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What role for national planning commissions in the promotion of deeper regional integration in SADC?

The Southern African Development Community (SADC) has set itself very ambitious regional integration goals. In terms of the formal agreements concluded by the member states SADC had to be:

- a Free Trade Area (FTA) by 2008
- a Customs Union (CU) by 2010
- a Common Market by 2015
- a Monetary Union by 2016, introducing a single currency in 2018.

These targets could not be met and SADC is still not an FTA (where substantially all trade between the members has to be liberalised). There is now general agreement that more realistic goals and a better understanding of the integration process, the legal obligations and the outcomes are required. Even with scaled-downed expectations the efforts of the members and SADC need to be improved quite dramatically in order to achieve the economic and political objectives of the organisation. And there should be a concerted effort to align the various national development plans in the pursuit of regional goals for the benefit of all.

What is the SADC formula for meeting its own goals and for monitoring the performance of the member states? SADC lacks a clear approach or principle when it comes to the harmonisation of national efforts. The Secretariat cannot exercise the powers necessary to monitor and direct national activities. The SADC Treaty contains a rudimentary provision in Article 6(1) which is clearly inadequate: 'Member States undertake to adopt adequate measures to promote the achievement of the objectives of SADC, and shall refrain from taking any measure likely to jeopardise the sustenance of its principles, the achievement of its objectives and the implementation of the provisions of this Treaty'. There is no mechanism to ensure compliance or remedy failures. Part of the solution lies in improving and strengthening SADC's collective voice, if the necessary political will can be mustered. In the meantime the various domestic agencies responsible for national development plans should study the regional dimensions of their own schemes more thoroughly in order to align national efforts across borders and contribute to shared benefits.

Many would argue that the original SADC agenda was, from the outset, an unrealistic, top-down approach. The formation of FTAs and CUs requires technical and legal capacity beyond the reach of many of the members. Some of them still rely on income from tariffs as a source of public revenue. For regional integration plans of this kind to succeed there must, in addition, be serious political commitment to implement the obligations necessary to achieve the agreed goals. The member states will have to accept the curtailment of their freedom to act unilaterally to 'protect' domestic producers. The extent of the 'sovereignty' often invoked by local governments is not compatible with the rules-based nature of these arrangements. In a customs union, for example, the common external tariff means that the national policy space of member states with regard to the use of tariffs for industrial and trade policy will be very limited. In a SADC customs union all 15 member states will have to agree on tariff issues. When they negotiate trade agreements with third parties they will have to act as a single entity.

These caveats call for a different and more realistic approach. This does not mean, however, that regional integration should be abandoned. It makes very good sense for a region of small states to promote trade and commerce between them. For this to happen they have to agree on market access arrangements, the harmonisation of standards, rules and customs procedures as well as trade facilitation measures and infrastructural development. How could this be achieved and which national institutions should drive and coordinate the efforts in the member states? Could national planning agencies play a meaningful role?

The realisation that all is not well in SADC (as reflected in the decision to review the Regional Indicative Strategic Development Plan – RISDP) presents an opportunity to rethink its approach to regional integration. There is not one single panacea but the effort will gain by accepting the need for domestic governance reforms and the alignment of national policies to attain regional benefits for unlocking the regional potential in favour of national and regional development. This is where national planning agencies could play a role.

Most southern African governments have adopted detailed national development plans or visions. There are often updated, while their goals have to be attained within specific time frames. In several countries there are also national planning commissions or agencies. These arrangements do not amount to one single approach or pattern but they provide a focal point for a debate on how

national development efforts could be aligned in order to promote regional integration and development for the benefit of all.

These rather ambitious national plans for economic growth, industrial development and domestic reforms will not succeed unless they also take account of the fact that intra-African trade has become vitally important for attaining development goals. In the words of the South African Minister of Trade and Industry Rob Davies: 'South Africa and other African nations must improve cross-border trade if they are to reach their economic potential....small and fragmented markets between African nations are responsible for the low levels of intra-Africa trade. The continent has a great deal of potential as it is the second fastest growing region in the world economically, has a young population, and a growing middle class with purchasing power' (SAPA 2012).¹

Can National Development Plans and agencies assist in this effort? Is there sufficient recognition of the regional dimension? A brief look at some of these plans shows that a lot more needs to be done.

The South African National Planning Commission has just published its first report. It is a detailed document with ambitious goals, but, as in other national development plans, the starting point remains the national focus. The regional dimension still needs further interrogation. Chapter 7 of the South African National Development Plan 2030 is entitled 'Positioning South Africa in the World'. Three key points are identified:

- In global terms, South Africa's foreign policy must be shaped by the interplay between diplomatic, political, security, environmental, economic and regional co-operative dynamics that define early 21st century international relations. In particular, our foreign policy-making should remain cognisant of global shifts in hard, soft and smart or mental power from West to East; the stratification of regional groupings in the world; the proliferation of threats to human and state security; to internal and external sovereignty, and to natural resources.
- On the basis of our identity as an African country, South Africa's foreign policy should be driven by a clear and critical understanding of our national, regional and continental priorities in a multipolar world where the geo-strategic politics of the continent is, once again, becoming increasingly central to global political economic competition for natural resources and market share. As such, we need to have a clear strategy of South Africa's place in the

¹ SAPA. 2012. Davies: border trade must improve. *Business Report*, 10 September 2012. [Online]. Available: <http://www.iol.co.za/business/business-news/davies-border-trade-must-improve-1.1379290> [16 September 2012].

region, on the continent and in the world over the next 20 – 30 years, and the political space the country will occupy.

- On the continent, South Africa should improve collaboration and co-operation, through deeper integration and increased trade with its regional trade partners in Africa, and the global south, in general, particular emphasis should be placed on the role that South Africa can play in mediating the role and influence of the BRICS group and African countries. The impending Tripartite Free Trade Area is a significant step towards improved African integration and should be a priority in South Africa's foreign policies.

The details on how these objectives will be met and how a prosperous and stable region will be ensured are still to be worked out.

The Sixth National Development Plan 2011 – 2015 of Zambia (*Sustained Economic Growth and Poverty Reduction*) contains even less in terms of a regional focus. It does not deal with regional integration as a separate topic. The chapter on 'Commerce and Trade' notes: 'Government has been implementing reforms in the last decade aimed at liberalising trade, promoting economic diversification and generate export-led growth'. In this regard, the government has continued to pursue a liberal trade policy at both regional and international levels. The stated vision is 'to become an export driven, competitive and viable commerce sector by 2030'. The stated goal is 'to increase the contribution of exports to GDP from 35 percent to 40 percent'.

Botswana's tenth National Development Plan (NDP10) is its most recent policy for achieving the aspirations of Botswana's long-term vision, *Vision 2016; Towards Prosperity for All*. Botswana has for many years promoted a private sector and investment friendly environment in order to foster private sector participation in economic diversification and growth. It has traditionally emphasised 'what Government needs to do in order for the private sector to deliver on its mandate'. In recent years this policy has shifted, to 'Government-led economic growth'. The future success of the country is linked to its ability to identify and develop new engines of growth, to develop domestic reform in areas such as financial services and to conclude more international agreements for liberalising trade. There are, again, detailed plans for how to allow the national economy to prosper, but the regional dimension retains the traditional focus as reflected in the membership of the Southern African Customs Union (SACU) and SADC.

This very cursory discussion cannot do justice to the detail and information contained in national development plans of Southern African governments. It seems, however, safe to note that, as a general rule, they all depart from a point of view which seeks to promote national development and address national poverty challenges. This is to be expected. However, when it comes to coordination of efforts across borders in order to attain the stated objectives, these plans are not particularly rich in ideas. Little will be found about joint efforts across borders or about collective approaches.

SADC obviously does not have a single regional ‘planner’. This would only be possible when the regional integration effort has matured into a high level of supra-nationality where regional institutions will speak on behalf of the collective. SADC is not near this level of integration. However, could national planning agencies make a contribution to regional integration and development efforts? What prevents this from happening? What considerations need to be taken into account? The following may serve as points of departure:

- The international, regional and national political economy reality has to be a starting point in discussions about economic development, industrialisation and competitiveness in the region. Global value chains, competition from China, existing trade patterns, uneven capacity, infrastructural constraints and the dependence on trade in commodities are to be recognised.
- Regional industrial development is to be approached in a manner which will permit markets considerations to underpin decisions about investment by the private sector and on production location. As in East Asian regional trade arrangements governments should assist regional industrial production processes by adopting and implementing governance reforms, harmonisation of standards, protecting intellectual property rights and allowing trade in goods and related services. By making such developments possible they will contribute to integration from the bottom up.
- National planning commissions can enrich this debate. They are, as a rule, well informed about the constraints and the bottlenecks. They should pursue the logic further and identify the regional dimension and opportunities for win-win cooperation in areas such as energy, water, food production and transport. They can contribute to and align national efforts and debates to promote the bigger regional effort. There is still a considerable distance to cover.
- Fragmentation in implementation remains a major danger. National planning agencies come in different forms and enjoy different types of powers. Often they do nothing more than only

align national debates and efforts; and not always very successfully. For these bodies to make meaningful contributions to regional projects realistic targets should be set, which should be implemented in an integrated and coordinated fashion.

It would be a major achievement of the RISDP review if it took a critical look at SADC's meagre implementation framework.
