure. This kind of network structure is particularly interesting in light of the fact that while conventional states-driven regional ventures have been cumbersome and rigid, the MDC as a governance mechanism involves a more limited number of partners and is more flexible, thus offering greater scope for experimentation and speed in changing operations. There are certain strengths of the network structure, such as for instance that it can ensure a quick and flexible planning and decision-making process, and enhances interdepartmental coordination and so-called cooperative government. Having said this, the fluid and loosely organized network structure is primarily working for those already involved in the network and not for those on the outside. Another consequence of the network structure is unclear management responsibility. Involved actors testify that there is a need for a more structured 'organization' that can take responsibility for the process, and provide a legal and regulatory framework. These problems are exacerbated by the weak bureaucratic and institutional realities in the participating countries. In order to function the network structure requires that the institutions and capacities are strong, capable and competent, which was not the case in Mpumalanga and Mozambique, and to some extent not on the central national level in South Africa either.

Exclusion is also reinforced by the extreme emphasis on speed in the decision-making process. Speed is in itself not problematic. In view of the fact that many large-scale projects tend to stagnate, fast-tracking is positive in the sense that it maintains momentum and provides stakeholders with a link between input and outcome. However, the hurried speed unfortunately became problematic due to the institutional limitations

and political realities in participating countries. Instead of a multiplier effect and a kick-start, the extremely quick implementation resulted in poorly designed policies, with few local links and disentangled from the realities on the ground.

In spite of the problems, some momentum is maintained by the very strong political commitment from the highest political level. The political champions are undoubtedly important players in the MDC project. There are strong reasons to believe that they should also be key components of any type of regional SDI around Southern Africa and beyond. Nevertheless, political champions are not enough for the build-up of comprehensive and broadly based regional cooperation. Another limitation is that political champions in fact make the cooperation process vulnerable at the same time, and to some extent even becomes dependent on the mood and temper of the political champions involved. In fact, as revealed by the crisis occurring as a result of the new premier in Mpumalanga, a weak champion may in fact ruin the whole cooperation as well as the implementation process.

The national–provincial relation constitutes a weak link in the MDC. The cooperation started out quite well, but gradually the MDC project was centralized rather than decentralized. The case of the MDC suggests that a top-down and centralized strategy can work on the central government level, but it tends to be ineffective on the ground as well as be met with local resistance. There needs to be a sound balance between centralized and decentralized policy-making, which allows a certain degree of provincial and local participation at earlier stages in the process. This would also imply making institution- and capacity-building an integral part of the SDI from the outset. Some people, such as Dave Arkwright, wanted to emphasize and ensure capacity-building, but it was not an important feature of the project, and for a variety of reasons any such attempts withered away. Centrally placed policy-makers had a rather naive understanding of how to build policies from the top. They were under the false illusion that the provincial and local actors would suddenly have the capacity, commitment and interest to carry out an MDC programme that only they have been involved in during the very last stages of implementation – i.e. when the 'exit phase' was supposed to begin.

The MDC is characterized by a contradiction in what the project is really all about. This is obviously a weakness and undermines the credibility of the project as well as the role of the state more generally. The development impact and institutional effectiveness are

obviously compromised when stakeholders and not even key policy-makers within the MDC manage to agree on the aims, methodologies and strategies. In this regard, the MDC provides a negative example for other SDIs and development corridors in Southern Africa. In official rhetoric the MDC is held to be a development corridor, while in practice it is nothing but a gigantic investment and market guidance initiative. The really existing MDC is based on the notion to crowd in private capital and facilitate 'bankable' and private investments. But it is rather naive to assume that this will contribute to substantial job creation, participatory and environmentally sustainable development. In fact, there is no persuasive theoretical and empirical evidence backing up such automatic and big-bang spread effects under conditions such as those found in Mpumalanga and Mozambique. And some observers argue that it is a dangerous and detrimental economic policy in contexts such as Mozambique.

The type of development paradigm is closely linked to the lack of local participation and inclusion in the development process. Although the MDC is surrounded by the rhetoric of people-centred development, in reality the main concern is infrastructural development through PPPs and the encouragement of private 'mega-projects', and little else. This results in jobless growth and an emphasis on foreign exchange earnings through global exports. In the case of the MDC this ideology is taken one step further, and the role of the state and public governance is simply to boost new bankable and commercially viable investment projects, often of gigantic proportions, such as the Mozal aluminium smelter, the Maputo Iron and Steel project and so forth. In this process the state is reduced to an investment promotion agency, with a reduced role for the facilitation of development in a broader sense.

There is thus a very important role that the South African and Mozambican states are failing to play; namely, a stabilizing function or selective intervention in order to guide and harness the market to promote local, regional and national developmental goals. Such a developmental state should mediate for a true 'partnership' with capital that would provide the means for the MDC to serve the broader interests of its people, rather than privileging big private investors and transnational capital.

A reactivated role for the state, in tandem with popular interests, needs to engage with the MDC process, rather than allow capital an overly privileged role. It is not enough to predicate the micro-region simply around 'growth' and hope that empowerment and participation

will occur. Only if this fundamental problem is concretely addressed can the impulses currently animating the micro-region be deployed in the service of those who most need them. Whether this is possible in an epoch where neoliberalism is currently hegemonic and where the role of the state is viewed with intense suspicion is open to question.

9
Conclusion

This volume has dealt with recent regionalization processes in Southern Africa. It has had two mutually reinforcing aims, one theoretical and one empirical. The theoretical aim has been to revise the NRA, and transform it from a rather explorative and loosely structured approach to a more consolidated theoretical construct. The empirical puzzle has been to analyse the political economy of regionalism in Southern Africa in the post-apartheid, post-Cold War era, with a particular focus on by whom, for whom and for what purpose various forms of regionalism occur and how these are connected.

The study starts out with two theoretical chapters. The first reviews the theoretical landscape (Chapter 2), whereas the second is an attempt to develop and revise the NRA (Chapter 3). The theoretical review underlines that the rationalist schools of regionalism – neorealism, liberal institutionalism and market integration – contribute to explaining the phenomenon of regionalism. Notwithstanding their strengths, these schools of thought can be challenged on a number of counts. One key criticism is that their rationalist and positivistic foundation makes them overly concerned with the methodology of regionalism rather than with a genuine concern with the socio-economic circumstances and historical context of regionalism. Furthermore, their core ontological, theoretical and conceptual assumptions and postulates – such as the notion of unitary states, aggregated national economies, the role of power politics, the regulating influence of regional organizations, and the emphasis on trade and economic growth – derive mainly from experiences of regionalism in the North, especially in Europe. These weaknesses appear to be the reasons why the rationalist approaches have so little substantial to say about the political economy of regionalism in Southern Africa.

The reflectivist approaches – the world order approach (WOA), the new regionalism approach (NRA) and the new regionalisms approach/weave-world – draw attention to a radically different 'world of regionalism'. These approaches unpack and problematize the state–society complex and consider the multidimensionality and heterogeneity of regionalism. In addition they are not biased in favour of the North and are therefore better suited to analyse current regionalism in the South. However, although these reflectivist approaches should be saluted, this volume makes the argument that there is a need for further theorizing. Basically it means to make some revisions and address some of the silences in the previous frameworks in order to better deal with the agency and socially constructed nature of regionalization.

Four theoretical components are emphasized in the effort to build a revised NRA: (i) a clarification of the meta-theoretical point of departure; (ii) an emphasis on constructivism and the processes of regionalization in order to safeguard against an exaggeration of structuralism and systemic forces; (iii) a nuancing of 'space' in order to understand the constructed nature of social space and the linkages between different spatial levels; and finally (iv) acknowledging the multitude of regionalizing actors and the fact that they often come together in various partnerships and networks.

Following an analysis of the historical construction of 'Southern Africa' (Chapter 4), the volume contains four empirical chapters. Chapter 5 deals with the current political economy of regionalism in a broad sense, focusing on the agencies of state, market and external actors, and the way these actors are grouped or interact with one another. Chapter 6 analyses civil society regionalism and the relationships between society and state actors at different levels. The other two empirical chapters focus on the way regionalism is manifested with regard to shared river basins in the case of the Zambezi (Chapter 7) and micro-regionalism in the case of the Maputo Development Corridor (Chapter 8).

The remainder of this concluding chapter synthesizes the main theoretical and empirical results of the study. It is structured in four sections. The next section draws conclusions on who are the regionalizing actors, the region-builders so to speak, and the way they are grouped in a variety of networks and 'partnerships'. The second section discusses the assumption of reflective actors and the underlying basis of interest formation. The third rather comprehensive section sums up the study with regard to key questions by whom, for whom and for what purpose various types of regionalism emerge. The main result is that an array of state, market, civil society and external actors are involved in a

series of overlapping, contradictory and sometimes competing forms of regionalism. Often ruling political elites and 'big business' actors form partnerships in order to take advantage of economic globalization, reinforce privatization and liberalization, but also to boost narrow regime interests or satisfy other types of group-specific and even personal interests. Many of these networks and partnerships are supported and promoted by donor agencies and foreign powers in the North. The fundamental problem is that only rarely do these forms of regionalism contribute to the poor and disadvantaged, who instead opt out and survive through informal economic regionalism, or try to resist and transform the top-down approaches through civil society-based regionalism. The chapter rounds up with a discussion of to what extent it is relevant to speak of Southern Africa as a region.

Regionalizing actors: partnerships, networks and mixed-actor coalitions

The NRA does not dispute that 'states' have been and in several respects also continue to be important actors of regionalism. In fact, state actors can dominate regionalism. As an example, from independence and until the early 1990s, the so-called 'states' were the dominant actors in the definition and construction of the Zambezi river basin. During this period the Zambezi river basin is best understood as a 'state construct', made and unmade by competing state elites. It is also evident that 'states' dominate many intergovernmental regional organizations in Southern Africa. There are instances where states-led regionalism can promote either broader national interests (realism) or satisfy functional needs (liberalism). However, this volume demonstrates that the 'state' cannot be taken for granted, and all too often it is much less than what it pretends to be. The so-called 'national interest' is often simply a group-specific interest, and can even represent the personal interest of personal rulers and rent-seeking and patrimonial regimes. As a consequence the (unitary) 'state' has to be 'unpacked' and problematized. In fact, the political leaders are quite effective in boosting the status and image of their regimes (and 'their' states) through using intergovernmental regional organizations, such as the SADC and the COMESA. Such regime-boosting can also be combined with shadow regionalism in order to satisfy patronage and private accumulation (see more below).

'States' are not the only 'units' or actors of regionalism. Apart from the fact that provincial and local 'state' actors have become regionalizing

actors in their own right (as exemplified in the case of the MDC), non-state actors are also important regionalizing actors. Various types of market, society and external actors – formal and informal, big and small – have a much more important impact on the political economy of regionalism than commonly anticipated in mainstream thinking, which often tends to be overly state-centric.

A 'regionalizing actor' needs to be understood in a broad sense. It may refer to comprehensive collectivities (such as states, markets, civil societies and external actors), but also to more limited networks and partnerships, or even individual actors, for instance cross-border traders, 'survivors', political leaders or 'plunderers'. An actor is 'regional' when s/he takes part – consciously or unconsciously – in activities on a regionally defined arena. However, activities on different 'levels' may be causally related to each another. For instance, regionalism can occur in order to reinforce or make globalization more effective (e.g. market integration, SDIs, open regionalism), as well as to escape, regulate, prevent or resist it (e.g. informal economic regionalism, counter-hegemonic civil society regionalism, regime-boosting, shadow regionalism). But there are also many other types of regionalism. The point is that most actors operate almost always on more than one level and through a multitude of strategies. Mittelman (1999: 25) is correct in that 'any imputed conflict between regionalism and globalization is more theoretical than real, for political and economic units are fully capable of walking on two legs'.

This volume has tried to reveal that even though it is both possible and fruitful to distinguish between various types of actors – i.e. states, markets, civil societies and external actors – they are seldom acting in autonomous and distinct spheres. Instead, actors tend to come together in mixed-actor collectivities, partnerships, networks and modes of regional governance. Recognizing such networks and mixed-actor coalitions makes it possible to understand more about how actors are related to one another as well as the patterns of inclusion and exclusion. One result of this study is that inclusion and exclusion cut across conventional 'actor status'.

There are many different types of regional networks and mixed-actor coalitions in Southern Africa. For instance, the project of market integration is constructed first and foremost by governments together with the IFIs and the ('big') donors, such as the EU and USA. Influential and big business actors, especially from South Africa, also join this coalition. Although big businesses are not always very excited about policy-led regionalism, they are forming more informal and flexible 'partnerships'

with the South African government and the hosting governments of the countries where they conduct their business. It needs to be noted that the IFIs and certain foreign powers promote these business partnerships as well, because South African market actors are seen as 'the last hope for the continent'. The fundamental problem with all these networks and partnerships is that they are exclusive and have little concern with the poor, inclusion and empowerment.

The close relationships between ruling political elites, big business and the big donors are manifested on a micro-regional level as well. The case study of the MDC shows that this project is governed by a small network, consisting of national and provincial institutions and parastatals, some financial institutions and foreign powers together with private business and consultants. This network is designed first and foremost in order to build public–private partnerships (PPPs) and informal partnerships with private investors, mainly from South Africa and from further abroad, rather than to relate to people living in the corridor area.

'Informal economic regionalism' consists of myriads of small and private businesses, traders, migrants, refugees, and a mosaic of ethnic business and family trading networks, etc. Although these informal economic actors are more or less ignored in the rationalist schools of thought, they are by no means irrelevant for the political economy of regionalism. On the contrary, informal economic regionalism is intimately connected to politics and formal regionalism in a variety of complex ways. Whereas informal economic regionalism may consist of genuinely non-state actors, the study also draws attention to a hybrid form, referred to as shadow regionalism. By definition shadow regionalism is carried out by mixed-actor coalitions, whereby politicians and government officials are actively involved in informal and irregular market activities. The regime actors use their power positions within the state apparatus in order to erect a complex mode of regionalism characterized by informality and driven by rent-seeking and personal self-interest.

Moving focus to the third type of actor in the quadrangle of actors (civil society actors), this study shows that civil society regionalism is extremely heterogeneous. As a result it is difficult to uphold a clear distinction between civil society and other types of actors. Sometimes civil society regionalism emerges in order to influence the state or take over state functions. At other times there is a very blurred line towards private business. Some people use the label of NGO to run what in reality is more of a private business or 'My Own NGO'. There is also a

close relationship between civil society actors and the donors, especially the external NGOs. In fact, there are few instances where civil society regionalism in Southern Africa would exist without external support and financial resources. This creates a very special relationship and mutual dependence between local civil society actors and funding agencies in the North.

Too often, external actors are neglected in the analysis of regionalism. This volume emphasizes the crucial importance of external actors, such as the IFIs, foreign powers and aid agencies as well as external NGOs, in the process of regionalization in Southern Africa. In fact, state donor agencies and external NGOs influence most types of regionalism analysed in this study, such as market integration and open regionalism, micro-regionalism, river basin management, electric power generation, business-driven regionalism and not least civil society regionalism. This seems to be explained by the fact that we are living in an era of 'partnerships', which donors form with governments, private markets as well as civil societies.

Reflective actors

One central issue in the debate between rationalists, constructivists and reflectivists concerns the underlying basis of agency (i.e. actors doing things) and how actors' interests are formed. Reflectivists and constructivists emphasize that interests are neither fixed nor exogenously given. The reflectivist–constructivist stance is that interest formation should neither be separated from ideas, identities, the process of interaction, nor from contextual conditions. This, in turn, implies that a region is seen as a social construct and that 'regionalism is what regional actors make of it', to paraphrase Wendt.

This volume shows the importance of reflectivist variables in the political economy of regionalism in Southern Africa, albeit with different degrees in different cases. Skin colour and the anticipated belonging to a particular race have been an integral part of the way Southern Africa has been constructed as a region ever since the arrival of the Europeans. During the early colonial era Africa was seen as a space filled with savages and potential slaves. Colonialists were subjects and the natives were objects, who could legally be exploited. Needless to say, the colonialists' motive for economic profit should not be neglected, but this interest was deeply intertwined with their effort to disseminate Western values and 'civilization'. In this way the material interests and the self-images of the colonizers cannot be separated.

For the last few hundred years, but particularly since the creation of apartheid, the white oppressors have created a regional system of war, hostility and exploitation on the basis of skin colour and identity. Images of the self have been like a glue, unifying the whites on the one hand and the non-whites on the other. With regard to white groups, it would be misleading to try to explain the regionalism that emerged between various colonies separately from skin colour and lived identities. The formation of the Union of South Africa is one example. Likewise, the Federation of Rhodesia and Nyasaland was a genuinely colonial project in which all non-whites were excluded from decision-making. The cooperation between apartheid South Africa, Rhodesia and the Portuguese colonial regime is another case in point.

As far as the opposing coalition is concerned, the anti-apartheid struggle 'brought in' both Tanzania and Angola to 'Southern Africa'. In spite of limited economic and material relationships with Southern Africa, these two countries became key role-players in the anti-apartheid and liberation struggle, particularly within the FLS framework. Southern Africa became defined through the political struggle over apartheid rather than through its material base. Subsequently the FLS gave rise to the creation of the SADCC, and the political and cognitive components continued to grow strong. With reference to the SADCC, Carol Thompson claims that 'the regional formation was "cognitive" from the very beginning with its practice preceding theories of "new regionalism" ' (Thompson, 2000: 46). Moreover, according to the SADCC's former executive secretary, Simba Makoni, one of its most important characteristics was that the national political elites began to 'think SADCC'. In today's SADC this common 'thinking' has been taken one step further and the idea is to construct (and belong to) a 'development community'. Although the contents of this community and what separates members from non-members are most unclear, it is a specific region-building project, to a large extent built on subjective and cognitive components (cf. Anderson, 1991; Neumann, 1999).

Related reflectivist variables, such as ideas and discursive power, are also crucial ingredients in the making and unmaking of Southern Africa. It is a fact that the ruling political and economic elites eagerly promote open regionalism in Southern Africa as 'the only way forward', almost as if it is believed to be a 'natural law'. They do so in spite of the fact that the economic and social consequences of such regionalism are deeply contested, at least in civil societies and the academic research field. The argument put forward in this volume is that the intensification of open and market-oriented regionalism cannot be understood separately from

the prevailing hegemonic discourse of neoliberalism. In fact, much of the strength and perceived 'legitimacy' of open regionalism stems from its close association with the broader neoliberal discourse.

Regional actors are also trying to use the discursive power and positive images built into other similar concepts. One such example is that political leaders in SADC have started to refer to themselves as the 'lions of Africa', thereby trying to build on the positive images of the so-called 'tiger economies in East Asia'. Thabo Mbeki is a major image-booster in this regard. The images built into the concept of 'emerging market' are a closely related example. South Africa is frequently referred to as an 'emerging market'. Here it is evident that the smaller countries seek to tie themselves firmly to the size and appeal of South Africa. In so doing they seek to create an image of Southern Africa as a 'emerging regional market' built around the perceived attractiveness of South Africa. South African business actors are of course eager to promote this image. But major players in the donor community also buy into this image, suggesting that they lack the reflective capacity to understand by whom, for whom and for what purpose the hegemonic discourse is created and maintained.

Similar image-boosting prevails on the micro-regional level. It is quite astonishing how rapidly SDIs and development corridors have become such a widespread and influential feature of Southern Africa. The analysis in Chapter 8 shows that the material dimension of the MDC is deeply intertwined with discursive and ideational variables. The region-builders behind the MDC have been able to create a lot of positive images of the MDC, *inter alia* by making associations with the South-East Asian growth 'model' and simply labelling it a 'development corridor'. The fact of the matter is that there exists no evidence that the implementation of capital-intensive mega-projects, which is the cornerstone of the MDC, has a positive impact on 'development'. In fact, the leading government officials behind the MDC state that it is not about development at all, but about 'bankable' investment projects. The MDC is created by a small number of political and economic entrepreneurs and policy-makers grouped together in a particular epistemic community. These entrepreneurs have rather successfully managed to create an image that the involved governments/provinces are fostering development, economic growth and regional economic integration, while in reality the main thrust of the MDC is to facilitate private mega-projects and a privatization of the state. In this sense the 'development' component of the MDC is a social and cognitive and not only a material construction.

Ideas and identities are also crucial for external actors. For instance, the World Bank has recently become much more positive towards economic regionalism, which is due to the fact that it is now seen as a means (rather than an obstacle) for the fulfilment of the imaginary 'global market'. Furthermore, the EU is in many ways the most important external promoter of regionalism in Southern Africa, and its regional ideology is more articulate than any other external actor, perhaps even most regional actors. The EU's regional strategy is intimately tied to its self-image as the world champion of regionalism. In its own eyes the EU is 'the most advanced regional integration project in the world', which provides both the legitimacy and the moral obligation to transfer its experience to the rest of the world.

Moving on, the emergence of civil society regionalism in Southern Africa is also intimately tied to shared as well as competing meanings, identities and ideas. For instance, the protesters in the SAPSN conceive themselves as part of a worldwide movement, an 'imagined community', of resisters and anti-globalizers. But even though the SAPSN ties into a global social movement, it has a specific regional character, which should not be underestimated. It is no coincidence that the SAPSN organize on a regional level, and the network is deeply engaged in a political and discursive battle not only over the content of globalization but also over 'Southern Africa' and development. In this way, the apartheid vs anti-apartheid struggle has been replaced by a struggle between the promoters of economic globalization/open regionalism vs anti-globalization/development regionalism.

Ideas and identities can also be traced down to individual regional actors. For instance, one NGO representative explained that before their meeting, participants had no common understanding what they could and should cooperate about. Rationalists may try to explain this as individual preferences that have not yet been formed or that there is nothing to cooperate about. However, the NRA has a different explanation. It shows that actors' identities and interests are tightly related and that both can change through the process of interaction. As one civil society actor engaged in regional cooperation put it: 'I think we have "adjusted" to our partners. … We have a better understanding of the region today … I have changed, I have now a sense of being involved in the region … and [I am] more aware of the region.'[1] This reveals how an actor's preferences change during the process of interaction, implying a relational ontology rather than the atomistic universe of rationalist theory. According to such a reflectivist/constructivist position, it would not even be enough to speak of 'iterated games' used in

rationalist theory, because the actor himself has changed (through interaction), which is the reason why his/her interests have changed.

Regionalism – by whom, for whom and for what purpose?

This section draws conclusions on the key questions raised in the study: by whom, for whom and for what purpose various forms of regionalism occur, and their relationships. In contrast to the 'failure' and weakness of regionalism in Southern Africa emphasized by many rationalist scholars, this volume makes the argument that regionalization is used for the achievement of a wide range of different goals – private as well as public – which can be compatible and mutually reinforcing but also competitive and contradictory. Many powerful actors are able to regionalize and de-regionalize in order to achieve their group-specific or even personal goals. It is therefore important to pinpoint who regionalism is for and what are the consequences for human development.

Four partly overlapping and partly contradictory regionalisms are highlighted, namely: (i) regionalism for privatization, public–private partnerships and 'the market'; (ii) regionalism for regime-boosting and regime survival; (iii) regionalism for survival, private gain and plunder; (iv) regionalism for civil society.

Regionalism for privatization, public–private partnerships and 'the market'

Even if a diminishing group of theorists and policy-makers advocate a revitalization of 'old' state-dominated and inward-oriented regionalism, there has been a shift in regionalist visions and ideas in Southern Africa during the last decade. The great majority of current regionalist schemes conform to neoliberalism and the structural adjustment paradigm, as captured by concepts such as open regionalism and adjustment-adapted market integration. From this point of view, there is little contradiction in the great number of coexisting regional trading and economic integration schemes – such as NEPAD, AU, CBI/RIFF, COMESA, SACU, SADC, SDIs – as long as they contribute to the same overall goal of liberalization, reduced protectionism, state restructuring and the 'lock-in' of such reforms.

Many forms of present-day policy-led forms of regionalisms, on the macro-level as well as the meso- and micro-levels, conform to neoliberal ideology and policy, according to which 'too much government' is considered a systemic fault. In this line of thinking, the state is needed

first and foremost in order to ensure an enabling environment for the private, rather than to intervene in the economy and provide public goods in demand. In other words, the public has been subsumed under the private.

Until the early 1990s the Zambezi river basin was to a large extent organized as a state construct. Today there are strong patterns of transformation according to market principles. There is a general emphasis on privatization, state deregulation and the private sector as the engine of growth and provider of key services, mining, agriculture and energy. Although the previous system, built on competing national elite interests, is not much to lament, there is nothing 'natural' about replacing politics and the state with economics and the market. It creates new power relations and patterns of inclusion and exclusion.

The MDC is particularly outspoken in the promotion of a market-oriented strategy, even a neoliberal approach. The MDC is built on the view that when the state has difficulty raising funds for investment in infrastructure (i.e. previously considered a core state function), the new solution is to privatize the state and its functions, through outright privatization or various kinds of public–private partnerships (PPPs). Within the MDC the most comprehensive PPPs are the Witbank–Maputo N4 Toll Road, the Ressano Garcia/Nkomati border post and the Maputo port. This means that today private and commercial actors are both building, operating as well as (co)financing many of the infrastructural projects in the region, strictly on a commercial basis. In accepting this neoliberal ideology, the state becomes the disciplining spokesman of global economic forces – a 'transmission belt for transnational capital' in Coxian terminology – rather than the protector against these forces, which is the classical task of nation-building and public governance. In the case of the MDC it is showed how the 'state' degenerates into a gigantic 'investment promotion agency'. This can perhaps be seen as the 'next' step in the project to reconfigure Southern Africa along neoliberal principles.

One example of this is that one of the primary motives of the MDC was to 'show to the world' that Mozambique could handle gigantic initiatives, such as the Mozal, whereas human development was only of secondary importance. In a similar fashion, the privatization of the N4 Toll Road between Witbank and Maputo was packaged (or 'masked') as part of a broader growth project and without this façade the negative consequences for the poor would be much more evident.

This type of neoliberal regionalism is promoted by an informal but nevertheless strong coalition of political and economic elite interests,

led by President Mbeki's government and his private business partners, also drawing in (political) elites in the neighbouring countries. The external and 'global' dimension must not be neglected. Neoliberal regionalism and regional state–business partnerships are strongly supported by the IFIs, American and European donor agencies. The historical irony is that it resembles colonial capitalism with little or no direct concern for the people on the ground.

The rolling back of the state is obviously intended to give the private market agents a greater role in the economy and change the ownership base of the economy. In official rhetoric this strategy is assumed to serve the public interest. However, the resulting political economy is much less than what it pretends to be. Even the most energetic advocates of this discourse, such as the IMF and the World Bank, are starting to accept that trickle-down does not work in the absence of functioning political authority (and that economic agents have no egalitarian interest in serving the broader public interest). But what many proponents continue to neglect is the fact that the image of an 'open' and 'liberalized' market hides the real power relations and structural imbalances on this market. The resulting regionalism is therefore utterly 'thin' and exclusionist, constructed by powerful political elite and capitalist interests (from within as well as outside the region) with little concern for human development. Poverty reduction is reduced to economic growth, and development projects must be 'bankable' and 'profitable'. The public is needed mainly in order to ensure an enabling environment for the private. As a result this type of regionalism is unable to accommodate the interests of the poor, disadvantaged and unemployed, who lack any means to participate and much less so 'compete' on a global market (cf. Mittelman, 2000: 125). Thompson forcefully criticizes such neoliberal principles:

> For a region like Southern Africa, with its persistent and profound poverty, the state can put back on the agenda questions of income disparity and redistribution. To remove major economic decisions from democratic checks and balances increases inequity. Deciding what interest rate best controls the size of the money supply, whether inflation is demand-pull or cost-push or whether economies can afford free primary health care or a guaranteed minimum wage are not technical, econometric problems open to 'solution', as the SAPs would have us believe, but rather highly political choices which have to be made. (Thompson, 2000: 45)

Regionalism for regime-boosting and regime survival

It is a widespread belief in the research field that regional 'integration' requires a ceding of state sovereignty and national decision-making authority to supranational institutions, 'beyond the nation-state' to use the famous title of Ernst B. Haas's pioneering work (Haas, 1964). According to this view, the persistence of national sovereignty prevents effective regionalism/integration from taking place. In contrast, this study shows that sovereignty is not necessarily an obstacle to regionalism.

There are very few, if any, instances of a ceding of national decision-making authority and state sovereignty to supranational institutions in Southern Africa. The CMA/SACU can be seen as possible exceptions, but here policies are decided unilaterally by South Africa. Thus, there is no evidence that political leaders in Southern Africa are committed to any form of regionalism that erodes absolute and formal state sovereignty. Nevertheless, the intriguing fact is that political leaders, governments and regimes are using formal regionalization in order to promote rather than to reduce absolute and state sovereignty and legitimacy.

This type of regionalism represents a system of rule with the regime largely in control, assuming the privilege of intervention by reference to a value system focused on regime stability and national sovereignty. It is created and promoted by those actors pushing such an agenda, mainly political leaders and governments. It is based on a certain degree of formality in order to obtain legitimacy, or to make informal competitors (including political opposition) illegitimate. Sometimes it emerges as a direct response to market-oriented and neoliberal regionalism, since that may actually undermine both national sovereignty as well as a functioning government. The desirability of regime-boosting regionalism depends to a large extent on the interpretation of whether the involved regime is ruling for or against the people and the public interest (i.e. what sovereignty is used for).

There is some compatibility with realist and intergovernmentalist thought here. It is beyond dispute that some types of states-led regionalism exist in order to satisfy the national interests in a rather broad sense. Hydroelectric power generation in the Zambezi river basin is one important example, whereby regional cooperation contributed to the nation-building projects of several countries, first and foremost Zambia and Zimbabwe. There is also functional cooperation, for instance in transport and communication, within SADC that contributes to broader national interests. However, hand in hand with a process of structural adjustment, privatization and market liberalism, the scope and effectiveness of state-to-state regional cooperation have become

both more limited as well as ineffective. The NRA emphasizes that the nature of the state and the so-called national interest must be problematized rather than taken for granted. Especially since the 1990s the so-called 'state' is often much less than what it pretends to be, and at least in some countries the uses of sovereignty have become more detrimental. We are therefore experiencing increasing tendencies towards regime-boosting regionalism, which is both exclusivist and centralized, built on patronage and in some instances even resembling postmodern mafia syndicates. For instance, there are good reasons to remain sceptical of any type of regionalism that is supported and promoted by figures such as Robert Mugabe and other authoritarian and neopatrimonial regimes.

The study suggests that several ruling political regimes in Southern Africa engage in a diplomatic game, whereby they praise regionalism and sign cooperation treaties, in order to be perceived as promoters of the goals and values of regionalism. The underlying interest is to raise the profile and status of their authoritarian regimes. In fact, much of the regional decision-making, especially within regional organizations such as SADC, is highly formalized, and to some extent even ritualized. This social practice is then repeated and institutionalized at a large number of ministerial and summit meetings, which in reality involve no real debate and no wider consultation between or within member states (cf. Simon, 2003: 71). Thus, a rather controversial result of this volume is that political leaders use regionalization as an instrument to strengthen their domestic regimes and counteract crumbling state legitimacy. It is a deliberate strategy, enabling leaders to mask a poor human rights record and a general neglect of the poor. They may also use regime-boosting in order to satisfy their own private economic interests.

Regionalism for survival, private gain and plunder

This study draws attention to a vibrant informal economic regionalism in large parts of Southern Africa. Many of these forms of regionalization are survival strategies arising within a precarious context or as a consequence of political decisions and the failure of formal regionalism. The *mukhero* is one distinct survival strategy. It consists of a movement of people, mostly females, buying and transporting all types of goods, such as vegetables, fruits, clothes and small home appliances, between Mozambique, South Africa and Swaziland. Initially the *mukhero* was concentrated on agricultural products, but subsequently a large variety of other products have been incorporated. Sometimes the informal traders also end up building viable business enterprises.

In spite of the fact that there are many similar survival strategies in Southern Africa and beyond, all types of informal economic regionalism must not be romanticized. Since many of the informal market activities are built on the exploitation of boundary disparities, they do not necessarily promote a more productive economy and a broader public interest. Equally important, many of the networks controlling the activities are built on hierarchic patterns of power and inclusion/exclusion. In fact, informal economic regionalism is often tied to specific powerful groups and vested interests. As Andrea Goldstein (2002: 6) points out:

> While it is true that the level of interaction taking place outside of formal arrangements is much larger than that happening through formal trade links, such informality is often maintained in order to satisfy the special interests of specific groups that are able to take advantage of the bottlenecks imposed by weak policy and institutional structures. For such interest groups, a maintenance of the poor formal institutional arrangements has become a part of the status quo regardless of the fact that the broader economies suffer.

Here it needs to be stressed that rather than depicting it as a purely non-state phenomenon through which the poor are able to 'survive', the concept of shadow regionalism (or as Bach prefers, trans-state regionalism) adds important elements to the dynamics at work. Shadow regionalism draws attention to the fact that regime or 'state' actors are deeply entrenched in informal market activities with the purpose of promoting their (hidden) private and economic self-interests. The viability of shadow regionalism is dependent on states' lack of transparency, declining financial capacities and territorial control. It depends on the exploitation of boundary disparities, and also demands their preservation in order to prosper. In this sense the shadow networks depend on the failure of both the formal economy and formal regionalism.

This type of regionalism grows from below, and it is designed for personal accumulation and not in order to regulate regional interaction and formal regionalism. The profits involved are considerable. There is clearly a risk that attempts to restrict these activities only result in the 'entrepreneurs' moving further into more criminal ones, mainly associated with drugs, weaponry smuggling and other merchandise of war. As a consequence, shadow regionalism has, in certain respects, entered a new phase, whereby some networks are better understood as 'networks of plunder', profiting from war and chaos. In fact, the networks of

plunder can even be actively involved in the creation and promotion of war, conflict and destruction, as seen for instance in Angola, the DRC and Zimbabwe.

Regionalism for civil society

This volume shows that non-state actors in Southern Africa are neither powerless nor weak. There are growing numbers of important and influential civil society actors all over Southern Africa (and beyond), who are becoming increasingly sophisticated, powerful, skilled and organized. It is therefore necessary to transcend the current obsession with the 'national' sphere and national civil society, and recognize a considerably more complex and multifaceted transnational picture.

Cross-border regional networking among NGOs, civil society actors and social movements increases more in some sectors than in others, such as the environment and resource management, economic justice and debt networks, health and HIV/AIDS, media, democracy and human rights, trade unions, and regional research and education networks. With regard to the way these civil society actors are organized, there are both a wide range of 'regional NGOs' and more heterogeneous 'regional networks'. A great deal of these different types of organizations are interlinked, thereby forming networks of networks. The different organizational structures can be explained by the fact that more loosely defined and informal networks and forums are easy to construct during the early stages of cooperation, particularly since this does not place too heavy demands on participants. If and when participants agree on a common agenda and to strive towards a common goal, then the networks may become institutionalized and formal.

The study draws attention to the pluralism of civil society and NGO activities. There are many different explanations for their emergence. There is of course a pattern whereby civil society is becoming strengthened by way of regionalism and through 'learning'; sharing of information; collective advocacy and coalition-building; policy formulation and problem-solving; joint pooling of resources; capacity-building and so forth. However, there are many different reasons for the occurrence of linkages, and it is not automatically positive from a normative point of view.

In a situation in which the 'state' faces severe financial crisis, NGOs may replace the state and carry out functions previously carried out by the state. Sometimes this is done with the blessing of both governments and donor agencies. In this way civil society activities can be a substitute for public governance or government. This is, most likely, a

form of governance that has come to stay. But it is not simply a technical activity and can simply be a recycling of old elites. At the moment this type of civil society activity is more closely tied to the local and national levels compared to the regional level. But, for good and for worse, there is clearly a potential that it will also become more regional in the future, for instance in the management of river basins or in the SDIs and development corridors.

Many governments in Southern Africa support civil societies rhetorically, but not in deed. In fact, states regionalize in order to pool state legitimacy and help one another to resist civil society demands, both domestically and on the regional level. The answer from civil society is also to join forces and cooperate in order to pressurize their governments and international institutions. This can take the form of reformist claims and lobby actions, but also as counter-hegemonic resistance, whereby civil society actors seek to use regionalization as an instrument to change prevailing structures.

In this context it needs to be recognized that (state and non-state) donor agencies are actively promoting civil society regionalism. There is a certain, and at times rather demanding, donor pressure to regionalize. One problem with this is that it sometimes seems to draw away attention and resources from more pressing 'national' and 'local' issues on the ground. Another problem is that donor agencies, especially the state agencies, support competing forms of regionalism, through their support both to the political project of market integration and states-led regionalism as well as certain forms of counter-hegemonic resistance, in fields such as social and economic justice and human rights.

'Southern Africa' as a region?

The attempt to define regions has attracted significant attention in the study of regionalism. Too often, especially during the old regionalism, scholars tried to construct 'scientific' definitions of regions (cf. Cantori and Spiegel, 1970). The results are not compelling, however, and often scholars have ended up seeing a particular region as a limited number of states linked together in some relationship within a pre-given regional space (cf. Nye, 1971). In my view, too much research attention has been devoted to assessing whether a region 'exists' and/or what takes place within a particular pre-given regional space, often an interstate organization.

One of the primary weaknesses with such an approach is that there can be no uncontested regional boundary, which separates it from

other processes immediately across that boundary or further afield. Since regions are social constructions, there are no 'natural', 'organic' or 'given' regions, and no given regionalist interests either, but the interests and identities are shaped by a variety of state and non-state actors in the process of interaction and intersubjective understanding. To define a region is a political act as well as a social construction itself. Focusing on one particular regional boundary (or pre-given space) is of course legitimate, but this approach unduly underplays the heterogeneity and multidimensionality of the regionalization processes that construct regions in the first place. As a consequence, the NRA deliberately avoids choosing and defining in advance which regional boundary is believed to be the most important.

In the introduction I started out with an operational definition of Southern Africa as the 14 SADC member countries. But it needs to be repeated that this was mainly in order to have some point of reference. Other regional boundaries, within as well as beyond SADC, have not been ignored. In fact, the analysis has focused on the variety of regionalization processes (creating the region) rather than the boundaries as such.

In spite of the problems inherent in 'defining' Southern Africa, at the very end of the volume it appears relevant to draw some conclusions what there is to say about Southern Africa as a region. It follows from the above that as soon as one accepts that regions are socially constructed, such a statement has to be seen for what it is. The volume has demonstrated that Southern Africa is multidimensional and heterogeneous, constructed and reconstructed by various groups of state, market, society as well as external actors.

One way to proceed is to distinguish and relate the formal region to the informal ('real') region (Hettne, 1999, 2003; cf. Bøås *et al*., 1999a). The formal region is the formally organized region, defined most easily by the membership of the dominant formal regional organizations and inter-state frameworks. In order to assess the relevance, the substance and future potential of the formal region, it should be related to the informal region, which has to be defined in terms of more informal and less visible and less precise criteria. If and when the formal and the informal region converge, then the region consolidates into higher levels of 'regionness' (Hettne, 1999, 2003; Hettne and Söderbaum, 2000), thus resulting in the 'Southern Africanization of Southern Africa'.

As far as the formal region is concerned, during colonialism Southern Africa was seen as a more limited space than is the case today. Ever since the nineteenth century the minimalist definition of

Southern Africa has referred to South Africa and the neighbouring areas (i.e. the present-day SACU member states: South Africa plus Botswana, Lesotho, Namibia and Swaziland, BLNS). This undoubtedly continues to be a relevant focus and demarcation, and there are intense hub-and-spoke relationships between South Africa and the BLNS that distinguish this group from the 'rest' of Southern Africa. This subregion is distinguished both by deep levels of formal and policy-led regionalism as well as intense informal and substantive relationships – albeit according to an extremely asymmetric pattern.

Ever since the beginning of colonialism southern Mozambique has been closely integrated with South Africa in a hub-and-spoke relationship. Although labour migration was often forced and formalized, much of this relationship was and continues to be rather informal. The Limpopo river has provided a cognitive map, whereby southern Mozambique can been included in the inner 'layer' of Southern Africa – together with the BLNS.

Looking beyond the inner 'layer' of Southern Africa, in the mid-1970s the apartheid regime tried to create the CONSAS, an initiative designed to extend beyond the SACU boundaries. Although this project was never implemented, it indicated the expansion of 'Southern Africa'. The FLS emerged in the early 1970s in response to the apartheid regime's attempts to expand the formal region. The FLS was as a loose form of cooperation between Botswana, Tanzania and Zambia designed in order to fight apartheid and support the liberation struggles in Angola, Mozambique, Namibia and South Africa. The FLS lacked an organizational structure and depended on the personal relationships between heads of states. Nevertheless, to a significant extent it emerged as the representation of the formal and the cognitive region.

Soon after the independence of Zimbabwe, the SADCC was inaugurated by Angola, Botswana, Lesotho, Malawi, Mozambique, Tanzania, Swaziland, Zambia and Zimbabwe. Since then the SADCC/SADC members have been seen as a key representative of the formal region. This delimitation is a recent social construction, and it signals quickly changing boundaries hand in hand with new membership. Since the early 1990s this delimitation of the formal region has expanded beyond what realistically can be labelled 'Southern Africa'.

The SADC is likely to remain one of several representations of the formal region, but Southern Africa seems unlikely to consolidate along the current boundaries of the SADC. One reason is that the SADC's current list of members is somewhat contradictory and the formal

region is closely intertwined with Central and East Africa and the Indian Ocean. At present the SADC does not necessarily dominate over other major inter-state frameworks, such as COMESA, EAC, CBI/RIFF and so forth. Undoubtedly the SADC was boosted when South Africa became a member of the SADC but not of COMESA. However, after some rivalry between the two organizations, there is no evidence that one will become dominant and their coexistence is likely to continue. By the same token, the CBI/RIFF is connecting East Africa, Southern Africa and the Indian Ocean Rim countries. The fact that South Africa is an observer at CBI/RIFF – and may become a full member – does not make it easier for those who want to detect clearly demarcated regional boundaries.

It should thus be recognized that the formal region is (becoming increasingly) multidimensional and pluralistic. Beyond all the major inter-state frameworks, such as the SADC and COMESA and so forth, there are a significant number of other more specific formal ventures. For instance, there are 15 river basins in Southern Africa and there is a process in the making whereby these are becoming formalized and institutionalized. Similarly, there are a whole series of SDIs and development corridors in the making as well. These are high-profile initiatives, carrying a lot of symbolic value. They can certainly be formal shields or transmission belts for transnational capital, but there is also a possibility that they can be (re)shaped in order to have a more lasting and positive influence.

What this boils down to is that there is weak correspondence between the formal region and the social practices of the informal region. The informal region is dense, but organized along different patterns and boundaries compared to the formal region. As a matter of fact, in important ways the formal and the informal region are competing and contradictory. The implication is that Southern Africa is not consolidating along a single and homogeneous pattern. It is rather that the formal and informal region are moving in different directions or transcending each other's boundaries. The MDC is a good example. There is an uneasy relationship between the formal and the informal micro-corridor. At least to some extent the formal micro-region (i.e. the MDC) is actually designed to counteract and prevent the informal micro-region (i.e. migrants, informal labour, 'illegal aliens', the *mukhero* and informal trade).

Another example is the case of shadow regionalism. At the moment these shadow activities are mainly happening between SACU and non-SACU countries, or for resisting existing trade liberalization schemes.

In the case where the border differences within the SADC were smoothed out, then there would be fewer opportunities to exploit these disparities, which means that shadow activities will move to the boundaries where such disparities prevail, potentially between SADC vs non-SADC countries. But it has also been disclosed that hand in hand with increased market integration and market liberalization, shadow regionalism takes on more detrimental qualities, thereby getting involved in the political economy of violence. Shadow regionalism and networks of plunder are destabilizing and thus contribute to turbulence and violence.

The volume has demonstrated the intensity and comprehensiveness of the informal Southern African region. Many of the informal economic processes transcend formal policy frameworks and the formal boundaries of Southern Africa. For instance, the South African business expansion is not confined to 'Southern Africa' as the formal political project, but also takes place in Kenya and Uganda and several Central and West African countries (and beyond). Apart from the fact that there is a special historic presence in the BLNS countries, South African businesses do not appear to have a strong ideological vision confined to Southern Africa as such, and by no means to the SADC. The loosely structured NEPAD is more suitable for big business.

Informal traders and survivors are, of course, not always driven by a clearly defined regionalism ideology. But they can nevertheless be 'unconscious' regionalizing actors. Some of these actors are tied to particular border crossings and some of the individual actors may operate on a strictly bilateral basis. However, together they often form a pattern that should be understood in a regional sense rather than simply as a series of isolated cross-border trading operations. For instance, in southern Mozambique the *mukhero* is not simply a bilateral phenomenon, but rather a trilateral relationship between Mozambique, Swaziland and South Africa (and to some extent it involves Zimbabwean traders). Furthermore, the Zimbabwean women traders from Masvingo operate within a triangle between Harare, Gaborone and northern South Africa, thereby giving substance to regionalization (i.e. the construction of Southern Africa in a real or informal sense).

The understandings of Southern Africa among civil society actors seldom correspond to the boundaries of the SADC. They often have a reasonably articulated regional vision, but their visions and activities often extend beyond the SADC, into East Africa or Africa in a broader sense. Many civil society actors 'do their own thing' and do not always

try to influence the making of the formal region. However, through institution-building and the deepening of their activities they are by themselves contributing to the formalization of the region. Furthermore, some civil society actors seek to influence the SADC framework, and the formal region, whereas other civil society actors argue that they may relate to the formal regional arrangements, if and when it is necessary or becomes relevant.

Summing up, Southern Africa is by no means a homogeneous region. Its boundaries are neither natural nor given, but blurred, penetrated and contested. The layeredness and multidimensionality of Southern Africa are likely to persist, and may eventually increase. In essence, 'Southern Africa' is in the making, continuously being constructed, penetrated and reconstructed.

Notes

2 Reviewing the Theoretical Landscape

1. This chapter draws on my chapter in Nicola Phillips (ed.) *Globalising Political Economy*, Basingstoke: Palgrave Macmillan (in press) (Söderbaum, 2004).
2. For other theoretical overviews and volumes, see Hurrell (1995), Hettne *et al.* (1999a), Hout (1999), Laursen (2003) and Söderbaum and Shaw (2003).
3. Aspects of trade creation and trade diversion both result from the removal of trade barriers between members, and both increase trade within the union. The two terms refer to gain and loss effects respectively. Trade creation refers to a replacement of high-cost domestic production by low-cost products from another member, while trade diversion represents a union-induced shift in the source of imports from lower-cost external sources to higher-cost partner sources. There is both a consumer and a production effect.
4. The WOA is developed by scholars associated with the Political Economy Research Centre (PERC) at the University of Sheffield; see Gamble and Payne (1996a, 2003), Hook and Kearns (1999), Breslin and Hook (2002), Grugel and Payne (2000). Also cf. Grugel and Hout (1999). It was Hout (1999) who first referred to it as 'the world order approach'.
5. The NRA was first developed within the UNU/WIDER research project on *The New Regionalism*, under the leadership of Björn Hettne; see Hettne and Inotai (1994), Hettne *et al.* (1999a, 2000a, b, c, 2001). Since then the NRA has also been applied and developed, for instance, by Hettne and Söderbaum (1998a, 2000), Hettne (1999), MacLean (1999), Mittelman (2000), Thompson (2000), Schulz *et al.* (2001c), Söderbaum (1998a, 2001a, b, 2003a, b), Grant and Söderbaum (2003), Hettne (2003) and Söderbaum and Taylor (2003). Also see Hentz and Bøås (2003).
6. Regionness refers to when different processes of regionalization intensify and converge along several dimensions within a given region (Hettne, 1993, 1999, 2003; Hettne and Söderbaum, 2000). Regionness means that a region can be a region 'more or less' and the level of regionness can both increase and decrease. There are five generalized levels of regionness: regional space, regional complex, regional society, regional community and regional institutionalized polity.
7. The main texts representing new regionalisms approach/weave-world include a special issue of *Third World Quarterly* (edited by Bøås *et al.,* 1999a), Bøås *et al.* (2003) and Bøås and Marchand (2004). Other texts that more or less develop this perspective include Shaw (1998, 2000) and Bøås (2003).
8. Personal communication with Morten Bøås. Also see Bøås (2003). Initially this approach was referred to as the new regionalisms/new realist approach (see Bøås *et al.*, 1999a).
9. I am grateful to Nicola Phillips for drawing my attention to these aspects.

3 Theorizing the New Regionalism Approach

1. A large number of labels have been used in the debate for capturing these two similar (but not always identical) phenomena, such as top-down and bottom-up regionalization; *de jure* and de facto regionalization; (states-led) regionalism and (market and society-induced) regionalization; formal and real/informal regionalism.

5 The Political Economy of Formal and Informal Regionalism

1. Interview with Antonio Inascio, SADC Affairs, Division of Multilateral Economic Relations, Mozambique, 5 March 1999.
2. *BusinessMap's* database captures and details all major investment (over USD 1 million) by sector, country and company. The data include firm intentions, new investments, expansion of productive capacity, mergers and acquisitions, as well as failed investments, liquidations and disinvestments. Investments in smaller ventures and undisclosed amounts are not captured so figures cannot be taken as definitives and are likely to be underestimates (and in a few cases some incompatibilities appear). Still they can be read as a reflection of trends. The database measures both intentional and actual FDI as well as FDI where money capital is raised on the local market. This contrasts with the IMF's and South African Reserve Bank's measure and definition of FDI, which only measure the investment by foreigners in investment undertakings in which they have individually or collectively at least 10 per cent of the voting rights. Furthermore, conventional methods measure only the transfer of money capital and not other income-generating assets, such as technology, management and capital equipment.
3. Interview with Alfredo Namitete, Chairman, Committee of Senior Officials, Southern African Transport and Communications Commission (SATCC), Mozambique, 6 April 2000.
4. Interview with Keith Atkinson, CEO, Imani Development Ltd, Harare, Zimbabwe, 15 July 1999. Imani Development is the consultancy firm that coordinated the CBI during its first years in operation. Subsequently the CBI/RIFF became housed and coordinated by the COMESA Secretariat.
5. Interview with Keith Atkinson, CEO, Imani Development Ltd, Harare, Zimbabwe, 15 July 1999.
6. In an earlier document, and with particular reference to Southern Africa, it was pointed out that the World Bank Group supports

   outward-oriented trade integration and the inclusion of aspects such as regional infrastructure development and the liberalization of labor and capital flows. Such a broader view of regional cooperation is more promising than the narrower trade integration model because it is more likely to benefit all the countries involved, less likely to end up as an inward-looking protectionist trade agreements, and more sustainable by involving the private sector more directly. (World Bank, 1998: i–ii)

7. It was observed that several government officials in the ministries of foreign affairs and the donor agencies of the Nordic countries favoured the project of market integration during the workshop on 'Regional Integration in

Africa', organized for the Nordic donor agencies by the Nordic Africa Institute in Uppsala in March 2001.
  8. Interview with Andres Jato, Africa Department, Ministry of Foreign Affairs, Stockholm, 2 October 2001.
  9. MacLean refers to the following report: United Nations Security Council (2001), *Report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo* (S/2001/357), 12 April 2001.
 10. Thanks to Ian Taylor for highlighting this point.

6   Civil Society Regionalism

  1. Interview with Malcolm Daimon, Coordinator, East and Southern African Economic Justice Network (EJN), 27 October 2000.
  2. Motives expressed in official documents, and also confirmed by a large number of civil society actors interviewed for the study (see the List of Interviews; also cf. Söderbaum, 1999).
  3. Interview with Michael Mallet, Southern Africa Development & Consulting (CRIAA SA-DC), Namibia, 30 October 2000.
  4. Interview with Motseoa Senyane-Makatjane, Coordinator, Transformation Resource Centre (TRC), Lesotho, 30 March 2000.
  5. Interview with Malcolm Daimon, Coordinator, East and Southern African Economic Justice Network (EJN), 27 October 2000.
  6. Interview with Ivin Lombardt, Manager, Special Projects, Namibia Non-Governmental Organization Forum (NANGOF), Namibia, 5 October 2000.
  7. Interview with Simon Boshielo, Director, Southern Africa Relations, Congress of South African Trade Unions (COSATU), South Africa, 7 November 2000.
  8. Interview with Malcolm Daimon, Coordinator, East and Southern African Economic Justice Network (EJN), 27 October 2000.
  9. Interview with Opa Kapijimpanga, Director, African Forum on Debt and Development (AFRODAD), Zimbabwe, 7 June 1999.
 10. Interview with Malcolm Daimon, Coordinator, East and Southern African Economic Justice Network (EJN), 27 October 2000.
 11. Interview with Malcolm Daimon, Coordinator, East and Southern African Economic Justice Network (EJN), 27 October 2000.
 12. Thanks to Dr Ian Taylor, University of Botswana, for highlighting this point to me.
 13. Information provided by Dr Ian Taylor, University of Botswana.
 14. Interview with David Madurai, Networks Coordinator, South African National NGO Coalition (SANGOCO), South Africa, 7 November 2000.
 15. Interview with Sam Chiezeb, Director, Namibia Chamber of Commerce and Industry (NCCI), Namibia, 28 September 2000.
 16. Interview with Mr N. Nahasond, Coordinator, Namibian Network of Aids Service Organizations (NANASO), national chapter of SANASO, Nambia, 4 October 2000.
 17. Interview with Malcolm Daimon, Coordinator, East and Southern African Economic Justice Network (EJN), 27 October 2000.

18. Interview with Opa Kapijimpanga, Director, African Forum on Debt and Development (AFRODAD), Zimbabwe, 7 June 1999.

7   The Political Economy of Shared River Basins: the Case of the Zambezi

1. This chapter extends the argument originally developed in Patrik Stålgren and Fredrik Söderbaum (2002).
2. Anonymous interviewee at the Department of Water Development in Zimbabwe, 15 April 2001.
3. Interview with Mats Ericksson, Department for Natural Resources, Sida, Sweden, 2 October 2001.
4. Interview with representative of Christian Care, Harare, 24 April 2001.

8   The Political Economy of Micro-regionalism: the Case of the Maputo Development Corridor

1. Matthews Phosa outlined the idea of a revived Maputo Corridor as early as 1994, in his inaugural speech as Premier of Mpumalanga (*Southern Africa Report*, No. 2, 1998: 24).
2. Interview with David Arkwright, South Africa's MDC Project Manager, South Africa, 12 April 2000.
3. Interview with David Arkwright, South Africa's MDC Project Manager, South Africa, 12 April 2000.
4. Interview with Francisca Henriqueta Soares, MDC Project Manager, Ministry of Transport and Communications, Mozambique, 10 April 2000.
5. Interview with Francisca Henriqueta Soares, MDC Project Manager, Ministry of Transport and Communications, Mozambique, 10 April 2000.
6. Interview with Jonathan Mitchell, Special Projects and Policy Unit, Mpumalanga Provincial Government, South Africa, 5 April 2000.
7. Interview with Jonathan Mitchell, Special Projects and Policy Unit, Mpumalanga Provincial Government, South Africa, 5 April 2000; David Arkwright, South Africa's MDC Project Manager, South Africa, 12 April 2000.
8. This view is confirmed by a series of officials on both sides of the border.
9. Interview with Jonathan Mitchell, Special Projects and Policy Unit, Mpumalanga Provincial Government, South Africa, 5 April 2000.
10. Interview with David Arkwright, South Africa's MDC Project Manager, South Africa, 27 November 2000.
11. Interview with Jonathan Mitchell, Special Projects and Policy Unit, Mpumalanga Provincial Government, South Africa, 5 April 2000.
12. Interview with Gordon Griffiths, CEO, Mpumalanga Investment Initiative (MII), South Africa, 4 April 2000.
13. Interview with Gordon Griffiths, CEO, Mpumalanga Investment Initiative (MII), South Africa, 4 April 2000.
14. Interview with Margarida Martins, Regional SDI Coordinator, Special Projects, Department of Trade and Industry (DTI), South Africa, 16 March 1999.

15. Interview with David Arkwright, South Africa's MDC Project Manager, South Africa, 27 November 2000.
16. Interview with Professor Carlos Nuno Castel-Branco, Faculty of Economics, Eduardo Mondlane University, and a consultant evaluating the Mozal, Mozambique, 29 August 2003.
17. Interview with Jonathan Mitchell, Special Projects and Policy Unit, Mpumalanga Provincial Government, South Africa, 5 April 2000.
18. Interview with Jonathan Mitchell, Special Projects and Policy Unit, Mpumalanga Provincial Government, South Africa, 5 April 2000.
19. Interview with Francisca Henriqueta Soares, MDC Project Manager, Ministry of Transport and Communications, Mozambique, 10 April 2000.
20. Interview with Gordon Griffiths, CEO, Mpumalanga Investment Initiative (MII), South Africa, 4 April 2000.
21. See the various studies by Taylor (2000), Lundin and Taylor (2003) and Ngwenya and Taylor (2003) for more detailed assessments of local participation in the establishment and decision-making of the PPPs and the N4 Toll Road.
22. Interview with Alfredo Namitete, Chairman, Committee of Senior Officials, Southern African Transport and Communications Commission (SATCC), Mozambique, 6 April 2000.

9   Conclusion

1. Interview with Malcolm Daimon, Coordinator, East and Southern African Economic Justice Network (EJN), South Africa, 27 October 2000.

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AfDB	www.afdb.org
AFRONET	afronet.org.za
AGOA	www.agoa.gov
ANC	www.anc.org.za
AU	www.africa-union.org
BusinessMap	www.businessmap.co.za
CBI/RIFF	www.afdb.org/cbi
COMESA	www.comesa.int
Commonwealth	www.thecommonwealth.org
COSATU	www.cosatu.org.za
DBSA	www.dbsa.org
DPRU	www.uct.ac.za/depts/dpru
ECA	www.uneca.org
Eskom	www.eskom.co.za
ESSET	www.esset.org.za
EU	www.europa.eu.int
IDC	www.idc.org
IGAD	www.igad.org
IRIN	www.irinnews.org
Lalit	www.lalitmauritius.com
MII	www.mii.co.za
MWENGO	www.mwengo.org
Nacala Corridor	www.nacalacorridor.com
NEPAD	www.nepad.org
OECD	www.oecd.org
SADC	www.sadc.int
SADC Central Banks	www.sadcbankers.org
SADC Energy	www2.ebonet.net/sadc
SADC Today	www.sardc.net/editorial/sadctoday
SADC water page	www.thewaterpage.com/sadcWSCU.htm
SAHRINGON	afronet.org.za/sahringon/profile.htm
SANGOCO	www.sangoco.org.za
SAPES	www.sapes.co.zw
SAPSN	aidc.org.za/sapsn
SARDC	www.sardc.net
SARPN	www.sarpn.org.za

SDI	www.africansdi.org.za
SEATINI	www.seatini.org
Sida	www.sida.se
Spoornet	www.spoornet.co.za
TIPS	www.tips.org.za
UNU/CRIS	www.unu.cris.edu
World Bank	worldbank.org
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