

Introduction

Monitoring the process of regional integration in Southern Africa in 2009

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The regional integration agenda in Southern Africa maintains a very high profile on the broader development agenda of this region. During 2009 several important developments highlighted specific challenges for policy makers in Southern Africa. It is of course also important to recognize that the global economic crisis continued to impact on the region in 2009. The fall out of the debt crises in the euro countries, initiated by the Greek debt crisis and the financial assistance this necessitated, are also having a negative impact on world financial markets which could be transmitted to real economic activity in the course of 2010. The open economies of southern Africa will not be isolated from these events.

Although the Southern African Customs Union (SACU) is not recognized as one of the eight building blocks of the African Economic Community, developments in this regional economic community have important implications for the broader Pan African integration agenda. All SACU members are also members of the Southern African Development Community (SADC), and with South Africa as the anchor member of SACU, its policy on regional integration can be expected to have an important impact on the broader Southern African region.

In June 2009 Botswana, Lesotho, Mozambique and Swaziland signed the Interim Economic Partnership Agreement (IEPA) with the European Union (EU). These four countries are members of the Southern African Development Community (SADC), while all except Mozambique are also members of SACU. Concerns have been raised over the effects the signing of the interim EPA will have on the Southern African Customs Union (SACU), recognizing that two SACU member states – South Africa and Namibia – chose not to sign the interim EPA. South Africa in particular raised concerns about its future membership of SACU should the three member states implement the IEPA. Arguably the strong glue keeping SACU together is the revenue sharing arrangement in terms of which South Africa argues that it is making transfers to the smaller SACU states.

The EPA negotiations have proved to very more challenging that could have been expected by any of the parties, and these negotiations have served to highlight the parlous state of regional integration, especially in Southern Africa. Given that the groups of countries constituting negotiating configurations cut across existing regional economic communities, they have added to an already complex regional integration agenda.

The demise of SACU would bring more problems than this could solve. The smaller countries rely heavily on the revenue from the SACU revenue pool, and with very few options for raising government revenue, are extremely vulnerable, should South Africa withdraw from SACU. This is however not to suggest that it should be business as usual for the future of SACU. SACU presents many challenges that other regional economic communities face too. While a review of the revenue sharing arrangement and indeed also other provisions of the 2002 SACU Agreement may well be necessary, there are other challenges too.

Implementation challenges continue to bedevil regional integration in Southern Africa and elsewhere on the continent. Agreements are often signed very enthusiastically, but implementation follows a much slower process. In the case of the 2002 SACU Agreement, key institutions provided for in the Agreement, including the Tariff Board and Tribunal, have not been established. Further, common policy development in key areas such as agriculture and industrial development has made very little progress. Without effective implementation the potential benefits of such agreements will not be realized.

SACU member states are well aware of the challenges that they face. At a Special Council Meeting on 17 September 2009 in Ezulwini, Swaziland, the Council of Ministers reviewed the challenges facing SACU and deliberated on the future of the SACU. They emphasized the importance of common policy development, the establishment of the institutions provided for in the Agreement, and the need to strengthen the Secretariat.

As the hegemonic member of SACU, South Africa plays an important role in the customs union. General elections were held in South Africa in April 2009, and important developments within South Africa following the election will have implications for the future of SACU, and the region's broader integration agenda.

The April election was followed by changes to Cabinet and the establishment of a new Government Department, the Department of Economic Development (DED) that has direct implications for regional integration. The relationship between this Department and the Department of Trade and Industry (DTI) is important in this regard. DED will be responsible for the oversight function for the International Trade Administration Commission (ITAC) which currently serves as SACU's Tariff Board, as well as the Competition Commission, and the Industrial Development Corporation. In the case of ITAC, this means, for example, that recommendations on tariff applications, which could result in changes to the common external tariff (CET), are to be referred to DED, rather than to DTI as was previously the case. Relevant to this change is the fact that South Africa's development strategy and its Industrial Policy Action Plan that was also launched in 2009, has a core focus on

employment (job preservation or job creation) in South Africa. With an arguably more inward looking policy focus, the smaller SACU member states need to engage South Africa on trade and industrial development issues far more actively than has been the case.

Namibia which has chosen, along with South Africa and Angola, not to sign the Interim EPA with the EU, held Presidential and National Assembly elections in November 2009. Although nine opposition parties have taken a petition to the High Court (and in the meantime to the Supreme Court) of Namibia contesting the results of these elections (the case is still pending), the Chief Justice has already sworn in the President, the new members of Parliament and the newly appointed Ministers. The Cabinet however has hardly changed and the Minister of Trade and Industry remained in his position. It is therefore unlikely that there will be a radical change in policy and attitude towards the EPA negotiations and regional integration as such from the Namibian government.

Namibia's capital Windhoek is also the seat of the SADC Tribunal which has been established in 1992 as one of the institutions of SADC and became operational in 2005. Its role in regional integration must not be underestimated and its judgements have an impact on the SADC legal integration. The SADC Tribunal judgement on "Campbell v the Republic of Zimbabwe" had been referred to the 2008 SADC summit for implementation but with no result and impact so far. In 2009 lawyers representing Zimbabwean farmers have therefore approached the SADC Tribunal again wanting the Tribunal to declare the Zimbabwe government in breach of the SADC Treaty. Although the Tribunal accepted the application and referred the matter to the 2009 SADC summit there was no official response and consequence. After all the lawyers representing the Zimbabwean farmers have now requested the SADC Tribunal to recommend that SADC either terminate or suspend Zimbabwe's membership for ignoring its judgement. If the SADC Tribunal accepts this application the 2010 SADC summit (convened in Windhoek) has to put the issue on its agenda and calling Zimbabwe to order. It remains a subject of speculation if and how the 2010 SADC summit in Windhoek will deal with its (unruly) member.

With regard to Peace and Security significant developments took place in SADC in 2009. In order to more effectively deal with human and societal security in the region, especially in respect of human trafficking, money laundering and transnational crime, SADC strengthened the nascent security community. The most significant developments have been the formal recognition of the "Southern African Regional Police Chiefs Cooperation Organisation" (SARCPCCO), which also co-operates with Interpol, as a SADC institution. Moreover, SADC also recognized the Harare-based SADC Regional Peacekeeping Training Centre (RPTC) as

a constitutive institution. The RPTC is now part of a SADC structure falling under the Directorate of Politics, Defence and Security of the Organ and has emerged as regionally recognized Centre of Excellence in Peacekeeping and Peace Support training. The RPTC provides and coordinates all training in the region for SADC and multi-national peacekeeping missions as mandated by the regional body.

SADC also decided in 2009 to align its security architecture with the 2000 Constitutive Act and Common Defence and Security Policy of the African Union (AU). In this context, the former SADC Brigade (SADCBRIG) has been renamed as the SADC Standby Force (SADCSF).

Following an earlier resolution of the 2006 SADC Summit, SADC also decided to conduct a strategic review of the SADC Strategic Indicative Plan for the Organ (SIPO). The review is expected to be tabled at the 2010 SADC Summit in Windhoek, Namibia.

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