Networks of Cross-border non-State Actors: The Role of Social Capital in Regional Integration

Introduction

Networks of grassroots non-State actors connect communities of inter alia common background, history and culture. Face-to-face interactions between actors define relationships in these networks. The interactions generate trust between the actors, yielding stable networks and contributing to network efficiency. Although the ensuing trust is not the mere opposite of opportunism, opportunistic behavior has minimal if any chance in such networks. The trust rather constitutes self-reinforcing expectations (Sako and Helper 1998). Where the networks straddle geographical territories and transverse State boundaries, the networks help integrate the economies that host communities of actors in the networks.

This paper attempts to show that trust-based networks of cross-border grassroots non-State actors augment conventional regional integration. The paper examines three assumptions vis-à-vis regional integration: (a) networks of grassroots non-State actors connect communities that share common backgrounds, histories and cultures. Face-to-face interactions characterize relationships in such networks; (b) the interactions in the networks generate a trust that stabilizes the networks and contribute to network efficiency; and (c) where these networks straddle State boundaries, they integrate the economies that host the communities of actors in the networks and thus enhance conventional regional integration. The paper uses social capital to illustrate these assumptions and fulfill its aim of establishing whether growth triangles augment conventional regional integration. It also relies on historical, socioeconomic and political accounts to illustrate the contribution of trust-based networks to regional integration.

In the late 1990s then United Nations Development Program (UNDP) Resident Representative in Zambia, Olubanke King-Akerele, introduced the growth triangle concept to Southern Africa, having been inspired by Southeast Asian growth triangles and their success. The urgent need to reduce poverty in Southern Africa motivated King-Akerele to introduce the initiative. Conventional regional integration enhances development (Radelet 2001). Can growth triangles also enhance development? Are Southeast Asian-type growth triangles replicable in Southern Africa? These questions provide the motivation for this paper and attempt to understand whether growth triangles can enhance development and regional integration. To the best of the author's knowledge, no work has been done before that assesses the viability of Southern African growth triangles à la Southeast Asian.

Following the definition of terms and concepts, the paper briefly surveys the literature on regional integration by disclosing the general state of East Asian and African integration. Next it discusses sub-regional integration and examines networks of grassroots non-State actors in contiguous border areas and their role in integrating Southeast Asia and Southern Africa, respectively. Section four discusses the viability of Southeast Asian-type sub-regionalism in Southern Africa based on observations made in preceding sections. Section five concludes the paper.

Regional and Sub-regional integration: the Grassroots Non-State Actors' Environment

Substantial literature exists on regional integration. Not as much on sub-regional integration. Regional integration occurs between proximate States when they experience increasing flows of capital, goods, services and human traffic across their common borders. Sub-regional integration occurs at a level lower than the region. Inhabitants of some Member States of a regional group—such as the Association of Southeast Asian Nations (ASEAN) or Southern African Development Community (SADC)—might, in their contiguous border areas, interact across borders independent or under the auspices of the regional group. Not all contiguous borders areas yield this phenomenon, however. The ensuing cooperation and cross-border interactions where the phenomenon occurs constitutes sub-regional integration. A sub-region (used interchangeably with growth triangle) here constitutes those geographical zones in contiguous border areas where activities defining grassroots cross-border interactions and cooperation between grassroots, non-State actors (including perhaps activities of and between Member States supporting such initiatives) occur.

Non-State Actors

Higgott (1999) contextualizes non-State actors in global civil society. Transnational associations like non-governmental organizations (NGOs) and international NGOs are the main non-State actors beside the traditional State actor (Archer 1992; Jacobson 1984). African, Caribbean, Pacific – European Community (ACP-EC) Partnership development practitioners characterize non-State actors as a wide range of actors other than governments (ECDPM 2003: 4). Examples include community-based organizations, women's groups, farmers' cooperatives, informal groups like grassroots organizations and informal private sector associations, etc. Terrorist groups, multinational corporations (MNCs) and human rights activists, etc. also pass for non-State actors. Such, however, are beyond the scope of this paper. The focus here is on non-State actors that neither engage the State directly nor use formal channels for their activities despite being affected by State policies. The paper focuses on actors whose definition is closer to "informal groups" and "informal private sector associations" that ACP-EC recognizes in its projects. Examples of such include individuals, ethnic entrepreneurs and cultural groups.

Network Establishment and Trust

Growth triangles evolve naturally in some contiguous border areas. They coalesce cross-border actors into regular, face-to-face contact and nurture interpersonal relationships. Prolonged interactions foster collective beliefs, coalitions, information gathering, monitoring and maintenance of trust, and development of rules of behavior. The unique connection of actors and the personal relationships they develop encourage trust-based commitment. Trust also forms between actors from common backgrounds and shared origins. Network interactions differ from formal meetings on regional integration between State actors. Inter State negotiations on regional integration are largely the preserve of politicians and senior bureaucrats, who have limited tenure of office. Politicians come and go and along with them, probably their agendas for regional integration. Government positions on integration, therefore, may depend on incumbent officials at any given time. Former Malaysian Prime Minister Mahathir, for example, openly opposed regional alliances with the West, preferring exclusively East Asian integration.

Grassroots non-State actors do not have as limited and transient tenure in their locales as politicians. They are relatively permanently based in their locales and develop networks through their activities. Informal entrepreneurs, for example, establish distribution networks that take advantage of inter alia ethnic ties and geographical proximity. Through repeated interactions grassroots actors gradually develop standards that regulate intra-network interaction and facilitate fulfillment of mutual expectations (Kim 2002). These standards or "rules of the game" are "humanly devised constraints that shape human interaction" and translate into institutions (North 1990: 3). The institutions provide the framework within which human interaction occurs and consist of written rules or unwritten codes of conduct that underlie the formal or written codes. Repeated and coordinated interaction within the institutions makes actors codependent. Network actors possess states of mind where behavior towards one another is predictable and mutually acceptable (Sako 1992). Augmented predictability of mutual benefits between actors that fulfill commitments to one another establishes trust.

Social Capital: Contextualizing Networks, Trust, Norms and Non-State Actor Activities

Though its use dates back further, the current review of social capital is restricted to the literature that emerged in the 1980s and largely based on Bourdieu, Coleman and Putnam. The terms networks, norms and trust dominate discussions of social capital (Schuller, Baron and Field 2000) and are, therefore, used in that context here. The literature depicts norms, trust and networks as key elements of social capital. Claridge, for instance, says social capital is "those stocks of social trust, norms, and networks that people can draw upon to solve common problems" (2004: 14). Social capital builds and sustains norms, trust, and networks, enabling actors attain common objectives. Development agencies and academic disciplines apply social capital in various contexts and analyses. The World Bank (e.g. Grootaert and van Bastelaer 2001), for instance, economic historians (Fukuyama 1996), political scientists (Putnam 1993) and educational sociologists (Coleman 1988) have thus employed the concept. The diversity in application necessitates a definition of social capital that meets the needs of this paper.

Social capital lacks a single universal definition. Some notable ones, however, include:

> Social capital is the "aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationship of mutual acquaintance or recognition" (Bourdieu 1985: 248),
>
> Social capital as defined by its function "is not a single entity, but a variety of different entities having two elements in common: that all consist of some aspect of social structure, and they facilitate certain actions of individuals — whether persons or corporate actors — who are within the structure" (Coleman 1990: S98),
>
> Social capital means the "[f]eatures of social organization, such as trust, norms and networks that can improve the efficiency of society by facilitating coordinated actions" (Putnam 1993: 167).

> Social capital simply "refers to the norms and networks that enable people to act collectively" (Woolcock and Narayan 2000: 226).

Two aspects of social capital are apparent from these definitions: structural and cognitive. The former relates to the visible formal arrangements that facilitate interactions between actors such as organizations and associations. These may include rules, procedures, social networks and associations (Krishna and Uphoff 1999). These arrangements enable actors achieve otherwise unachievable goals. Strong communities, for example, are able to do things collectively because they are products of the combined effect of networks, trust and norms of reciprocity (Putnam 1993; 2000). Social capital facilitates mutually beneficial collective action (Krishna and Upnoff 1999). The structural form of social capital helps predict certain outcomes and gives assurance of other actors' actions. The cognitive form is intangible and internal, existing within people's heads through shared values, norms, beliefs and attitudes. It is pertinent to interaction and helps establish and reinforce positive interdependence between actors. Norms, for example, provide sanctions that guide and regulate behavior and constrain and facilitate actions (Coleman 1988). The norms build into a "radius of trust" among people in groups that embody social capital and where cooperative norms operate (Fukuyama 1999). Social capital creates social trust, leading to better political outcomes produced by strong and effective representative institutions (Sirven 2008).

The foregoing conception of social capital represents the reality among grassroots actors in growth triangles. The conception makes it possible to link the elements of social capital (norms, trust and networks) with growth triangle activities and actors, and with policy at national, sub- and regional levels. The scope of social capital, therefore, permeates micro, meso and macro levels and takes cognitive and structural forms (Grootaert and van Bastelaer 2001).

Grassroots actors exhibit trust by inter alia not taking advantage of others in their networks. The fluid networks in which trust is built may comprise various crisscrossing international contacts (Picciotto 1997: 19) and localized centers, which serve as bases for circulating and modulating the networks' discourses (Amin and Thrift 1994: 13). This paper defines cross-border or transnational networks as the fluid national, regional and international contacts of grassroots non-State actors based in localized centers from which the actors launch their activities. Various kinds of networks and actors exist. This paper, however, focuses on informal networks of grassroots non-State actors.

Regional Integration: (South)East Asia and Southern Africa

South/East Asia

ASEAN sits in the Asia-Pacific, comprising the Americas, East Asia and Oceania. Understanding the Asia-Pacific is, therefore, pertinent to discussion of ASEAN. The US co-established the Southeast Asian Treaty Organization (SEATO) during the 1950s (Hemmer and Katzenstein 2002) to curb the spread of Communism in East Asia. The US Treasury and International Monetary Fund (IMF) objected a proposed Asian Monetary Fund (AMF) during the 1997/98

Asian Financial Crisis (Bergsten 1998; Lipscy 2003). The Asia-Pacific economic and geopolitical environment affects ASEAN.

Asia-Pacific was closed to multilateralism immediately after World War II because of US hegemony (Acharya 1997). With declining US power Australia, Japan and ASEAN, etc. could lead the development of Asia-Pacific multilateral institutions. The Asia-Pacific Economic Cooperation (APEC) came as a by-product of shifts in structural power and leadership in the international system and post Cold War economic and geopolitical developments. Changes in trans-Pacific political and military alliances highlight the need to manage the changing regional balance of power between the US, China and Japan, while attempting to tame North Korea. APEC seeks inter alia free trade and investment. Increasing economic interdependence among Asia-Pacific economies inspired APEC's formation in 1989. Despite politicians' efforts in establishing APEC, trade growth in Asia-Pacific owes more to the dynamism of the private sector and non-State actors than intergovernmental collaboration.

Multiple regional economic communities (RECs) in Asia-Pacific, however, threaten APEC. Regional organizations like the North American Free Trade Agreement (NAFTA) can frustrate conventional integration in the Asia-Pacific. Mahathir's call for an exclusively East Asian Economic Group (EACG), as an example, threatens APEC's survival. Forums like APEC, however, show growing hitherto absent demand for multilateralism in Asia-Pacific regional, economic and security issues (Acharya 1997). Bilateral free trade agreements (FTAs) in the Asia-Pacific also threaten integration. Then Singaporean Prime Minister, Goh Chok Tong, once told the *Cable News Network* (*CNN*) that as a trading nation Singapore pursues bilateral FTAs because an internationally open economy promises prosperity. The slow pace of global trade negotiations gave Singapore "the rationale" to pursue FTAs (*CNN* 2004).

(Southern) Africa

Africa has the world's largest number of RECs. It is also home to the world's oldest customs union, the Southern African Customs Union (SACU), which dates back to 1910. Most RECs formed just prior to or after the independence era in the 1960s and 1970s and comprise States that formerly shared colonial masters. This nurtured common institutions, official languages, currencies, etc. among the States. Former Southern African British colonies, for example, adopted English as official language and former West African French colonies, French. After liberating Africa or regions they represented, most RECs now pursue a common objective: socioeconomic development.

Africa seems determined to integrate amid threats of rising poverty. Unlike Asia-Pacific, Africa views RECs as building blocks for continental integration. The Organization of African Unity (OAU) transformed into the African Union (AU) in 2000. With independence and apartheid ended in South Africa, the AU revised its objectives and now seeks unity, solidarity, co-operation and a better life for Africa's peoples while protecting their sovereignty, territorial integrity and independence (African Union 2006a; 2006b). AU aims to accelerate Africa's integration. The Abuja Treaty[i] establishing the African Economic Community (AEC) envisages an African community founded on eight key RECs[ii] (African Union 2012). The AU sees RECs, whose progressive integration through policy harmonization and coordination of activities should lead to AEC, as pillars for establishing the continental community.

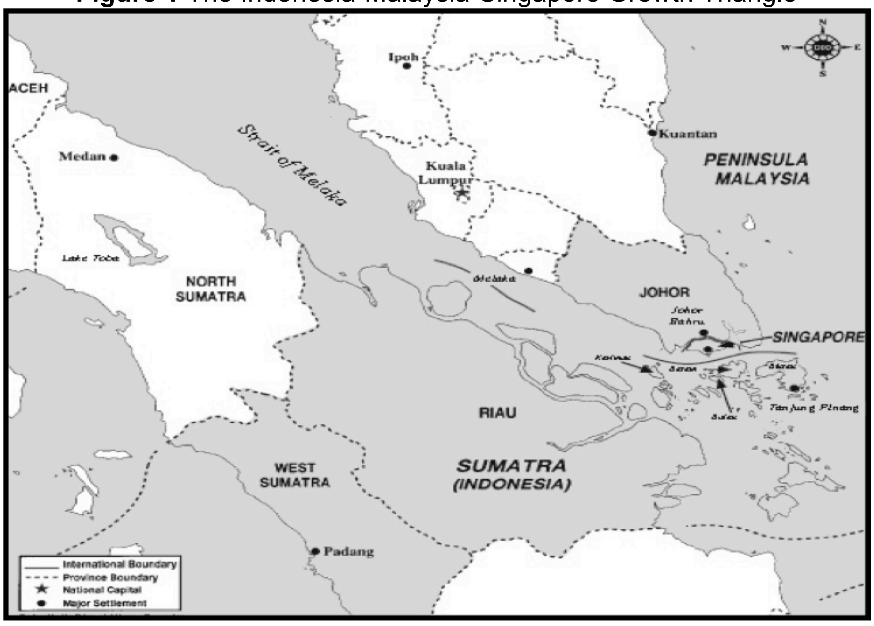
Sub-regional Integration: Southeast Asia and Southern Africa

Southeast Asia

ASEAN is so far the most successful REC in East Asia. Geopolitics make integrating East Asia difficult. East Asia is highly integrated economically, however. Networks of non-State actors contribute to the region's high levels of economic integration. Governments contribute to integration by formulating policies that facilitate entrepreneurial activities. China, for example, set up economic zones in southeastern coastal China in the late 1970s to encourage trade and attract investment (Peng 2002/03). The success of these initiatives spawned more trade zones in the 1980s (*The Economist* 2006), some of which now transverse State boundaries. The Yellow Sea Sub Region, for example, straddles parts of China, Japan and South Korea.

The Indonesia-Malaysia-Singapore Growth Triangle

Figure 1 The Indonesia-Malaysia-Singapore Growth Triangle



Source: East Asian Analytic Unit 1995

Economic zone initiatives have spread from southeastern China to the ASEAN region. Southeast Asian economic and trade zones involve at least two neighboring States sharing complementarities in factor endowments. The Indonesia-Malaysia-Singapore (IMS) Growth Triangle (IMS-GT), formerly Singapore-Johor-Riau (SIJORI), is a notable scheme of the kind. Proposed in 1989, IMS-GT came as ASEAN's alternative to bilateral FTAs: to detract ASEAN States from FTAs, which were then unacceptable (Chia 1997; cf. Pomfret 1996).

Southeast Asian growth triangles are market-driven and State-based interventions (Parsonage 1997) that win politicians legitimacy. That is, while growth triangles aim to create conducive conditions for manufacturing and capital flows, political and economic interdependences also factor into the integration landscape of ASEAN Members and across borders. Politicians use the market for political gain, seeing that political legitimacy is often closely linked to economic advancement. The "need for continued economic expansion to sustain political legitimacy…[in post Cold War Southeast Asia fosters]…national and regional alliances between political and economic elites with an interest in advancing regional linkages" (Parsonage 1997: 251-53).

When he first proposed IMS-GT in 1989, former Singapore First Deputy Prime Minister, Goh Chok Tong, envisioned a "coherent, trans-state economic zone of complimentary specialization" encompassing the Malaysian State of Johor and Indonesia's Riau Islands (Rodan 1997: 161). Goh had proposed that IMS-GT sit within ASEAN structures, for Indonesia and Malaysia to provide land, water, gas and labor and Singapore, finance and management expertise. Singapore's advanced economy, highly developed infrastructure, and skilled human and financial capital balance its meager land and natural resources relative to Indonesia and Malaysia. Johor (Malaysia) and Riau (Indonesia) are richer in labor, land and water resources and provide locations for Singapore's land- and labor-intensive industries. IMS-GT concentrates on export-oriented manufacturing including sectors like agribusiness, textiles, oil, chemicals, shipbuilding, medical equipment, electronics, telecommunications, and information technology. Johor produces food, chemicals, textiles and electronics while Riau provides labor, investments in tourism, textiles and electronics. The differences in factor endowments and levels of economic development, coupled with the discrepancies in the prices of factors and cost structures in IMS-GT enhance its integration. IMS-GT integration produces economies of scale and specialization (see Viner 1950). In its first 5 years, IMS-GT with its approximately 6 million people attracted about US$10 billion in investments from the private sector (Boulton 1997).

IMG-GT is market- and private sector-driven. Although governments have invested in the IMS-GT, the private sector and grassroots non-State actors are the sub-region's key players. The high levels of interaction between grassroots non-State actors in IMS-GT make it more flexible in linking economies than conventional integration. IMS-GT actually operates on the basis of the "6 minus x" principle[iii], which demonstrates East Asia's cautious, consensual and informal approach to regional integration.

IMS-GT Governments participate in the sub-region through support, finance, establishing infrastructure and formulating policies that encourage non-State actor activities. The Government of Singapore, however, notably helps relocate production to the low-cost areas of IMS-GT. Singapore invests in industrial infrastructure through government-owned firms and within Government's comprehensive foreign economic policy, which aims to build an "external economy". Malaysian and Indonesian government firms too developed industry and tourist resorts (Rodan 1997: 161).

Growth triangles defy political boundaries and bridge economic and political systems. Political and ideological differences previously divided IMS-GT States. Market competition has since replaced militarism (Kakazu 1997). Except for the interruption in 1965 when Singapore seceded from the Malayan Federation, Singaporean and Malaysian grassroots non-State actors have, however, always interacted (via Johor) based on common colonial heritage.

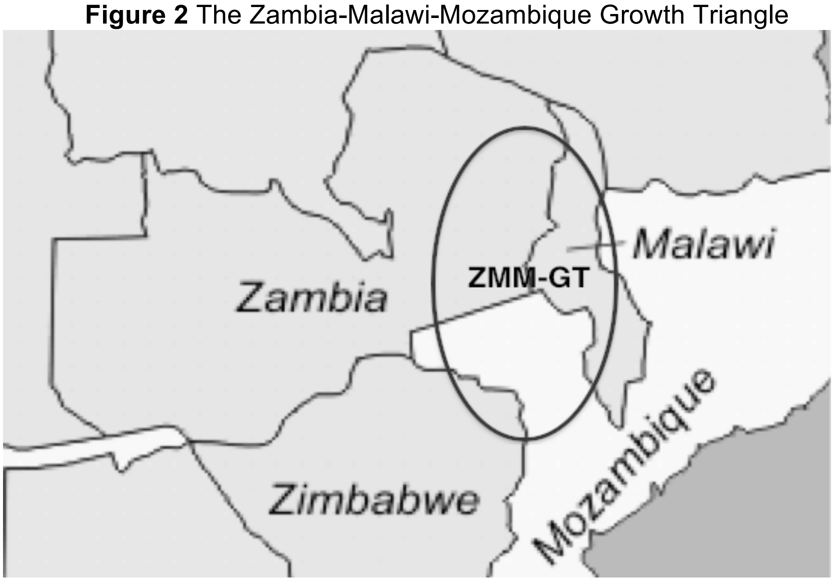
Geographical proximity of growth triangle territories triggers spontaneous socioeconomic activities and facilitates network evolution. Proximity helps construct localized economic cooperation (Scalapino 1992; Thant, Tang and Kakazu 1998) that enhances regional integration. Integration arising from processes these circumstances precipitate differs from integration involving formal international negotiations between policy makers and senior bureaucrats.

Southern Africa

The Zambia-Malawi-Mozambique Growth Triangle (ZMM-GT) is the first initiative of the kind on record in Africa. Apart from combatting poverty ZMM-GT provides alternative to non-effective conventional integration (Slocum, Mordonu and De Lombaerde 2003).

The Zambia-Malawi-Mozambique Growth Triangle

Figure 2 The Zambia-Malawi-Mozambique Growth Triangle



Source: Map taken from http://d-maps.com. Illustrated by author.

ZMM-GT was legally established in 1999 and comprises some of the most marginal localities of Zambia, Malawi and Mozambique, respectively. The urgent need to address poverty here was, therefore, central to the scheme's establishment. ZMM-GT includes parts of two provinces in Zambia and Malawi, respectively, and part of Tete province in Mozambique.

ZMM-GT's contiguous border areas share culture, languages, kinship and ethnic identities based on historical links and geographical proximity. Despite restrictions imposed by State boundaries, strong socioeconomic ties that predate Africa's 1884 demarcation in Berlin have long existed here. A practice among some politicians here illustrates the strength and historical depth of the ties. The politicians sometimes exploit the "long and complicated history of migration" in the region to eliminate competition by accusing opponents of being foreigners or natives of neighboring countries (Whitaker 2005). "These countries have historically attracted migrants and refugees, and the population of each country includes many people who trace their roots to other countries…[like Zambia where] roughly one million people have family names that are also found in Malawi, Mozambique, Tanzania, and Congo" (Whitaker 2005: 116).

The continuities at the grassroots defy cross-border restrictions politicians impose on grassroots interactions. The continuities follow historic, socioeconomic and cultural links such as language, culture, kinship and ethnic ties, religions, labor migration and trade. In extreme cases the circulations include conflict-induced forced migration. Examples include the Mozambique and Angolan civil wars, Rwandan and Burundi genocide and the Democratic Republic of Congo (DRC) conflict. The 1990s land allocation program and related issues in Zimbabwe also force many out of Zimbabwe. Despite extremities, ZMM-GT like the IMS-GT has seen relations improved in areas previously characterized by hostilities—e.g. the Zambia – Mozambique border area. Southern Africa, therefore, has always had steady cross-border circulations of socioeconomic and cultural actors.

The common languages, currencies and institutions established during colonialism also work to African's advantage and can enhance integration. Zambia and Malawi share a common history and heritage as former British colonies, having also been part of the Federation of Rhodesia and Nyasaland. The Federation, which also included Zimbabwe, started in 1953. The idea for Federation dated back to a 1915 British South African Company (BSAC) proposal to integrate the economically interdependent, British-ruled territories Rhodesia (Zambia and Zimbabwe) and Nyasaland (Malawi). The Federation, however, collapsed in 1963 because of imbalances in power sharing mechanisms the colonialists had designed. ZMM-GT revives somewhat the idea behind that Federation.

With approximately 9 million people, ZMM-GT received a $100 million UNDP cash injection at inception for loans to the private sector (Masapi 2000). ZMM-GT seeks to improve infrastructure and promote joint ventures. It envisages development in agriculture and agro-based industries, mining, transport and communication. Each area of the countries in ZMM-GT has abundant land. Zambia brings to ZMM-GT opportunities in fishing, forestry, timber, mining and tourism. Malawi brings tobacco and abundant water. Most of the mineral resources in the Malawian part of ZMM-GT like coal, gold, platinum and uranium are not (fully) exploited. Mozambique's coal-rich Tete province is yet to be exploited too. Tete also boasts of animal husbandry.

Most of ZMM-GT's cross-border trade is informal and concentrated in food items, textiles, bicycles and bicycle parts (Slocum, Mordonu and De Lombaerde 2003). Cross-border activities in ZMM-GT predate its legal establishment. ZMM-GT governments, however, did not support the sub-region's grassroots activities then, as do IMS-GT States. Therefore, the ZMM-GT Private Sector Forum (PSF)—the non-State actors team appointed to explore ZMM-GT's viability—emphasized that governments needed to support the sub-region's non-State actors (Slocum, Mordonu and De Lombaerde 2003).

ZMM-GT aims are not as formal as SADC's. The latter are inter-governmental and yield processes that evolve through stages posited in integration theory (cf. Viner 1950). ZMM-GT is rather informal and helps deepen integrative processes that formal regional groups foster. ZMM-GT complements conventional integration efforts.

SADC does not perceive ZMM-GT as an alternative to FTAs. Neither do ZMM-GT politicians promote growth triangles as instruments for political legitimacy, as do Southeast Asian elites. The former seem uninterested in advancing regional linkages to expand economies for sustaining political legitimacy, as do Southeast Asian (Parsonage 1997: 353). Most Southern African leaders rather pursue narrow power consolidation objectives. Strategies to eliminate political competition like accusing opponents of being foreigners are inimical to integration. In contrast, Southeast Asian States promoted IMS-GT as alternative to FTAs and discriminatory regional blocks. ZMM-GT was designed to combat poverty and complement conventional integration.

Sub-regional and Conventional Regional Integration

Although ZMM-GT complements conventional integration, growth triangles operating under bilateral FTA auspices can sometimes compete against each other and frustrate conventional integration. The close triangular relationship in IMS-GT, for example, and Thailand's proposed economic and cultural association with its Indochinese neighbors, foreshadow "a schism between the maritime and mainland sections of ASEAN" (Parsonage 1997: 272-273).

Southeast Asia strongly criticized bilateral FTAs in the 1990s for their apparent inconsistency with global trade rules (Tay 2004). Stalling multilateral trade negotiations, however, drastically altered attitudes towards FTAs. Singapore says it only pursues bilateral FTAs that promise to enhance global trade à la GATT[iv]. ASEAN States' commitment to GATT XXIV provisions is evident in the open regionalism—regionalization without discrimination against third countries—they advocate and conclusion of bilateral FTAs with even non-ASEAN States like the US, Mexico and Europe.

IMS-GT success has also inspired establishment of more growth triangles in Southeast Asia (Parsonage 1997; Toh 2006). Today ASEAN supports sub-regional schemes because they encourage economic dynamism and complement regional cooperation. The 1994 ASEAN Leaders' Summit mandated sub-regional schemes among ASEAN Members and, even, with States outside ASEAN (Toh 2006).

IMS-GT's expansion demonstrates that sub-regional integration can enhance conventional integration. In Malaysia, IMS-GT today stretches from Johor northwards to Melaka, Negeri Sembilan, and Pahang, and westwards from Batam in Indonesia to now include all of Riau province and West Sumatra (compare East Asian Analytic Unit 1995 and Parsonage 1997). East Asian growth triangles may even work in tandem with APEC's free trade aspirations and the ASEAN Free Trade Area (AFTA) (Rodan 2001; Huff 1995).

Growth triangles provide opportunities for actors to establish strong cross-border links in the contiguous areas they transverse. The links last longer, are stronger and more successful in the long run than politicians' efforts beset by lack of political will. African integration especially is a culprit. Governments need to endorse and foster development of grassroots links. Non-State actor participation in growth triangles makes growth triangles more practical 'bottom - up' approach to integration than conventional 'top - down' approaches. Growth triangles provide the environment where policy makers' goals—development through regional integration—can be realized.

Growth triangles focus on various areas of activity. IMS-GT, for example, is based on manufacturing complexes in Singapore, Johor and Penang (Parsonage 1997). Industrial parks and tourism are key features here with enterprises ranging from oil-based ventures to computer and electronics manufacturing. ZMM-GT focuses on agriculture, the agro-industry, tourism and transport. ZMM-GT complements participating governments' efforts by promoting networks between private actors comprising producers and investors. Other growth triangles elsewhere in the world focus on different areas than IMS-GT and ZMM-GT. China, Mongolia and the Russian Federation, for example, cooperate on a "Euro-Asia Continental Land Bridge Program," aimed at enhancing transport integration and trade (United Nations General Assembly 2001: 11).

Ethnic and Business Networks, Sub-regional and Regional Integration

Grassroots non-State actors interact closely in trust-based networks in contiguous border areas despite government measures to constrain them. Interaction continues regardless challenges governments face or amid rivalries and lack of political will among policy makers in conventional integration. Entrepreneurs that utilize ethnic and cultural ties in business in sub-regions help illustrate trust at work in typical ethnic networks. Networks of ethnic Chinese businesses in East Asia are known to foster development and integration of host countries in contiguous border areas.

South/East Asia

Though imbued with Western models of economic organization as early as the mid 1800s (Chung 2005) East Asia's ethnic Chinese business networks demonstrated adaptability through the 19th and 20th centuries and later dominated Southeast Asian commercial diasporas. Apart from their resilience, these networks also contribute to Southeast Asian growth to the point where the networks "and entrepreneurship are here the more relevant terms than diasporas" (Reid 2005: 357).

Ethnic Chinese business networks spread across the Chinese diaspora and enjoy strong ties with Mainland China and the Chinese economies of Hong Kong and Taiwan. Chinese community members dotted across this diaspora form parts of entrepreneurial business networks that connect the communities to the mainland. The networks contribute to the success of the Chinese economies by providing finance, information and know-how (Peng 2000). Policy reform in China has also enhanced the networks' contribution to China's economy. China encourages entrepreneurship and opened its markets to outsiders since its "open door" policies of the late 1970s. Ethnic Chinese businesses like Cheung Kong (Holdings) Limited (Hong Kong), the Salim Group (Indonesia), and the Kwok Group (Malaysia) have thus expanded beyond their host countries (Kakazu 1997). Such entrepreneurial networks form strong crisscrossing interconnections that economically integrate Southeast Asia.

Part of the growth Southeast Asia has witnessed in the past few decades owes to the Chinese diaspora and ethnic Chinese business activities in Southeast Asia (Chung 2005). Ethnic Chinese businesses exhibit several characteristics based on the ethnic business network form of organization Chung (2005) calls the "network based-economy". The business form is rooted in personal or relational networks of interlinked economic actors. Individual firms form part of the networks and the networks are the key contributors to the economy and not vice versa. The opposite holds in a firm-based economy.

Social norms, and not so much legal contracts, regulate interaction in the network economy because personal networks define the economy's organizational mode. Legal and institutional mechanisms of the contract type are, however, not absent from the network-based economy. Rather, social norms support the personal networks. The networks, therefore, ride on a social trust that almost renders contract-based business unnecessary.

How do social norms regulate behavior, and in the process help maintain social trust in groups that form relational networks? The "relative interconnectedness of every individual with other group members will facilitate positive personal traits such as greater sense to exhibit reliability and sincerity among the group members, since if these traits are kept, most people within the group will know it" (Chung 2005: 290-91). Social norms, shared beliefs and expectations of behavior embody motivations to follow the rules that regulate the behavior of individuals in the networks.

Such networks are significant in most East Asian business transactions. East Asian societies are economically and institutionally established in such a way that personal connections in business dealings induce informality among associates. Associates subscribe to common social norms that assure them their partner will not engage in opportunistic behavior that ignores the associates' interests. A social foundation that pervades and helps integrate the region, at least economically, is apparently the basis of this type of network economy. Cooperation outweighs competition. Individuals, SMEs and MNCs operating in networks have thus propelled East Asian growth and integration. The same can be said of Southeast Asian ethnicities like ethnic Malays, and, even, underground and illegal business networks. Such networks, however, are beyond the scope of this paper.

East Asian governments have not divorced themselves from the processes described above. China and Singapore actively participate in sub-regional schemes as earlier seen. Conventional law was also significant to the rise of East Asia, which relied on "negotiated bargains between government and business elites" in its path to development (Pistor 2001: 85). Non-State actors ignored conventional law whenever it contradicted informal arrangements and reverted to it when it complemented informal arrangements. The Asian growth experience exhibits an alternative institutional arrangement "based on custom, networks, trust and bargains under the guidance of state agents" (Pistor 2001: 85).

(Southern) Africa

Western hegemony brought industrial capitalism and the nation-State to Africa. European colonizers, however, introduced only a selection of Western institutions to meet their goals in Africa. They did not commit to establishing commodity markets and State structures as founded in the West. African politicians and elites committed to controlling the social change amid entrepreneurial projects in the colonies and the new conditions under colonization. The politicians did this to "preserve a sense of continuity, order, and authority against the turbulent commotion of colonialism" (Berman 2006: 8).

Ethnic communities are sometimes havens of refuge in Africa. During colonialism the communities provided security against the disruptive introduction of Western capitalism. The Western threat bred new forms of self-conscious African ethnic communities that were larger in social scale than before (Berman 2006). The communities and corresponding social networks satisfied Africans' needs. The ethnic communities also constituted the kinship ties that formed the basis of trust. Not so much trust is embedded in the State in Africa.

The State in the West evolved in a way that citizens developed a civic trust in it and expected the State to protect them from the ravages of the self-regulating market. Not so in Africa. "There was and continues to be little basis for the development of systemic civic trust in the state as an impersonal arbiter of conflict or an honest disinterested distributor of public policies" (Berman 2006: 10). The "impersonal exchange relations" of the capitalist market system and the nation-State are not fully developed in Africa. Ethnic communities fill the gap the State leaves. Africans find refuge, support and security in ethnic communities rather than the half-baked institutions of the State.

Ethnic communities and the networks of business relations that connect ethnic communities can foster economic integration. The networks' strength is built on grassroots face-to-face, stable, trusting and historical relationships.

Southeast Asian-type Sub-regional Schemes: Viable in Southern African?

The collaborative dynamism of informal grassroots non-State actors in East Asia has contributed to regional growth and integration. Non-State actors promote regional interdependence through their networks. Growth triangles augment conventional integration based on entrepreneurs' levels of participation in sub-regional schemes. The ability to pool resources and attract investment also demonstrates that growth triangles augment conventional integration.

Whereas governments in East Asia support some grassroots activities, Southern African governments hardly do. Singapore's participation in IMS-GT and its open economy policies are worth emulating. Singapore also demonstrates the importance of a financial powerhouse to the success of sub-regional integration. Although a willing paymaster is crucial to the development of a sub-regional scheme, ZMM-GT currently lacks one.

The success of ASEAN sub-regionalism also rests on complementarities—Singapore's professionals and capital; Malaysia's cheaper skilled labor; and Indonesia's unskilled labor and raw materials. The country physically at the center of ZMM-GT, Malawi, lacks the financial and skilled human resources to fuel ZMM-GT activities. Zambia, the most prosperous in ZMM-GT, trades more with other SADC States (let alone former colonialists) than ZMM-GT (Nshimbi 2008). The scheme is not exploiting its potential. GATT XXIV-type bilateral FTAs can facilitate intra sub-regional trade and, therefore, worth pursuing among ZMM-GT States. FTAs in Southeast Asia gained popularity alongside growth triangles.

Grassroots activities exist in ZMM-GT, however, as do non-State actor networks. Pro non-State actor policies can facilitate grassroots activities across ZMM-GT. Encouraging cross-border ethnic and kinship ties rather than abuse ethnicity for political gain also provides a better alternative to regional development and unity. Pro cross-border movement of people and cultural exchange policies in ZMM-GT would benefit existing ethnic ties and histories and cement relations to foster cross-border exchanges.

Motivations for political office centered on the electorate are vital for development. Southern Africa needs to reorient motivations for public office. Opportunity exists here for civil society to challenge politicians to deliver to the public while enlightening the public on qualities and what to expect of leaders.

Conclusion

Growth triangles in Southeast Asia have succeeded to an extent where a development practitioner exported them as a model of development to Southern Africa. Southeast Asian growth triangles succeeded despite fears that they would derail integration. ZMM-GT is the first attempt to formalize growth triangles in Africa. ZMM-GT, however, has more to achieve in order to inspire replication in other parts of Africa.

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Notes

[i] The Abuja Treaty (Treaty establishing the AEC) hails from then OAU Extraordinary Summit of 1980, which adopted the Lagos Plan of Action for Africa's integration. The Plan of Action and Final Act of Lagos were concretized in 1991 in Abuja, Nigeria, at the 27th Ordinary Session of the Assembly of OAU Heads of State and Government Summit. The AEC Treaty and AU Chatter provide the bases of operation for the AU Secretariat.

[ii] Including the Community of Sahel-Saharan States (CEN-SAD), Economic Community of Central African States (ECCAS), Common Market for Eastern and Southern Africa (COMESA), Intergovernmental Authority for Development (IGAD), Southern African Development Community (SADC), Union du Maghreb Arabe (UMA). See http://www.au.int/en/recs/. [Accessed 12 May 2013].

[iii] ASEAN founding members plus Brunei adopted this principle as a means of resolving deadlocks given their desire for consensus rather than binding obligations in ASEAN deliberations. Member States not "comfortable" with particular cooperation schemes could opt out. Not all suggestions or agreed programs have to be undertaken by all members in the group. (This in my view is less fair than the democratic principle of a conclusion based on votes as practiced in other RECs where the majority carries the day. First, it is a poorer imitation of the principle of voting where the majority wins. Second, the implication in the "6 minus x" principle is that the minority do not get to benefit or be covered and included in the decision reached by the majority. When implementing a given project, for instance, Member States that opt out also by implication stand to lose out on the project decided by the other 5).

[iv] This argument is based on a GATT Article XXIV provision, which allows regional trade agreements (RTAs) so long the RTAs include all trade. GATT Article XXIV is available on the World Wide Web: < http://www.wto.org/english/tratop_e/region_e/regatt_e.htm#gatt>, Accessed October 4, 2009.