



The neoliberal turn in the SADC

Regional integration and disintegration

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The SADC vision is one of a common future, within a regional community that will ensure economic well-being, improvement of the standards of living and quality of life, freedom and social justice, peace and security for the peoples of Southern Africa. This shared vision is anchored on the common values and principles and the historical and cultural affinities that exist amongst the peoples of Southern Africa. (SADC, 2010, p. 1)

On August 17, 1992, in Windhoek, Namibia, the Southern African Development Coordination Conference (SADCC) was transformed into the Southern African Development Community (SADCC; Lee, 2003, p. 47). The transformation of the SADCC into the SADC was a watershed mark in the geopolitical dynamics of the region, reflecting a closing to the era of Cold War proxy wars on the continent, an anticipated end to the Total Strategy¹

¹ The Total Strategy refers to the South African apartheid state's attempt to defend its racially inscribed capitalism through an ideological positioning

and apartheid state in South Africa, and optimism about the potential of regional cooperation and development among the newly liberated states. With these geopolitical transformations at hand, the SADCC, which had emphasized regional economic cooperation and coordination with a primary goal of reducing dependence on apartheid South Africa, would inevitably have to undergo some critical structural and policy changes due to the inclusion of a democratic South Africa. Transformed into the SADC, this new regional body ostensibly reflected a change in South Africa's posture towards the region, anticipated by Nelson Mandela's early awareness of "the need for peaceful cooperation for *mutual benefit* if the region's future is to be secure" (Simon, 1998, p. 4). According to Hentz, the new SADC programme was a prototype of developmental regional integration and cooperation (2005, p. 33). Yet, it would appear that, to date, there have been very few meaningful projects and policies developed within the SADC that have actually promoted "mutual benefit" and "development" (see for example Taylor, 2003 and Tsie, 1996). Rather, the SADC has increasingly embraced a free market approach to integration along the lines of neoliberal orthodoxy, exacerbating the existing asymmetries and inequalities. Thus, the developmental content of the SADC has fallen into disrepute, leading critics to the conclusion that it is developmental only in name (Hentz, 2005, p. 33).

The shift within SADC's priorities and ideological posture must be understood with reference to the coinciding shifts in the global economy following the end of the Cold War and the consolidation of neoliberalism as a global agenda, and the regional

against the "total onslaught" of Marxism among liberated African states. This was to be achieved through a stick-and-carrot combination of diplomacy and ideological legitimation via national-level compromises with key Black constituents and regional "cooperation" (which largely would have amounted to increasing regional economic dependence on South Africa), as well as heavily militarized tactics of destabilization against liberated Black-African states (Davies & O'Meara, 1984).

geopolitical transformations that followed the end of South Africa's apartheid state. Shifts in the composition and tools of the global political economy were instrumental in transforming the formal agenda of regionalism in Southern Africa. In turn, the adoption of neoliberal orthodoxy has engendered multiple microregional processes that have complicated the prospects for the successful consolidation of a regional imaginary. An examination of the competing regional processes instigated by the neoliberal turn is, therefore, instructive in identifying the disjuncture and contradiction that have become endemic to SADC regionalism.

In this article, I argue that the exogenous pressures of the global political economy, which have shaped contemporary SADC regionalism, have produced informal, bottom-up regional forces, which, when left outside of the formal regional consideration (either intentionally or unintentionally), have the potential of fostering regional disintegration rather than integration.

I use a case study of the role of informal cross-border traders and circular migrants in the SADC, with particular focus on the response of South Africa as a regional centre for informal cross-border trade and circular migration. On the one hand, as a result of the region-wide adoption of neoliberal orthodoxy through international influence and structural adjustment programs in many states, a hollowing and weakening of the state's ability to provide for its population, massive public sector retrenchment, wage *freezes*, and unemployment have ensued, causing a substantial reliance of the region's population on informal sector livelihood strategies (Tripp, 2001, p. 1). Increasingly, these informal sector livelihood strategies are premised on informal cross-border trade and migration, particularly into South Africa, a practice that has been facilitated by the opening of borders to formal trade and capital flows under neoliberal restructuring (Williams & Carr, 2006, p. 3). In response to increasing in-migration, South Africa

has sought to stem the cross-border movement of informal traders through a reassertion of state sovereignty and the border with heavy policing measures and an exclusionary migration policy (Pederby, 2001, p. 16). The reassertion of the border has had the effect of freezing regional relations and detracting from the construction of regional identity by further entrenching notions of difference and otherness, contributing to rising levels of xenophobia (p. 29). This, then, would seem to run counter to the self-proclaimed logic of regionalism by the SADC and contradict South Africa's supposed commitment to and support of integration as a means of promoting equitable regional development and peace, as repeatedly and publicly proclaimed by former President Thabo Mbeki (Taylor, 2003, p. 311). My intent in this article is to use South Africa as a case study to highlight the problem of neoliberal regionalism in the SADC. The SADC's movement to a neoliberal integration policy has created a set of informal microregional processes which, if met by an unresponsive or restrictive policy environment, have the potential of further fragmenting the region and detracting from the overall goals of peace, growth, and equitable development.

The remainder of this article is organized as follows. First, I situate the current problem, as it pertains to regionalism, within the tradition of the new regionalism(s) approach (NRA). The NRA school of thought is derivative of critical international political economy, and as such emphasizes the importance of situating regionalism(s) as a factor in the overall structure and forces at play in the international political economy. This is particularly useful for the argument being advanced here, as the very problems of SADC regionalism being addressed are in dialogue with the larger processes of global restructuring under neoliberal hegemony.

Second, I demonstrate how shifts in the structure and character of the international political economy have influenced a con-

comitant shift in SADC regionalism, namely that of a shift to neo-liberal orthodoxy. To this end, I examine how issues of structure and agency have contributed to this shift.

Third, I review how this shift in agenda has impacted SADC regionalism with reference to an increase in informal cross-border trade and migration as an emergent dimension of informal micro-regionalism(s) and the subsequent reaction of South Africa in evoking an exclusionary statist stance on migration policies, thus hampering and fragmenting regional relations (Mulaudzi, 2009, p. 49).

Last, I demonstrate how these processes are products of and responses to global neoliberal hegemony, so as to reveal the propensity towards disintegration that the SADC faces.

The NRA and Critical International Political Economy

Traditional integration theory began from an ontological presumption of states as the fixed locus of power in the international system, negotiating between themselves optimal economic interstate relations. Within the context of the Cold War and assumptions of global structural fixity, regionalism was characterized as an introverted process of protectionism—coordinated at a supranational level, with the depth and breadth of interstate organization being the determining factors of successful integration (Söderbaum, 2004a, p. 21). However, from the mid-1980s onwards, a “new regionalism” has emerged in the context of “comprehensive structural transformation of the global system” (Hettne & Söderbaum, 2000, p. 457). This new regionalism is characterized by a multiplicity of complex and dynamic processes involving state and non-state actors engaged in transnational networks and is taking form as the result of emerging global, regional, national, and local social forces (Söderbaum, 2004a, p. 50).

As a result of the post-Cold War consolidation of neoliberal hegemony and accelerated processes of social, political, and economic globalization, it is impossible to isolate one level of analysis as dominant, as the level of importance and nature of interactions between the various levels can change, contingent upon a particular process' spatio-temporal situation (Hettne & Söderbaum, 2000, p. 457). To this end, the study of new regionalism(s) is most comfortably and appropriately situated within the tradition of critical international political economy. As Söderbaum noted,

Critical international political economy (IPE) provides a useful analytical perspective for this endeavour, because it transcends state-centric ontology and rationalist epistemology and is concerned with structural and social change; historical power structures, emphasizing contradictions in them; and change and transformation expressed in normative terms... [It] does not take states as givens, but neither does it wish them away, which is important in accounting for the changing governance structures in today's global political economy. (2004b, p. 419)

As critical international political economy emphasizes an examination of the historical contingency of the global structural conditions that influence and define the parameters of political-economic behaviour, processes of regionalism must be understood within the context of post-Cold War structural transformations in the global political economy and how these transformations have shifted the composition and character of regionalism(s) and the particular composition of the state-society complex in the contemporary global order. In so doing, the study of new regionalism(s) allows for a consideration of how regions are socially constructed and thereby politically contestable. The project of the NRA, rather than fixating on regional organizations and state actors, is to describe the processes by which a geographical area is transformed into an active political subject and how various actors are constituted in these processes as active agents capable of anti-

culating collective interests within the emerging regional and global order (Hettne & Söderbaum, 2001, p. 461).

Aside from the global or exogenous emphases of the NRA, there is a concomitant analytical shift to the endogenous forces of regionalism. Regionness is a pivotal concept for the NRA analyses of the endogenous forces of region formation. Regionness is to “define the position of a particular region in terms of regional cohesion, which can be seen as a long-term historical process, changing over time from coercion ... to voluntary cooperation” (Hettne, 2005, p. 551). Regionness as a concept allows one to understand how a variety of formal and informal social, political, and economic actors interpret the idea of the region and to what extent these multiple interpretations of region find congruence or contradiction with each other (Söderbaum, 2004a, p. 47).

The notion of regionness is perhaps the most salient feature of the NRA that bridges the exogenous and endogenous forces of regionalization. Although the exogenous forces of global order bear influence on the formal macroregional project (often stated and institutionally defined), these very influences are also responsible for what the NRA sees as the unbundling of the state through neoliberal globalization. As Taylor noted,

Macro regions involve a monumental expansion in the proportion of a regional market, while at the same time diminishing the authority of political units.... [B]ecause of their scale, macro-regions are most likely to generate the greatest tensions and contradictions, and are least susceptible to the construction of any form of regionness. (2003, p. 315)

This unbundling makes the state but one actor among a plurality of formal and informal regional actors (Söderbaum, 2004a, p. 50). Networks formed by these informal actors may include, but are not limited to, transnational corporations, ethnic business networks, civil society organizations, private armies, and the informal border politics of small-scale trade, bartering, smuggling, and crime. These informal networks reflect microregional pro-

cesses that are more beholden to "real processes on the ground and constitute the interface between top-down and bottom-up regional processes (Söderbaum & Taylor, 2003, p. 3). At times, these formal and informal actors of regionalization act in opposition to each other, while at other times, myriad partnerships may exist between the formal, state actors, and informal actors (Söderbaum, 2004a, p. 51). To this end, the formal and informal modalities of regionalization must be analyzed within the same theoretical framework rather than arbitrarily separated. Multiple regional processes are occurring at multiple scales at a given place and point in time.

Simon expressed similar theoretical viewpoints as the NRA when he noted that it would be faulty to assume a single future for development and regionalism in Southern Africa. Rather, he maintained, it is important to consider regional processes as diverse and plural with divergent and convergent futures (Simon, 1998, p. 4). The neoliberal turn of regionalism in the SADC, as a factor in larger global restructuring processes, will impact different spaces in an asymmetrical and variegated fashion (Taylor, 2003, p. 314). Rather than producing a totalizing tendency towards homogenization, as proponents of (neoliberal) globalization claim, the unfettered movements of capital will produce uneven geographical developments, reflected in the "different ways in which different social groups have materially embedded their modes of sociality into the web of life" (Harvey, 2006, p. 77). As the regional centre of capital, South Africa's outward expansion of (often speculative) capital projects into Southern Africa as a means of dispersing its apartheid inheritance of crises of accumulation has had tremendous impact upon the myriad microregional processes emerging within the SADC (Bond, 2000, p. 49). These microregional responses manifest as Polanyian-type responses of societal self-protection to uneven geographical developments producing both convergent and divergent regional imaginaries

(Harvey, 2006, p. 114). Within the SADC, highlighting these plural tendencies of regionalism may help to identify the sources of contemporary xenophobia, while also revealing spaces for emergent contestation to neoliberal order.

From SADCC to SADC: Global Transformation and the Neoliberal Turn

The SADCC was established in 1980 by a core group of liberated Southern African states, Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia, and Zimbabwe (Lee, 2003, p. 45). Given the geopolitical context of South Africa and the Total Strategy, the priorities of the SADCC were to reduce dependent relations in general, though particularly upon South Africa, and foster regional cooperation and development among liberated states through a deliberate and politically strategic coordination of donor funding (Sidaway & Gibb, 1998, p. 166). Market integration, as contemporary regionalism was being practised, was not an objective of the SADCC (Hentz, 2005, p. 28). This was largely due to the fact that the economies of Southern Africa lacked the requisite diversification (as most states remained primary product exporters), comparative advantage, and infrastructure to facilitate any meaningful economic integration (Lee, 2003, p. 47). For these reasons, regional cooperation and development were seen as a necessary precursor to market integration.²

The SADC was established in 1992 following the end of the Cold War and the proclaimed victory of the West. At this time the African National Congress (ANC) was negotiating its ascension of power in South Africa. For the SADCC, the implications of these

² See Seidman (1989) for a detailed analysis of the structural conditions that formed the basis for SADCC's emphasis on economic coordination and cooperation rather than integration, and some of the alternative strategies being tabled at this time.

geopolitical transformations was a contraction in the options for donor assistance outside of Western states and international financial institutions, where, during the Cold War and during the reign of apartheid, such alternatives had been available (Tsie, 1996, 78). The SADCC and its member states needed to acquiesce in order to stay afloat; alone, they simply did not have the resources to continue. Additionally, with the ending of apartheid, the SADCC could no longer position itself in opposition to South Africa, and thus needed to prepare for inclusion in the regional body.

Although these geopolitical transformations were significant, many of the fundamental structural conditions remained the same in Southern Africa. Most economies remained weak and undiversified and the region lacked the requisite infrastructure and comparative advantage to make market integration successful (Lee, 2003, p. 47). Perhaps most important, South Africa remained (and does to this day) the most industrialized state in the region, leading popular media and scholars alike to assert that SADC members were likely more dependent upon South Africa than they had ever been (Sidaway & Gibb, 1998, p. 166).

The role of external actors in influencing the shift in SADC regionalism, in accordance with the global structural transformation that occurred in the 1990s, is significant because the SADC and its member states have been largely dependent on foreign assistance and debt relief. Importantly, massive external debt in Southern Africa has been a significant factor in tying the region, politically and economically, to the West. Between 1986 and 1990, African countries paid back more to the International Monetary Fund (IMF) than they received in new assistance (Tsie, 1996, p. 76). This, in addition to the global recession of the 1980s, provoked a serious debt crisis in Southern Africa. The neoliberal policies pursued by many governments of advanced capitalist societies during the global recession had the effect of further indebting Southern

African states. Dollar-denominated debt, set against consistently depreciating national currencies, rendered Southern Africa largely unable to detach itself from the external political control of the West, as it continued to be reliant on foreign aid and debt relief (Tsie, 1996, p. 77).

The SADC itself is almost entirely reliant on external support. According to Lee, approximately 86% of the SADC's funding is derived from Western governments and international financial institutions (2003, p. 48). This continued trend of foreign dependency, coupled with a lack of feasible alternatives, has situated the region in a highly vulnerable and susceptible position. Given space constraints, it is not possible to provide a comprehensive overview of the specific arrangements and agencies involved in this externally imposed transformation, but I highlight below a few key moments in the transformation with regard to the SADC region and its member states primary donor community: the IMF, the World Bank, the European Union, and the United States.

First, the World Bank and the IMF, while previously sceptical of supporting regionalism in Southern Africa, instead favouring separate functional programmes and state-specific liberalization strategies, began to shift tactical strategies during the 1990s. The IMF and World Bank have since come to embrace open regionalism as a means of overcoming the fragmented opening of the region to the world economy, seeking to create "a sub-regional unified, open economic space for the free movement of goods, services, capital and people [and] move away from unsuccessful import substitution strategies" (Söderbaum, 2004a, p. 92).

Second, the European Union has been a key actor in promoting the new SADC regionalism, as well as in shifting the World Bank and IMF's regard for regionalism. According to Söderbaum, it was the EU that attempted to draw attention to the negative spillover effects of uncoordinated structural adjustment programmes, which was instrumental in changing the World Bank's and IMF's

attitude towards regionalism (2004a, p. 94). The EU emphasized that regionalism does not have to be an alternative to global market integration, but can be congruent with it, claiming that "successful integration requires a market-friendly economic environment [and] openness to third countries" (Söderbaum, 2004a, p. 95).

Third, beginning in 1996, there has been a reorientation in American policy towards the SADC, which has shifted engagement with aid to a relationship more focussed on trade (Lee, 2003, p. 48). The United States' African Growth Organization provides incentives in the form of debt relief, loan guarantees, business partnerships, and access to American markets, conditional upon the SADC's conformity to the norms of democratization, liberalization, and privatization (Söderbaum, 2004a, p. 93). The United States Agency for International Development's special Initiative for Southern Africa claims Southern Africa is a "promising" region. The objective of the initiative is to open markets and exports so as to promote a focus on growth-oriented reforms and the reintegration of South Africa into the regional economy on mutually beneficial terms (Söderbaum, 2004a, p. 93).

The brief overview above demonstrates how crucial external forces have approached aid and trade partnerships with the SADC using a markedly neoliberal strategy. However, South Africa and Botswana stand out as anomalies in this scenario. They did not cede to externally dictated structural adjustment programmes, but nevertheless undertook structural adjustment voluntarily "under the threat of losing international credit-worthiness" (Bond, 2003, p. 67). Importantly, South Africa, as the regional hegemon, has been instrumental in both embodying and conveying the hegemonic norms of neoliberalism on a national and regional scale.

When the ANC came into power in 1994, it received wide popular and electoral support, and was regarded as an alliance of Black nationalists with socialist unions and radical social move-

ments, seeking radical social, economic, and political change (Peet, 2002, p. 54). As such, the ANC's initial and formal economic policy was growth through redistribution. Not long after the fall of apartheid, however, the ANC gradually began to shift gears, adopting stringent fiscal and macroeconomic policies with an aim of promoting redistribution through growth. Although South Africa has received foreign debt relief and assistance, most notably the 1993 \$850 million IMF Compensatory and Contingency Financing Facility, it has been unique in that it was not subject to the structural adjustment policies under which almost every other SADC member state undertook neoliberal restructuring (p. 73).

Rather, the ANC government undertook a self-imposed structural adjustment in the form of its 1996 Growth, Equity and Redistribution (GEAR) policy, a macroeconomic policy package that was decidedly "Thatcherite" in its orientation, as Thabo Mbeki once publicly announced (Bond, 2000, p. 82). Critical of wage and service expenditure, the ANC through GEAR sought a regressive tax on consumption, increased liberalization of exchange controls, wage freezes, supply-side incentives to promote investment and export competitiveness, and a restructuring of state assets through privatization and joint public-private ventures (Bond, 2000, p. 80). Although conceived of domestically, giving it the air of a homegrown macroeconomic policy, GEAR was mostly the product of ideological pressure from the international financial institutions (most notably the World Bank) as well as the complex of domestic interfaces between elites and key constituencies (Bond, 2000, p. 189).

As the ANC was negotiating the liberation of South Africa in the 1990s, its well-known socialist leanings had begun to concern the West. Previously a strategic regional bastion of liberal and Western norms, the newly independent South Africa could potentially become a counterhegemonic node in the South. Notably,

Bond argued, the ability of South Africa's Left and progressive forces to distance themselves from international financial institution borrowing was identified as a key threat by the World Bank (2000, p. 155). To this end, the early 1990s saw an increased scrutiny of South Africa by the World Bank and the IMF, whereby the World Bank courted leftist ANC members under the pretences of "trust-building" exercises and advisory roles (Peet, 2002, p. 73). Gumede described in detail these courting sessions:

During 1992 and 1993 several ANC staffers, some of whom had no economic qualifications at all, took part in abbreviated executive training programmes at foreign business schools, investment banks, economic policy think tanks and the World Bank, where they were "fed a steady diet of neoliberal ideas." It was a dizzying experience. Never before had a government-in-waiting been so seduced by the international community. Both the World Bank and IMF sought to influence the ANC's economic policy, frequently warning against pursuing 'unorthodox' policies. (2005, p. 73)

Notably, the incumbent ANC minister of finance, Trevor Manuel, had been sponsored by the World Bank and IMF for training in orthodox international economics, and Prime Minister Nelson Mandela and his successor Thabo Mbeki were in frequent discussion with international financial institution elites and prominent Western policy advisors. The 1994 Reconstruction and Development Programme and the subsequent, highly reformatted GEAR were reviewed by a constellation of such elites and advisors of the West and the international financial institutions, including former advisor to the United States' Democratic Party, Stan Greenberg, who became the ANC-appointed policy advisor (Gumede, 2005, p. 76).

However, to reduce the ANC's transition to mere ideological courtship, as outlined above, would be far too simplistic and would ignore the complexities of interwoven agency and vulnerability that plagued the ANC. The apartheid state's political economy had been predicated on an accumulation strategy fuelled by

the exploitation of cheap Black labour for mineral extraction and the production of luxury goods. This racially inscribed accumulation strategy, however, failed to match mass production with mass consumption, leading to an acute crisis of overaccumulation, a legacy with which the ANC had to contend (Bond, 2000, p. 5).

On the level of acting elites, inviting the World Bank to take on assessment and advisory roles was viewed as a necessary measure for dealing with South Africa's capital crisis while keeping the bank at arm's length. In building a macroeconomic policy that was, ostensibly, to enable the avoidance of debt crises through liberalization, privatization, financialization, and the regional dispersion of overaccumulated capital, leading ANC architects of GEAR sought to decrease the potential conditions that would necessitate accepting an international financial institution loan, which would be conditionally attached to the more stringent macroeconomic structural adjustment packages (Bond, 2000, p. 10, p. 190). Through a combination of international ideological pressure and the ANC's vulnerable position in the emergent post-Cold War global order, South Africa undertook voluntary alignment with the Washington Consensus and global neoliberal hegemony. Former communist and ANC negotiator Mac Maharaj, speaking to the ideological corner into which the ANC was backed, claimed, "We could not go it alone. Countries that did this, such as Sweden, had the space to do so with the Cold War still raging and the world being bipolar. The ANC came to power at the end of the Cold War in a unipolar world. We had no room to manoeuvre" (Gumede, 2005, p. 76). By the time GEAR was tabled in 1996, Mandela and Mbeki both contended that in order for a Black government to be taken seriously and gain respect in the West, it needed to toe the line of orthodoxy (Gumede, 2005, p. 73).

In the context of a changing global order in the post-Cold War environment, the SADCC faced tremendous external and internal

pressure to conform the content of its regionalism to the norms and expectations of the now unipolar global order. The SADCC was thus transformed into the SADC and came to embrace neo-liberal orthodoxy and market integration as the means for regional development, promising redistribution, development, and poverty alleviation through growth. This shift was affected by the role of international financial institutions and key Western donor states in both directly and indirectly imposing the hegemonic norms of economic orientation onto individual states and the SADC as a whole. Along with the impact of international financial institutions and Western donors in reframing the SADC agenda, the role of South Africa has also been pivotal. To be sure, although the adoption of neoliberal orthodoxy via GEAR seemed to anticipate how South Africa would come to envision its regional relations, this line of explanation is not unproblematic. Hentz, for example, has argued that the evolution of South Africa's approach to regionalism has been the result of the ANC's negotiating a "complex political matrix" between domestic labour and business interests (2005, p. 44).

Cross-Border Movements and Regional (Dis)Integration in the SADC

Southern Africa is a region imbued with deeply historical migration patterns. Throughout the 20th century, patterns of labour migration were, possibly, the single most important factor connecting the various colonies and countries into a regional labour market (Crush et al., 2005, 1). It is not an exaggeration to state that the political economy of Southern Africa, during this time, could only be understood with reference to labour migration (Andersson, 2006, p. 375).

The South African migrant labour system was the most prolific and far-reaching model, recruiting migrants to work in the mining and commercial agriculture sectors from nearly every other coun-

try in the region, throughout the 20th century. Figures for South Africa's contract labour migration range from 99,950 in 1920, to as high as 233,808 in 1960, tapering off in the 1990s at 192,044 (Crush et al, 2005, p. 3). The South African model of contract migrant labour became a model for the region, later adopted by Botswana, Namibia, Swaziland, Zambia, and Zimbabwe (p. 4). Although the contract labour system was adopted elsewhere throughout the region, the patterns and benefits to be accrued from such a system remained largely skewed in favour of South Africa and its momentum towards industrialization. South Africa's ambitions of becoming a secondary producer and escaping what seemed to have been the fates of many other African countries, marginalized in the global economy as primary producers, necessitated the creation of economic linkages with neighbouring countries (West, 1990, p. 117). The reality of the Southern African region has been effectively predicated on these historical patterns of labour migration.

Though migration has historically characterized Southern Africa, the nature and composition of migration in the contemporary post-apartheid era is also fundamentally altered. Mobile populations remain a fundamental component of the region's political-economy, though the late 20th and early 21st centuries have witnessed an increasing informalization of migrants. Apartheid's accumulation strategy, premised largely on cheap and exploitable Black migrant labour in the extraction of natural resources and production of luxury goods, had produced an acute crisis of overaccumulation (Bond, 2000, p. 5). In order to deal with this crisis, the ANC government undertook a number of political and economic measures such as the formal promotion of domestic job creation and labour standards in South Africa, and a strategy of moving overaccumulated capital into infrastructural and speculative financial ventures, which concomitantly led to a significant reduction in the need for unskilled contract labour mi-

grants (Adepoju, 2001, p. 45; Andersson, 2006, p. 377; Bond, 2000, p. 49; Crush et al, 2005, p. 6). As a result of this reduction, the primacy of contract labour in the region's political economy has been increasingly supplanted by the informal sector, which is nevertheless largely contingent on mobile populations such as circular migrants and informal cross-border traders (Iheduru, 2003, p. 48; Boas, 2003, p. 34). Whereas, previously, a large proportion of migrant populations (though highly exploited) followed a formalized process, contemporary migration patterns in the region are increasingly placed outside of the parameters of supranational institutional consideration. This points to a marked disconnect between formal regionalism in practice and the realities of transnational linkages on the ground.

Having traced the shift in the SADC and its member states' policies from growth through redistribution to redistribution through growth, in this final section I demonstrate how the neo-liberal turn has created internal antagonisms through bottom-up regional pressures and a subsequent reassertion of the state at the border. Rising unemployment rates, wage freezes, and massive public sector retrenchment, coupled with the opening of borders to flows of trade and capital, have created the conditions for a significant expansion of the informal sector economy, increasingly characterized by cross-border movements (Tripp, 2001, p. 1). Recent SADC reports have said that over 45% of the total population within the SADC region lives on less than \$1 per day, demonstrating the need of almost half the regional population for a social safety net of some sort (SADC, 2008, p. 1). In the absence of such social safety nets in much of the region, the informal sector and informal cross-border trade and migration have grown and become pivotal sites of livelihood strategies in the liberalizing the SADC. Popular estimates now assert that informal cross-border trade constitutes approximately 30 to 40 per cent of the value of SADC's formal regional trade, though because of its clan-

destine nature, the bottom line is largely unknown (Johnson-Nunez, 2009, p. 11). These growing cross-border movements are a significant factor of regionalization and represent what Söderbaum and Taylor have labelled informal micro-regionalism(s), the result of a disconnect between the formal project of regionalism through the SADC and the actual lived practices and perceptions of regional linkages on the ground (2003, p. 3). To the extent that these formal and informal processes contradict rather than support each other, the prospects of consolidating regionness are weakened.

In the process of growing formal and informal interstate linkages, there has been an increased emphasis on the securitization of the border and migration policies in the SADC. Although the borders of states are becoming more porous to the movement of trade and capital, and thus to people as well, there have been significant attempts to reify the political border through exclusionary and often discriminatory migration policies in order to shut down the movement of peoples (Crush et al., 2006, p. 31). Yet, significant research has identified informal cross-border traders and migrants as an integral mechanism for promoting regional integration. The activities undertaken by informal cross-border traders and circular migrants serve to

dismantle the structure of trade dominance biased toward the former colonial nations and instead strengthen intra-SADC trade by physically demonstrating the existence of a common market by bringing the concept of regional economic integration down to the individual level. (Johnson-Nunez, 2009, p. 31)

Furthermore, in a study of Zimbabwe's female cross-border traders, Muzvidziwa noted the propensity of their activities to necessitate and contribute to the creation of a transborder culture that transcends nationality and ethnic differences by emphasizing commonality through economic interdependence and cooperation (2001, p. 72). The SADC programme of action claims to

seek political, social, and economic development through the building of regional ties, a common values system and collective regional identity (Mulaudzi, 2009, p. 50). Yet the SADC's inability and unwillingness to provide a safe and facilitative environment for these microregional processes, which have the potential to lay the grounds for the realization of such objectives, has promoted regional disintegration rather than integration.

The case of South Africa can be used to illustrate these internal antagonisms for a number of reasons. Because South Africa is the major industrial centre of the SADC, it functions as the centripetal force of the region. The asymmetrical patterns of growth within the region, exacerbated by a region-wide adoption of neoliberalism, have largely accrued to South Africa, making it a primary destination for informal cross-border movements and trade. Official government figures as of May 2010 cite a South Africa-SADC trade surplus of nearly R2.3 billion (Department of Trade and Industry, 2010). Unevenly developed markets, largely derived from South Africa's export dominance in the region, have resulted in significant price differences and differing availability of commodities, providing the economic incentive and rationale for undertaking cross-border trade activities (Johnson-Nunez, 2009, p. 12). Coupled with growing region-wide unemployment, the relative strength of the South African economy has made it a centripetal force in the region, attracting informal cross-border traders and circular migrants, who use formal and informal routes of entry into the country (Akokpari, 1999, p. 4).

Second, the widespread failures of neoliberalism to promote redistribution through growth, both regionally and in individual states, can be seen as a root cause of the evocation of restrictionist immigration policies. Although South Africa has fared better at the macroeconomic level under regional liberalization, the implementation of domestic liberalization through the GEAR policy has, nevertheless, resulted in massive internal unemployment and

drastic cuts to social services and public sector wage freezes and retrenchment (Mulaudzi, 2009, p. 56). The South African state's inability to meet the needs of its national population has been a significant impetus for scapegoating informal cross-border migrants and traders, accusing them of undermining the national population's access to the South African economy and social services. Rather than addressing the systemic deficiencies of GEAR for alleviating national poverty and raising standards of living, South African officials deflect critical attention by accusing "illegal" foreigners of being impediments to the successful implementation of GEAR. Informal cross-border traders and migrants are accused of subverting (declining) formal employment opportunities and legislation for nationals by agreeing to work at lower unregulated wages, crowding out the informal sector economic livelihoods of nationals by setting up in South African urban markets, and draining the capacity of (already paltry) public services (Pederby, 2001, p. 24).

In response to in-migration, South Africa has established an extremely restrictionist immigration policy reminiscent of the apartheid era, centred on a draconian approach to border and heartland policing and attempts to control and halt both legal and undocumented migration (Pederby, 2001, p. 16). South Africa's exclusionary immigration policies can be seen as an attempt to restore state legitimacy in the "last bastion of sovereignty" under neoliberalism (the domain of security), where it otherwise lacks such sovereignty under austerity reforms (Söderbaum, 2004b, p. 433). To this end, a rise in xenophobia among the national population has ensued, promoting the reification of difference, rather than fostering a common regional identity and values framework. The rise of xenophobic attitudes can be evidenced in the number of violent eruptions that have occurred in South Africa against foreigners, in general, and informal economic operators, in particular. Incidences of xenophobic attacks in South Africa have been

resurgent since shortly after the democratic transition. The ongoing incidences of xenophobia have ranged from the riots against street vendors in Johannesburg in 1997; to the two-week-long xenophobic attacks that spread like wildfire across South Africa in May 2008, leaving 62 dead and more than 100,000 displaced; to the current post-World Cup hostility, documented by threats to foreigners by citizens and public servants alike and the evictions of foreigners in order to “get rid of the *makwerekwere* [derogatory name for Black foreigners]” (Johnston, 2010). The effect of these circumstances on regionalism is a violent othering that fragments the identification and consolidation of a common regional identity and values framework (regionness), from which meaningful regional cooperation and development could otherwise emerge (Mulaudzi, 2009, p. 56).

Third, the criminalization of SADC cross-border migrants and traders has generated an illicit informal economy at the border. A host of illicit economic activities have sprung up around “assisting” informal migrants’ entry into South Africa, including human smuggling, bribes paid for entry or to escape deportation, bribes paid for visas, etc. Corruption has become endemic at most South African border posts (Crush et al., 2006, p. 8). These illicit border economies are instructive as to the complex linkages between formal and informal actors, as state officials eliciting bribes at the border are intertwined with regional and transnational criminal networks of human smugglers, such as the *maguma guma*. These activities in themselves are indicative of informal micro-regionalism(s) articulated through complex state-criminal network linkages and highlight what some have argued is the increasing criminalization of the state under neoliberalism (Vigneswaran, 2008, p. 6). Additionally, these economic activities thrive on the maintenance of a stringent and exclusionary migration regime. To the extent that public officials are able to extract rents from clandestine migration, there is an informal economic incentive to

subvert regional initiatives for a SADC-wide facilitation of movement and harmonization of migration policy (Vigneswaran, 2008, p. 13).

Finally, South Africa holds a significant amount of sway in terms of the types of regional arrangements that are passed through the SADC. South Africa's posture towards regional migrants has been significant in hampering the implementation of a regionally harmonized migration policy. The proposed SADC Free Movement Protocol of 1996, which was to confer the rights of employment, residence, and establishment to all SADC citizens and establish a SADC body of oversight specifically for the enforcement and implementation of the protocol, was vociferously rejected by South Africa (Williams & Carr, 2006, p. 11). The resultant Facilitation of Movement Protocol, which left the definitions of employment, residence, and establishment subject to domestic legislation, made no requirements for implementation and provided no body of oversight and enforcement, was largely the result of South African manufacture and coercion (Oucho & Crush, 2001, p. 150; Williams & Carr, 2006, p. 11). The result of this has been to render regionally governed migration policy impotent, so that migration policy remains firmly within the jurisdiction of the state. Failing a regional migration policy, the cross-border movements of peoples will continue to be couched in terms of border control, security, and exclusionary national citizenship rather than development and integration, further criminalizing foreigners and promoting regional disintegration rather than integration.

Conclusion

To date, regionalism in the SADC has largely failed to deliver on its programme of action, to promote equitable regional devel-

opment, raise the standards of living, and alleviate poverty. Understanding this failure requires moving beyond a functionalist approach that assumes structural fixity and sees interstate negotiations and institutions as the determinant factors in successful regional consolidation. As I have demonstrated here, to look at regionalism in the contemporary global political economy requires moving beyond formal interstate relations. Although functionalist analysis can provide some insight into how regional-level policies are negotiated, implemented, and enforced, it fails to consider how multiple regional processes are occurring at multiple scales, pursued by different actors towards different ends. In approaching regionalism in the SADC through the lens of the NRA, one can uncover a myriad of regional processes occurring simultaneously, promoted by both formal and informal actors.

By situating the transformation of the SADCC into the SADC within the wider transformations occurring in the global political economy, I have shown how the SADCC, which was cautious of Western economic orthodoxy and market integration as the means to region-wide development, was transformed into the SADC, which has come to embrace economic orthodoxy and austerity measures. Although the conditions that underpinned the SADCC's rationale for distinguishing itself from the Western model of integration had not changed, global pressures to conform to neoliberal hegemony affected a policy shift in the regional body's *modus operandi*. Thus, at the formal level, a particular form of regionalism has been pursued, heavily influenced by neoliberal hegemony and the interests of global capital and regional elites.

The shift to neoliberal orthodoxy within the SADC as a whole, and within individual member states, however, has in turn produced bottom-up informal regional pressures through the creation of an environment conducive to a proliferation of informal cross-border movements and trade. These informal movements

and economic activities represent the livelihood strategies of the majority of the SADC population, which trickle-down growth has yet to reach. This is enabled by increasingly porous borders, rising unemployment rates that have resulted from region-wide and state-led liberalization, and the region's uneven geographical development (Bond, 2000, p. 9).

As Taylor noted, informal micro-regional processes represent the interface between elite-driven agendas and the popular reactions they elicit, making more readily identifiable the "imminent possibilities of transformative counter-movements" (2003, p. 316). As bottom-up processes, informal cross-border traders and circular migrants are more intimate with and responsive to the particular socioeconomic, labour, and cultural needs of Southern Africa's peoples (Johnson-Nunez, 2009, p. 12-13). They can, if properly facilitated, represent not just livelihood strategies, but also spatial practices that can challenge and transform the uneven geographic development of Southern Africa at the micro level, as well as foster a common identity and values framework premised on solidarity and interdependency. Yet the policy environment in the SADC (most notably South Africa) has, to date, marginalized and criminalized such integrative potentials amongst mobile populations.

South Africa, as a major destination for regional cross-border migrants and informal traders, rather than enabling greater intraregional movement to facilitate closer regional integration, has attempted to stem the flow of migrants through a criminalizing and restrictionist migration policy. This restrictionist migration policy might be seen as an attempt to reassert state legitimacy in terms of securitized borders, and is otherwise effectively impotent. The criminalization of cross-border migrants and informal traders has contributed to a rise in xenophobic attitudes, thus detracting from the construction of a common regional identity and values, and provided economic incentive for the continued crimi-

nalization of migrants through a maintenance of restrictionist migration policies. Thus, the shift to market integration in the SADC has produced concomitant processes of integration and disintegration.

As the NRA emphasizes, regionalism cannot simply be reduced to interstate negotiations and trade liberalization. Cross-border migration and informal trade have been long-standing features of the Southern African political economy, becoming all the more prevalent under liberalization measures, albeit in different forms. A cogent analysis of the possibilities, limitations, and actualities of regionalism must move beyond formal economic and political measures to also take into consideration the informal manners through which regionalism(s) is constructed. In so doing, it becomes possible to identify the potential counterforces and agents of transformation that are arising within contemporary global restructuring and taking form through articulations of cultural identity, self-organization, and self-protection (Söderbaum & Taylor, 2003, p. 16). Transformative counterforces of self-organization and self-protection, however, will not necessarily be progressive in their agendas. This point is most amply demonstrated through the reactionary articulations of xenophobia, which are emergent features of the post-liberalization SADC environment. Studying informal cross-border traders and circular migrants as microregional actors may better enable scholars and policy makers to promote the progressive, transformative, and integrative potentials therein, while identifying where such processes might elicit reactionary and disintegrative movements.

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