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MICRO-REGIONALISM IN AFRICA:

Competing Region-building in the Maputo Development Corridor

Fredrik Söderbaum*
Ian Taylor**

*Fredrik Söderbaum divides his time as Associate Professor in Peace and Development Research, as Director of the Centre for African Studies at the School of Global Studies at Göteborg University, and as an Associate Research Fellow at UNU-CRIS. He is primarily published on the topic of regionalism, most recently The EU as a Global Player: The Politics of Interregionalism (co-edited with Luk van Langenhove, Routledge, 2006).

**Ian Taylor is Senior Lecturer in the School of International Relations, University of St. Andrews; Associate Professor Extraordinary in the Department of Political Science, University of Stellenbosch, South Africa; and Visiting Lecturer, Faculty of Development Studies, Mbarara University of Science and Technology, Uganda. He is widely published on African politics and international relations, most recently China and Africa: Engagement and Compromise (Routledge, 2006) and NEPAD: Towards Africa’s Development or Another False Start? (Lynne Rienner, 2005).
Micro-regionalism in Africa:
Competing Region-building in the Maputo Development Corridor*

Fredrik Söderbaum and Ian Taylor

1. Introduction

Regionalist processes are occurring all over the world, not least the formation of micro-regions which, although obviously not a new occurrence, are more and more cross-border in nature rather than being contained within the boundaries of a particular nation-state (the standard conception of a micro-region). The African continent has not missed out on the growth in the number of such micro-regions which are currently reconfiguring the world (Breslin and Hook, 2002; Perkmann and Sum, 2002), but the problem is that such micro-regions have received rather muted attention. The neglect of micro-regionalism in the study of Africa is unfortunate, since it is perhaps the form of regionalism most beholden to “real” “African” processes on the ground but also reflects in detail some of the processes occurring at higher levels or scales. Concrete studies of regional interactions on the continent are perhaps the most fruitful in lifting the veil of obscurity over much of what is “really” occurring and identifying the interface between elite-derived agendas and popular reactions to such processes. In dealing with micro-regionalism in Africa we place special emphasis on how local communities regard and respond to top-down and formalised regional initiatives “on the ground”—and how such actors create their own initiatives.

It has already been noted in previous work on the subject that projects known as Spatial Development Initiatives (SDIs) and development corridors have emerged as one of the most distinct forms of micro-regionalism in South and southern Africa (Söderbaum and Taylor, 2003). This paper deals with the vivid cross-border micro-region known as the Maputo corridor. For more than a century the Maputo corridor has been an informal cross-border micro-region, constructed by millions of migrants, extensive informal trading as well as dense socio-ethnic interactions. Since the mid-1990s there is a formal SDI project, officially known as the Maputo Development Corridor (MDC), which seeks to reconstruct and revitalize this rather informal cross-border relationship which effectively has existed for more than a century.

The MDC is an interesting case study for a series of reasons. For instance, it has been marketed as the flagship of the SDI programme in both South Africa and Mozambique. Thus, the MDC is a

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1 Of note, micro-regions exist between the “national” and the “local” level, and are either sub-national or cross-border. They are distinguishable from macro-regions (“international regions”), which are larger territorial units or subsystems, between the “state” and the “global” level.
primary example of the new and potentially enormously influential SDI framework for governance, which have serious implications for formal interstate relations, particularly in a continent that has traditionally jealously guarded (at least the appearance) of state sovereignty at all costs (Söderbaum, 2003). More specifically, the paper aims to critically interrogate the MDC and how it is affecting/reifying existing power relations on the ground. In so doing it will particularly focus on formal/top-down and informal/bottom-up region-building strategies, and how these often intersect, compete and clash.

The analysis proceeds as follows. In the next section we discuss the framework of the study. In the third section we outline the historical origins of the micro-region, before (section 4) describing the main characteristics and policies of the formal MDC initiative, primarily its objectives and planning strategies. The fifth section seeks to explain the underlying basis of formal region-building, which must be understood in the broader context of neo-liberalism and the national elites their attempts to tie into economic globalisation. In the sixth part of the paper, we concentrate on alternative region-building strategies, particularly the various informal and illegal responses and reactions that occur in this context. The final section rounds up the chapter and also discusses ways whereby the formal and informal can become mutually reinforcing instead of competitive.

2. Framework
As is well known, a large number of frameworks and theories, both old and new, are available for the study of regionalism (Söderbaum and Shaw, 2003). The research field, or at least its research output, is dominated by mainstream and conventional theories of regional co-operation and integration, such as neo-realism, functionalism, neo-functionalism, institutionalism and economic integration theory. There is no doubt that such studies have contributed to the understanding of regionalism and regionalist projects, both in the past as well as for today’s regionalism.

However, these frameworks need to be challenged for a number of reasons. One of their weaknesses is that their positivistic logic of investigation results in a concern with the methodology of regionalism rather than a systematic concern for the socio-economic circumstances and historical context in which regionalism occurs. This weakness is closely related to the fact that these theories are developed first and foremost for the study of Europe. When this geographic focus is transcended the main focus is placed on North America and the Asia-Pacific. The problem lies, generally speaking, in that the same underlying assumptions and conceptualisations—such as the notion of unitary states, the regulating influence of regional
organisations, trade and policy-led economic integration, the notion of the rational-bureaucratic state with regulated modalities of governance and so on—that stem from a particular reading of European integration influence the description and prescription of regionalism in the rest of the world. Such discursive hegemony is maintained by the common accusation that critical and reflective approaches are “non-scientific” and speculative (Mattli, 1999: 3-16). Critical studies of regionalism are also, it must be said, simply ignored (e.g. by Mansfield and Milner, 1997).

Following on from this, the study of micro-regions is important as there exists a variety of studies on regionalism in Africa, both old and more recent but in general, this past research is mainly focused on macro-regions and inter-state frameworks, such as the Southern African Development Community (SADC), the Common Market for Eastern and Southern Africa (COMESA), the Organization of African Unity/African Union (OAU/AU) and so forth. Much of this work was decidedly state-centric and often neglected what was actually happening, in favour of often optimistic accounts about what state actors say they are going to do to build regions. In contrast to a great deal of previous research on regionalism in Africa, we are not interested in such rhetorical accounts, but rather favour an approach that looks at African regions as they actually are. In doing so, we follow Chabal and Daloz (1999) their attempts to look at Africa as it really is, rather than how perhaps pre-conceived mores tell us how it should be. This is important within the context of regional studies, given the inherently Western origins and genesis of most prior “mainstream” investigations. Indeed, we would argue that the manner by which African political structures operate—and by extension, how regionalisation in Africa proceeds—needs to be explored and scrutinised at face value, rather than as a degenerated example of what happens when states go bad, as it were. It is surely axiomatic that we are now in the fourth decade of African independence and the modern, Westphalian and Weberian state has not yet emerged in Africa. Similarly, this has immense implications for any study of regionalising processes in Africa that seeks to apply lessons from Europe into and onto the continent. No, any serious analysis of micro-regions in Africa needs to scrutinise and try and make sense of the ways in which Africans encounter (and shape) regional dynamics and how various forces, be they based on ethnicity, gender, identity or occupation, influence Africa’s encounter with regionalism.

This paper in contrast adopts what has become established as the New Regionalism Approach (NRA). This is by no means a homogeneous school of thought, but refers, in our view, to a diverse group of relatively like-minded scholars who share important common denominators (e.g. Hettne 2003; Hettne and Söderbaum, 2000; Söderbaum, 2004; Mittelman, 2000; Schulz et al., 2001; Grant and Söderbaum, 2003). The NRA is connected with a broader theoretical debate
within the field of IPE, and can be understood within the broader tradition of critical, reflectivist or “new” IPE and the effort to transcend and challenge “problem-solving” mainstream theories (Murphy and Tooze, 1991; Hettne, 1995; Cox, 1996a). As such, as we have noted, the NRA is founded on the necessity to “unpack” the nature of the state, avoiding the Western conceptions of the state inherent in mainstream theorising in the field—be it neo-realism, institutionalism and/or economic integration theory. In doing so, NRA critically assesses state-society complexes in the formation of regions and opens up for a broad and deep interdisciplinary, critical/reflectivist understanding of what characterises regionalism and regionalisation in various parts of the world. The NRA looks beyond state-centrism. From the perspective of NRA, regionalism is more comprehensive and dynamic than inter-state action. States are not the only regionalising actors, and market, civil society—as well as external actors—are deeply involved in processes of regionalisation, including its political dimensions. Rather than separating actors into perceived “autonomous” groups of actors, the NRA suggests that actors will be grouped in—formal or informal—multi-actor collectivities (networks and modes of governance). It is important to critically assess these new modes of governance and “partnerships” with a focus on by whom, for whom and for what purpose they are being erected.

In doing so we need to ask who are the region-builders and who sets the agenda? Answers to this will vary across the continent. Certainly whilst African’s own agency plays a crucial role, the functions and involvement of other actors may at times be as important, if not more important. Thus an analysis of a micro-region in Africa (as elsewhere, arguably) has to integrate investigations into the agenda-setting behaviours of multi-national corporations, investors, the local elites and—absolutely crucially given the current context which Africa finds itself—the donors. Indeed, there is at present a fad amongst some donors to promote regionalism as a “solution” to Africa’s problems. On the other hand, they may improve things considerably; it is too early to say. But the issue of agenda-setting within micro-regions is an important ingredient to any comprehensive study of regionalising process within Africa.
3. The historical origins of the MDC and the SDI programme

The historical legacy of colonial intrusion into the spaces now known as “Mozambique” and “South Africa” is of profound importance, critically informing the setting and features of the dilemmas facing the micro-region in contemporary times (Swatuk and Vale, 1999). This constructed historical space demonstrated all the idiosyncrasies of a dominant and subordinate relationship, with White African capital exploiting Black labour. Mozambique became a regional conduit and effective labour reserve for the minerals-based industries in South Africa, fastening southern Mozambique and the Johannesburg environs together, and firmly establishing the migratory labour system that formed/forms the basis of the historical space around which the MDC has been formulated (see Baptista-Lundin and Taylor, 2003). It should thus be clear that migration was a crucial component of this special and asymmetric cross-border relationship between South Africa and Mozambique. The formal mine workers agreement created during the colonial period were, of course, in the interest of rulers and mining houses in Transvaal/South Africa, and *inter alia* implied that they did not have to compete for miners and salaries could be kept low. These contracts also benefited Portugal as it received deposits in gold for ‘native’ labour which then could be sold at market price (since a portion of the miners’ wages could only be received back in Mozambique).

A transport corridor linking Johannesburg and its environs to the Indian Ocean—and the world—*via* the sea port developed and became a major feature of southern Africa’s regional dynamics. Being the shortest link to an export harbour for South Africa’s industrial heartland, this corridor rapidly became a major intersection for southern Africa’s linkages with the world economy. Hundreds of thousands of Mozambicans travelled to work as migrant labourers in the minerals industries along the Witwatersrand, as well as others finding work as agricultural contract workers. Between 1908 and 1975 the annual flow of legally recruited labourers from Mozambique fluctuated between 74,000 and 118,000 (Mamdani, 1996: 153).

Such arrangements were dislocated when in the mid-1970s the progressive *Frente de Libertação de Moçambique* (Frelimo) assumed power in Maputo after Portuguese rule collapsed following a coup in the metropole. A period of mutual hostility ensued, with the apartheid regime actively undermining Frelimo’s efforts to construct a socialist developmentalist state (Minter, 1994). Space precludes a history of the Mozambican revolution and its demise (see Saul, 1994, 1997; Vines, 1994), suffice to say that a combination of factors induced Frelimo to finally sup with the devils of Pretoria, as witnessed by the Nkomati Accord, and the bandit movement Renamo. Concomitant with this process was a gradual shedding of Frelimo’s socialist pretensions. The
current movement to draw closer integration between Maputo and eastern South Africa can be said to reflect processes that have been developing ever since Frelimo began casting off its socialist clothes and engaging in dialogue with the then minority-ruled regime in Pretoria. That much of this serves to reinforce the consolidation of a micro-region that has long been in existence, even during the height of provocations from South Africa, implies that the practical concept of a cross-border economic and social sphere between Mozambique’s southern and South Africa’s eastern territories is a reality that is simply being institutionalised (and, importantly, directed) by the newly-constituted MDC.

This has been facilitated by a seeming policy “fit” between South Africa’s GEAR project and Mozambique’s neo-liberal conversion (Baptista-Lundin and Taylor, 2003). The Mozambican state elites have been (at times reluctantly) pursuing a neo-liberal project since it implemented its Economic Recovery Programme in 1987, largely at the behest of disciplinary agents such as the World Bank, the IMF and other donors, who supply some 60 percent of Mozambique’s income. This has been spurred on by the paucity of alternative visions amongst Frelimo vis-à-vis recovery strategies: the Mozambican elite believes that there is simply “no alternative” to neo-liberalism, a view heartily endorsed by the South African state elites, capital and the international financial institutions (IFIs), upon whom Maputo is so dependent.2

The developmental philosophy behind the formal MDC project is largely captured within a neo-liberal framework, particularly the Spatial Development Initiatives (SDIs) programme. The MDC running from Witbank in Mpumalanga (eastern South Africa), through Nelspruit, to Maputo, capital of Mozambique is an example of such a SDI (see Söderbaum and Taylor, 2003a). These SDIs are high-profile attempts mainly involving big business actors from South Africa and the North, with the active support of the state, to ‘unlock inherent economic potential in specific spatial locations in southern Africa’ (‘Spatial Development Initiatives in Southern Africa’, www.sdi.org.za). Almost entirely driven by private capital (though in partnership with national and provincial administrations), these SDIs are currently reconfiguring whole areas of South Africa and neighbouring states, seeking to construct economic micro-regional spaces (Söderbaum and Taylor, 2003a).3

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2 Interview with Iraê Baptista Lundin, Centro de Estudos Estratégicos e Internacionais, Instituto Superior de Relações Internacionais, Maputo, April 9, 2000.

3 To date there exist eleven SDIs in South Africa: the MDC; the Lubombo SDI (to include Mozambique and Swaziland); the Coast to Coast SDI (Namibia, Botswana, and Mozambique); the Platinum SDI (Botswana); the Phalaborwa SDI; the West Coast Investment Initiative; and the Gauteng SDI. In addition, a number of SDIs have been identified/put forward within the broader southern African region: Walvis Bay DC (Namibia); Malange DC (Angola); Lobito DC (Angola and the DRC); Namibe DC (Angola and Namibia), Okavango-Upper Zambezi SDI
SDIs are explicitly connected to perceptions held at the elite level that in an era marked by
globalisation, various types of regionalisation is a crucial means by which states may come
together and tap into this process in order to maximise their pulling power *vis-à-vis* international
capital. As Swaziland’s economic planning minister, Themba Masuku, remarked on the MDC,
‘there is no question the trade corridor must succeed. The world is globalising rapidly and
regional co-operation is vital if [we] are to cope with increasing competition for trade and
investment in the fast-improving world’ (*Sunday Independent* (Johannesburg), November 6,
1996). The micro-regions currently being constructed then cannot be separated from the wider
national and global context within which their promoters find themselves, nor from the
perceptions that there is a ‘fast-improving world’ out there that African state elites but need to tie
themselves to (Söderbaum and Taylor, 2003b).

Both the South African and the Mozambican government see as their primary task the need to
work with private capital in partnership in order to facilitate such SDIs (Söderbaum and Taylor,
2001). ‘The principal mechanism underpinning the SDI programme is private sector investment
which will be “crowded in” through a number of public sector interventions’ (Lewis and Bloch,
1998: 730). South Africa’s role in the construction of these types of SDIs is crucial, both in terms
of its business sector and the driving dominant role of the South African government in the
design and construction of these projects. The SDI approach to development and the importance
attached to the private sector, is very much in line with the South African government’s neo-
liberal GEAR policy, adopted by the African National Congress in 1996 (see Williams and
Taylor, 2000; Taylor, 2001). This shift in macro-economic thinking has had profound
implications for developmental thinking within government circles.

The overall reconfiguration of Southern Africa in general—and the construction of a series of
micro-regions—along the lines promoted by the SDI programmes then is a developmental agenda
founded on neo-liberalism (Söderbaum and Taylor, 2003). Certainly, SDIs are predicated upon
neo-liberalism, grossly emphasising the need to crowd-in private capital, but then largely silent
about endogenous development potential as well as ‘about deep structural inequalities, especially
the qualitative aspects of underdevelopment lodged in the blockage of highly inequalitarian social
systems’ (Mittelman, 2000: 126).

(Angola, Botswana, Namibia, Zambia, and Zimbabwe) Tazara DC (Zambia and Tanzania); Nacala DC (Mozambique
and Malawi); Beira DC (Mozambique and Zimbabwe); and the Mozambique-Zambezi River SDI.
4. The MDC initiative
The MDC is founded on four key objectives:

1) To rehabilitate the primary infrastructure network along the corridor, notably road, rail, port and dredging, and border posts, with the participation of the private sector in order to have minimum impact on the fiscus.

2) To maximise investment in both the inherent potential of the corridor area and in the added opportunities which infrastructure rehabilitation will create, including the provision of access to global capital and facilitation of regional economic integration.

3) To maximise social development, employment opportunities and increase the participation of historically disadvantaged communities; and

4) To ensure sustainability by developing policy, strategies and frameworks that ensure a holistic, participatory and environmentally sustainable approach to development.

The basic idea behind the MDC initiative is the implementation of a large number of investment projects. A rough distinction can be made between infrastructural projects and the major economic development projects. With regard to the rehabilitation of primary infrastructure, the following projects, with a total estimated value of US$661.5 million, were of crucial importance. Firstly, the Witbank-Maputo N4 toll road. This was the first major Public-Private Partnership (PPP) in southern Africa and was concessioned for 30 years to a private sector consortium, TransAfrica Concessions (TRAC), on the basis of “build, operate and transfer” (BOT). Other projects included the rehabilitation of the port of Maputo; the establishment of a public/private company to manage, operate and maintain the southern Mozambique rail network; and a single facility/one-stop border post at Ressano Garcia/Komatipoort.

The most comprehensive economic development projects were the US$1.3 billion Mozambique Aluminium Smelter (Mozal), which in the second phase was supplemented, making it worth a total of more than US$2 billion in investment (see Hentz, 2003). The Maputo Iron and Steel Project (US$1.5 billion) and the Beluluane Industrial Park (BIP), which is an industrial free zone aiming to attract foreign, regional and local investment to heavy industry manufacturing and hi-tech industries, were also key projects, as was the Pande/Temane gas pipeline (US$250 million).

In addition to these gigantic projects there were a significant number of other investment projects, in fields such as: mining (a magnetite, vanadium and heavy minerals project), energy, chemicals, manufacturing, agriculture, forestry, commerce and tourism (eco-tourism, lodge and game-park development and so on see De Beer and Arwkrigte, 2003).
In addition, subsequent policy-makers developed MDC technical support programmes in order to complement the projects mentioned above (first and foremost in order to achieve MDC objective 3 and 4). Some of the most important support programmes included the cluster and linkage processes; policy research and capacity building; strategic environmental management plan (SEMP); local economic development (LED); and institution building.

Although each SDI has to adjust to the different conditions under which it operates, there is a generalised “SDI methodology” (see Söderbaum and Taylor, 2003). According to this methodology, the institutional structure should be kept to a minimum, the main role of the institutions being to fast-track project implementation.

The initial phases should be driven by a loose and fluid network consisting of the political champions, central government institutions, the different line departments (mainly transport, and trade and industry), the project managers and the technical teams. Then, in the last stage of implementation, in the so-called “exit phase”, the administration should be decentralised to the provincial and local institutions, particularly their investment promotion agencies, whose main brief is to facilitate new investment in the region. There is considerable emphasis on “fast-tracking” project implementation, and the set-up, appraisal, packaging and launch of a SDI at the investors conference is supposed to be completed within 12-18 months. The exit strategy is given longer time, up to two years.

More specifically, the first thing performed in the setting up of a SDI is to appoint a project manager. The project manager organises an initial conceptual workshop and identifies promising sectors for investment, the main bottlenecks for development and the main investment opportunities in the area. The manager also sets up a technical team and a project identification team, made up of officials from government and parastatals as well as consultants and other relevant experts. Yet another main task of the project manager is to identify local “champions” and stakeholders to provide the programme with legitimacy, and to ensure that there is an organisation that can secure implementation upon the decentralisation of functions to provincial and local authorities (Jourdan, 1998; Hall, 1998).

After the set-up and pre-feasibility phase and the establishment of institutional structures, with political and technical teams etc., the process moves into the identification and “packaging” of investment opportunities. Ideas for investment projects are widely solicited, including from local and provincial stakeholders. The main criterion for projects is that they must be “bankable”, that is, they must offer a commercially viable return on investment (Jourdan, 1998). The DBSA and the IDC play a significant role in identifying and testing the feasibility of projects. The next task
is to match potential domestic and international investors with investment opportunities and to raise the profile of the area as an international investment destination, typically through an investors’ conference.

One important feature of the SDI methodology is that each SDI should have so called political champions—high-ranking elected politicians at the national and provincial level—who can ensure political commitment and practical support for the process internationally. In the case of the MDC there has in effect been a large number of high-ranking political champions involved. The political support from the highest possible level, by (former) presidents Mandela and President Chissano, has undoubtedly provided political impetus to the MDC, while at the provincial level the former premier of Mpumalanga, Matthews Phosa, was a committed political champion from its inception. The strategy with political champions are particularly interesting in view of the more or less chronic difficulties to ensure implementation of most types of regional intergovernmental cooperation projects in Africa in the past. The missing link is often explained as a general lack of political will and political commitment. In the MDC it is evident that the high level political support was able to fill some of the ‘gaps’ between the visions and the implementation on the ground. But for the same reasons, when succeeding political leaders have failed to provide political commitment with a negative impact for the grandiose development ambitions of the MDC. This remaining part of this paper will contribute to explaining the dilemmas and the logic behind competing region-building strategies shaping the corridor.

5. Region-building by state-business elites

As indicated above, the making of the MDC as a formal project is closely linked to attempts by state-business elites in South Africa and Mozambique to tie into what they perceive as economic globalisation, or ‘to bring globalisation to Africa’ to use Mbeki’s language. This is not only the objective of the MDC and other SDIs as such, but also the case of the national structural adjustment and reform programs in the two countries as well as through their visions of region-building and regional economic integration in forums such as SADC and NEPAD as well as other North-South relationships.

How the developing world “fits” with globalisation, and how or in what way the non-core can benefit from globalisation is an intense area of debate. Thus far, it has been regional elites, with their own particular understanding of what globalisation is, that have largely set the agenda in response to perceived pressures. In Africa, the debate has been advanced by specific African leaders who have sought to craft a relationship with the North and promote a developmental
agenda which is based largely along neo-liberal lines. The leaders of Algeria, Egypt, Nigeria, Senegal and South Africa have been at the forefront of this and their agenda was crystallised in Abuja, Nigeria on October 23, 2001, when the New Partnership for Africa’s Development (NEPAD) was launched (NEPAD, 2001).

The message communicated by the NEPAD fits within the orthodox neo-liberal discourse and avoids blaming particular policies or global trade structures on Africa’s marginalisation but rather, if pushed, simply passes off the blame on “globalisation”. But even here, the document sees globalisation as providing glowing opportunities, with a statement arguing that:

The world has entered a new millennium in the midst of an economic revolution. This revolution could provide the context and means for Africa’s rejuvenation. While globalisation has increased the cost of Africa’s ability to compete, we hold that the advantages of an effectively managed integration present the best prospects for future economic prosperity and poverty reduction. (ibid., p. 8).

The NEPAD itself fits snugly with the policy aims of South African president Thabo Mbeki’s touted “African Renaissance”, which has underpinned post-apartheid South Africa’s foreign policy, particularly since Mandela stepped down (Taylor and Williams, 2001). Yet this Renaissance and the posture towards “globalisation” has been criticised as being under undue influence from the dominant neo-liberal orthodoxy (Taylor and Vale, 2000). As one critical commentary put it,

The African Renaissance suggests a continental effort led by South Africa to advance the familiar ‘end-of-history’ thesis … South Africa’s African Renaissance (this choice of words is important) is anchored in a chain of economies which, with time, might become the African equivalent of the Asian Tigers … In this rendition, the African Renaissance posits Africa as an expanding and prosperous market alongside Asia, Europe and North America in which South African capital is destined to play a special role through the development of trade, strategic partnerships and the like. In exchange for acting as the agent of globalisation, the continent will offer South Africa a preferential option on its traditionally promised largesse of oil, minerals and mining (Vale and Maseko, 1998: 279).

Indeed, the policy options currently being pursued, as crystallised in the NEPAD, seeks to press for increased access to the global market in a very similar fashion as the SDIs in general and the MDC in particular. In official discourse it is frequently asserted that SDIs and MDC form part of
the broader vision of NEPAD and the African renaissance. Far from critically engaging with
globalisation or even remotely interrogating it, the African elites promoting the NEPAD and SDI
projects are actually pushing for greater integration into the global capitalist order, but on re-
negotiated terms that favour externally oriented Southern elites. The actual neo-liberal
underpinnings of the global market are presumed to be sacrosanct. As Trevor Manuel, South
Africa’s finance minister asserted, ‘there is a new resilience and a new will to succeed in the
African continent. We in South Africa have called it a renaissance, a new vision of political and
economic renewal. It takes the global competitive marketplace as point of departure’ (Manuel,
1998).

Our point is that the form of macro-regionalisation as well as micro-regionalisation being
currently promoted in southern Africa is premised on an unquestioning belief that integration of
their territories into the global economy as absolutely crucial and inevitable. The structural
limitations of this are never probed as, it is apparent, “there is no alternative”. Thabo Mbeki
summed up this attitude when he proclaimed that ‘the process of globalisation is an objective
outcome of the development of the productive forces that create wealth, including their
continuous improvement and expansion’ [emphasis added], (Mbeki, 2000). However, as Cerny
remarks, ‘globalisation is driven not primarily by some inexorable economic process, but rather
by politics: by ideology, by the actions, interactions and decisions of state actors, their private-
sector interlocutors and wider publics’ (Cerny, 1999: 159).

Regarding such perceptions, the functions of the national scale both as a discrete unit of socio-
economic relations and as an organisational interface mediating between sub- and supra-national
scales, has been eroded in the eyes of the national units’ own elites. The desire amongst regional
elites to locate a regional connectivity and regional identity appears of profound significance in
citing tactical responses to globalisation. But, regionalisation should not be seen as a counter-
reaction in the direction of regional autarkies. Instead, it delineates a consolidation of politico-
economic spaces contesting with one another within the capitalist global economy. It is clear that
there are no “natural” regions, and that regions have to be constructed.

That existing regionalist projects reflect the impulses of a neo-liberal world order is of a
consequence of the environment within which regional elites find themselves and perceive
themselves to be in. Although the proponents of the transnational ideology of globalisation seek
to cast the world as having to adjust to a totalising tendency from which no one can escape,
globalisation is obviously asymmetrical and variegated and its impact upon different spatial
entities varies. As such it takes advantage of, indeed exacerbates differences as much as, if not
more than, it produces a uniform new world. In doing so, counter-reactions to, and space opened up by, such contradictions are generated.

6. Counter-strategies
The prospectus for the MDC includes admirable developmental commitments and environmental awareness which suggest a basis for a popular form of regioness (Hettne, 2003). For instance, the MDC’s ‘Strategic Context’ and ‘Vision’ states that ‘the re-establishment of the [Witbank-Maputo] axis will significantly enhance the underlying conditions for development along its entire length…The development corridor will also present opportunities to address the important (corridor and wider regional area) issues of sustainability (natural resource use, refined industrial processes etc.), poverty and access to basic needs and social services’ (‘Key Goals and Strategic Objectives for the Maputo Development Corridor’, www.dbsa.org/Corridors/maputo/sectionc.htm). Indeed, the World Bank’s deputy chief resident in South Africa asserted that ‘the Corridor must be seen as a means to an end, and that end is poverty alleviation’ (Cape Times (Cape Town) August 11, 1997).

However, such developmental impulses are profoundly compromised by the neo-liberal underpinnings of the SDI concept and the concomitant ingredients within neo-liberalism itself which can but serve to undermine any coherent sense of regioness amongst the affected peoples along the Gauteng-Maputo axis. This of course is not to say there will not be “winners” from the (re)construction of the micro-region (Söderbaum and Taylor, 2001). But, any popular sense of regioness is compromised by the explicitly neo-liberal thrust of both the South African and Mozambican state’s economic policies and the accompanying playing out of such tendencies within the MDC SDI. Unpacking the implications of this is obviously important. In so doing we will attain a better understanding of the relationship between the formal/top-down and the informal/bottom-up regional strategies along the Maputo corridor.

In contrast to the stated objectives, the ‘actually existing’ MDC is based on a narrow and instrumental strategy how to promote economic development (or rather crowding-in of capital), whereby, rather naively, development is believed to arise more or less automatically as a result of the implementation of some major investment projects, mainly in infrastructure, ‘aluminium smelters’ and iron and steel projects and so on. There is hardly any emphasis on a people-centred development path, or how people in the corridor can contribute to development. Development is assumed to be created through crowding in of global capital to mega-projects. According to this view, development is externally rather than internally and endogenously driven and mobilized.
It is difficult to dispute that the MDC is designed first and foremost for ‘big business’, from South Africa and a limited set of countries in the North. Local participation occurs on a rather arbitrary basis or when favourable conditions meet rather than being an integral and systematic part of the formal projects. That is, the SDI methodology and the MDC in particular is founded on an capital-intensive, ‘big business’ and top-down development strategy, with the real intention to increase export growth and foreign exchange rather than people-centred development. It is basically an ‘investment initiative’ of gigantic proportions, to some extent resembling the old ‘capital-push’, ‘big-bang approaches’ prevailing in the 1950s and 1960s (albeit seasoned with some ingredients from the economic growth paradigm in East and Southeast Asia). The so-called holistic, environmentally sustainable and people-centred development aspects are difficult to discover in practical implementation.

One crucial component of the MDC programme is to involve the private sector in the process. This has lead to the emergence of so-called public-private partnerships (PPPs), which are mechanisms for involving the private sector and broadening the ownership base, especially in order to enhance the delivery of infrastructure. The point of departure of this strategy is that when the public sector has difficulty raising funds for investment in infrastructure, with PPPs ‘the private sector can play an active role in financing, managing and maintaining large infrastructure projects that would traditionally have been seen as purely the public sector’s responsibility’ (Driver 1999: 18). The Witbank-Maputo N4 Toll Road is the most comprehensive PPP within the MDC project. It is certainly a risky strategy when conventional state functions and investment projects are being privatized and must be ‘commercially viable’ and profitable in order to stand the test of being implemented. This means a retreat of the traditional role of the state, and the consequences must be closely monitored.

There is a general lack of institutions on both sides of the border, although it is particularly deep on the Mozambican side, which further explains the deep exclusionary effects of the formal MDC project. There is a rather naïve view that some committees can be quickly set for a limited period of time, then that other institutions, such as the investment promotion centres should drive the process and then let it become a private sector driven process.

The weakness inherent in this approach is illustrated by the failure to establish the Maputo Corridor Company (MCC), which was supposed to be part of the decentralisation strategy, bring together local and business actors, and bring people-centred development to the corridor. The establishment of the MCC failed due to a lack of capacity and commitment at both local and provincial level, both amongst public and private actors, particularly in Mozambique but also in
Mpumalanga. Another private sector driven initiative, the Maputo Corridor Logistics Initiative (MCLI) has been established instead. Although there is a stated ambition to cover Mozambican actors, the MCLI is mainly involving private (and quasi-private) commercial actors from South Africa, and nearly all of them are large-scale operators resulting in that the needs and interests of small often informal business (especially from Mozambique) is looked upon as a problem (Söderbaum, 2006). Hence, it is extremely difficult for bottom-up forces to become organised and integrated into the formal project, in a context when the state is doing little and no functioning structures and mechanisms for them to become involved. Instead we have a separation between formal project and a diverse set of informal counter-reaction, illegal, criminal and simply survival strategies.

Certainly, along the MDC there is a high degree of social and economic interconnectedness, be it formal/informal, legal/illega l. Formally, South African-Mozambican trade is relatively substantial and growing: in 1998 South African imported 218 million Rands worth of goods, whilst exporting 2640 million Rands worth (Bertelsmann-Scott, 1999: 443-444). Such a massive trade imbalance reflects the overall imbalance between the South African economies and those of the region, and has been a constant source of grievance by other states in the region. Such figures, as elsewhere in Africa, only tell one part of the story however (MacGaffey, 1991; Bayart et al., 1999). As Swatuk and Vale remark, ‘the fiction of the Westphalian state system in southern Africa contrasts with the lived reality on the ground: goods, people, resources, animals, and so forth continue to ignore these borders and to get along in spite of them’ (Swatuk and Vale, 1999: 366).

Illegal activities are equally as important when discussing the processes at work along the MDC. For instance, Mozambique’s historical experience of armed conflict continues to play itself out in a host of different ways, some more negative than others, which whilst drawing together criminal elements along the Gauteng-Maputo nexus, weakens a sense of regioness—although a cross-border criminal fraternity may indeed construct their own forms of “regioness”.

Weaponry smuggling is one important example. Estimates of weapons imported into Mozambique during the civil war range from 500,000 to six million. During the United Nations peacekeeping operation of 1993-95, about 190,000 weapons were collected. However, most were not destroyed and through various corrupt practices were soon back out in the public domain, either circulating within Mozambique or being sold and illegally smuggled into neighbouring states, the main destination being South Africa. In four recovery operations performed jointly by South African and Mozambican authorities in recent years, a total of 11,891 firearms were seized.
and destroyed. These have included over one hundred pistols, six thousand anti-personnel mines, and hundreds of the ubiquitous AK-47. Also captured were over three million rounds of ammunition (Business Day (Johannesburg), January 18, 2000).

Such a profusion of illegal weaponry flows back and forth along the micro-region, much of it for hire at hourly rates. This criminality surely erodes any coherent notion of a security community, at least at the ground level and, lofty rhetoric aside, there has been a lack of success in stopping such illegal activity within the micro-region. In fact, recently it was announced that there exist one hundred and forty-four organised criminal syndicates specialising in offences ranging from cash heists to stock theft operating in Mpumalanga. These syndicates also act as conduits for drug smugglers along the Gauteng-Maputo nexus, using their organisations for drug and weapon smuggling, counterfeiting money, cross-border vehicle smuggling and (increasingly) subverting government through corruption (Business Day (Johannesburg), March 28, 2000). Though it is not covered in any MDC prospectus, the “real” micro-region is made up of a host of hubs and spokes of illicit activities, a large degree of which are historically long-standing. Indeed, given the apartheid regime’s covert support of anti-government bandits during the destabilisation campaign against Frelimo, the “returning home” in the hands of criminals of much of the weaponry provided by Pretoria to Renamo is grimly ironic.

In addition to such life-threatening activities within the micro-region, the flow of migrants, both legal and illegal, is also of profound importance and again serves in many ways to undermine a sense of regioness. Tolerated in the past as a source of cheap labour for businesses owned by Whites, the continuation of immigration flows from Mozambique into South Africa has stimulated an increasingly hostile atmosphere against Mozambicans, particularly within the informal settlements ringing Gauteng. This hostility and xenophobia, which certainly is a creation serving particular interests in society, has been fuelled by organised labour which fears that such immigrants will undermine wage levels for working South Africans and put pressure on already existing scarce resources. All “refugees” from Mozambique are now classed by Pretoria as illegal immigrants and South Africa enforces a policy of forced repatriation, expelling Mozambicans at a rate of 3,000 people per week (Solomon, 1994: 67). In a period of only two months in 1994, South Africa deported over 50,000 illegal emigrants from Mozambique (Sunday Independent (Johannesburg), December 26, 1994). Yet, despite such measures and the elaborate fencing at the South African-Mozambican borders, the flow of impoverished migrants continues to stream across and through the micro-region.
The causes of this are profound poverty within Mozambique, a situation created by years of destabilisation by Pretoria during the apartheid years, the misguided attempt by Frelimo to rush through socialist economic reforms with a less than satisfactory support structure to see these through and, and this is crucial, the implementation of neo-liberal reforms which have thrown thousands of Mozambicans out of work (Abrahamsson and Nilsson, 1995; Hanlon, 1991, 1996). This last point is of particular interest when discussing the micro-region of today: how can a sense of regioness be constructed within Mozambique when it is predicated upon policies that further impoverish the masses whilst an ostentatious class of “entrepreneurs” (both local and South African) appear to be the only winners? Evidence of the direction processes have led thus far is provided by the United Nations Development Programme’s 1998 ‘National Human Development Report on Mozambique’, which posed a number of questions about Maputo’s neo-liberal elevation of growth as the main developmental goal:

What is growing and for whom? The growth of absolute poverty for the great majority, or the growth of ostentatious incomes for a small minority? The growth of social and civil security, or the growth of crime? Economic growth that promotes the human development of Mozambicans, or growth that is exported to soften the country’s indebtedness? The growth of democracy and participation, or the growth of political apathy and abstention? The equitable growth of human development, or the inhuman deepening of inequalities between the sexes and between social, ethnic and racial groups? (quoted in Fauvet, 2000: 12).

Indeed, the winners of the ongoing processes within the micro-region appear to be restricted to a small fraction of the population. But, outside the parameters of the official are the informal trading networks that have been established along the MDC to take advantage of the increase in the flow of traffic through the micro-region. This goes to the heart of issues surrounding gender equity and accessibility to any developmental spin-offs that may accrue from the MDC.

In Mozambique the mukhero is one interesting example of informal economic regionalisation (Lundin and Söderbaum, 2002). Informal market activities and petty-trade have flourished following the abandonment of the socialist project in Mozambique and the gradual disappearance of the old safety net provided by the state. This marks the beginning of the institution of mukhero, whereby a variety of goods, vegetables, fruits, clothes and small home appliances are brought in from other parts of Mozambique and the neighbouring countries in order to be sold on the informal market in Maputo. Again, the activities are often conducted by females, and revenues are used to buy goods in South Africa and Swaziland and other neighbouring countries, only to
be sold back in Maputo. The vivid cross-border interactions that make up the *mukhero* involve all countries bordering Mozambique, but particularly South Africa. Initially it was mainly a question of acquiring agricultural products to supply a market in need, but gradually other products have been incorporated. To a large extent these activities constitute a modern survival strategy, but several of the female traders are also ending up building viable informal business enterprises. Various attempts have been made to regulate and control borders, smuggling, informal trading and hawking, but people have often found other ways to get around these restrictions. In the words of one mukherist:

None of us hold a valid passport or visa, we cross the border under the fence. We have special arrangements with some officers, ‘we pay and they don’t see us’. However, the agreement is not always respected because many times we pay and they catch us anyway. When that is so we have no choice other than either to pay again, many times with sexual services to more than one of them, or to loose our goods risking also being arrested. *Mukhero* is not an easy business, but as far as I see it is at the moment the only alternative for us to survive. (quoted in Lundin and Taylor, 2003: 99).

Closely related, and one the most contentious issue in this regard is the privatisation of formerly publicly accessible transport routes. This has already provoked tensions between local communities and the investors involved in the project. Initially, women informal traders were chased off the N4 for trying to sell fruit to travellers (something they have done for decades). With the increase in traffic flows along this route, the impoverished women felt that they had a right to try and make a living this way. However, the local council felt that this activity was dangerous to road users and so a hard-standing area with a slip-off road was planned. Local women interviewed felt that this would deprive them of potential customers and complained about the sanitation conditions they work in (interview with informal traders outside Nelspruit, April 3, 2000).

However, it seems apparent that local ANC politicians have been involved in a degree of populist grandstanding which has exacerbated resentment *vis-à-vis* the whole MDC project. In conversation with the women traders they claimed that they had been promised free housing and other facilities by local politicians: everyone else spoken to vehemently denied this. It was also reported by one (reliable) source that local ANC politicians had—quite illegally—addressed meetings to announce that the government would make sure that local users did not have to pay the toll fees. What seems to be occurring on the ground is that local ANC officials are projecting
a populist agenda in an attempt to deflect pressure against the logical implications of their own party’s pursuance of a neo-liberal programme. Such a scenario has profound implications for popular support for the construction of the micro-region. This is exacerbated by the poor consultative processes with local communities over issues affecting their daily livelihoods. Though there are exceptions, dialogue over many issues seems minimal and only really is enacted when effected local inhabitants complain, leading to what we can see in emerging regionalisms in southern Africa as the SDI’s “democratic deficit”.

7. Conclusion

This paper has demonstrated that the ideology of neo-liberalism is currently dominant at the elite level. This has profound implications for how development is viewed as best pursued as elites in both Mozambique and South Africa seek to promote economic integration as a means of latching onto what they perceive to be globalisation. However, such processes, which this case study reveals, cannot simply be defined as top-down projects to reconfigure spatial areas along neo-liberal lines: globalisation and regionalisation stimulates reactions involving the re-organisation and re-territorialisation of spaces in order to meet the challenges posed and suggests that agency in such “Afro-regions” is present throughout. Though existing regionalist projects, such as the MDC, reflect the impulses of a neo-liberal world, space for contesting alternatives exists, with counter-reactions being continually generated and with diverse forms of regional connectivities being constructed.

What all the above suggests is that the regionalism of the MDC is not only driven by state elites, who have their own agenda, but also by communities and peoples who utilise the micro-region for a heterogeneous set of reasons and motives. These two sets of processes—the formal/top-down and the informal/bottom-up—frequently clash and are in confrontation at a multiple and quite complex set of levels. Such processes and outcomes of region-building and region-destruction, in all their multiple activities and levels characterise the micro-region.

Having said that, the broader macro-economic vision upon which the MDC is constructed is vitally important. The neo-liberal forces behind the formal micro-region’s inception can only push for further privatisation and the rolling back of state involvement, casting everything within a profit-seeking framework which allows very little space for social and ecological implications. In the context of an impoverished part of the world, the privatisation of everyday life is clearly doubtful.
The MDC initiative is a gigantic portfolio of large-scale capital investment projects. There are several intriguing and fascinating features with the MDC. It is an interesting strategy given the shortage of funds for development in African context. However, this paper has drawn particular attention to the fact that the formal policies of the MDC ignore the informal sector. MDC policies have not been designed in order to utilise or facilitate the human potential and entrepreneurship of the informal sector. On the contrary, the MDC is designed as if there was no informal sector, or simply in order to counteract it.

This paper has particularly emphasized that (i) the development paradigm and development strategy ignores the informal sector, and (ii) that the institutional design and policy implementation is conducted in a top-down fashion which prevents rather than enables local participation and peoples-oriented development path.

More specifically, the MDC is designed for the purpose of crowding-in external capital in order to build industrial and infrastructural mega-projects. It is externally driven and the endogenous (and informal) capacities in the Maputo corridor are neglected. The list with unproblematised development aspects of the MDC initiative can be made long. Gender aspects and gender equality were not integrated into the design and rural local women, mainly traders, have been negatively affected in conjunction with that sex work has sprung up along the Toll Road route.

The future of the corridor seem to occur along one of the following two scenarios: One scenario is the strengthening of the neo-liberal project, which seems to result in the fragmentation of the informal region and a corridor designed for large-scale capital and exports. The informal region will continue to exist, even if the top-down policies of the two governments will seek to counteract and restrict informal activities. In this scenario, the informal activities will be the escape route and opting out from the negative impacts created by formal policies.

But there is a possibility for a better scenario. There exists a potential for the consolidation of the corridor in a more positive and developmental sense, whereby the formal and informal corridor become mutually reinforcing and build on the strengths of a combination of formal policies and informal potential. The development strategy as well as the governance mechanisms of the formal region can be redesigned to promote the welfare and needs of the people inhabiting the area and in the informal sector. On a general level this requires formal policies that also build on the endogenous capacities of people rather than restrict the creativity and entrepreneurship in the informal sector. Exactly how this relationship will be designed must be determined by the people in the corridor—and not imposed from above and outside.
References


