

CHAPTER 3

OTHER REGIONAL ORGANISATIONS

3.1 Until South Africa joined the Southern African Development Community, the Southern African region had limited influence both on a national and international basis. South Africa brought to SADC powerful new political and economic weight. Its newest member, Mauritius, extends SADC's influence and focus beyond the continent and into the Indian Ocean region. However, SADC is not the only grouping that affects the Southern African area.

OAU

3.2 SADC countries have received support from their African neighbours and are members of organisations that represent all African countries. In particular, SADC countries are members of the Organisation of African Unity (OAU), formed in 1963 to promote unity and solidarity among African states. This organisation played an important role in the decolonisation of African states and the ending of apartheid in South Africa. Its role is mainly one of mediation and conflict resolution. In 1993, it obtained United Nations support to develop a *Mechanism for Conflict Prevention, Management and Resolution*, which is consistent with its principle of non-interference in the internal affairs of member-states.¹

3.3 This *mechanism* arises out of internal conflicts in Liberia, Somalia, Rwanda and Burundi, which are at the root of an inter-African debate on the meaning of post-Cold War security in Africa.² The *mechanism* functions on the basis of consent and cooperation of parties involved in the conflict and as such maintains OAU principles for peaceful settlement of disputes.³ Such principles, together with weaknesses in the organisation's structure and leadership, have led some submissions to describe the OAU as failing to live up to its commitments, and with the end of apartheid and the decolonisation process, as lacking a substantive agenda.⁴ In giving evidence, Dr. David Dorward stated that he saw the future in Africa as being:

.....built around a series of nodal states and regional developments rather than a continental system which seems to be a reflection of a set of ideas and aspirations of the immediate era of decolonisation.⁵

3.4 The Committee, however, believes that the OAU is attempting to address the issue of violence that many of its member countries are experiencing. It also represents an attempt by African countries to resolve some of their internal conflicts in a systematic way

1 Charles van der Donckt. 'The OAU's Conflict Management Mechanism Two Years On', in *Pacific Research*, August, 1995, pp. 42-45.

2 *ibid.*, p. 43.

3 *ibid.*

4 DFAT, Submission, p. S436; Dorward and Geddes, Transcript, 15 September 1995, p. 129.

5 Dorward and Geddes, Transcript, 15 September 1995, p. 129.

with international assistance. With the admission of South Africa to the OAU as the 53rd member in May 1994, a new and powerful influence has been injected into the organisation.

3.5 The 1994 slaughter in Rwanda prompted some OAU member countries to push for the organisation to take a more active peace-keeping role. At the OAU Summit in August 1995, there was strong support for the establishment of standby military contingents, which could be used by the UN and OAU in times of crises, to be added to the *mechanism*.⁶

3.6 During a visit to Africa in October 1996, US Secretary of State Warren Christopher proposed the establishment of an African Crisis Response Force of up to 10,000 troops. The US has offered to pay a quarter of the estimated \$US40 million cost of training a pan-African force. Under the US proposal, the force would be drawn from military units of several African countries, and although deployed under UN auspices, it would be effectively mobilised by the OAU and its new US-funded Conflict Management Centre. The OAU and a number of African countries, including South Africa, have responded cautiously to the proposal and have sought further information before endorsing the plan.⁷

3.7 As the OAU moves towards a role of peace-keeping, the initial objective of non-interference in the internal affairs of member states is no longer a viable or desirable one.⁸ The Secretary-General of the OAU fully supports the move into peace-keeping but noted that it was a new field for the organisation and that it would look to the UN for leadership.⁹ The Committee anticipates that these factors will encourage restructuring within the OAU and stimulate unity and more regional involvement by the organisation.

3.8 In June 1996 the Australian Minister for Foreign Affairs announced \$225,000 funding for three African peace initiatives:

- \$100,000 to the OAU Peace Fund;
- \$100,000 to the New York based International Peace Academy which works with the UN and the OAU on strategies for managing conflicts; and
- \$25,000 to former Tanzanian President Julius Nyerere's mediation efforts in Burundi.¹⁰

3.9 The Committee recommends that:

4. **Australia offer encouragement and further practical help to the OAU, if requested, to assist in the development of good governance in Africa, particularly Southern Africa, through exploring alternative conflict resolution strategies.**

Regional economic integration

6 Thomas, M. 'OAU approves peace-keeping units. Summit also adopts action agenda for African development', in *Africa Recovery*, United Nations, vol. 9, No. 2, August 1995, p. 1 & p. 4.

7 Boyle, B. 'Mandela Cool on US-proposed African Peace Corps', Reuters, 12 October 1996; and 'US Calls for an African Crisis Force' in *The Sydney Morning Herald*, 12 October 1996, p. 19.

8 Thomas, M., op. cit., p. 5.

9 ibid.

10 'Fraser Named Envoy to Africa', in *Canberra Times*, 29 July 1996.

An African Common Market?

3.10 The idea of forming an African Common Market was first conceptualised by the OAU in 1961.¹¹ The concept was revived as the African Economic Community in June 1991 in response to a growing perception that the region was being increasingly marginalised economically following the end of the Cold War.¹² Although the proposal has not been progressed substantially to date, the OAU remains committed to the establishment of an African Common Market by the year 2031.¹³

COMESA

3.11 In 1981, East African states joined with Southern African states (except for South Africa and Botswana) to form the Preferential Trade Area for Eastern and Southern Africa (PTA). The purpose of this group was to improve commercial and economic cooperation and enhance the structure and production of national economies in member states.

3.12 In November 1993 the PTA signed a treaty transforming it into the Common Market for Eastern and Southern Africa (COMESA). COMESA aims to:

- Improve commercial and economic co-operation in all fields of economic activity in the region and transform the structures of production of the national economies of the region;
- Achieve a full free trade area and a customs union with a common external tariff by 2000;
- Allow for the free movement of capital, finance and people; and
- Establish a payments union.¹⁴

3.13 All SADC members belong to COMESA except for Botswana and South Africa, and the Common Market now has 25 members. With the abolition of apartheid, there has been some tension regarding the relative roles of SADC and COMESA and their relationship to each other. SADC has been required to justify why it and not COMESA should be in the best position to promote regional economic integration. COMESA would be prepared to merge with SADC but SADC has resisted this proposal. The SADC position has been that both organisations possess distinct, if complementary mandates, which SADC believes should be pursued separately.¹⁵

3.14 A joint ministerial conference between SADC and COMESA was held in Harare in July 1996, to prepare for a COMESA-SADC summit in late 1996 to discuss the dual membership of both organisations and the possible merging of the two.¹⁶

SACU

11 'Organisation of African Unity-OAU', in *Africa South of the Sahara 1995*, 24th Edition, London: Europa, 1995, pp. 110-111.

12 *ibid.*, pp. 112-113.

13 Economist Intelligence Unit, *Malawi Country Profile*, 1996, p. 44.

14 DFAT, Submission, pp. S443-S444.

15 DFAT, Submission, p. S444.

16 DFAT, Submission, p. S1129.

3.15 The Southern African Customs Union (SACU), formed in 1910, is an organisation set up to encourage intra-regional trade between its members. Membership in the SACU entails abolition of trade barriers, the duty-free flow of goods and services among members and a common external tariff.¹⁷ All customs duties and excise taxes are part of a common revenue pool administered by the South African Reserve Bank (SARB). Members of SACU include South Africa, Botswana, Lesotho, Namibia and Swaziland. DFAT described SACU as:

the most technically advanced of the sub-regional groupings in southern Africa...(It)...is a free trade area although it does not provide for the free mobility of capital and labour.¹⁸

3.16 SACU members are bound to a common currency for trade and belong, except for Botswana, to the Rand Common Monetary Area (CMA). The effect of this is that:

(there is a) ...free flow of capital and a common capital market. Each country has its own currency but shares a common exchange rate and its economy remains hostage to South Africa's monetary policy. There have been suggestions that the CMA could serve as the nucleus of regional monetary and fiscal integration in an extended SADC.¹⁹

In their submission, the Department of Foreign Affairs and Trade argued that some economists believed that SADC and COMESA should be 'scrapped' paving the way for the expansion of SACU.²⁰

3.17 SACU has been criticised because of the dependence of the smaller countries on South Africa to provide manufactured goods and services at a higher cost than could be obtained elsewhere.²¹ The new South African government, however, has stated in its Reconstruction and Development Program that they believed the current trade pattern with South Africa and the sub-continent to be unbalanced.²² The ANC intends to push to develop policies that ensure more balanced trade in consultation with their neighbouring countries. Concerns remain, however, that in moving towards greater economic integration in whatever form it might take, that the already one-sided trade pattern would be reinforced.

3.18 The August 1996 SADC meeting saw leaders sign four protocols, one of which provides a framework for the 'elimination of tariffs and the creation of a southern Africa free trade zone'.²³ While the protocol did not contain many details, it is a sign at the very least of a willingness by all SADC members to move toward greater free trade.

Indian Ocean Rim

17 Mwase, Ngila. 'The Southern African Customs Union in a Post-Apartheid Southern Africa', in *Journal of World Trade*, vol. 28, no. 5, October, 1994, p. 125.

18 DFAT, Submission, p. S444.

19 *ibid.*

20 *ibid.*

21 Mwase, N., *op. cit.*, p. 128.

22 *ibid.*

23 DFAT, Submission, p. S1128.

3.19 In February 1995, Australia was one of seven countries to begin to explore a regional dialogue based around the Indian Ocean (as part of the Mauritius process - see below). This was in line with the 'Look West' strategy, announced by the Ministers for Foreign Affairs and Trade on 9 August 1994, and developed in close consultation with the Western Australian Government.²⁴ The Australian government committed itself to increasing its presence in the Indian Ocean region and consequently our relations with countries within the Indian Ocean Rim (IOR). An important component of the strategy was the hosting by Australia of an International Forum on the Indian Ocean Region (IFIOR) in Perth in June 1995.

3.20 IFIOR involved participants from academia, the business community and officials in their personal (non-official) capacity. The IFIOR involved two working groups, one dealing with trade, investment and economic cooperation issues, and the second with education, environment, health, law and justice, sport, maritime cooperation issues and options for regional security dialogue. As IFIOR was a 'second track' process, participants from regional countries were invited in their personal capacities, and there were no 'country' delegations. Participants were drawn from some 23 individual countries, and major regional and subregional organisations from the Indian Ocean region.

3.21 While there was general support for the IFIOR process, it did attract criticism on a number of fronts. The first was that participation in IFIOR was restricted:

We are interested in the Indian Ocean initiative and the efforts Australia is making in regard to trade in the region with Africa. We would like to see a greater role - or a role really - for non-government organisations and civil society in that initiative. We believe that we have something to offer and at the moment we have been left out of it.²⁵

and

...the level of participation by non-government organisations was disappointing. It was difficult for some NGOs, particularly those from Australia because of the subscription costs or whatever it is called...They were not invited as full participants. That was a decision that was taken by the government. I went on a three-month trip beforehand, which was paid for by the government, with the specific brief to encourage NGO participation...If they wanted to be invited, they would be invited. Quite a few of them were invited from around the region...²⁶

3.22 Secondly, the ACTU was critical that the tripartite nature of the Forum (academia, business and government) did not allow for involvement of the trade union movement:

...the ACTU notes with concern the definitions of tripartism in the Indian Ocean fora, including their meetings at Mauritius and in Perth

24 DFAT, Submission p. S913.

25 ACFOA, Transcript, 29 September 1995, p. 233.

26 McPherson, Transcript, 4 October 1995, p. 264.

that defines tripartism as comprising academics, business and governments. The ACTU believes that the proper definition of tripartism should be comprising trade unions, employers or business and governments, as has occurred very successfully in the ILO.²⁷

3.23 A third criticism was that the conference was heavily weighted in favour of economics:

Any other issues which were referred to as the other issues just brought everything together into one little group so you could not really focus on anything.²⁸

3.24 This criticism was not universal and Professor McPherson noted that much of the press coverage focussed on the economic aspects of the conference:

The press constantly reported that it was purely economics...which was quite wrong. It was not purely economics. For those who came to the other issues working group, a whole range of things surfaced.²⁹

3.25 Despite these criticisms there was general agreement that IFIOR had been a success in encouraging a 'second track' process regarding greater Indian Ocean interaction. It brought together a wide range of individuals and interests for debate and discussion. Two non-governmental networks were established at a meeting in New Delhi following IFIOR. The Indian Ocean Research Network (IORN), coordinated by the Indian Ocean Centre in Perth, has identified 13 research projects. The Indian Ocean Rim Consultative Business Network (IORCBN) aims to provide a forum for trade promotion, trade facilitation and business networking. Both non-governmental networks are operating well and the next meeting of both is scheduled for Durban, South Africa in March 1997.

The Mauritius Intergovernmental Process

3.26 From 29-31 March 1995 the Mauritius government convened a meeting to discuss the possibility of enhancing economic cooperation among countries of the Indian Ocean Rim. Representatives from the government, business sector and academia from seven countries, Australia, India, Kenya, Mauritius, Oman, Singapore and South Africa, attended the meeting. A joint statement was issued at the conclusion, and set out:

principles of open regionalism and inclusivity of membership, with the objectives of trade liberalisation and promoting trade cooperation. Activities would focus on trade facilitation, promotion and liberalisation, investment promotion and economic cooperation.³⁰

3.27 The main objectives of the Indian Ocean Rim Initiative were identified as being to:

27 Harcourt, Transcript, 15 September 1995, p. 152.

28 Yasmeen, Transcript, 4 October 1995, p. 315.

29 McPherson, Transcript, 4 October 1995, p. 263.

30 DFAT, Submission, p. S 914.

- (a) promote the welfare of the peoples of the participating countries through carefully-designed programmes to improve their standards of living and quality of life;
- (b) promote the sustained growth and balanced development of the region and of the member-states;
- (c) formulate and implement programmes for economic cooperation, including expansion of trade, tourism, direct investment, scientific and technological exchanges and human resource development;
- (d) reduce impediments and lower barriers towards freer and enhanced flow of goods, services, investment and technology within the region;
- (e) encourage close interaction of trade and industry, academic institutions, scholars and the peoples of the member countries;
- (f) strengthen cooperation and dialogue among member countries in international fora on global economic issues; and
- (g) promote cooperation in development of human resources, through closer linkages among training institutions, universities and other specialised institutions.³¹

3.28 The March meeting established a tripartite Working Group (official, private sector and academic) to formulate proposals, under the chairmanship of Mauritius. The first meeting of the IOR Initiative Working Group was held again in Port Louis, Mauritius on 15 - 17 August 1995. The meeting reaffirmed the tripartite nature of the Inter-Governmental Regional Forum that the IOR Initiative sought to establish. The meeting supported a wider, non-governmental 'second track' process encouraging business and academic networks to complement the inter-governmental process.³² The IFIOR 'second track' process was seen as 'complementary to and supportive of' the largely intergovernmental Mauritius Working Group and it provided input into the Working Group established at Mauritius.³³ Following IFIOR in Perth in June 1995, a number of documents were tabled at the August Meeting including:

- (a) Ideas and Options for Possible Work Programme for the Mauritius Process;
- (b) Draft Constitution for Indian Ocean Tourism Organisation;
- (c) Indian Ocean Police Organisation;
- (d) Indian Ocean Rim Business Forum;
- (e) Draft Charter for Indian Ocean Rim Economic Association (IOREA);
- (f) First Meeting of the Working IOR Initiative; and
- (g) First Meeting of the Working Group on the Indian Ocean Rim.³⁴

3.29 At a meeting in Mauritius in September 1996, participants finalised a Charter to underpin the creation of a new economic body in the region to be known as the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC). On 17 October 1996 the Minister

31 Exhibit No. 52, p. 2.

32 Exhibit No. 56, pp. 1-2.

33 DFAT, Submission, p. S484.

34 Exhibit No. 56, p. 2.

for Trade, Hon Tim Fischer, MP announced that Australia would become a founding member of the Association, which will be formally launched at a meeting of Indian Ocean Rim Ministers in Mauritius in March 1997. The Association will not involve a formal treaty, and will not be a preferential trading bloc; its members are committed to global trade liberalisation consistent with WTO principles.

3.30 The September Mauritius meeting also saw the doubling of the membership of those countries involved in the process from an initial seven, (Australia, India, Mauritius, Kenya, Singapore, Oman and South Africa), to now include Indonesia, Malaysia, Sri Lanka, Yemen, Tanzania, Madagascar and Mozambique.

Southern Africa's involvement

3.31 South Africa has been an active participant in IOR discussions. They are eager to promote regional dialogue and encourage trade and investment. Equally Mozambique and Tanzania, littoral states of the Indian Ocean Rim, have much to gain from regional dialogue. Despite their obvious interest, non-littoral states such as Zimbabwe and Botswana have not been able to participate in either the IFIOR and its related meetings or the Mauritius Process meetings held to date. Given that these land-locked non-littoral states rely on mutual relationships with their eastern seaboard neighbours for access to trade shipping lanes, it is obvious that they would have an interest in the development of such a grouping. The Committee believes it is important for these countries therefore to be involved in regional dialogue involving trade and security issues.

3.32 The Australian Chamber of Commerce and Industry also supported a broadening of both the membership of those participating in the Mauritius process as well as the 'second track' process:

We are aware that there is a Mauritius process that is intergovernmental. At the moment it has only seven governments participating but we understand that number is going to 14. It is still not the inclusive body that we would like to see. We happen to believe that the 28 countries that have been identified as the Indian Ocean Rim should be included...(With IFIOR)...(t)he view of the Australian government is to stay with the rim; that is, those which have littoral borders with the Indian Ocean. But there is an element of flexibility in that because Singapore participates in the Indian Ocean Rim initiative. Our view is that we would like to see it broadened. We were very early advocates of bringing in Zimbabwe....³⁵

3.33 In his submission, Professor McPherson claimed that there was a need to assist the 'states of southern Africa to expand the process of international dialogue'.³⁶ He believed that through international isolation, South Africa and some southern and eastern African countries have been cut off from the general processes of dialogue. In giving evidence, he stated that:

35 Davis, Transcript, 29 September 1995, pp. 188-189.

36 Indian Ocean Centre for Peace Studies, Submission, p. S3.

They [southern Africans] need to get out there and be exposed to the international forum much more, but this idea of people coming into the country and establishing different types of dialogue is equally important.³⁷

3.34 Through membership with regional fora such as the Indian Ocean Rim Initiative and the IFIOR, smaller countries such as Lesotho, Swaziland and Malawi, and hinterland countries such as Zimbabwe, Botswana and Zambia, may have the opportunity to build multilateral trade relationships and strategic alliances with littoral countries in the Indian Ocean region.

3.35 While this regional concept is still in the early stages, the Committee supports the IOR Initiative and the development of trade and diplomatic links with the countries of the Indian Ocean, in particular with South Africa and India. It believes that this can be enhanced further by expanding the eligibility for participation in the IFIOR process and eventually the IOR Initiative to non-littoral countries. DFAT have advised that they:

foresee that both intergovernment and 'second track' processes will need to address a mechanism which might assist in accommodating the interests of hinterland states and regional organisations in the evolving regional process.³⁸

3.36 The Committee recommends that:

- 5. Australia explore with other participants mechanisms to include the hinterland countries reliant on access to the Indian Ocean in future IOR dialogues.**

37 McPherson, Transcript, 4 October 1995, p. 265.

38 DFAT, Submission, p. S1036.

