EMERGING SOUTH AFRICAN PERSPECTIVES ON REGIONAL COOPERATION AND INTEGRATION AFTER APARTHEID

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Developments in southern Africa in the period since the battle of Cuito Cuanavale and in South Africa since February 1990 have placed the issue of the involvement of a democratic, non-racial South Africa in a programme of closer economic cooperation and integration with the rest of southern Africa firmly on the agenda. Most of the 'key players' inside South Africa - ranging from the present minority government and business community to the political organisations of the national liberation movement and the trade unions - are now on record as supporting some such move. At the same time organisations formed in the rest of the region, notably the Southern African Development Coordination Conference (SADCC) and the Eastern and Southern African Preferential Trade Area (PTA) are preparing themselves for a new relationship with a post-apartheid South Africa.

Despite the superficial appearance of consensus and some overlap in the use of language and terminology, significantly different perspectives have, in fact, emerged between different forces in South Africa on the terms, principles and approaches to govern a programme of closer regional economic cooperation and integration after apartheid. Future South African policy on this issue can thus be expected to depend to a considerable extent on the balance of forces established in the negotiation process now underway.

This paper will critically examine some of the major perspectives emerging in South Africa on this issue. It will not offer a content analysis of the declared positions of key actors, nor will it discuss in any detail the merits or otherwise of the increasing number of specific proposals or models that have been put forward. Rather, it will attempt to characterise the broad thrust of the main alternative approaches that are emerging against the background of an analysis of the current crisis in the pattern of interaction established in the period since the end of World War II. It will then, on this basis, evaluate the capacity or otherwise to produce policies capable of building a new pattern of relations between a post-apartheid South Africa and the rest of the region that is equitable, sustainable and growth orientated.

Regional Trade Patterns and South Africa's Post-World War II Growth Path

The current pattern of economic interaction between South Africa and the rest of southern Africa was profoundly influenced by the overall accumulation or growth path of the South African economy. In the period following the end of World War II, South Africa's 'growth path' was based on import substitution industrialisation orientated towards high income domestic consumption markets and financed by the export of primary products. Throughout the period, the manufacturing sector was the main engine of growth - contributing more to the Gross Domestic Product (GDP) than agriculture and mining combined. But, it was a sector dominated by the production of consumer goods for the upper income (white) domestic consumers and was highly dependent on imported machinery and other inputs paid for by foreign exchange earned through the export of primary products, mainly minerals, on world markets (Gelb, 1991).

Apart from producing acute domestic inequalities and an extreme vulnerability to the waning fortunes of a wasting gold mining industry, this path of accumulation also had a major impact on the shape of the trade relations that emerged between South Africa and the rest of the region. Import substitution industrialisation inevitably meant that South Africa's industrial sector produced a range of manufactured goods which were not competitive internationally. Although the production of manufactured goods was largely orientated to the domestic market and although (as the Statistical Table shows) mineral products and base metals (in which South Africa could be considered to have an international comparative advantage) continued to make up over a third of exports to African countries (other than members of the Southern African Customs Union - SACU) in the mid-1980s, exports of manufactured goods made a significant, albeit little noticed, contribution to South Africa's post-war manufacturing growth. A study conducted in the 1970s, for example, found that although the combined GDP of Botswana, Lesotho and Swaziland was at that time only 3% that of South Africa, trade with these countries was responsible for 27% of new value added and around 67 000 new jobs in South Africa's manufacturing sector (McFarland, 1983).

No comparable study for later years or a broader range of trading partners is known to exist, but available statistics point to a continuing disproportionate importance of regional and sub-Saharan trade for manufactured exports. Figures for 1985, the last year when trade statistics were fully published, show that while trade with non-SACU African countries was responsible for only 4.29% of total SACU exports, this trade accounted for 35.75% of exports of machinery, 28.16% of chemical products, 26.58% of vehicles and transport equipment, 14.01% of miscellaneous manufactured goods, 9.86% of processed foods and considerable percentages of the total exports of other less important manufactured consumer goods (see Statistical Table). Many of these figures would, moreover, undoubtedly have been much higher had they referred to South African trade with all other African countries (including other SACU members).

More recent figures confirm the continued importance of regional and sub-Saharan markets for South Africa's manufacturing sector. Thus, while total trade with non-SACU African countries made up less than 10% of total exports in 1990, this trade accounted for no less than 32% of South Africa's manufactured exports. The upswing in this trade since the end of the 1980s is reported to have given an important boost to South Africa's steel, food, chemical and motor vehicle industries among others.[1] Commentators have also suggested that increasing sales to African countries made a major contribution to the sharp rise in exports of such 'non-traditional' items as 'plastic and rubber products' or 'miscellaneous manufactured goods', which rose by 42.1% and 41% respectively between 1990 and 1991 (*The Star, 28.01.92).*

While southern, and to a lesser extent the rest of sub-Saharan, Africa thus provided a significant market for a range of manufactured goods which would have been unlikely to have found export markets elsewhere, the protectionist policies followed as an integral part of the post-WW II growth strategy tended to restrict regional as well as extra-continental imports. This aspect is relatively well documented. Protectionist tariff policies first elaborated in the 1920s excluded a range of mainly agricultural products from neighbouring states; non-tariff barriers of various kinds were erected to prevent other SACU members using the official provisions of the agreement to export manufactured goods to South Africa; and even the politically-motivated trade agreement negotiated to provide support to the Smith regime in Zimbabwe in 1964 took pains to restrict imports of goods which might seriously compete with local manufactures (Hanlon, 1986; Kumar, 1991).

This combination of relative uncompetitiveness and a protectionist stance towards regional imports shaped a pattern of trade characterised, at least in large part, by what Reginald Green has called the selling of 'overpriced South African exports for hard currency' (Green, 1991).

A constant feature of this trade over many decades has been a large, and indeed increasing, gap between visible exports and imports. South African exports have not been matched by reciprocal imports of goods from the rest of Africa with the result that a large and widening deficit on the balance of trade has been recorded. Official figures, for example, show that exports from SACU to non-SACU African countries were 3.4 times the level of imports in 1985. By 1990 this ratio had widened to 5.7:1.[2]

This deficit in visible trade has historically been partly financed by invisible earnings from the provision by the rest of the region of various services to support the accumulation process in South Africa. As is well known, South Africa's gold mining industry was developed on the basis of cheap migrant labour, drawn not only from South Africa's 'homelands' but also from neighbouring states. Indeed, for most of its history the South African mining industry had a majority non-South African labour force and even today draws more than a third of its workers from beyond South Africa's borders. Remittances from migrant workers were one important source of invisible earnings for many countries. Revenue from transport services and more recently from hydro-power and water projects have also been significant. However, overwhelmingly and increasingly purchases from South Africa have had to be paid for from foreign exchange earned by other countries from the sale of their primary products on world markets.

The Impact of the Post-1970s Crisis

The multiple crisis, affecting the whole of southern Africa in the period since the mid-1970s, has significantly impacted on several of the key variables making up the above described regional trade equation. First, there has been a decline in rates of investment in South Africa's manufacturing sector leading to a probable decrease in the competitivity of many of its products. Between 1983 and 1987 real investment in manufacturing declined by 12.8% per annum and although the manufacturing sector led a modest recovery in investment recorded between 1987 and 1990, overall rates of investment remain only around two-thirds the levels of the early 1970s.[3] Establishing the precise impact of this on the competitivity of manufacturing exports to the region is more difficult. However, there has been an increase in the average age of plant and equipment in the sector and various estimates have been made suggesting that the prices of some South African manufactured goods sold in the region may now be as much as 15 - 25% higher than the fob prices of comparable goods from elsewhere.[4] Certainly, there are signs of preparations in some parts of the region for a shift away from South African to cheaper global suppliers, notwithstanding the non-price advantages which South African suppliers continue to enjoy, such as lower transport costs and shorter delivery times (due to closer proximity) or easier credit terms offered to customers (financed by government export promotion guarantees and subsidies).

The period since the mid-1970s has, secondly, seen South Africa progressively withdrawing from two important relations in which it had historically been present as a buyer - migrant labour and transport services. This severely limited potential growth, and in several cases led to an actual decline, in invisible earnings from services supplied to South Africa. In the case of migrant labour, the proportion of 'foreign' workers in the South African mine labour force (the largest employer of foreign migrant workers) declined over 60% in 1975 to around 40% by the end of the 1980s with the absolute number falling from 220 000 in 1975 to 186 000 in 1989.[5] In transport, the period saw both a decline in South Africa's use of facilities in other regional states, and witnessed an attempt by South African Transport Services (SATS) to divert traffic from landlocked countries which had historically used the services of other regional states. South African traffic through Maputo was cut to around 15% of pre-independence levels while regional traffic passing through South African ports increased to one-and-a-half times the level of 1981/2 by 1984/5 (*Financial Mail*, 15.08.86). In the case of Mozambique, the country most affected by both these trends, remittances from migrant workers declined from $64.5 million in 1981 to $58 million in 1987 - before rising slightly to $70 million in 1988. Earnings from transport services (provided both to other SADCC countries and South Africa) fell from $82 million in 1981 to $42 million in 1989.[6] In both cases the level of 1981 represented a significant decrease from 1975.

The 1980s were, thirdly, for southern Africa, like the rest of sub-Saharan Africa, a 'lost decade' for development, characterised by economic stagnation, worsening terms of trade and growing indebtedness, whose effects were exacerbated by the devastating impact of Pretoria's policies of aggression and destabilisation. Foreign exchange receipts declined sharply, drastically reducing the capacity of many countries to import.[7]

The combined effect of all of these factors has been to place a severe strain on the established trade relationship between South Africa and the rest of the region: goods whose competitiveness was tending to decline were being offered in markets where the foreign exchange needed to buy them was becoming increasingly scarce.

The wave of escalating aggression and destabilisation unleashed in the late-1970s and 1980s can be recognised, in part, as an attempt by Pretoria to re-assert its hegemony in the face of this 'scissors crisis'. One of the objectives underlying destabilisation was clearly to preserve essential elements of the established patterns of regional economic relations intact, while permitting a highly partisan restructuring of others. Launched in response to setbacks to its proposals to draw neighbouring states into a new hegemonic alliance (consas) and directed most particularly at those states and projects seen as most challenging to its designs, destabilisation did have the effect of impeding efforts by the rest of the region to reduce dependence on South Africa and diversify. The deepening transport dependence, which resulted from the sabotage of alternative facilities in Angola and Mozambique, for example, not only boosted the earnings of South Africa's ports and railways, it also tended to increase the non-price advantages of South African goods and thus tie landlocked countries into an enhanced trade dependence on South Africa. Destabilisation, however, eventually produced its own contradiction. By the end of the decade any potential benefits created for South African exporters by undercutting efforts to diversify were more than offset by the negative impact on the capacity of regional states to import. At the same time, South Africa's growing need for physical inputs - water and electricity - from the rest of the region became increasingly apparent.

A growing recognition on part of sections of South Africa's business community that some form of re-stabilisation of the regional economy was in South Africa's own interests can be identified as an important factor leading to the turn away from destabilisation policies in the late-1980s - although the resistance of regional states, the failure to resolve the domestic crisis of apartheid and the pressures generated by a rapidly changing international order were all more fundamental, in my view.

This shift, and more particularly Pretoria's involvement in negotiations leading to the independence of Namibia followed by the political developments in South Africa since February 1990, has introduced what might be termed an important counter tendency (from a South African point of view) to the effects of the continuing structural crisis of the post-WW II pattern of regional economic interaction. Post-Cuito Cuanavale and post-February 2 1990 political developments have led to a progressive lowering of barriers to South Africa's acceptance in the region and wider continent and this has created unprecedented new opportunities both for an immediate increase in economic interaction and a growing involvement by state and corporate officials as well as the liberation movements in dialogue with their regional counterparts about longer-term - 'post apartheid' - regional reconstruction. The effects of this are reflected, inter alia in the trade figures, which show trade between South Africa and the rest of Africa increasing by 40% in 1989 and a further 22% in 1990 (*Business Day*, 06.03.91).

Emerging Perspectives on Regional Cooperation in South Africa

The perspectives now emerging in South Africa on the question of post-apartheid regional cooperation and integration have thus to be seen against the background, first, of a structural crisis in the pattern of regional interaction established and, second, of a more immediately felt counter tendency arising from the the lowering of political barriers to South Africa's re-engagement with the region. Changes in the international order - and more particularly the current trend towards the formation of regional trading blocs both in the countries of 'the north' and in regions of 'the south' - have also significantly influenced perceptions.

Under these circumstances all major forces in South Africa now appear to agree that a post-apartheid period should see some form of closer regional cooperation and economic integration between all the countries of southern Africa, including South Africa. However, significantly different perspectives have emerged over the approach, terms and principles on which this should be built and, more particularly, over the extent to which qualitative transformation of established patterns is essential.

One perspective, not surprisingly embraced by many of those closest to the vested interests of the old order - including the present minority government and much of the corporate sector - has tended to view future cooperation as little more than a return to a somewhat modified version of the old (pre-1970s) 'normality'. Past or existing patterns of regional relations tend to be viewed rather uncritically with the fundamental problem of the past often seen as little more than the existence of political and regulatory barriers in other countries which prevented South Africa from playing its potential role as 'engine of growth' in the sub-continent. The progressive dropping of political barriers is thus seen, at least in those quarters that take Africa seriously, as potentially providing a significant boost to South African trade. The more recent dropping by international donors and funders of objections to the involvement by South African companies in aid-funded projects in neighbouring states is also seen as creating important additional opportunities and offering advice on how to tender more effectively for aid contracts has now become something of a growth industry in South Africa.[8] It should be noted, in parenthesis, that a more cautious or pessimistic sentiment also exists within the South African corporate 'establishment'. This tends to doubt that Africa can ever be of more than marginal importance for South Africa and favours concentrating on trying to project an image of South Africa as a 'first world' player involved in global markets rather than a 'third world' country relegated to regional markets.

The approach towards building closer cooperation and integration - at least in those quarters taking Africa seriously - tends largely to seen in terms of the rest of the region consolidating the move towards lifting political barriers to doing business with South Africa with a more generalised liberalisation of regulatory systems in a way which will 'open up' the region to South African exports and capital investment. Attempts to theorise from within this type of perspective, generally favour a rather rapid move towards a regional common market allowing both free trade and unhampered capital movement.[9] In more practical terms, there are signs of some interest in trying to re-launch or re-structure SACU as basis of a free trade/free capital movement regional integration project. Apart from yielding benefits in its own right, involvement by the 'new South Africa' in such a project also appears to be seen as a way of rebuilding relations with external forces on terms favourable to South Africa. The insistence on the need for unrestricted free movement of capital throughout the region appears, for example, to have much less to do with plans by South African companies to make investments in the region than a desire to reinforce South Africa's image the 'natural gateway' and partner for foreign investors in southern Africa.

Much of this can be recognised as short-term and self interested. It has been criticised as South Africa-centric and indifferent to concerns of the rest of the region about the acute imbalances in existing relations or to the appalling heritage left by destabilisation. It takes little or no account of the serious potential for polarisation that would arise in an integration project in which not only does one prospective partner have an economy more than three times that of ten others combined, but more importantly there are structural inequalities and patterns of domination/hegemony in existing relations. Such an approach is also rooted, implicitly if not explicitly, in a rather short-term and over-politicised perspective on the crisis. The focus is on what was called above the counter-tendency - the immediate opportunities opening up as a result of the lifting of South Africa's pariah status - with little recognition given to the existence of an underlying structural crisis in the established path of regional economic interaction. As such it fails to offer any viable answer to the fundamental longer-term problem of the increasing unsustainability of the existing model. By focusing myopically on the immediate, short-term export 'dividend' that the ending of pariah status may well provide, it fails adequately to recognise that this will not be consolidated into a longer-term growing trade relation unless the rest of the region sees some benefit to itself in granting preferences to South African goods and unless South African exports become more competitive. Nor is the payments problem among prospective regional trading partners seriously addressed - except through hoping that international aid will provide some immediate boost. It cannot thus provide any satisfactory long-term answers to many of the central questions of how to create a mutually beneficial, growth-orientated and sustainable pattern of regional cooperation and integration in a post-apartheid southern Africa. Moreover, many of the specific schemes and proposals advanced within such a perspective, tend, whatever their professed intentions, to seek in practice to enhance South African hegemony. Notions of South Africa as the 'locomotive of growth', the 'natural entry point' to southern Africa or the un-mandated representative of southern Africa in a continental axis of 'power point' countries have thus all unselfconsciously been put forward by proponents of this approach.

The alternative perspective, which is emerging within the democratic movement, is based on the view that regional trade and other economic relations need to be restructured as an integral part of a process of transforming the existing growth path. The restructuring of regional relations was initially seen largely as a matter of equity.

The critique of the rest of the region about the detrimental impact of historic imbalances on their development and the devastation caused by destabilisation were seen as placing an obligation on a democratic South Africa to work with neighbouring countries in restructuring regional relations on a more equitable basis. There was also a recognition that South Africa could not hope to grow and develop while the rest of the region stagnated - particularly in a situation where clandestine migration was already swelling the ranks of South Africa's homeless and unemployed and where arms and drugs smuggling to South Africa were among the most lucrative forms of 'unrecorded trade' taking place in the region.[10]

The reconstruction of regional economic relations on a new basis is, however, now increasingly also seen as an essential component of a new growth strategy. Current thinking within the South African democratic movement can perhaps be summed up as envisaging a mixture of 'growth through redistribution' and 'redistribution through growth'. Redistribution is seen as essential to address pressing problems of poverty and inequality and redistributive projects are seen as potentially providing a significant impetus to growth along a new path giving greater priority to basic needs of the most impoverished and deprived. But there is also an increasing recognition that internally-oriented redistributive projects will not on their own be sufficient to place the economy onto a sustainable growth path. Externally-orientated policies aimed, in particular, at reducing the South African economy's current dependence on exports of primary products and increasing exports of manufactured goods are seen as also being essential.

Regional and sub-Saharan trade is increasingly recognised as having major strategic significance for any project aimed at promoting manufactured exports. The current disproportionate importance of African markets for exports of manufacturing goods has already been referred to above. Some of the products that would be encouraged as part of a policy of re-orientating domestic production towards basic needs - including building and construction material and consumer durables - could well find markets in other African countries. Africa could provide an important market for machinery and equipment - particularly mining technology. South Africa and the SADCC countries have many similarities and complementarities in the minerals sector: together they produce significant percentages of total world output of such mineral products as gold, manganese, platinum, diamonds, copper, nickel, ferro-chrome, cobalt, iron ore, asbestos, coal, chromite, zinc, tin, silver and lead, suggesting that there may be considerable scope for cooperation in minerals beneficiation projects aimed at increasing the value added of products sold in world markets.[11]

Growth and industrial development in South Africa could also be expected to boost demand for inputs from neighbouring countries such as water and hydro-power, and greater access to the South African market could provide several SADCC countries with a securer base on which to restructure their economies on a more productive and competitive basis.

These intersecting concrete needs and interests make it possible, in my view, to envisage a mutually beneficial, negotiated restructuring of regional economic relations after apartheid, which would address several of the key problems of the inequity and longer-term unsustainability of existing relations. This would essentially centre around a trade-off in which a democratic South Africa would be granted greater access to regional markets and inputs in return for agreeing to cooperate with the rest of the region in restructuring key sectoral relations in ways that both address existing imbalances and inequities and boost the income earning potential of other countries. The latter could, among other things, include:

1. Granting other countries greater access to the domestic South African market thus contributing towards bringing about a more equitable pattern of visible trade;
2. Accepting the need to grant favourable terms to regional suppliers of inputs like water and hydro-power;
3. Participating in a process of restructuring of regional transport relations in a way which acknowledges the need to address problems caused by distortion of historic transport flows and to promote a more rational utilisation of the region's transport infrastructure;
4. A democratic South Africa committing itself to finding mutually acceptable, regional solutions to problems arising from labour migration, based on an acknowledgment of the historic subordination and underdevelopment of labour reserve areas, the dependence this has created in neighbouring countries and the way in which problems caused by destabilisation have fueled the trend towards clandestine or 'illegal' migration;
5. South Africa making some financial and other contribution to regional development programmes while accepting that the principle of prioritising the interests of the most impoverished and deprived countries and areas should govern the distribution of benefits;
6. All countries giving serious attention and priority to cooperating in mutually beneficial programmes, and most importantly investigating the possibilities for and implications of a minerals-based regional industrialisation strategy.

A negotiated re-structuring along these lines would address many of the factors underlying the unsustainability of the existing path of selling over-priced goods for foreign exchange - provided that access to regional markets was seen as a basis for tackling more effectively and not of avoiding the challenge of raising productivity and competitiveness across the region. It would also provide a suitable base for a programme of regional economic integration capable of countering the potential for acute polarisation. It would be mutually beneficial in the sense that all parties stood to make significant gains, but would simultaneously be rooted in a recognition of the need for a conscious redistribution of many of the benefits to the most impoverished and underdeveloped partners.

This relates to another major debate, at this point perhaps more developed in the rest of the region than it is in South Africa - what approach to building integration would be most appropriate for a post-apartheid southern Africa? SADCC's recent theme document on integration identified three possible approaches:[12]

1. The neo-classical trade or market integration approach, focusing on the removal

of tariff and non-tariff barriers to intra-regional trade and the creation in linear succession of a Preferential Trade Area, Free Trade Area, Customs Union, Common Market and Economic Union or Community;

2. The neo-functional or integration through project cooperation approach based on the view that conventional trade-driven integration is inappropriate in regions characterised by underdevelopment and that cooperation in projects aimed at overcoming infrastructural and production-based barriers to regional trade should have priority;
3. The development integration approach, also based on the view that laissez faire trade driven approaches will either not lead to effective integration or else will create unacceptable polarisation in underdeveloped regions, but which stresses the need for both macro- and micro-coordination in a multi-sectoral programme embracing production, infrastructure and trade; close political cooperation at an early stage of the integration process; the necessity to develop active policies to ensure an equitable balance of the benefits of integration and, in particular, to complement trade liberalisation measures with compensatory and corrective measures orientated particularly towards the least developed member countries.

While the South African democratic movement has scarcely even begun to debate these issues, the general thrust towards seeking to build closer cooperation and integration based on long-term, structural transformation, consensus building with partners and democratic participation would suggest an initial preference for the development integration approach, also broadly supported in SADCC's Theme Document.

Conclusion

As South Africa moves, hopefully, towards the establishment of a more representative, democratic government, two trends can be identified as underway in the region:

First, at the level of regional organisations like SADCC and within the South African democratic movement a search is underway for a formula to promote closer regional cooperation and integration based on principles of equity, interdependence and mutual benefit. While no agreed blueprint has yet emerged, it is generally acknowledged that this will have to involve major transformations in the existing pattern of regional relations.

The second trend, born of desperation on the part of neighbouring countries and/or expectations, partly fueled by the present South African government's 'new diplomacy', is towards bilateral deals based on a 'pragmatic extension' of existing relations. This approach essentially involves prioritising short-term advantage above long-term considerations of transformation.

Any objective evaluation will have to acknowledge the existence of many factors favourable to the emergence of a scenario based more on pragmatic adjustment than on transformation. Such a scenario is being actively worked for by powerful forces among the current holders of economic power in southern Africa. It is also being reinforced, whether consciously or unconsciously, by the actions of influential external parties. The pressure for a laissez faire approach to integration with its one-sided emphasis on liberalisation and deregulation and its indifference to polarisation, the scarcely concealed eagerness of many donors to withdraw from aid commitments in SADCC countries the moment South Africa is accepted as a legitimate partner by the rest of the region, and the acceptance and indeed promotion of notions of South Africa as the 'natural' entry point for aid and investment throughout the region can all be cited as examples.

And yet the simple positing of a 'realistic' against a 'normative' scenario does not adequately capture the dynamics of the issues at stake. This paper has argued that the regional trading regime established in the post-World War II period was not only unbalanced and inequitable, it is also enmeshed in a structural crisis. What is often posited as the 'realistic' scenario does not in fact address itself to this reality and thus offers no credible answer to the question of how the crisis is to be resolved.

The end of apartheid will thus pose for South Africa a critical choice in its relations with its neighbours. It can continue, as it is under its present leadership, to pursue short-term, partisan benefits, preying on the weaknesses, fears and expectations of the rest of the region. If it chooses to continue travelling along some version of this route it may derive certain short-term economic benefits. But, these would be at the cost of the broader, longer-term interests not only of the region as a whole, but of South Africa as well.

At the very least, the reproduction after apartheid of the existing unbalanced trade regime in which the income earning capacity of partners is not being enhanced will be trade in static markets. If, moreover, stagnation continues to be the lot of a significant part of the region and existing disparities are reproduced or even exacerbated in the future, South Africa can expect increasing clandestine migration across its extremely porous borders - with numerous consequences for domestic development programmes. More than this, the search for non-militaristic solutions to outstanding or potential future conflicts in the region and the creation of new development-orientated security structures would become more difficult, in a context where no country in the region can expect to be immune from the effects of crises in other countries.

The only 'realistic' alternative to such a scenario is for South Africa to join its neighbours in an honest search for solutions which are mutually beneficial - solutions which yield benefits for all, but which seek simultaneously to address the disparities and inequities in existing relations.

NOTES

1. *The Star* (International Airmail Edition), 28.02.90, quoting then Trade Minister, Kent Durr.
2. For the 1985 figure see Table 1, the 1990 ratio is calculated from figures released to *Finansies en Tegniek* (04.10.91) which show exports to non-SACU members of R4 069 719 730 and imports of R713 320 286.
3. On this see Abdel Senhadji and Michael Walton (of the University of Pennsylvania and World Bank, respectively) (October 1991) - 'South Africa: macro-economic issues for the transition' (mimeo).
4. On aging plant see Kaplan (1987). The level of 15% above world market fob prices is rumoured to be the 'bench mark' figure of major business organisations in South Africa, the 25% figure is apparently a calculation done for several SACU members mentioned in Green (1991). A recent

press report quoted 'exporters' ranking 'uncompetitive prices as the major obstacle to increased sale' of South African goods abroad *Sunday Times: Business Times* (16.02.92 - 'Bully for exports, but it's tough'').

5. Figures from Chamber of Mines (1984) and South African Institute of Race Relations (1990:269).
6. World Bank, 'Mozambique Country Economic Memorandum, March 14 1990, Volume III, Statistical Appendix Table 10 a. 1'.
7. On this see, inter alia, World Bank (1989); *Final Review and Appraisal of the Implementation of the United Nations Programme of Action on African Economic Recovery and Development 1986-1990*, New York, August 1991.
8. On views from the South African business community on prospects for trade and the expectations of new opportunities through tendering for aid contracts see *Financial Mail* (31.01.92, 'Trade with Africa: Don't presume too much!') and *Sunday Times: Business Times* (02.02.92, reporting the launching by SAFTO with the support of the Department of Finance of a new initiative 'to help SA companies crack the lucrative world development aid market').
9. For examples of such views see, HP de Villiers, Chairman Standard Bank Investment Corporation, 'A Southern African Economic Community - A Pipedream or a Must ?' (mimeo) February 1990; and reports in *Financial Mail* (09.11.90), *Cape Times* (13.11.90), *Africa Business* (October 1990), *Cape Times* (16.03.91).
10. Extracts from several speeches and documents of the democratic movement are reproduced in 'Perspectives on Regional Co-operation from the Mass Democratic Movement in South Africa', Backgrounder: A CSAS Resource Publication, no 3, Bellville, University of the Western Cape, December 1991.
11. See Jourdan (1989; 1990). Paul Jourdan has also more recently argued that the 'primacy of the minerals-energy complex', low cost energy, technological capacity and well-developed infrastructure provide a strong base for a regionally-orientated 'resource based industrialisation strategy' ('Possibilities for a Resource-Based Industrialisation Strategy', mimeo, December 1991).
12. 'SADCC: Towards Economic Integration', Theme Document presented at SADCC Annual Consultative Conference, Maputo, January 1992. See also Mhlongo (1991); Chr Michelsen Institute/Development Research and Action Programme, SADCC Intra-Regional Trade Study, SADCC, 1986.

STATISTICAL TABLE : TRADE OF SACU MEMBERS WITH OTHER AFRICAN COUNTRIES 1985 (Rand)#

Section of CCN Nomenclature	Exports	%	Imports	%
1. Live animals/animal products	43 509 747	2.76	7 692 587	1.68
2. Vegetable products	78 871 929	5.00	38 511 815	8.43
3. Animal and vegetable fats	17 209 807	1.09	5 682 071	1.24
4. Prepared foodstuffs, beverages	79 690 405	5.05	91 697 656	20.06
5. Mineral products	288 435 020	18.27	21 027 749	4.60
6. Chemical products	262 096 225	16.60	9 467 870	2.07
7. Artificial resins, plastics	71 243 672	4.51	2 524 646	0.55
8. Skins, leather products	1 507 079	0.09	9 277 024	2.03
9. Wood products	13 769 621	0.87	20 110 918	4.40
10. Paper products	50 508 578	3.20	4 920 883	1.08
11. Textiles	51 847 871	3.28	83 645 029	18.30
12. Footwear	5 644 239	0.36	4 379 741	0.96
13. Stoneware	27 220 131	1.72	1 181 619	0.26
14. Precious metals, stones	1 441 786	0.09	52 263 229	11.43
15. Base metals	267 013 742	16.91	53 426 861	11.69
16. Machinery	189 316 092	11.99	20 016 656	4.38
17. Transport equipment	96 029 818	6.08	8 034 589	1.76
18. Optical and medical equipment	13 643 720	0.86	3 435 649	0.75
19.				
20. Miscellaneous manufactures	6 198 852	0.39	4 093 125	0.90
21. Works of Art	35 085	0.00	771 924	0.02
22. Other unclassified	13 751 386	0.87	14 824 235	3.24
TOTAL	**1 578 981 805**		**456 985 876**	
(1984)	**891 689 730**		**485 242 471**	

Percentage of total exports in each category

1.	43 509 747 of 331 008 552	=	13.14%
2.	78 871 929 of 868 918 048	=	9.08%
3.	17 209 807 of 76 121 082	=	22.61%
4.	79 690 405 of 808 345 398	=	9.86%
5.	288 435 020 of 4 995 979 789	=	5.77%
6.	262 096 225 of 930 685 648	=	28.16%
7.	71 243 672 of 153 782 587	=	46.32%
8.	1 507 079 of 271 995 410	=	0.55%
9.	13 769 621 of 106 495 984	=	12.93%
10.	50 508 578 of 658 937 157	=	7.68%
11.	51 847 871 of 1 044 768 244	=	4.96%
12.	5 644 239 of 12 326 654	=	45.79%
13.	27 220 131 of 85 315 289	=	31.90%
14.	1 441 786 of 2 607 143 197	=	0.05%
15.	267 013 742 of 4 045 949 953	=	6.60%
16.	189 316 092 of 529 607 943	=	35.75%
17.	96 029 818 of 361 257 465	=	26.58%
18.	13 643 720 of 74 454 572	=	18.32%
19.			
20.	6 198 852 of 44 235 343	=	14.01%
21.	35 085 of 23 021 191	=	0.15%
22.	13 751 386 of 18 747 420 144	=	0.07%
Total	1 578 981 805 of 36 775 769 630	=	4.29%
(1984)	891 689 730 of 25 585 949 077	=	3.49%

Source: Foreign Trade Statistics, Calendar Year 1985, Government Printer, Pretoria.

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