REGIONAL INTEGRATION IN SADC: THE ROLE OF BRICS COUNTRIES

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COMPULSORY DECLARATION

This work has not been previously submitted in whole, or in part, for the award of any degree. It is my own work. Each significant contribution to, and quotation in, this dissertation from the work, or works, of other people has been attributed, and has been cited and referenced.

Signature: Signed by candidate Date: 20 July 2022

A B S T R A C T

The purpose of this study is to examine the influence of bilateral BRICS-SADC trade connections on SADC's regional economic integration. The issues that were explored included among others whether or not the SADC countries' trade relations with BRICS countries contribute to SADC's goal of promoting deeper regional economic integration. The impact of the trade relations with BRICS countries on the development of intra-SADC trade has been analysed, as development of intra-trade is one of the most important factors that can ensure economic integration of SADC region. This research applied the dependency theory in order to articulate what type of trade relationship exists between SADC and BRICS countries. This research was a desktop study that relied on existing secondary data gathered by the United Nations Comtrade. In order to engage with the issues of trade relations, the study explored how exported and imported goods between member countries are dealt with. The research therefore has analysed trading operations between BRICS nations and SADC countries through using data from the United Nations Comtrade database. The United Nations Comtrade database has been used as the principal source in analysing trading operations between BRICS and SADC states. Statistics of commerce within SADC countries as well as outwardly with BRICS are based on taking SADC countries as the reporting countries in the UN Comtrade trade statistics. While BRICS operations are expected to contribute to the growth of African countries, there appears to be substantial concerns about BRICS countries, particularly China, influence expanding in SADC region with several studies claiming that establishing economic contacts – particularly with China, has led to de-industrialisation in SADC. The region appears to be sliding more into large-scale reliance on resource exports thus creating deeper dependence on raw material or primary product exports. This study expounded the core argument that trade relations of SADC countries with those of the BRICS may actually be hindering the development of intra-SADC trade and ultimately SADC economic integration progress. This research found that BRICS countries' trade relations with SADC countries are not compatible with the specified targets for SADC regional economic integration. While Russia and Brazil are BRICS countries with low trade volumes within SADC region, China has the largest portion of bilateral trade with SADC region. This investigation also found that it is highly possible that trade with China and India has a negative impact on the domestic economic development of SADC countries especially their infant industries since it curbs the domestic industries' opportunities to achieve the expected benefits in the integration process. Another outcome of the analysis is that SADC intra-trade rate, which is already limited, remains extremely low if South Africa is excluded from intra-trade statistics – pointing out that South Africa dominates trade within SADC region.

Keywords: BRICS, SADC, regional economic integration, trade, exported and imported products.

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LIST OF ACRONYMS

AFDB	African Development Bank
AU	African Union
AUC	African Union Commission
BRIC	grouping of Brazil, Russia, India and China
BRICS	grouping of Brazil, Russia, India, China and South Africa
CETs	Common External Tariffs
CMT	Committee of Ministers of Trade
COMESA	Common Market for Eastern and Southern Africa
CU	Custom Union
DCs	Developed Countries
DRC	Democratic Republic of the Congo
DSM	Structuralist Model of Dependence
EAC	East African Community
ECCAS	Economic Community of Central African States
EU	European Union
EPAs	Economic Partnership Agreements
FDI	Foreign direct investment
FOCAC	Forum on China-Africa Cooperation
FTA	Free Trade Area
GDP	Gross Domestic Product
ICT	Information and Communications Technology
IMF	International Monetary Fund
LDCs	Less Developed Countries

NDB	New Development Bank
NEPAD	New Partnership for Africa's Development
NGOs	Non-governmental organizations
NTBs	Non-tariff barriers
PICI	Presidential Infrastructure Championing Initiative
PIDA	Programme for Infrastructure Development in Africa
RECs	Regional Economic Communities
RIAs	Regional Integration Agreements
RIDMP	Regional Infrastructure Development Master Plans
SADC	Southern African Development Community
SADCC	South African Development Coordination Conference
SARDC	Southern African Research and Documentation Centre
SAIIA	The South African Institute of International Affairs
SAIS-CARI	Johns Hopkins University School of Advanced International Studies-China Africa Research Initiative
SEA	Surplus Extraction Approach
SEZ	Special Economic Zone
TDCA	Trade, Development and Cooperation Agreement
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNECA	United Nations Economic Commission for Africa
WTO	World Trade Organization

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CHAPTER 1

INTRODUCTION AND METHODOLOGY

1.1. Introduction and Background

The participation of South Africa in BRICS (grouping of Brazil, Russia, India, China and South Africa) led to the emergence of economic expectations, and also brought about concerns. After the 2013 BRICS summit, expectations were raised regarding progress in infrastructure, industrial development, sharing of knowledge and foreign investment in African countries. The roadmap for Africa's growth drawn as a result assumed that BRICS countries would help Southern African Development Community (SADC) through expanding sub-Saharan African markets and improving infrastructure (Besada et al., 2013). Although BRICS countries agreed on supporting the development of Africa at this summit, they have primarily focused on bilateral commercial connections with SADC countries rather than operating as a bloc as BRICS. The fact that trade, foreign direct investment (FDI) and assistance for development have been the three essential pillars of BRICS in Africa (Nyabereka, 2016) highlights how commerce is one of the most important factors needed to understand the impact of BRICS countries on SADC's economic integration process.

This study focused on the effect of bilateral trade relations between BRICS and SADC countries as it relates to SADC regional economic integration policy by analysing trade balance, and mutually exported-imported products. The study observes that SADC countries' trade relations with BRICS countries do not seem to be complementary to SADC's goal of regional economic integration progress. It also appeared to show that BRICS countries negatively affect intra-SADC trade development, a key component that is important in bolstering SADC countries' economic integration. This study specifically looks at how trade between SADC and BRICS is impacting SADC region economic integration.

SADC is a regional organization for southern African countries aimed at developing integration, security and promotion of socio-economic and political cooperation among the member states through stability, wealth, and peace. It currently has sixteen members states, but there appears to be serious challenges that obstruct their integration, including low intra-regional trade, lack of diversification in industrial production within the region, deficiencies of infrastructure and low rates of investment (SADC, 2019). These are immense obstacles that impede the progress in expected integration.

The term “BRIC” was first introduced in 2001 by Jim O'Neill, a Chief Economist at Goldman Sachs when referring to **B**razil, **R**ussia, **I**ndia, and **C**hina, with a conclusion that the economic performance of these economies in the preceding decade would give them pole position in economic development moving forward. Starting off with informal meetings, September 2006 marked the foreign ministers meeting of the four principal members and the first official summit of BRIC countries was held in 2009 in Yekaterinburg. While Jim O'Neill coined the term “BRIC” to refer to the investment opportunities for these emerging economies, the number of meetings of their leaders multiplied to negotiate a broad range of themes linked to global governance, social issues, development, peace, security, energy and climate change. The 2009 BRIC summit in Yekaterinburg created the acronym by laying out a comprehensive vision for a “more democratic and multipolar world based on the rule of law, equality, mutual respect, cooperation, coordinated action, and collective decision making of all states” (Khadkiwala, 2014, as cited in Jash, 2017). Article 8 of the second BRIC Summit-Joint Statement held in Brazil stated that “emerging market economies and developing countries have the potential to play an even larger and active role as engines of economic growth and prosperity, while at the same time commit to work together with other countries towards reducing imbalances in global economic development and fostering social inclusion” (BRIC, 2010). They also expressed their pledge to carry out compelling contributions to support local economic progress and to foster growth in their countries and around the world (BRIC, 2010). In the late 2010s, South Africa was co-opted into BRIC (which then became BRICS). The fifth BRICS summit in Durban (2013), which was titled “BRICS and Africa: Partnership for Development Integration and Industrialisation” (BRICS, 2013), focused basically on South Africa and the overall African continent. The eThekwini Declaration at its end had points underlined to promote Africa’s growth by improving infrastructure, industrialization, and knowledge sharing as well as stimulating FDI.

The Durban summit (2013) also proposed creating the New Development Bank (NDB) to finance sustainable development and infrastructure initiatives in member countries resulting in NDB establishment in 2015 in order to “utilize resources at its disposal to support infrastructure and sustainable development projects, public or private, in BRICS, and other emerging market economies and developing countries through the provision of loans, guarantees, equity participation and other financial instruments” (New Development Bank, 2014).

Nonetheless, apart from Lesotho Highlands Water Project Phase II, there has been no other project supported by the NDB for SADC development between two SADC countries. While BRICS activities are expected to benefit the development of African countries, significant concerns about BRICS are present, especially regarding China's growing influence in the region. According to Amisi et al, BRICS countries' work mainly focused on further development of colonial infrastructure (roads, railways, pipelines, and ports) to extract minerals, oil, and gas (Amisi et al., 2015). They are constantly looking for new markets to foment the building of bridges, highways, ports, railways, and other infrastructure (Amisi et al., 2015). Based on the research of Amisi et al, the way they support to the improvement of infrastructure is comparable to how colonial-era programs were structured in general. This indicates that the motivation behind their support for infrastructural development is to extract raw materials in a much shorter period for the global market (Amisi et al., 2015). Considering that their nations' firms would profit from the linked exploitation of minerals, petroleum, and agriculture, it made sense for BRICS leaders to choose rail, port, road, bridge, nuclear energy, thermal coal, hydropower, and other infrastructure projects for subsidized investment (Bond, 2017a).

Based on Carmody's research (2017), the existence of economic relations, especially with China, has led to the non-industrialisation of the region as well as its greater dependence on the export of resources and, consequently, the diversity of dependence. In an effort to create Chinese zones globally, Beijing built a Special Economic Zone (SEZ) system for Africa which focus on economic activities geared to mineral extraction activities. The host country has little connections with Zones and the gains acquired in such Zones returned to China. Zambia is an example of a country where SEZs work effectively for Chinese benefit (Carmody, 2017).

Some Indian companies such as Airtel, Bharti Dabur, Essar Group, Godrej, Kirloskar Brothers, Marico, or Tata Motors have expanded their enterprises into Africa. Examples such as Vedanta Resources, which operates in Zambia's copper industry and imports a variety of resources like coal from South Africa, have become more involved in the region (Amisi et al., 2015). Major industrial companies like Tata and Bharti have spent billions of dollars throughout the continent to capitalize on the expanding customer base (Chakrabarti & Ghosh, 2014).

Like other BRICS members in Africa and SADC, Brazil also has mining interests in the region. Majority of the large Brazilian businesses investing in the region are in the extractive industry (Stolte, 2012). Vale, for instance has been extracting coal in Mozambique since 2004 (Amisi et al., 2015). Besides operating in Mozambique, Brazil has mining interests in other SADC countries such as South Africa, Democratic Republic of Congo (DRC), and Angola (Amisi et al., 2015). Additionally, Russian companies have joined in mining activities within SADC. One example is the operation of platinum extraction in Zimbabwe that Russia has been carrying out (Carmody, 2017; Amisi et al., 2015).

Along with the mining activities, BRICS intensified its access to the African market rendering SADC region disadvantaged with even further negative consequences for its member countries which do not have well-developed industrial capacity yet. There appears to be a risk of intentional or unintentional reinforcement of unequal trade patterns and dependency of regional economies on exports of primary goods (Van den Bosch, 2011). For example, Chinese factories import raw materials like coal and copper from SADC countries such as South Africa and Zambia, while exporting value-added products to SADC (Ighobor, 2013). Therefore, regional integration in SADC gets affected adversely by the predatory trade links between most BRICS economies and SADC countries.

1.2. Statement of the Problem and Rationale of the Study

Studies on BRICS countries mainly focus on the African continent and the impact of BRICS on South Africa. Studies have paid less attention to BRICS's impact on the SADC's regional economic integration and intra-SADC trade. The low level of intra-SADC trade, which is discussed in detail under the title of SADC regional integration challenges in Chapter 2, is a serious obstacle for the region to realize successful economic integration. Although the trend for intra-regional trade has risen to 22% (SARDC, 2019), intra-regional commerce is still modest compared to other areas. For instance, 68% of all European exports in 2019 were to trading partners on the same continent, while this percentage was 60 in Asia (United Nations Conference on Trade and Development, 2020). If SADC countries cannot develop trade in the region, this may impede the development of their ties and eventually regional integration. Therefore, this study looks at how trade between BRICS and SADC countries impacts intra-SADC trade and SADC regional economic integration.

The main expectation was that BRICS economic activities would be beneficial for regional SADC integration by facilitating infrastructural and industrial development, technology transfer and the promotion of FDI in SADC region, which are vital components of the trade development within SADC. The reality on the ground seems to be many hesitations about BRICS assistance in the development of SADC countries as a result of BRICS countries’ economic presence in SADC region. The plan for infrastructural development in SADC countries has been compared to colonial-era projects which were carried out to harvest primary commodities for the global market with little benefit to the local SADC economies. The central BRICS investments in the region seem fixated on natural resources leading to a perception that economic relations with BRICS countries deepen the inequality in trade and the dependence of SADC region’s economy on export of primary products and raw materials. This further jeopardizes the development of domestic industries of SADC countries creating an ambivalence as to whether BRICS countries have a positive or negative impact on SADC’s regional economic integration. This study aims to find out the impact of SADC countries’ trade relations with BRICS especially how it affects SADC regional economic integration.

The study analyses the trade patterns between BRICS and SADC countries while also attempting to illustrate if the mutual commercial aspects between them bears any similarity with the trade relation to which dependency theory refers and to clarify its possible impact on intra-SADC trade. In addition, this study aims to investigate how trade relations with BRICS may undermine the expected benefits of regional economic integration of SADC region and how this trade is not compatible with the regional integration plans. The research therefore intends to explore the influence of BRICS countries on the economic integration of SADC region, contributing to the literature on this topic by trying to reveal the impact of trade relations between SADC and BRICS countries on SADC regional economic integration. This aspect has rarely been examined in previous works.

1.3. The objective of the Study

The objective of this study is to examine the impact of bilateral trade relations of BRICS countries with SADC countries considering the regional economic integration objectives of SADC. The study aims to reveal how the trade relations of SADC countries with BRICS countries may not be compatible with SADC’s goal of regional economic integration. An analysis of the impact of BRICS countries on the development of intra-SADC trade, which is one of the most critical facets to ensure the economic integration of SADC countries will be carried out. An attempt to answer questions how BRICS trade relations with SADC countries affect SADC regional economic integration will be carried out.

1.4. Research Questions

This study concentrates on the following question:

- How do bilateral commercial relations of BRICS countries with SADC countries affect SADC Regional Economic Integration Progress?

The follow-up questions are formulated as:

- How do trade relations of SADC countries with BRICS countries compatible with the aim of regional economic integration for SADC?
- How do BRICS countries' trade relations with SADC countries affect SADC intra-trade development?

1.5. Significance of the Study

The unique aspect that this work offers is its analytical contribution to the literature through analysing influence of SADC-BRICS trade relations on SADC regional economic integration. This research contributes to the controversial topic of trade relations between BRICS and SADC countries in the literature by analysing exported and imported products between BRICS and SADC countries in detail. This detailed analysis targets to reveal the distribution of value-added products, primary products, and raw materials in their trade. In this way, the study seeks to clarify the SADC region part of the debate in the literature over whether BRICS countries dominate trade with African countries or not.

1.6. Methodology

This study has been carried out through desk-based research that seeks to answer the study questions of the impact trade relations between BRICS and SADC is having and identifying if there are prospects, opportunities, and challenges for SADC regional economic integration within this trade. The use of secondary data such as online news articles, case studies, summit declarations, published books, academic journal articles, annual and strategic reports, newspaper articles, media reports, and other relevant works have been utilised. Trade data has mainly been obtained from websites of governmental and non-governmental organizations (NGOs) and international organizations. The thesis has employed both quantitative and qualitative desktop research methods.

The United Nations (UN) Comtrade records of trade activities within SADC region have been used as a basis of this study, which is a database built upon reports submitted by SADC countries. While the resources for BRICS-SADC trade relations in 2019 are listed one by one in the bibliography since they form the main statistics section, other statistics which have been drawn from UN Comtrade are put in a separate section in bibliography which directly refers to the home page of UN Comtrade.[1]

The study also scrutinizes exported and imported items between SADC and BRICS countries in detail. The statistics of export-import between BRICS and SADC especially cover sectoral distributions of export and import. Analysis of these statistics along with the sectoral distribution of exported and imported products between SADC and BRICS countries reveals the distribution of value-added products, primary products, and raw materials in their trade. Since this study was conducted during the covid-19 pandemic, reaching primary sources was not possible due to the restriction of movement.

Through the examination of sectoral distribution of imports and exports between BRICS and SADC countries, the trade patterns emerging between them have been revealed. The export of manufactured goods from BRICS to SADC and that of primary products covering a great share of imports into BRICS from SADC region have been analysed. This might imply that BRICS countries have a great potential to negatively affect both intra-SADC trade and the industrialization process in SADC region. The manufactured goods imported from developed BRICS industries, especially from China, can cripple the development of infant local industries within SADC countries and can exacerbate the dependence of the latter on the former.

The study also aims to show how trade between them is not compatible with the goals of SADC's regional economic integration and how this trade relation may pose a risk for SADC economy to benefit from the assumed gainful impact of regional integration. Furthermore, this study also analyses trade patterns between SADC and BRICS countries by using trade standard defined by dependency theory to uncover the traits of their commercial relationship and to reveal how BRICS countries are overtly preponderant in trade relations over SADC countries and how such a trade relation may even further entrench the primary exporter status of SADC countries.

[1] https://dit-trade-vis.azurewebsites.net/?partner=72&type=C&year=2019&flow=2

1.7. Research Ethics

Although this work is not based on data collected either through inquiries or observations but relies on the secondary data, the University of Cape Town's ethical code was implemented as per the guidelines including all appropriate ethical codes and standards.

1.8. Structure of the Thesis

This thesis is comprised of five chapters. The first chapter covers the introduction and contextualization of the thesis. The study provides comprehensive information on the research questions and objectives in this chapter. It also contains the methodology section, which provides detailed information on the data collection and conclusion-making processes for the research. The second chapter provides background information on SADC and BRICS including explanations of SADC intra-trade challenges. It includes important BRICS summits such as the fifth BRICS Summit, which features an African agenda. Additionally, chapter two details Africa's participation in the BRICS agenda. It also examines SADC's achievements, goals, and intra SADC trade challenges to be able to reveal whether SADC's integration goals are compatible with trade ties with BRICS. Chapter three covers the literature review and theoretical framework. The literature review offers extensive information on the underlying presumptions behind the establishment of RECs in Africa as well as the relevant experiences that inspired their establishment. Furthermore, the theoretical framework outlines broad aspects of dependency theory and places its prominent theorists. The fourth chapter examines the commercial affairs between BRICS countries and SADC countries. It comprehensively evaluates the goods that are exported and imported between the BRICS and SADC countries. Under the heading of Intra SADC Trade, it also analyses goods that are exported and imported between SADC and South Africa. The final chapter discusses the findings of the research. Besides, it addresses the possible effects of commercial connections between BRICS and SADC countries on SADC regional integration. It also highlights the salient contribution that the research has made and concludes with recommendations for the future.

CHAPTER 2

AN OVERVIEW OF SADC AND BRICS HISTORICAL BACKGROUND

2.1. Introduction

This chapter provides SADC's historical background in order to contextualise the organization's overall framework as well as the expected benefits of SADC's regional economic integration including the importance of economic ties within the region. The policy framework, summits held and major decisions made by SADC to carry out the transformation of the region. BRICS and its key summits, particularly the fifth, which sought to develop African economies (including SADC) are also discussed. This chapter also addresses how SADC has been involved with BRICS and concludes by looking at SADC regional integration challenges, particularly trade issues.

The aims and challenges of SADC bear significant importance regarding SADC region and its needs. Recognising its situation and needs helps us understand how establishing trade relations with BRICS countries does not overlap with already designated aims and expected beneficiation through regional integration process.

2.2. SADC Historical Background

South African Development Coordination Conference (SADCC) was constituted in 1980 (Takirambudde, 1999), when nine southern African nations (Angola, Lesotho, Mozambique, Eswatini (Swaziland), Zambia, Botswana, Malawi, Tanzania and Zimbabwe) signed the Lusaka Declaration to create a united front in lessening reliance on apartheid-era South Africa (Hancock, 2010). The intention was to build economic links through the promotion of regional and interstate agendas including the integration of mobilized resources (Ahmed, 2008) as well as maintaining the Front Line States bloc to react quickly in the case of security crises (SADC , 2019). Following Namibia's independence and at a time when South Africa was going through a transitive period to a post-apartheid state, a reformed regional bloc – SADC was created in 1992. Ten countries (Angola, Lesotho, Mozambique, Eswatini (Swaziland), Zambia, Botswana, Malawi, Namibia, Tanzania, Zimbabwe) negotiated to form the SADC Declaration and Treaty on 17 August 1992 in Windhoek, Namibia completing a transitioning from SADCC to SADC (SADC, 2019). This new SADC attempted political, economic, and security collaboration. Botswana, South Africa, Angola, Eswatini, Comoros, Lesotho, Zambia, Madagascar, Zimbabwe, Malawi, Namibia, Mauritius, Mozambique, Tanzania, Seychelles, and Democratic Republic of Congo are current members of SADC. However, except for bolstering the renovation of Mozambique's transport route, SADCC accomplished relatively little in terms of strengthening economic integration, remaining basically as a security agency with unfulfilled economic objectives (Khadiagala, 2012), while SADC has attained a degree of significant progress in trade development such as the enactment of the Protocol on Trade, the establishment of the Free Trade Area (FTA), the signing of a protocol on trade in services by its 15 members and the completion of several crucial initial works for the realization of the Customs Union. The achievements of SADC are explored in detail in SADC Regional Aims and Achievements section below.

The 1992 SADC Treaty transformed the context of collaboration between SADC countries into a formal structure with a legally viable commitment from a casual affiliation (SADC, 2019). SADC's tasks are outlined in Article 5(1) of the SADC Treaty which is to manage safety and stability, economic development, reduction of poverty, and enhancing the quality and standard of living for the people of the region (SADC Secretariat, 1993). Therefore, regional integration based on the legal system, democratic values, and sustainable and equitable growth would help achieve these goals (SADC, 2019).

In keeping with the 1992 SADC Treaty, economic integration is vital for the realization of the effective management and use of natural resources, economic development, and self-sustaining growth. Therefore, social justice, freedom, and regional integration have been placed as the core objectives of SADC region by the 1992 SADC Treaty. Consequently, the regional mission undertaken by SADC has been evolved in supporting lasting peace, socio-economic development, sustainable and fair economic growth, good governance and effective collaboration. These shared interests are at the heart of the region's goal for collective stability and lasting prosperity, and they can be also achieved through regional economic integration (Chauvin & Gaulier, 2002). The main policy of SADC was to try to reduce economic dependence first on then apartheid-era South Africa and then on countries outside SADC region. Furthermore, the state parties believed that economic ties are effective means to achieve balanced and true regional integration (Bhagwati, 2008, as cited in Mapuva & Muyengwa-Mapuva, 2014).

2.3. BRICS Historical Background

The name BRICS stands for Brazil, Russia, India, China, and South Africa, five key developing economies. The members of BRICS are said to have a substantial influence on regional affairs. The leaders of the BRICS nations have been convening in formal summits which is held once a year since 2009 (See in University of Toronto BRICS Information Centre website, n.d.)

Until South Africa joined in 2010, the first four were named as "BRIC". The BRICS countries collectively occupy 39,717,325 km^2 (collected from Statista) of territory and this accounts for around 26.50 percent of the land of the world. Moreover, in total BRICS countries have 3.188 billion of inhabitants (World Bank, n.d.) and this means just over 40 percent of the world population. Apart from South Africa, regarding the population and territory the other member states of BRICS also hold the first ten in the list of largest population and territory. Considering the economics, BRICS countries cover a crucial place in the world economy. These had a sum of US$21.1 trillion of Gross Domestic Product (GDP) (Current US$), accounting for around 24 percent of global GDP.

Table 1: *GDP (current US$) and population of BRICS countries, BRICS, SADC and Africa in 2019.*

COUNTRIES and REGIONS	GDP Value (Millions)	Average Percentage of GDP to the World	Population (Thousands)	Average Percentage of Population to the World
Brazil	1,877,824.00	2.14	211,049.00	2.74
China	14,279,937.00	16.30	1,407,745.00	18.32
India	2,870,504.00	3.27	1,366,417.00	17.78
Russia Federation	1,687,448.00	1.92	144,406.00	1.87
South Africa	387,934.00	0.44	58,558.00	0.76
BRICS	21,103,648.00	24.09	3,188,176.00	41.49
Africa	2,503,213.00	2.85	1,305,492.00	16.99
SADC	724,770.00	0.82	353,395.00	4.59

World	**87,568,054.00**	**-**	**7,683,437.00**	**-**

Sources: Data is collected from World Bank by the author. Retrieved April 26-27, 2022, from https://data.worldbank.org/?name_desc=false.

The global economic and political landscape has changed dramatically in the post-Cold War period and the devastating global financial crisis of 2008 broke out leaving regular economic powers such as Europe and the United States undergoing moderate, if not inert, development, whilst new emerging markets such as BRICS countries came out as significant catalysts in the global market by their rapid growth (Guimei, 2014). BRICS countries' average GDP rate has risen from 12.85 % to 24.09% between 2007 and 2019, according to the World Bank statistics.

One of the most distinguishing elements of the BRICS forum is its founders' intentional effort to guarantee that member states would also become a stimulus for global power shifts as well as rapid development of the economies and enlargement of the market (Guimei, 2014). Members consider themselves as significant regional powers concerned about the global systemic issues like international financial reform, UN reform, and global economic transformation (Guimei, 2014). These countries demonstrated their willingness for change by making more room for countries that are otherwise marginalized to have their opinions heard at the highest levels of decision-making (Guimei, 2014).

These five countries identify themselves as leading countries in their regions (Africa, South America, Asia) championing global reforms such as better-functioning democratic systems in decision-making process of the World Bank and International Monetary Fund (IMF); wider multi-polarity and global multi-literalism, a more comprehensive UN Security Council, a more development-oriented approach in the World Trade Organization's (WTO) action plan, and peaceful resolution of conflicts around the world as inclusions into the BRICS agenda (Zondi, 2014).

The first formal summit of BRIC convened in Yekaterinburg, Russia in 2009. The major objectives were to strengthen the global economy and to re-form the financial institutions and to seek ways to enhance the four states' collaboration for more benefits in the future. Further inclusion of the developing countries into the global issues was another objective to highlight in the summit (BRIC, 2009).

BRIC declared its support for the development of international trade in Yekaterinburg in 2009. During the meeting, they emphasized the importance of international commerce and foreign direct investments (FDI) in the global economic growth. They advised all parties to collaborate in order to promote investment and global trade. They urged the communities around the world for the maintenance of the global trading system's stability, reducing trade restrictions, and working for balanced and comprehensive outcomes from the WTO's Doha Development Agenda, where the most current talk on trade was carried out among WTO participants with a goal to substantially restructure the world trade system through lowering trade barriers and modifying commercial regulations (BRIC, 2009).

Notwithstanding, the aim of BRICS to lower trade barriers may be detrimental to SADC regional integration goals and development since the development of the local infant industry in SADC region might be obscured by a possible influx of cheaper products from the well-industrialized BRICS countries, particularly from China and India, into SADC region.

South Africa put effort to join the group of BRIC. The formalities for its participation were conducted in August 2010. It was after China's official invitation of South Africa into BRIC that the other BRIC members gave their approval. Consequently, South Africa joined BRIC in December 2010 resulting in BRIC becoming BRICS once South Africa joined (Smith, 2011).

After South Africa's inclusion in BRICS, the fifth BRICS Summit convened in Durban in 2013 with BRICS declaring in the resultant eThekwini declaration that they support regional integration efforts on the African continent. BRICS also underlined the significance of regional integration for Africa's development, sustainable growth, and for alleviating poverty in the eThekwini declaration, reaffirming their abutment for the continent's integration efforts (BRICS, 2013).

2.3.1. Involvement of Africa in the BRICS agenda

After South Africa joined BRICS in 2010, the fifth BRICS summit for the first time in 2013 was convened in Durban. The fifth BRICS Summit served South Africa to persuade the BRICS for an "African agenda" by emphasizing continental pioneering efforts to encourage economic development and regional integration (Zondi, 2014). According to Zondi, this is in line with South Africa's desire to seek pan-African interests through global multilateral platforms. If it is achieved, this will have an encouraging impact on other intergovernmental platforms to concentrate on massive African projects instead of fragmented country-specific programs (2014). The summit's topic was "BRICS and Africa: Partnership for Development Integration and Industrialisation". Important decisions were taken in the eThekwini

Declaration to help Africa thrive, such as boosting infrastructure, industrialization, sharing of knowledge and encouraging foreign direct investment. Furthermore, they stated that they will "hold a Retreat together with African leaders" under the title "Unlocking Africa's potential: BRICS and Africa Cooperation on Infrastructure" to allow BRICS and African leaders the chance to debate the strategies in order to enhance coordination between African countries and the members of BRICS in article 3 of eThekwini Declaration (BRICS, 2013). The Retreat was attended by the BRICS leaders as well as many other African heads of state, that included the Chairperson of the African Union (AU), African Leaders from the eight regional economic communities in Africa, the Chairperson of the African Union Commission (AUC) and the New Partnership for Africa's Development (NEPAD) Presidential Infrastructure Championing Initiative (PICI). The goal of this Retreat was to encourage interaction between the African and BRICS leaders. The Retreat provided a very critical platform for engaging with the Summit's themes. (The South African Institute of International Affairs (SAIIA), 2014).

Another important decision made in the eThekwini Declaration (BRICS, 2013) is that BRICS countries would help African countries in their industrialization process through encouraging information exchange, varying the imports from Africa, capacity-building, and foreign direct investment in line with NEPAD. They also highlighted the importance of infrastructural development in Africa and lauded the African Union's efforts to specify and resolve the infrastructural challenges of the continent via creation of different programmes and plans such as NEPAD PICI, the AU NEPAD Africa Action Plan (2010-2015), the Programme for Infrastructure Development in Africa (PIDA), and the Regional Infrastructure Development Master Plans (RIDMP). These programmes and plans formed an essential framework for the development of infrastructure. These projects are also crucial to strengthen industrial development and integration. Furthermore, they also expressed their support for Africa by stating that they would work to encourage infrastructural investment on a mutual-benefit basis to boost long-term development, skills enhancement, food and nutrition security, alleviation of poverty, and industrialization on the region (BRICS, 2013).

These African issues on the agenda of BRICS paved the way for the critical expectations for Africa. It was awaited that Africa could access more favoured financial resources which were supposedly to finance the infrastructural development, agricultural stimulation, economic diversification, natural resource beneficiation, other strategic economic interests, and to elude from a global financial crisis.

The Durban summit (2013) concentrated on a several far-reaching issues about trade and economic cooperation between Africa and BRICS countries. Considering the population of BRICS and Africa, the importance of their market volume can be seen more clearly. BRICS and Africa together account for around 58 percent of the world population. Therefore, Africa and BRICS are highly promising for large trade volume.

Moreover, Africa may constitute a substantial potential for BRICS to broaden their obligations such as building new relations through economic partnership, long-term growth, peace and security support, and collaboration of regional and international affairs (Zondi, 2014). According to Zondi, South Africa's position was viewed as strategic in forging a critical regional partnership and collaboration among members of BRICS (2014).

However, BRICS countries only have one collective current project under the umbrella of the BRICS NDB, which is The Lesotho Highlands Water Project Phase II. The Lesotho Highlands Water Project Phase II is the second phase of a collaborative project between the Republic of South Africa and the Kingdom of Lesotho whose goal was to supplement water supply in the Vaal River Basin by moving water from Lesotho to South Africa (NDB, n.d.).

BRICS countries have tended to take bilateral actions with SADC countries instead of working collectively as a bloc as BRICS. For example, the current investment projects of China are conducted by only itself in Africa. From 2000 to 2019, according to Johns Hopkins University School of Advanced International Studies-China Africa Research Initiative (SAIS-CARI) estimations, Chinese investors assured 1,141 credit pledges with African governments and public firms totalling US$153 billion (n.d.).

Indeed, BRICS countries tend to act collectively on global issues rather than on commercial affairs such as reforming the decision-making processes of the World Bank and IMF, and NDB has also been considered as an alternative to Western institutions of global governance in this regard.

It is important to highlight here that the reason for emphasizing that BRICS countries focus on bilateral commercial relations within SADC region in this study is because of appeared collective action expectation with the decision of BRICS countries to support the development of Africa and its integration at the fifth BRICS summit. Although the establishment of the NDB allows BRICS countries to act collectively in the region, as emphasized above, only one project has been carried out. However, BRICS countries are monophonic on global governance but display little purpose on collective action in commercial issues, opting to rather develop bilateral relations with Africa via platforms and summits such as China-Africa Cooperation Forum (FOCAC), Plan of Action of the Framework for Cooperation on the India-Africa Forum Summit, and Russia-Africa summit held in Sochi.

It seems that BRICS countries are liable to develop bilateral trade relations rather than being affiliated as a bloc with SADC countries. Trade, FDI, and development assistance are the three key elements of BRICS' participation in Africa (Nyabereka, 2016). In the next chapters, the bilateral trade relations between BRICS and SADC countries are examined in detail.

2.4. SADC Regional Aims and Achievements

Regarding market integration theory, SADC has set several major goals in line with its regional integration strategy and ambitions. Relevant steps, in this respect, include the development of a Free Trade Area by 2008, a Customs Union by 2010, a Common Market by 2015, a Monetary Union by 2016, and a Single Currency by 2018 (SADC, 2019).

In practice, regional integration has been characterized as voluntary and through various degrees of access to each other's markets by member states. The organization's long-term objective was to improve intra-regional trade by integrating markets (Lee, 1999). Furthermore, likely gainful sources from economic integration include (Robson, 2002):

- more output as a result of specialization based on comparative advantage;
- greater production as a result of more advanced scale economies' exploitation.

However, the only objective which could be realized was the establishment of FTA zone although there were the higher expectations. SADC Free Trade Area was established in 2008, and it currently includes 13 member countries of SADC. Seychelles, Eswatini, Mozambique, Mauritius, Zimbabwe, Lesotho, Zambia, South Africa, Madagascar, Tanzania, Malawi, Namibia, and Botswana are members of SADC FTA. SADC FTA has yet to include Comoros and DRC, but Angola has just requested to join (Tralac, n.d.). Merely two member states face hardships while executing their tariff commitments, even though the majority of participant member states are fully committed to their Free Trade Area obligations. One of these two countries is Malawi. Malawi has lagged in executing its tariff phase-down plan. Roughly 46 percent of its tariff was liberalized by January 2012 (Kalenga, 2012). Nevertheless, Malawi reported that it was on pace with its phase-down suggestion to SADC countries, except South Africa, in which it was around 86% (Kalenga, 2012). In addition to Malawi, Zimbabwe experienced such trouble in the implementation of its tariff reduction. Zimbabwe was accorded a deferral from applying its Category ‘C’ tariff reductions until 2012, with the goal of completing the process by 2014. Several member nations expressed their concern about the imposition of 25% increase on 107 tariff products implemented by Zimbabwe from January 1, 2012 (Kalenga, 2012).

According to Kalenga (2012), competitiveness of industry and preoccupations about the income provided through the customs duties caused these problems. Despite the fact that the protocol contains provisions to address these issues through the use of balance of payments issues, safeguard measures, or infant industry production, member countries have chosen to use Article 3 (1)(c) of the protocol instead of them (Kalenga, 2012). This article provides an option for participant countries who presuppose that they will be negatively affected or have already been negatively affected by lifting the tariffs in trade to appeal to the Committee of Ministers of Trade (CMT) for delay which is a practical way to make time to have the tariffs lifted (SADC, 1996). Although some problems related to the FTA in SADC have been experienced by member states, the rate of intra-regional SADC trade has remained around 20 percent since 2013 while this percentage could hit a peak of only 16 percent before the FTA was established (SADC, 2019).

The ultimate goal of the commerce, investment, finance, and manufacturing sectors in SADC region is to achieve macroeconomic stability and convergence as well as to facilitate commercial and financial liberalization and integration, and to achieve greater investments, along with diversified and sustainable industrialization.

In addition to the FTA, in August 2012, the majority of the Presidents and Governments agreed upon the Protocol on Trade in Services. Subsequently, all other SADC members (except Comoros) too signed the protocol. It aims to encourage the free movement of services in SADC region (SADC, 2019). This Protocol is fundamental for promoting economic integration of service markets. Several goals of the Protocol are as follow:

- Successively liberalizing intra-regional service trade on the basis of mutual benefit, and equality with the purpose of removing virtually existing barriers between the States Parties and establishing a free commercial structure in order to create a single market for services.

- Encouraging sustainable growth in the economy, assisting the socially disadvantaged groups, enhancing Southern Africans' living standards, and reducing poverty via regional service integration.
- Increasing diversification, economic growth, and local, regional, and international investment in the region's service economy.

Following the FTA, the development of a CU in 2010 was set as the second goal. Despite the fact that the FTA was fulfilled, a CU could not be conducted. The deadline of 2010 for concluding the CU discussions was missed. According to Fuma (2010) and Essop (2015), majority of the member states were largely dependent on the tariff revenue, and therefore they were rather reluctant to decrease the tariffs. However, a considerable amount of work was carried out, and many aspects of CU was addressed, including Legal and Institutional Framework/Instrument, Options for a Common External Tariff, Policy Harmonization, and Customs Revenue and Collection Distribution Framework (SADC, 2019).

SADC took a progressive approach to integration, focusing on sector-oriented cooperation, industrialization, and infrastructural development in order to promote value addition and beneficiation, competitiveness, and sustainable exploitation of natural resources as key determinants and requirements for profitable trade and greater integration (SADC, 2019). Regardingly, SADC developed programs and projects at various stages of regional integration.

There are four cornerstones in the regional integration policy: "1) Industrial Development and Market Integration; 2) Infrastructure Development in Support of Regional Integration, 3) Special Programmes of Regional Dimension; and 4) Peace and Security Cooperation" (SADC, 2019).

Priority A for SADC is "Industrial Development and Market Integration", which includes competitiveness of productive ability and supply-side potential; FDI and intra-regional investment; sustainable industrial development; monetary cooperation; macroeconomic convergence and financial sector integration; greater regional integration; and free movement of goods and services. SADC Industrial Development Policy Framework addressed an all-encompassing long-term modernization and economic transition plan. It has been a turning point for the region (SADC Secretariat, 2013). The goal of the Framework is to achieve large technological and economic transitions throughout the region and country, to promote SADC's economic development, and to improve competitive and comparative advantages.

However, since developing countries mostly produce similar goods, there may be a competitive rather than a comparative advantage (Lee, 1999). For agencies, a comparative advantage against others in providing a particular product appears if these agencies can produce that product at a comparatively lower opportunity cost in an economic model. The classical theory of comparative advantage was introduced by David Ricardo in 1817. He showed that if two countries are able to produce two goods in a free market (but by assuming that labour and capital do not circulate in international market), both countries will enhance their overall intake by shipping the item; thus, it would have a comparative advantage while purchasing the other item, presuming the distinctions in labour productivities in these two states (Baumol & Blinder, 2010).

Except for South Africa, SADC member nations' economies are tiny, and the majority of them are primary importers of manufactured products and exporters of primary products. Their commerce is mostly with industrialized countries, and there is competition between member states, which is not complimentary; thus, comparative advantage cannot be obtained widely in the zone. In order to take advantage of market integration, the latter must exist (Lee, 1999).

As a result, trade with the industrialized BRICS countries can hinder the benefit of comparative advantage for member states in SADC region. The penetration of developed BRICS industries into SADC market and the significant sale of manufactured goods of BRICS countries in SADC region may adversely affect the production and competitive capacity of SADC domestic industry. This may cripple SADC local industry to benefit from the economic scale effect that will be introduced through market integration. Such a situation is likely to prevent local industry's specialization and trade creation in the region. This also obscures the diversification of SADC economies, which is vital for increasing the trade in the region. Failure in developing diversification for economies significantly affects SADC's main objective, which is to develop trade between member states and to ensure integration by expanding into other areas through 'spillover effect' of the relations developed here. This may eventually risk SADC regional economic integration. In that sense, the commercial relations of BRICS with SADC countries are examined in detail in Chapter 4. The imported and exported items between BRICS and SADC countries are inspected profoundly, and what BRICS countries mainly export to and import from the region too are analysed.

It must be also noted that regarding BRICS countries' trade and investment in Africa, important bilateral economic and commercial links with African countries had already been established by China, India, and Brazil prior to the foundation of BRIC as a cooperative structure. Particularly China and India have made significant trade-related investments in Africa over the last several decades.

Table 2: *SADC bilateral trade with BRIC countries 2001, 2010, and 2019 (Current US$).*

Partner Country	Bilateral Trade (2001) (Millions)	Bilateral Trade (2010) (Millions)	Bilateral Trade (2019) (Millions)	Increment between 2001 and 2010 (Millions)	Increment between 2010 and 2019 (Millions)
China	2,722.0	51,341.0	65,838.0	48,619.0	14,497.0
India	1,136.0	14,671.0	17,621.0	13,535.0	2,950.0
Brazil	1,333.0	3,853.0	2,577.0	2,520.0	-1,276.0
Russia	132.0	556.0	1,493.0	424.0	937.0
Total	5,323.0	70,421.0	87,529.0	65,098.0	17,108.0

Source: Data is collected from UN Comtrade website by the author. Retrieved October 14, 2021, from https://dit-trade-vis.azurewebsites.net/?type=C&year=2019&flow=2

Note: In 2001 and 2010 periods, Eswatini statistics are excluded in all BRIC countries data. In addition, Lesotho's statistics are too excluded for those of Brazil, India and Russia. In Russia's number, statistics of Comoros, DRC, and Malawi too are non-existent. For these periods, mostly SADC countries' reports in UN Comtrade were utilized in these statistics. In the statistics, the reports of BRIC countries in UN comtrade were used when that of SADC countries could not be reached in UN Comtrade For 2019 term, Eswatini statistics are excluded in all BRIC countries data while Tanzania statistics are excluded in Russia and India. Additionally, Seychelles statistics are not given space in those of Brazil, India, and Russia. Besides, Comoros and Lesotho are not included in Brazil and Russia's statistics, either. Apart from these countries, DRC's statistics are not contained in Russia's data.

The value of bilateral commerce between BRIC and African countries was increasing fast even before South Africa joined BRIC. As it is shown on Table 2, the value of bilateral trade of BRICS countries in SADC region already built up dramatically between 2001 and 2010 before South Africa's participation in BRIC.

2.4.1 SADC's Industrialization Strategy and Roadmap

The Summit's theme was discussed and specified by the SADC leaders in August 2014 as "SADC Strategy for Economic Transformation: Leveraging the Region's Diverse Resources for Sustainable Economic and Social Development through Beneficiation and Value Addition". The theme represents the region's essential necessity to capitalize on its larger and varied resources, particularly on mining and agriculture, to speed up industrial development through beneficiation and value addition (SADC Secretariat, 2015).

Despite ongoing efforts to increase intra-regional commerce via SADC FTA, intra-SADC trade remains weak and the level of economic growth of the member states is rather diverse. For example, South Africa has the biggest economy within SADC economies and makes up 70 percent of intra-regional commerce (Mkhize, 2021). In general, South Africa has surplus in trade balance with other SADC countries. South Africa’s trade relation with SADC region is analysed in detail in Chapter 4.

Unprocessed or semi-processed items, primarily from the agricultural and mining sectors, dominate the region’s exports, resulting in relatively poor value returns. According to Chingono & Nakana (2009), SADC countries require to change their development strategies and transform their economies from raw-material-production and passive-consumption-of-manufactured-commodities base into active, industrially diversified economies. Furthermore, external shocks and price fluctuations have an impact on prices, which causes instability along with such a large reliance on natural raw materials. It can become more worrying if state economies are highly based on limited natural resources whose prices fluctuate wildly (Zondi & Mulaudzi, 2010).

However, the degree of deficiency of the intra-regional commerce plainly demonstrates that the focus on tariff removal did not result in the expected socioeconomic progress, nor did it pave the way for the improvement of life quality and well-being in SADC region. In order to tackle with this problem, SADC Heads of State and Government have agreed to work together regionally to develop and implement comprehensive programs to increase their industries’ productivity, to develop infrastructure which supports industrialization, and encourages technological innovation (SADC Secretariat, 2015).

Despite the fact that SADC is endowed with enormous and varied natural resources, its local industries lack value addition. SADC members carry over exportation of unprocessed agricultural commodities in agriculture, realising about 10 percent of the products’ probable price (SADC Secretariat, 2015). The Industrialization Strategy intends to reverse this pattern, allowing SADC countries to realize self-sufficiency in development. According to Mugabe, the former chairperson of SADC, this can be accomplished by adding value to their products, which will improve returns from natural resource exports (SADC Secretariat, 2015).

SADC countries can neither depend on abundant natural resources nor on the low-cost labour for modernization and industrialisation in the twenty-first century. The strategic focus should drift from factor acquisition expansion -engaging more workers within the process and contributing more financial reserves- toward productivity levels where resources are efficiently utilized in the process of manufacturing (SADC Secretariat, 2015). Utilization of resources in the production process is vital for SADC countries to avoid from being identified as raw material exporters; it can lead to the manufacturing of different value-added products in SADC region. This is important since it has a positive impact on the development of trade among SADC countries.

Furthermore, elimination of disparities in productivity levels which exist among a variety of sectors in SADC economies and which is also seen when they are compared with more prosperous economies, is essential for catching up and concentration on advanced skills and cutting-edge technologies. Intermediate items, which account for 60% of global commerce, reinforces the point for value-addition and value-chain participation in SADC economies (SADC Secretariat, 2015). According to Asche (2021), at current intermediate productivity levels, existing manufacturing industries on Africa continent definitely need to be restructured. As a result, the trade performance of the majority of African countries—though not all—remains biased toward exports of raw materials and imports of primarily completed commodities (Asche, 2021).

The Industrialization Strategy's core is the need for SADC area to undergo structural transformations such as industrialisation, modernization, upgrading, and deeper regional integration (SADC Secretariat, 2015). Especially, industrialization is a potent strategy that can help the SADC nations overcome their shaky economic grounding. For their economic viability, most SADC nations rely on agricultural incomes (Nizeimana & Nhema, 2016). According to Szimai (2009), industrialization is the movement of labor from the low-productivity agricultural sector to the high-productivity industrial sector. This trend frequently leads to an ultimate gain in total productivity. Szimai (2009) also makes the case that industrial productivity is higher than agricultural productivity. He also mentions the structural benefit of shifting resources from agriculture to industrialization. The significance of industrialization rests not only in strengthening the economic foundation of the target nations but also in enhancing the economic standing of the participating nations (Szimai 2009). Industrialization of SADC area should be viewed as a lengthy progress of structural change and increased competitiveness. In order to catch up with nations of high-income and upper middle-income, SADC region must develop more than other economically growing countries (SADC Secretariat, 2015).

Diversification by upgrading and by benefitting from the technological developments is at the heart of transformation. A profound change in the manner and mentality of the strategies should be realized for an exquisite industrialization (SADC Secretariat, 2015). This means that diversity is a key factor in achieving industrialisation for SADC countries. Various strategic objectives are also identified in the Industrialisation Strategy. SADC has launched a variety of programs in both the national and regional levels to promote successful execution of the SADC Industrialisation Strategy and Roadmap 2015-2063. A Coasted Action Plan is one of them. Developing policies for industrial growth, building regional value chains and involvement in relevant international operations, increasing the quantity and quality of public and private sector initiatives in the investment sector within SADC market, and rising value addition for SADC market are some of the important actions suggested under the Coasted Action Plan to increase industrial development.

It is clear that industrial development is at the heart of SADC integration progress. Therefore, it is highly important that any trade relation which impede industrial development of SADC countries may also stymie SADC economic integration progress. Trade relations of SADC countries with BRICS may put the industrial development of SADC economies at risk. However, BRICS countries have already developed their bilateral relations with SADC countries, rather than participating in SADC regional integration collectively, by embarking on trade and investment agreements. An example for recent collective contribution of BRICS countries is given above while the trade relations of BRICS countries with SADC countries and their effects on SADC region are discussed in more detail in the following sections.

2.5. SADC Regional Integration Challenges

Despite a detailed regional integration program, SADC still faces some serious challenges such as the slow implementation and sometimes deficient implementation of agreements, trade barriers, overlapping membership, low-level industrial diversification, limited trade between SADC members, inter and intra-state conflicts, infrastructure impediments, and investment and financing deficits.

Lacklustre implementation of regional agreements and protocols is one of the greatest challenges which SADC has been experiencing despite having a broad regional integration programme based on a strong legislative structure. Different member states apply varied methods for ratifying and domesticating regional regulations. For certain members, obtaining a regional protocol through internal procedures can take many years which consequently causes a delay in regional programs (SADC, 2019).

For instance, as indicated by SADC Secretariat (2019), while the industrialization strategy is already in effect, one of the most challenging problems will be policy orientation and enforcement at the national level. The region's lack of capacity to formulate and execute an industrial transformative programme is mostly due to the lack of integration or adaptability in the state level to give adequate reactions to the rapidly shifting worldwide manufacturing and trade system. Industrial policy synchronization stimulates and promotes the region's use of current trade, investment, and industrial policy tools (SADC, 2019).

Furthermore, some agreements have not been fully implemented by the member states although they already been rolled out. For instance, even though Protocol on Trade was put into force in 2000, several rules are usually ignored by the member states (Kalenga, 2012). Some articles of Trade Protocols which is related to removal of non-tariff barriers (NTBs) have been violated by the member states. These articles are listed below:

- All participating countries must formulate and execute strategies to abolish current NTBs and avoid from levying new ones on intra-SADC trade, according to Article 6 of the SADC Trade Protocol.
- Except in specific situations, Article 7 forbids member states from imposing new quantitative limits or phasing out current barriers to imports of products originating in member countries.
- Article 8 forbids member states from imposing quantitative limits on exports or levying export tariffs on other member countries except in specific situations (SADC Protocol on Trade, 1996).

According to complaints filed on the Common Market for Eastern and Southern Africa (COMESA)-the East African Community (EAC)-SADC Tripartite Coordination Method's online web-based system for reporting, tracking, and abolishing NTBs, the majority of member states violated the regulations which were given above. According to the complaints issued online, non-tariff trade obstacles including export tariffs and constraints, periodic import bans, quantitative constraints on exports and imports, import and export prohibitions, etc. have been a major hindrance to intraregional trade (Kalenga, 2012).

Simplification of commercial procedures is crucial for the progress of SADC market integration programmes, and these hurdles impede the region's market integration agenda.

However, although all trade barriers have been removed, it is unlikely to expect SADC's internal trade to develop evenly unless economic diversification is achieved. A key factor of poor intra-regional trade is the lack of diversity in manufacturing capacity within the region, as well as the primary product production in many SADC countries. Even though intra-regional trade tendency has increased to 22 percent(SARDC, 2019), intra-regional trade is still low. Low- level intra-regional trade is one of the most critical challenges for SADC region. Furthermore, it is significantly lower in comparison to other overseas regional organizations. Besides, these circumstances lead to become reliance on export sales. Botswana, for example, sold 76 percent of its goods to the European Union (EU) (mostly diamonds from the mining sector). When it comes to other SADC countries, exports to the EU figure between 39 percent and 28 percent of their overall exports (Tanyanyiwa & Hakuna, 2015). These are the major roadblocks to the development of commerce within SADC region, and thereby to regional integration.

Table 3: *The top exported products by SADC countries in 2019 (Current US$).*

Country	The Top Exported Items	The Top Exported Items' Price (Millions)	Country's Total Export Price (Millions)	Percentage of the Top Exported Items' Price to the Total Exports' Price
Angola	Mineral fuels, oils, distillation products, etc	33,200.0	34,800.0	95.40
Botswana	Pearls, precious stones, metals, coins etc	4,800.0	5,200.0	92.30
Comoros	Coffee, tea, mate and spices	21.0	49.0	43.46
Democratic Republic of the Congo	Copper and articles thereof	7,500.0	13,400.0	55.97
Lesotho	Articles of apparel, accessories, knit or crochet	242.0	646.0	37.47

Madagascar	**Coffee, tea, mate and spices**	**677.0**	**2,700.0**	**25.08**
Malawi	**Tobacco and manufactured tobacco substitutes**	**501.0**	**913.0**	**54.92**
Mauritius	**Articles of apparel, accessories, not knit or crochet**	**283.0**	**1,900.0**	**14.90**
Mozambique	**Mineral fuels, oils, distillation products, etc**	**2,000.0**	**4,700.0**	**42.55**
Namibia	**Pearls, precious stones, metals, coins etc**	**1,700.0**	**6,300.0**	**26.98**
Seychelles	**Mineral fuels, oils, distillation products, etc**	**307.0**	**824.0**	**37.25**
South Africa	**Pearls, precious stones, metals, coins etc**	**15,000.0**	**89,400.0**	**16.77**
Tanzania	**Pearls, precious stones, metals, coins etc**	**2,300.0**	**5,000.0**	**46.0**
Zambia	**Copper and articles thereof**	**5,100.0**	**7,000.0**	**72.85**
Zimbabwe	**Pearls, precious stones, metals, coins etc**	**1,400.0**	**4,300.0**	**32.55**

Source: Data is collected from UN Comtrade by the author. Retrieved October 14, 2021, from https://dit-trade-vis.azurewebsites.net/?type=C&year=2019&flow=2
Note: Eswatini statistics are excluded.

Table 3 shows the exports trend in SADC region. It is clear that similar type of raw materials and primary products dominate the exports of SADC countries. Even though SADC countries eliminate all trade barriers among them, there will be not a significant progress in the development of intra-SADC trade as long as the export of similar types of products control their commerce.

Despite the success of FTA, SADC's intra-regional trade rate still remained low comparing to other regional blocs. Moreover, SADC with a 0.34 had the weakest trade integration score among the 8 African Regional Economic Communities (RECs), followed closely by the Economic Community of Central African States (ECCAS) with a 0.357 of score in the Africa Regional Integration Index 2019 Report which was published by the United Nations Economic Commission for Africa (ECA), African Union Commission (AUC), and the African Development Bank (AfDB) (AUC, ECA & AfDB, 2019). Intra-SADC trade remained modest, accounting for approximately 22% of overall SADC trade (SARDC, 2019). It can be thus said that SADC should approach to increasing intra-regional commerce as its priority. Despite the fact that SADC contains a diverse scope of natural resources, including all of the major minerals required for industrialization, the region has been unable to favourably industrialize and to structurally shift from commodity-based economies and being raw materials exporters. This is a major obstacle for SADC countries to develop intra-trade relations and increase regional trade integration because of similar types of raw materials and primary products exports. Therefore, economic diversification or specialisation of goods is critical for increasing the volume of commerce within the region.

Infrastructural limitations are another major stumbling issue. According to Arndt and Roberts (2018), logistics and regional transportation costs were one of the highest even though regional trade has expanded in SADC region. Expensive, unpredictable transport and logistics capacities, especially for inland countries, high-priced information and communications technology (ICT), and insufficient energy procurement contribute altogether to inadequate conduct of service in most part of the region. Moreover, there are currently no suitable meteorological facilities in the region for the organization and execution of a functional and productive water supply system, power production, transportation infrastructure, and other climatic-related sectors. Furthermore, many infrastructural development projects are stuck in limbo, with the majority of them pending in the feasibility or pre-feasibility stage and only a handful could be finalized (SADC & SARDC, 2019).

2.6. Conclusion

After transformation to SADC from SADCC, it is obvious that the SADC regional integration's guiding premise became the reduction of economic dependence on economies outside the SADC zone. Increased economic links within the region are viewed as critical to achieve this goal. As a result, expanding intra-SADC trade is critical for successful realization of SADC regional integration because it plays vital role to strengthen economic networks among member nations.

Therefore, vital objectives for SADC are the diversification of SADC economies and the decline in reliance on primary products' export to improve intra-SADC trade. For development of economic diversification and decrease in dependency on primary products' export, economic transformation was aimed, and utilization from the resources in the development of manufacturing sector and enhancement of the productive capacity of their industries was stressed for this economic transformation.

Moreover, with the market integration, some benefits are expected to give opportunity for the development of infant local industries, especially in tiny market economies. These are primarily increased number of outputs opportunity as a result of specialization based on comparative advantage and larger production opportunity due to the exploitation of economies of scale. Economies of SADC nations are small except that of South Africa. In this regard, realization of market integration successfully is highly important for tiny SADC market economies to be able to have comparative advantages and development of local industries, and as a result, produce value-added production and decrease dependency on primary products export, and eventually development of intra-trade.

In international trade, the most challenging problem with which SADC countries experience is dependency on primary products export while constantly importing manufactured goods. The majority of SADC countries are great exporters of primary items and importers of manufactured items. The grievance about this kind of dependency and the need to transform SADC economies were highlighted especially at the 34th summit, "SADC Strategy for Economic Transformation: Leveraging the Region's Diverse Resources for Sustainable Economic and Social Development through Beneficiation and Value Addition". Furthermore, reliance on primary or raw material exports is one of the key impediments to the development of trade within SADC area.

In this regard, the analyses of imported and exported items between SADC and BRICS countries in Chapter 4 are of importance for a better understanding of the incompatibility of established trade relation with BRICS countries with the aims of SADC regional economic integration and the impact of BRICS' trade relations with SADC countries on the SADC intra-trade development, and the impact on the regional integration progress.

CHAPTER 3

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

3.1. Introduction

This study is conducted in line with the dependency theory, which is discussed in this chapter in order to reveal the type of trade relationship existing between SADC and BRICS countries.

The literature review discussed here covers the basic premises behind establishing RECs in Africa, their relevant experiences leading up to their establishment, and African countries' disadvantaged trade relations with previous colonizers after independence. Furthermore, literature review highlights how African economies got involved with global economic system, especially western global system, in the post-independence era.

African economies' trade experiences have partly been shaped by their post-independence scenarios. These trade experiences help us understand better BRICS countries' trade relations with SADC countries under the framework of dependency theory.

3.2. Literature Review

The interplay between the state and the market focuses on delivering and preserving national and regional security in general (Boas, 2001). These processes are combined to form regionalization. On the other hand, regionalism refers to the set of visions, values, and concrete goals that guide such a process (Boas & Hveem, 2001, as cited in Boas, 2001). As a result, globalization has prompted a political response known as regionalization (Boas, 2001).

Regional integration looks at the elimination of all discriminatory trade obstacles among a minimum two member countries as well as the introduction of core elements for collaboration and coordination among them (El Agraa, 1989). The latter is largely dependent on how regional integration is implemented. Regional integration can take several different forms. These are Free Trade Areas, Customs Unions, Common markets, Economic Unions with a possibility of eventual complete political integration where the member states can transform into one single nation, with a central authority which not only sets monetary and fiscal policy but also reports to a single parliament with capacity to rule a country (El Agraa, 1989). SADC as a region encompasses a number of the regional integration aspects noted above.

African integration puts forth a declaration and promotion of Africa which identifies it as representative of resistance against colonial exploitation and as a rallying call for African governments to come together and unify in order to overcome challenges of the past and become developed, modernized, and wealthy (Olivier, 2010). British and French colonialism were both responsible for the formation of a variety of African blocs (Robson, 2002).

Many African economies showed significantly similar features at the time they achieved independence. Most of them were exporting primary commodities and importing a wide range of consumer, intermediate, and capital goods for domestic demand. Africa has always been confronted with a lot of issues related to commerce, including limited intra-African trade, tariff and non-tariff barriers, non-diversified export structure, low percentage of global exports, and lack of infrastructural facilities for trade (Aniche, 2020). Because of their economic structure, the horizontal trade contacts between them were limited. Nonetheless, each country established uniform tariff policies with respect to one another, reflecting more a stand-alone strategy than a policy aimed at fostering horizontal intra-African trade and investment (Olukoshi, 2012).

Indeed, the Yaounde and Lome agreements, which were signed with the European Economic Community, further damaged the prospects for extended horizontal relations among African countries (Olukoshi, 2012). These treaties provided African countries with preferential access to European markets for agricultural and mineral exports that Europe required for sustainable development. They supported an international division of labour created during the colonial era preserving Africa's involvement in this system. Colonialism had an impact on African integration in the past, and it still has an impact today. Colonialism forged a link between Africa and European colonial powers and impeded African regional integration (Laporte & Mackie, 2010). Many African economies had vertical trade relations with their previous colonizers, links that had been solidified over the years of colonial rule and were core to the activities under the neo-colonial effect, regardless of the ideological views of the ruling government, and to the post-independence economic collaborations they seek to strengthen (Olukoshi, 2012).

However, another reason for the establishment of African RECs is that the big economic entities have been springing up worldwide to calm the world's primary concerns, which are challenging to address at the micro-state level. Europe has been growing by establishing respectable and trustworthy institutions. Asia has been steadily advancing towards economic and political integration through the Association of Southeast Asian Nations (ASEAN). Latin America has built the foundations for its integration into developing economies and has relatively developed inter-state trade (Kouasi, 2007).

Structural transformation and the continent's smooth and safe absorption into the global economy have been reinforced by a macro-integrated Africa along with micro (regional) integration. Furthermore, structural transformation and the continent's smooth and safe absorption into the global economy have been encouraged by an integrated Africa through regional integration. As a result, regional integration has become the primary goal (Africa Union, 2019). Countries within regional blocs in Africa such as SADC have a further continental integration through AU.

Despite the fact that political considerations inspired a number of establishments concerning integration, economics has been the main source of integration agreements. States engage with regional integration agreements (RIAs) since it offers a variety of economic benefits, according to Blomström & Kokko (1997). In the short term, integration is expected to enhance intra-regional commerce and investment while in the long term, the combination of more efficient resource allocation and numerous beneficial externalities are expected to boost member nations' growth rates (Blomström & Kokko, 1997). Economies can address the barriers put by the small size of the domestic markets by providing manufacturers with possibilities to achieve better economies of scale and to obtain advantage of regional infrastructural development (Sako, 2006).

Following the recommendations of proponents of the balanced-growth concept, countries may pursue a policy for economic integration to create a sufficiently large marketplace which is needed for the simultaneous growth of new industries. In order to conduct industrialization plans, it will be necessary to benefit from economies of scale which are hard to be reached in tiny national markets (Balassa, 1969). Moreover, the rising interest in integration among developing nations can be linked in part to the desire to follow the Europe's path and to develop purposeful measures to counterbalance the European Common Market's potential for trade-diverting effect (Balassa, 1969). SADC can be seen as one a number of economic and common market blocs that exist in Africa and can potentially counter other external blocs like EU.

Viner (2014) provides the notions of trade creation and diversion and distinguishes custom union's trade-creating and trade-diverting impacts. He concludes that trade-creating customs union improves welfare while a trade-diverting customs union worsens it (Viner, 2014). The trade-creating effects refer to recently established trade between member nations of the union, while the trade-diverting impacts refer to commerce redirected from a foreign country to a member state, both as a result of tariff elimination inside the union (Balassa, 1969). The process of replacing domestic production with cheaper imports from another customs union member is known as trade creation while trade diverting is the replacement of imports from third nations where they are cheaper, with more costly imports from other customs union members. Furthermore, Richardson (1993) claims that by lowering their external tariffs, participants of a FTA can prevent certain expenses of trade diversion (importing from high-cost partner nations). However, in a CU, this authority is sacrificed, which is arguably one of the main reasons why most real-world RIAs are FTAs rather than CUs (Baldwin & Venables, 1995). It should also be noted that SADC's FTA is in operation while the customs union has little traction.

Considering the predicted outcomes and the continent's enormous potential, Africa's integration success remains rather diverse (Africa Union, 2019). Moreover, while regional integration aims to improve governments' ability to carry out their fundamental tasks, each of Africa's RECs has its interests and agendas. These differences prevent practical cooperation within and across these groups (Dzinesa et al., 2012).

RECs' act at a different pace and the way they employ different tactics raises the question of who is in charge of the integration process and for what purpose it is carried out. This question was even more frequently asked in 2007 and 2008, when the European Union made a concerted effort to move through its Economic Partnership Agreements (EPAs) with African countries, which include cooperating through the RECs, to meet its goal of rapid termination and being bound by as many (interim) agreements as possible, despite the concerns raised by the African Union Commission, a few RECs, and Governments such as South Africa and Nigeria. Along with EU, other global economic powers tended to pursue their own benefits by negotiating with particular national governments within the RECs. These activities undermined the unity and coordination of Africa's development agenda in general and the integration effort in particular (Olukoshi, 2012).

When it comes to SADC, the focus of integration was as a reaction to the assault of globalisation in economy (Schoeman, 2002). While SADCC had a political agenda at first, it had a stronger economic program for market integration after it became SADC in 1992 (Tanyanyiwa & Hakuna, 2014). SADC focuses on market integration within the region and on the development of economic connections among SADC countries and external stakeholders. While the regional integration goal emphasizes the importance of developing intra-regional commerce to compete in the global marketplace, some SADC member states' actions obstructed this strategy. Unilateral efforts, such as the 1999 Europe-South Africa Trade, Development and Cooperation Agreement (TDCA) and the EPAs signed by Mozambique, Lesotho, Botswana, and Swaziland (Eswatini) with the European Union in June 2009, had an undermining effect on the regional bloc (Dzinesa et al., 2012).

The EPA period divided the members of SADC into countries which had distinct trade policies with the EU (Vickers, 2011). The SADC EPA process represented one of the basic defects of the regional integration agenda in Southern Africa, which were already visible in the "spaghetti bowl" phenomena of multiple REC participation and diverse affiliations (Bhagwati, 2008). The problem of multiple memberships is one of the aspects of concern, since competing interests and variable commitments stymies regional integration. Some SADC nations are members of one or more of the regional trade zones (Saurombe, 2009).

The fact that South Africa belongs to both SADC and BRICS can only be seen as a tension point for full SADC integration as the example of other SADC nations seeing the TDCA, which provided trade and tariff considerations for EU goods entering South Africa, as a massive danger to regional development and to the possible success of SADC FTA (Dzinesa et al., 2012). Moreover, South Africa signed the TDCA with the EU and partnerships agreed by South Africa also affect members of the Southern African Customs Union (SACU) as well (Vickers, 2011).

Furthermore, according to Schoeman, member countries were particularly concerned about the potential for local businesses to be jeopardized if they opened their markets to larger regional producers who may 'flood' their markets with cheap(er) products (Schoeman, 2002) leading to a conclusion that SADC countries' heterogeneous economic structures can be considered as an obstacle when pursuing integration in the region. Since these heterogenous economies cannot be merged, especially when more advanced economies are involved, like South Africa (Mapuva, 2014). Concerns about the impact of SADC economies' heterogeneity on economic integration are expressed by both Hancock (2010) and Gibb (2006), and they argue that regional integration might be hard to accomplish when member states have unequal economies (Hancock, 2010; Gibb, 2006). The disparity in economic activity and growth rates within SADC therefore becomes a major obstacle to real regional integration.

However, concerning the regional integration, which aims to develop regional intra-trade, despite the establishment of a regional FTA in 2008, southern Africa as "periphery" remains strongly reliant on the "core". According to Andre Gunder Frank, as the core continues to utilize resources from the periphery on the basis of commercial imbalance, it can represent a significant impediment to regional integration (Dzinesa et al., 2012). Developing countries in the global south rely heavily on the export of a few commodities, while manufactured products are primarily imported because of their low levels of economic growth and diversification (Krapohl & Van Huut, 2020). This is the situation most SADC economies are in.

African countries have begun to attach importance to develop industrial capacity by attempting to create, or reinforce their manufacturing sector to lessen their reliance on raw material exports and improve their trade balance (Strydom et al., 2018). In terms of SADC, following the review of the RISDP in 2014, the subject of industrialisation has been the center of SADC's attention alongside modernisation of manufacturing, science and technology, professional development, innovation, financial sector development, and the growth of regional value chains to address weak productive capacity of member states, continuing trade barriers together with non-tariff trade barriers, scarce value addition and lack of competitiveness (Adejumobi & Obi, 2020). Industrial growth is especially important for SADC nations to reduce their reliance on primary products and promote economic diversification within the region.

In conclusion, studies have paid less attention to the effects of BRICS on regional economic integration and intra-trade of SADC, compared to the influence of BRICS and the EU on the African continent and the effect of BRICS on South Africa. There is no examination of how BRICS' trade interaction with SADC affects SADC regional economic integration and intra-SADC trade. Therefore, the study is attempting to fill the gap by analysing the impact of BRICS countries' trade relation with SADC countries on SADC regional economic integration progress.

3.3. Theoretical Framework

Concerns about the economic activities of BRICS countries in SADC region, whether they were being carried out with imperialistic aims and they were further hampering SADC regional economic integration were soon brought up by researchers. Such sceptical thoughts about the economic activities of BRICS countries can be analysed through the aspects of dependency theory. Dependency theory helps us show the features of trade relation between SADC and BRICS countries and it also reveals how BRICS countries dominate this relationship and how this dominancy has a negative impact on SADC countries. It is therefore essential to discuss the dependency theory and its general characteristics even though the study is particularly concerned only with the trade-relation characteristic dimension of the theory.

Dependency is a term which is employed to define an uneven interaction between two groups of states; one group is called “center”, or “metropolitan center”, while another group is “periphery”, or “satellite”. Underdeveloped countries are identified as periphery while the (metropolitan) center is represented by advanced capitalism. Dependency is a mechanism which could explain why several economies develop whilst others remain underdeveloped. International circumstances, which are intrinsic to central capitalism have an impact over both social and economic developments of less developed countries (LDCs). Metropolitan countries have more compelling capitalist economies, whereas LDCs are economically weaker and deprived of full-fledged capitalist tendencies. Underdevelopment is the outcome of overwhelming dominance of the centre over the LCDs (Ghosh, 2019).

The theory establishes two essential systems: macrocosmic system and microcosmic system. World capitalism is identified with the macrocosmic system, which controls and influences the microcosmic system or its subsystems (Ghosh, 2019).

Microcosmic system’s features:

- It is pre-capitalist.
- The countries under that category are mainly impoverished and disadvantaged producers and exporters of the primary product and importers of technological and finished goods.
- It is a capital-lacking system from which the macrocosmic system acquires surplus.
- Labour is not scarce, nor is it expensive since wages are low comparing to the wages in developed countries (DCs); also, unit export costs less and import costs are expensive (unequal exchange, which goes against the system).
- The countries within this system are unable to grow due to the lack of technology and investment.

- The macrocosmic system takes advantage of underdeveloped countries in this category.
- The countries within this system are highly dependent on the macrocosmic system.

Macrocosmic system's features:

- It is capitalist.
- The countries within this system are rich and leading producers and exporters of finished manufactured goods and technology, and they are importers of primary products and raw materials.
- The system functions based on the capital. The microcosmic system provides the surplus.
- Labour is scarce and expensive. Unit import costs are low and unit export prices are high since national wages are also high and wages in the microsystem are reduced (unequal exchange, which favours the system).
- It is not taken advantage of any system.
- The countries within the system are already advanced and they provide microsystem with technology and capital at a high cost.
- It is more or less independent (Ghosh, 2019).

Economically, the macrocosmic system is more potent and well-organized. Since the microcosmic system is already absorbed by the macrocosmic system, it cannot benefit from the macrocosmic system. Such a world system formulates the macroeconomic system as the consistent consumer of surplus of subordinated microcosmic system. This, to a certain extent explains why the periphery remains underdeveloped. For the periphery, there is no other option but to depend on the center. It cannot cut off its links with the center unilaterally. However, according to the theory, the dependent country acquires at least a particular amount of indirect interest from the core, even though it would not be perpetual and would be overwhelmed by the center's exploitation. The LDCs remain indigent because of the backwash effect brought about by the center's actions. There is no spread effect that can benefit the periphery (Ghosh, 2019). There appears to be a dominant streak of the dominancy theory when SADC-BRICS relations are analysed.

In case the center and the periphery develop concurrently, the more compelling one, the center will extract both physical and human resources from the weaker, the periphery. As a result, a growth-slowing backwash effect will hit hard the countries where resources are exhausted by external forces. Three main dynamics of the backwash effect such as migration, capital outflow, and unequal trade might for the benefit for the center and detrimental to the already impoverished periphery (Ghosh, 2019). Unequal trade, which is one of the main dynamics of the backwash effect, can be noticeable in a majority of SADC countries in trade with BRICS countries, especially with China and India.

After a peripheral country integrates into the world capitalist system, the world turns two-poled: the center and the periphery. The surplus generated within the periphery flows to the center, facilitates the center's development and as a result the periphery remains underdeveloped. Thereby, development and underdevelopment become two dynamics of the world capitalism. Interactions based on dominance in exchange can be utilized to explain the underdevelopment. The dominance is mostly apparent in the extraction of surplus from LDCs. As a result of this dependency, the gap between DCs and LDCs widens (Ghosh, 2019).

The periphery's dependency shows itself in different ways: first, LDCs might be dependent on DCs for technology; second, LDCs might be dependent on DCs for financial and economic assistance; third, DCs may be needed to aid with balance of payment problems; fourth, the LDCs might be unable to pursue capital accumulation policy without the contribution of DCs; fifth, LDCs might be dependent on DCs for the sale of their primary products and raw materials; and lastly, it may be difficult for LDCs to progress economically without the assistance of DCs (Ghosh, 2019). The study is especially interested in the fifth one when analysing the SADC-BRICS trade dynamics.

The dependency model developed throughout 1960s, and common patterns in analysing the countries began to emerge. General aspects of the classical dependency theory can be listed as such: First, the periphery is forced to adopt central capitalism. Second, surplus is drawn from the periphery and the LDCs are constantly exploited by DCs. Third, excessive extraction of surplus leads to the development of the center while it causes the periphery to remain underdeveloped. Underdevelopment is not perceived as a national or endogenous matter. Rather, it approached as an external issue. The world capitalist framework determined the form of the development of the periphery. Fourth, the development of DCs and LDCs is unequal and uneven. Fifth, the problem of national/international inequalities and underdevelopment is exacerbated by integration with global capitalism. Sixth, commercial ties between DCs and LDCs are unequal in which DCs gain benefits and LDCs are subjected to discrimination. Seventh, the LDCs have an inferior position to DCs. Finally, LDCs' growth remains too far to be reached until the ties with central capitalism get severed (Ghosh, 2019).

Furthermore, three major factors lead capitalism expansion; the export of excessive capital, market expansion, and the acquisition of raw materials. Capitalist relations thus are broadened enough to include less-developed countries (Ghosh, 2019).

The study has outlined a general framework of dependency theory. In the framework of this theory, there are also different perspectives and approaches to explain how and why periphery is dependent on center. The study also discusses some prominent theorists below.

In addition to core and periphery structure, Immanuel Wallerstein (1974) proposed a global “system of stratification” including semi-periphery in the equation (1974). In the “core”, the state facilitates the development of a system to justify and maintain inequalities and imbalances. This state mechanism is deeply strong in the core whilst it is extremely weak in the periphery. The changing geopolitical conditions of the core or the periphery pave the way for the emergence of the semi-periphery. There are “possibilities of semi-peripheral countries shifting towards core status and peripheral countries moving towards semi-peripheral status” in certain situations (1973:16, as cited in Friedmann & Wayne, 1977).

Another approach is the surplus extraction approach (SEA) which was initially mentioned by Karl Marx in his analysis of underdevelopment. Acquisition of excessive value is a distinct feature of the capitalist production system. However, the amount of profit in the long-run declines as the organic composition of capital increases putting a constraint on economic expansion. There are several strategies to combat the downward trend of the profit rate. One of them is overseas trade, which allows one to obtain cheaper raw materials and to sell their finished products with a high profit. The trade must be established upon unequal exchange, which was especially reasonable when the trade with colonies was carried out. As a result, colonialism’s growth served as a safety valve for capitalist progress. Colonies also assured a greater rate of return on capital investment and were exposed to the consistent extraction of surplus (Ghosh, 2019).

According to Marx, as a result of colonial exploitation and policies of international capitalism, one part of the world became obliged to be agricultural and to provide raw materials to the primarily industrial other (Marx, 1977). Because of the exploitation and extraction of surplus, the countries which supply raw materials and primary products become more impoverished and underdeveloped.

Frank’s research based on the presumption that unequal market interactions both in the capitalist and local economy result in development and underdevelopment at the global and national levels. Underdevelopment can be brought by participation in trade with the capitalist world, and the system that brings outputs for the global market is called capitalist system (Frank, 1978a, 1978b, 2015).

Once a country is integrated into the global capitalist system, it will start to experience a steady underdevelopment and the LDCs will be compelled to become the DCs' raw material suppliers. This approach impedes the industrialization of primary-production economies. Export inclinations such as being exporter of raw materials or primary products along with the foreign dominance tend to hamper the expansion of these countries' national markets and the development of essential national industries for their own interest (Ghosh, 2019). The research has indicated that SADC countries have now become raw material or primary product supplier of BRICS countries thereby negatively affecting the industrialization process of SADC countries.

According to Frank (1978a), countries in Africa, Latin America, and Asia are underdeveloped because of their interactions with the DCs. The course of their economic history was affected by their colonial position. They have become importers of finished goods and exporters of primary products (Frank, 1978a). As a result, their consumption and production structures are displaced – a scenario that appears prevalent in most SADC states.

According to Santo's Structuralist Model of Dependence (DSM), the dependent countries evolve into primary commodity suppliers and manufactured goods' importers (1970). As a result, the system of production and consumption was disrupted and the dependent countries' ability to sustain balance of payment through trade becomes critical for their progress. The purchase becomes contingent on selling (Santos, 1970) and if the LDCs cannot sell their goods, they will not be able to buy machinery and equipment from the DCs to run new industries and jobs (Santos, 1970). Thus, underdevelopment is reframed in terms of trade ties with DCs. According to Dos Santos, underdevelopment is a version of capitalist development rather than backwardness prior to capitalism (Palma, 1978). Dependency, as defined by Santos, is a situation that one group of economies is affected by the expansion and development of another (Santos, 1970).

In the export field, production is directed so that only conventional export items are to be produced. Raw materials and agricultural products represent the majority of these export items. The demand from the hegemonic centers determines the production of these commodities. Santos claims that LDCs' production systems are mostly driven by international affairs. A substantial amount of surplus is extracted by foreign corporations from agriculture and mining in LDCs export sectors (Santos, 1970). The export of food and raw materials to developed economies has been a speciality of LDCs resulting in international trade that gives LDCs limited potential for technical improvement, internal and external economies, and diversification (Singer, 1950). According to Prebisch (1959) and Singer (1950), the gains from such commerce favour DCs. In the long run, the terms of trade go against primary producing countries, according to Prebisch (1959) and Singer's (1950) argument. This type of trade is one of the main factors stifling the development of LDCs. Singer (1950) stated that opening LDCs to trade and investment curbs their development.

Prebisch believes that LDCs' economic backwardness cannot be solved without holding industrialization as a policy prescription (Prebisch, 1959). However, according to Kay, industrial capitalism could not be initiated in LDCs for a variety of reasons including the fact that industrial capital was not interested in bringing industrial capitalism to LDCs because LDCs were seen as a source of low-cost raw materials as well as being a market for the selling of finished goods by industrial capital (Kay, 1975).

According to Bond (2017b), the clearest definition of dependency theory is that during the trade connection between the North and the South, the latter becomes impoverished because of value transfer. When it comes to Africa, the value transfer is realized as the African countries sell low-value domestic goods while purchasing high-value capital and commodities. In addition to North, according to Bond (2017b), dependency theory can be even more useful for BRICS countries as Africa's relationship with BRICS countries is analysed. Bond (2017b) believes that the major goal of BRICS countries is simple extraction and maximum exploitation of African states – including SADC.

In conclusion, there are various challenges and stages of development in which dependency is a crucial factor. Technology dependency, dependency on aid, foreign direct investment dependency, dependency on commerce, and etc are only some of the examples. Dependence also generates moral risks, which endangers the process of development in developing countries (LDCs).

3.4. Conclusion

Regional integration is expected to benefit the partner countries' economies primarily. Economics, in this sense is the driving force: governments employ RIAs to obtain as much economic gain as possible from integration. In the short term, the expectation is that the integration will boost intra-trade and investment. Limitations imposed by the tiny volume of local market can be addressed by countries through providing chances for firms to attain larger economies and take advantage of regional infrastructure progress. In this aspect, formation of a sufficiently large marketplace for the simultaneous progress of new industries will be required in order for them to benefit from scale economies. Since the small national economies lack the features of economies of scale, the industrialization plans are unlikely to be carried out.

As the majority of African countries (including SADC) are used to export primary commodities and import consumer, intermediate, and capital products to meet the demands within their own countries, horizontal trade contacts between SADC states remain limited due to their economic structure. Many African economies had vertical trade contacts with their former colonizers that were strengthened during the years of colonial rule and were crucial for the maintenance of neo-colonial activity. The agreements they made with the European Economic Community in Yaounde and Lome undermined even further the opportunity to build expanded horizontal relations among African countries. These agreements gave African countries a privileged access to European markets to conduct agricultural and mineral exports which Europe needed for its own use and long-term development. In accordance with the dependency theory, this kind of relationship is detrimental for SADC economies and the industrialization of primary-producer economies is hampered because they remain solely raw material providers. The enlargement of the domestic markets of raw material provider countries along with the development of crucial domestic industries for their own development are crippled by this specific export orientation. The growth of domestic industries is vital to achieve diversification and eventually to expand intra-SADC trade.

As highlighted above, involvement in international trade as the exporter of raw materials or primary products has brought only limited opportunities to claim technical advancement, internal and external economic diversification, and also diversification supported by international commerce. In this sense, impediment either to the emergence of diversification of SADC economies, or to the growth of existing diversification, stymies the development of trade among SADC countries, intra-regional trade, and ultimately regional economic integration.

Finally, Bond (2017b) believes that the dependency theory can also be applied to BRICS countries regarding their relations with the African countries and he further argues that the BRICS countries pre-eminently aim for easy extraction and optimum exploitation.

This implies is that BRICS countries' trade relations with SADC region could possibly trigger and sustain SADC countries' dependency on raw material exports, and pose a risk to the realization of economic diversification within the region and including development of intra-SADC trade.

CHAPTER 4

TRADE RELATIONS BETWEEN BRICS AND SADC COUNTRIES

4.1. Introduction

In this chapter, balance of trade as well as exported and imported items between SADC and BRICS countries are analysed. This analysis helps understand the characteristics of the commercial relations between SADC and BRICS based on the dependency theory while observing if BRICS countries dominate trade with SADC countries. Examining these mutual commercial affairs is rather significant to show if the trade relations of SADC and BRICS are in line with the aim of SADC regional integration progress. The study also looks at whether there is a tendency to trade in ways that might impede both diversification within SADC and development of intra-SADC trade. Commercial relations between SADC and BRICS countries are analysed separately but South Africa's trade relations are analysed under the title of intra-SADC trade.

4.2. Trade Relations Between China and SADC Countries

When SADC countries' trade relations with China are analysed according to SADC countries' data on the UN Comtrade, it can be observed that although SADC region had a surplus (almost $11.0 billion) in trade with China in general, China surpassed the sum of the relevant states in its individual trade with SADC countries in 2019.

Table 4: *Trade in goods between China and SADC countries 2019 (Current US$).*

Partner Country	Export (Millions)	Import (Millions)	Trade Balance (Millions)	Bilateral Trade (Millions)
Angola	21,400.0	2,000.0	19,300.0	23,400.0
Botswana	0.5	126.0	-125.5	126.5
Comoros	0.5	19.5	-19.0	20.0
Democratic Republic of the Congo	3,600.0	2,100.0	1,500.0	5,700.0
Lesotho	18.0	84.0	-66.0	102.0
Madagascar	170.0	690.0	-520.0	860.0
Malawi	35.0	541.0	-506.0	576.0

Mauritius	**32.0**	**935.0**	**-903.0**	**967.0**
Mozambique	**324.0**	**862.0**	**-538.0**	**1,186.0**
Namibia	**1,500.0**	**316.0**	**1,184.0**	**1,816.0**
Seychelles	**3.0**	**67.0**	**-64.0**	**70.0**
South Africa	**9,600.0**	**16,300.0**	**-6,700.0**	**25,900.0**
Tanzania	**200.0**	**2,000.0**	**-1,800.0**	**2,200.0**
Zambia	**1,500.0**	**1,000.0**	**500.0**	**2,500.0**
Zimbabwe	**3.0**	**412.0**	**-409.0**	**415.0**
Total	**38,386.0**	**27,452.0**	**10,934.0**	**65,838.0**

Source: Data has been collected from UN Comtrade by the author. Retrieved October 14, 2021, from https://dit-trade-vis.azurewebsites.net/?type=C&year=2019&flow=2
Note: Eswatini is excluded from the statistics.

Angola with a $19.3 billion surplus was the highest country regarding trade surplus in trade with China. However, when checking exported and imported items, it is clearly seen that Angola acquired this surplus via exports of primary products such as 'mineral fuels, oils and distillation products'. The total export of Angola to China was $21.4 billion with the bulk ($21.3 billion) being made up of 'mineral fuels, oils and distillation products' (UN Comtrade online data, n.d.). These figures illustrate that Angola, as the most important SADC exporter to China, had a trade surplus only through exporting primary products.

Analysing other SADC countries which had trade surplus in trade with China reveals the following; DRC had $1.5 billion while Namibia had $1.18 billion surplus followed by Zambia with $500.0 million. The scenario in DRC is similar to that of Angola as $2.3 of $3.6 billion exports from DRC to China were made up of 'copper and articles thereof' (UN Comtrade online data, n.d.). The export of other raw materials – 'inorganic chemicals, precious metal compound, isotope' ($620.0 m) and 'ores, slag and ash' ($596.0 m) followed as second and third place exports from DRC resulting with export of these three items accounting for around 97.5% of DRC's total exports to China (UN Comtrade online data, n.d.). The situation is similar for Namibia, with export of 'copper and articles thereof' ($909.0 million) accounting for more than 60 percent of Namibia's exports to China with 'ores, slag and ash' valued at $548.5 million being second highest making these two items responsible for 97% of Namibian export to China (UN Comtrade online data, n.d.). Furthermore, export of ‘copper and articles thereof’ accounted for almost 100 percent of Zambian export to China (UN Comtrade online data, n.d.).

When it comes to South Africa, which had the largest trade volume in trade with China within SADC region, it is seen that it gave $6.7 billion of trade deficit in commerce with China. When its export to China is examined, the situation appears no different from that of the other SADC countries which had trade surplus comparing to China. While South Africa’s total export to China was worth $9.6 billion, ‘ores, slag and ash’ with $7.0 billion held pole position in South African exports to China, accounting for almost 73% of South Africa’s whole exports to China (UN Comtrade online data, n.d.). In short, primary products such as ‘mineral fuels, oils, distillation products’, ‘ores, slag, and ash’ and ‘iron and steel’, ‘copper and articles thereof’ were the most popular items imported from SADC region by China in 2019. Import of these four groups of items from SADC region by China is worth an average of $35.5 billion (collected from UN Comtrade by the author), which accounted for more than 90 percent of the imports of China from SADC region.

Within SADC area, South Africa with a $25.9 billion of trade volume was the headmost country in bilateral commerce with China. Angola followed South Africa with $23.4 billion of bilateral trade value with China. Only five SADC member countries, namely Angola, South Africa, DRC, Namibia, and Zambia accounted for almost 90 percent of the SADC bilateral trade with China while South Africa and Angola alone made up more than 70 percent of this amount. It can be said that these SADC countries covered a great part of the SADC’s trade with China.

On further analysis, it can be noted that China accounted for a high volume of these SADC countries in terms of export market revenue, especially for Angola. China was the largest export market for Angola covering 61.3% of Angola exports. Also, China covered an average of a quarter of DRC’s (26.6%) and Namibia’s (24.0%) export markets. China was the second largest export market for DRC while it was the first largest export market for Namibia. In addition, China was also the second largest export market for Zambia covering 21.4% of Zambia exports. When it comes to South Africa which had the largest bilateral trade with China within SADC region, even though China covered 10.7% of South Africa’s exports which is low when compared with the rate of Angola, DRC, Namibia, and Zambia, China was still the primary export market for South Africa (UN Comtrade online data, n.d.).

While these countries made up a great share of trade with China within SADC region, China also had a considerable place in the export market of these leading SADC countries. As highlighted above, China was either the first or the second largest export market for these countries. Therefore, China can have great impact on SADC countries' export inclination and international trade.

When it comes to imports of SADC countries from China, South Africa with $16.3 billion appears as the leading country in SADC region. While 'electrical, electronic equipment' was worth $4.4 billion which covered the first place in items imported from China by South Africa, 'nuclear reactors, boilers, machinery, etc' with $3.3 billion came as the second. These two groups of items alone formed an average of 47% of the imports from China. In addition, China was the first largest import market for South Africa making up 18.5% of the imports carried out by South Africa in 2019 (UN Comtrade online data, n.d.).

DRC and Angola were the second and third countries which had the highest import volume from China – $2.1 and $2.0 billion respectively. South Africa, Angola, and DRC were the first three countries regarding the volume of import as well as the volume of export with China. These three countries made up almost 75 percent of SADC region's imports from China. Moreover, while 'nuclear reactors, boilers, machinery, etc' ($364.0 million) were the most imported items from China by Angola, 'electrical, electronic equipment' worth $345.5 million and 'vehicles other than railway, tramway' with $168.0 million came second and third respectively and these top three groups of items made up almost 44% of Angolan imports from China. In terms of DRC import from China, the trend of imported items seems similar to that of Angola and South Africa. 'Nuclear reactors, boilers, machinery, etc' worth $567.0 million were the most imported items by DRC from China while 'electrical, electronic equipment' came as the second with $356.0 million (UN Comtrade online data, n.d.). These two groups of items made up almost 44 percent of DRC imports from China.

China also had a significant place in the import market of Angola and DRC as well as of South Africa. China made up 14.3% of Angola's imports in 2019. By this number, China was the largest import market for Angola like South Africa. For DRC, as China covered 23.3% of DRC imports in 2019, it became the second largest import market for DRC import, as well as DRC export(UN Comtrade online data, n.d.). The value-added product categories of 'electrical, electronic equipment' and 'nuclear reactors, boilers, machinery, etc' became the first two common imported items for these three SADC countries.

In addition to these three SADC countries, China also claimed a significant share of other SADC countries' import markets. Regarding the import market for other SADC nations such as Namibia, Zambia, Mauritius, Malawi, Lesotho, Madagascar, Mozambique, and Zimbabwe, China was in the top three countries from which all these countries got their imports. In these SADC countries 'electrical, electronic equipment' and 'nuclear reactors, boilers, machinery, etc' also dominated the great share of imports from China in 2019, with only three value-added product categories ('electrical, electronic equipment', 'nuclear reactors, boilers, machinery, etc' and 'vehicles other than railway, tramway') accounting for almost 50% of China's exports to SADC region (collected from UN Comtrade by the author).

To sum up, trade statistics between China and SADC countries showed that SADC countries were predominantly exporters of either raw materials or primary products while China was the primary exporter of value-added products destined for SADC economies. In this kind of trade, it seems that SADC countries have been primary product or raw material supplier of China while SADC region have been a market for China to sell its value-added products.

4.3. Trade Relations Between India and SADC Countries

According to SADC countries' report on the UN Comtrade website, while SADC area had a slight surplus (almost $1.7 billion) in trade with India, the latter obtained high trade surpluses in trade with individual SADC countries except Angola, Botswana, Comoros, and Mozambique in 2019. Particularly Angola with an average of $3.0 billion trade surplus was the primary source of trade surplus vis-a-vis India in SADC region. Botswana and Mozambique followed Angola in trade surplus, with $830.0 million and $340.0 million respectively.

Table 5: *Trade in goods between India and SADC countries 2019 (Current US$).*

Partner Country	Export (Millions)	Import (Millions)	Trade Balance (Millions)	Bilateral Trade (Millions)
Angola	**3,500.0**	**483.0**	**3,017.0**	**3,983.0**
Botswana	**1,100.0**	**270**	**830.0**	**1,370.0**
Comoros	**9.5**	**6.5**	**3.0**	**16.0**

Democratic Republic of the Congo	**35.0**	**375.0**	**-340.0**	**410.0**
Lesotho	**0.5**	**36.0**	**-35.5**	**36.5**
Madagascar	**76.0**	**274.0**	**-198.0**	**350.0**
Malawi	**15.0**	**257.0**	**-242.0**	**272.0**
Mauritius	**24.0**	**777.0**	**-753.0**	**801.0**
Mozambique	**804.0**	**464.0**	**340.0**	**1,268.0**
Namibia	**39.0**	**227.0**	**-188.0**	**266.0**
South Africa	**4,000.0**	**4,300.0**	**-300.0**	**8,300.0**
Zambia	**55.0**	**352.0**	**-297.0**	**407.0**
Zimbabwe	**0.5**	**141.5**	**-141.0**	**142.0**
TOTAL	**9,658.0**	**7,963.0**	**1,695.0**	**17,621.0**

Source: Data has been collected from UN Comtrade by the author. Retrieved October 14, 2021, from https://dit-trade-vis.azurewebsites.net/?type=C&year=2019&flow=2
Note: Eswatini, Tanzania, and Seychelles' statistics are excluded.

It is important to note that these three SADC countries had a trade surplus vis-a-vis India due to the export of primary products. For instance, Angola exported a great amount of 'mineral fuels, oils, distillation products, etc' to India and its value corresponded to $3.4 billion. This covered 97% of Angola's export to India. The situation in Botswana and Mozambique is similar to that of Angola. 'Pearls, precious stones, metals, coins, etc' with $1.1 billion represented the main exports from Botswana, amounting to almost 100% of Botswana's exports to India. When it comes to Mozambique, exports of 'mineral fuels, oils, distillation products, etc' with $684.5 million were the principal items exported from Mozambique to India (UN Comtrade online data, n.d.). It also made up 85% of Mozambique's exports to India.

Other SADC countries were also mainly exporters of the primary products. South Africa with $8.3 billion had the largest bilateral trade with India within SADC region. It, on the other hand, had a trade deficit in trade with India. 'Mineral fuels, oils, distillation products, etc' worth $2.5 billion were the primary items exported from South Africa to India while ‘ores, slag and ash’ worth $400.5 million came second (UN Comtrade online data, n.d.). These two groups of exported items formed 72.50% of South Africa’s exports to India. In general, the exports of primary products to India from SADC actually comprised an average of 85% of SADC region’s exports to India (collected from UN Comtrade by the author).

Furthermore, India was of great importance in the export market concerning these five SADC countries. For example, India was the first largest export market for Botswana forming 21.6% of Botswana’s exports. In addition, India was the second largest export market for Angola, Comoros, and Mozambique, making up 9.9% of Angola’s, 18.9% of Comoros’, and 17.0% of Mozambique’s exports. When it comes to South Africa which had the largest bilateral trade volume with India among SADC countries, India appeared as the seventh largest export market for South Africa, covering 4.5% of South Africa’s exports (UN Comtrade online data, n.d.).

South Africa also recorded the highest import volume from India within SADC with $4.3 billion worth of imports in 2019 making it the region’s biggest importer from India. While ‘mineral fuels, oils, distillation products, etc’ covered a great amount in South Africa’s exports to India, India conducted exportation of different types of value-added products to South Africa such as ‘vehicles other than railway, tramway’, ‘pharmaceutical products’, ‘electrical, electronic equipment’ and ‘nuclear reactors, boilers, machinery, etc’ (UN Comtrade online data, n.d.). These four groups of items were among the top five exported goods from India to South Africa in 2019 and these four exported value-added products made up almost 50% of India’s exports to South Africa.

The importation trend of the other SADC countries from India was also akin to that of South Africa. These four value-added items were in the top five of goods exported by India into most of SADC countries, making up around 42% of India’s export to SADC region (collected from UN Comtrade by the author).

India also held a considerable place both in the import and export market of SADC countries; it ranked in the top five for ten SADC countries and was in the top ten import countries for at least three SADC countries in 2019.

This analysis shows that India imported mainly raw materials or primary products from the SADC region while four value-added products were its major exports to SADC, showing that India's trade pattern with SADC is comparable with that of China.

4.4. Trade Relations Between Brazil and SADC Countries

Statistics related to trade with Brazil were reported by eleven SADC countries as seen on the UN Comtrade. According to these statistics, SADC region in general had a trade deficit of $1.24 billion with Brazil. Moreover, all SADC countries except Mozambique had a trade deficit in trade with Brazil.

Table 6: *Trade in goods between Brazil and SADC countries 2019 (Current US$).*

Partner Country	Export (Millions)	Import (Millions)	Trade Balance (Millions)	Bilateral Trade (Millions)
Angola	174.0	558.0	-384.0	732.0
Botswana	0.5	3.0	-2.5	3.5
Madagascar	1.5	24.0	-22.5	25.5
Malawi	1.0	2.0	-1.0	3.0
Mauritius	0.5	43.0	-42.5	43.5
Mozambique	59.5	37.0	22.5	96.5
Namibia	0.5	14.5	-14.0	15.0
South Africa	426.0	1,200.0	-774.0	1,626.0
Tanzania	0.5	16.0	-15.5	16.5
Zambia	0.5	12.0	-11.5	12.5
Zimbabwe	0.5	3.0	-2.5	3.5
Total	665.0	1,912.0	-1,247.0	2,577.0

Source: Data has been collected from UN Comtrade by author. Retrieved October 14, 2021, from https://dit-trade-vis.azurewebsites.net/?type=C&year=2019&flow=2
Note: Comoros, DRC, Eswatini, Lesotho, and Seychelles' statistics are excluded.

When the exported items from Mozambique to Brazil are analysed, 'mineral fuels, oils, distillation products, etc' with $57.5 million were seen as the group of items which were exported most (UN Comtrade online data, n.d.). They also covered 96.63% of Mozambique's exports to Brazil.

South Africa recorded the largest trade volume ($1.6 billion) in trade with Brazil within SADC in 2019. Angola with $732.0 million followed South Africa. South Africa and Angola accounted for around 90% of SADC region's trade with Brazil. The export of primary products covered a significant sum of export of these two SADC countries to Brazil.

The export of 'aluminium and articles thereof', 'miscellaneous chemical products' 'mineral fuels, oils, distillation products, etc', 'ores, slag, and ash', and 'iron and steel', with values of $103.0 million, $70.5 million, $56.0 million, $44.0 million and $34.5 million respectively, covered around 72% of South Africa's exports to Brazil (UN Comtrade online data, n.d.). The tendency in Angola was also similar to that of South Africa. Angola exported 'mineral fuels, oils, distillation products, etc' to Brazil in 2019, which were worth $170.0 million (UN Comtrade online data, n.d.). This number corresponded to almost 98% of Angola's exports to Brazil. In general, Brazil mainly imported the primary product and raw materials from SADC region, which made up almost 85% (collected from UN Comtrade by the author) of Brazil's imports from SADC region.

When it comes to the imports from Brazil, even though Brazil exported primary products to South Africa, it could also export value-added materials to South Africa such as 'nuclear reactors, boilers, machinery, etc', 'electrical, electronic equipment' and 'vehicles other than railway, tramway'. For Angola, 'sugars and sugar confectionery', 'meat and edible meat offal', and 'meat, fish and seafood food preparations nes' formed the group of the most imported items from Brazil.

In short, Brazil exported different types of items to SADC region. 'Sugars and sugar confectionery', 'meat and edible meat offal' and 'meat, fish and seafood food preparations nes' were the most popular exported items from Brazil to SADC. Exportation of 'sugars and sugar confectionery' made up approximately 13% (collected from UN Comtrade by the author) of Brazil's exports to SADC while 'meat and edible meat offal' & 'meat, fish and seafood food preparations nes' together covered almost 23% (collected from UN Comtrade by the author). Even though Brazil also managed to export an average of 15% (collected from UN Comtrade by the author) of value-added products to SADC region, it is not as high as the rates of China and India.

4.5. Trade Relations Between Russia and SADC Countries

According to SADC countries' reports in the UN Comtrade, SADC region in general had a trade deficit in trade with Russia in 2019. Majority of SADC countries had a trade deficit in trade with Russia too except for Malawi and Mauritius.

Table 7: *Trade in goods between Russia and SADC countries 2019 (Current US$).*

Partner Country	Export (Millions)	Import (Millions)	Trade Balance (Millions)	Bilateral Trade (Millions)
Angola	0.5	79.0	-78.5	79.5
Botswana	3.0	140.0	-137.0	143.0
Democratic Republic of the Congo	0.5	156.0	-155.5	156.5
Madagascar	2.0	7.5	-5.5	9.5
Malawi	33.0	12.0	21.0	45.0
Mauritius	2.0	2.0	-	4.0
Mozambique	5.0	72.5	-67.5	77.5
Namibia	2.5	26.5	-24.0	29.0
South Africa	380.0	530.0	-150.0	910.0
Zambia	0.5	9.5	-9.0	10.0
Zimbabwe	0.5	29.0	-28.5	29.5
Total	429.0	1,064.0	-635.0	1,493.0

Source: Data has been collected from UN Comtrade by the author. Retrieved October 14, 2021, from https://dit-trade-vis.azurewebsites.net/?type=C&year=2019&flow=2

Note: Comoros, Eswatini, Lesotho, Tanzania, and Seychelles' statistics are excluded.

The total trade between SADC countries and Russia was not huge. South Africa had the largest trade volume with Russia within SADC region which corresponded to $910.0 million. South Africa's trade with Russia made up around 60% of SADC region's trade. South Africa's exports (380.0 million) to Russia covered nearly 90% of the entire SADC region's exports to Russia while South Africa's imports from Russia constituted almost 50% of SADC region's imports from Russia. Seemingly, both countries exported mainly primary products from each other. ‘Edible fruit, nuts, peel of citrus fruit, melons’ from South Africa to Russia formed a group of most exported items with the value of $147.0 million while ‘ores, slag and ash’ valued at $105.0 million took the second position (UN Comtrade online data, n.d.). These two groups of items together covered around 66% of South Africa’s exports to Russia.

When it comes to Russia’s exports to South Africa, ‘copper and articles thereof’ were seen as the most exported items, with the value of $157.0 million. ‘Cereals’ and ‘fertilizers’ constituted the second and third groups of mostly exported products respectively corresponding to $98.5 and $70.0 million (UN Comtrade online data, n.d.). These three groups of items made up approximately 61% of Russia’s exports to South Africa.

DRC and Botswana appeared as the second ($156.0 million) and third ($140.0 million) countries within SADC region importing most from Russia. While ‘cereals’ ($77.5 million) were the most imported products from Russia by DRC, ‘salt, sulphur, earth, stone, plaster, lime and cement’ ($53.0 million) set the second group of most imported materials (UN Comtrade online data, n.d.). Concerning Botswana, the import of ‘pearls, precious stones, metals, coins, etc’ ($140.0 million) from Russia covered almost the entire importation from Russia. Furthermore, Russia was the seventh largest import market for Botswana (2.1% of Botswana imports) while it was the nineth largest one for DRC (1.8% of DRC imports) in 2019 (UN Comtrade online data, n.d.).

One of the key points to emerge from all the data presented above most SADC countries export raw materials or primary products and import manufactured products from BRICS members, and this negatively affects the intended regional integration in SADC; it obscures the growth of the industrial sector since many of the countries cannot compete with manufactures produced in the industrialized BRICS countries.

4.6. Intra – SADC Trade Relations

Table 8 shows export-import relations of each SADC country with both the entire SADC region and South Africa. Analysis of the relation with South Africa in particular reveals how trade with South Africa holds a substantial place in the commercial activities of other SADC countries within SADC region. Observation of trade activities is also crucial to show how the intra-trade rate remains rather insignificant when South Africa’s trade statistics are excluded.

Table 8: *SADC countries' trade within SADC region and with South Africa in 2019 (Current US$).*

Partner Country	Total Export to SADC Region (Millions)	Total Import from SADC region (Millions)	Total Trade with SADC Region (Millions)	Bilateral Trade with South Africa (Millions)	Average Percentage of Trade with South Africa to the Total Trade with SADC region
Angola	503.5	549.5	1,053.0	869.5	82.57
Botswana	740.0	4,485.5	5,225.5	4,303.0	82.34
Democratic Republic of the Congo	6,716.5	1,520.5	8,237.0	4,548.0	55.21
Madagascar	146.5	402.5	549.0	297.0	54.09
Malawi	172.5	740.5	913.0	552.0	60.46
Mauritius	347.0	533.5	880.5	648.5	73.65
Mozambique	1,077.0	2,280.0	3,357.0	3,000.0	89.36
Namibia	2,173.0	5,055.0	7,228.0	4,500.0	62.25
South Africa	17,623.0	10,317.0	27,940.0	-	-
Tanzania	1,325.0	545.0	1,870.0	1,400.0	74.86
Zambia	1,568.5	3,125.5	4,694.0	2,500.0	53.25
Zimbabwe	2,576.5	2,298.5	4,875.0	4,000.0	82.05

Source: Data has been collected from UN Comtrade by the author. Retrieved October 14, 2021, from https://dit-trade-vis.azurewebsites.net/?type=C&year=2019&flow=2

Note: Data has been collected through SADC countries' individual reports based on their own statistics in UN Comtrade while that of South Africa was obtained through the reports of other SADC countries. The statistics of Comoros, Lesotho, Eswatini, and Seychelles are excluded. Eswatini and Seychelles are not included in SADC countries' statistics. Angola, Botswana, DRC, Malawi, Namibia, Zambia, and Zimbabwe do not contain Comoros in their statistics whereas Angola, DRC, Madagascar, and Zimbabwe do not include Lesotho in their statistics. Mauritius is not given place in the data for Angola. Namibia is not added in Madagascar's data, while DRC is not involved in Mauritius' data.

Table 8 illustrates that SADC countries' trade within the region was noticeably low in 2019. South Africa was the most active country in trade within the region. South Africa's trade with the region covered a great portion in the SADC intra-trade sum. As seen in the table, South Africa's trade share in each SADC country's total commerce within SADC region held a large place. South Africa *per se* covered from almost 55% up to 90% in each SADC country's trade activity within the region. South Africa's trade was rather intense compared to that of other SADC countries.

To give a proper perspective, it can be noted that China's trade with SADC was higher than the entire SADC intra-trade. These trade statistics also display the intra-SADC trade is very low when South Africa is excluded from the sum of the intra-trade. South Africa's trade relation with the other SADC countries has been analysed below.

4.6.1. Trade Relations Between South Africa and other SADC Countries

Viewing other SADC nations' trade connections with South Africa in the reports on UN Comtrade, it is seen that all SADC countries gave deficit in trade with South Africa in 2019, apart from DRC, Tanzania, and Zimbabwe.

Table 9: *SADC countries' trade with South Africa 2019 (Current US$).*

Partner Country	Export (Millions)	Import (Millions)	Trade Balance (Millions)	Bilateral Trade (Millions)
Angola	365.0	504.5	-139.5	869.5
Botswana	503.0	3,800.0	-3,297.0	4,303.0
Comoros	0.5	4.5	-4.0	5.0
Democratic Republic of the Congo	3,600.0	948.0	2,652.00	4,548.0
Lesotho	242.0	1,000.0	-758.0	1,242.0
Madagascar	87.5	209.5	-122.0	297.0
Malawi	61.5	491.0	-429.5	552.5
Mauritius	196.0	452.5	-256.5	648.5
Mozambique	891.0	2,100.0	-1,209.0	2,991.0
Namibia	1,000.0	3,500.0	-2,500.0	4,500.0
Seychelles	2.5	74.5	-72.0	77.0

Tanzania	**971.5**	**438.5**	**533.0**	**1,409.0**
Zambia	**297.0**	**2,200.0**	**-1,903.0**	**2,497.0**
Zimbabwe	**2,100.0**	**1,900.0**	**200.0**	**4,000.0**
Total	**10,317.0**	**17,623.0**	**-7,306.0**	**27,940.0**

Source: Data has been collected from UN Comtrade by the author. Retrieved October 14, 2021, from https://dit-trade-vis.azurewebsites.net/?type=C&year=2019&flow=2
Note: Eswatini statistics are excluded.

SADC region had $27.9 billion of trade volume with South Africa. Fourteen SADC countries (Eswatini is excluded) recorded a deficit of $7.3 billion in their total in trade with South Africa.

DRC, Namibia, Botswana, and Zimbabwe were the top four countries which had the largest bilateral trade volume with South Africa. DRC with $2.6 billion surplus was the only SADC country which had an overwhelming trade surplus vis-a-vis South Africa, while Tanzania and Zimbabwe had relatively insignificant amounts of surpluses, $533.0 and $200.0 million respectively. However, exportation of the primary products covered a great share of DRC exports to South Africa. While 'inorganic chemicals, precious metal compound, isotope' ($2.1 billion) set the first group of exported products to South Africa by DRC, 'copper and articles thereof' ($1.4 billion) formed the second group (UN Comtrade online data, n.d.). Only these two groups of items constituted more than 97% of DRC exports to South Africa. Apart from being one of two SADC countries, which claimed the largest trade volume with South Africa, DRC was also the largest SADC country in exportation to South Africa while South Africa was the largest export market for DRC covering 26.8% of DRC's exports in 2019 (UN Comtrade online data, n.d.).

In trade with South Africa, Zimbabwe was the second largest exporter SADC country after DRC. Zimbabwe also exported a high number of primary products to South Africa. 'Tobacco and manufactured tobacco substitutes' at $717.5 million were its highest export followed by 'Ores, slag and ash' at $544.0 million and 'pearls, precious stones, metals, coins, etc' at $472.0 million as the third. Adding the export of 'iron and steel' at $94.5 million along with 'ores, slag and ash', 'pearls, precious stones, metals, coins, etc' formed nearly 55% of Zimbabwe's exports to South Africa. Furthermore, South Africa was the largest export market for Zimbabwe making up 49.2% of Zimbabwe's exports in 2019 (UN Comtrade online data, n.d.).

The other two SADC countries at the top four in the largest bilateral trade with South Africa were Namibia at $4.5 billion and Botswana at $4.3 billion. Primary products covered a considerable share of Botswana's exports to South Africa. For example, 'pearls, precious stones, metals, coins, etc' made up $ 212.5 million which corresponded to 42% of Botswana's exports to South Africa (UN Comtrade online data, n.d.). The situation in Namibia was similar to that of Botswana. 'Pearls, precious stones, metals, coins, etc' ($315.0 million) were the most exported items to South Africa, which were followed by the export of 'live animals' ($136.0 million) (UN Comtrade online data, n.d.). These two groups of exported items covered 45% of Namibia's exports to South Africa. Furthermore, South Africa was one of the largest export markets for Namibia and Botswana as it was for Zimbabwe and DRC. South Africa was the fourth largest export market for Botswana (comprised 9.6% of Botswana's exports) while it was the second largest export market for Namibia (accounted for 16.2% of Namibia's exports).

South Africa was an important export market for Lesotho, Mozambique, and Tanzania. It was the second largest export market for Lesotho forming 37.4% of Lesotho's exports while it was the largest export market for Mozambique and Tanzania, making up 18.9% of Mozambique's and 19.4% of Tanzania's exports respectively (UN Comtrade online data, n.d.). In general, South Africa appeared in the top ten list in the largest export market category for other SADC countries and it must be noted that all fourteen SADC countries exported mostly primary products or raw materials to South Africa.

When it comes to SADC countries' imports from South Africa, Botswana was seen as the largest importer with imports valued at $3.8 billion in total within SADC region. Even though 'mineral fuels, oils, distillation products, etc' with $670.0 million were the most imported items from South Africa, South Africa also exported a certain amount of value-added products to Botswana such as 'vehicles other than railway, tramway' ($352.5 million); 'nuclear reactors, boilers, machinery, etc' ($333.5 million);'electrical, electronic equipment' ($206.0 million) (UN Comtrade online data, n.d.). These three groups of value-added products made up almost one forth (around 23.50%) of the South African exports. Moreover, South Africa was the largest import market for Botswana covering almost 58% of Botswana's imports in 2019.

Namibia with the $3.5 billion of import value was the second largest SADC country in terms of importation from South Africa following Botswana. When analysed, it seems that 'vehicles other than railway, tramway' with the value of $442.5 million were the most imported items. These were followed by the imports of ‘nuclear reactors, boilers, machinery, etc’ with $334.5 million. As imports of ‘electrical, electronic equipment’ with $200.0 million are added to the other two groups of imported items, these three constituted almost 28% of Namibia’s imports from South Africa (UN Comtrade online data, n.d.). In addition, South Africa covered 43.2% of Namibia’s imports in 2019 making it the largest import market for Namibia similar to Botswana (UN Comtrade online data, n.d.).

South Africa also dominated other SADC countries import markets; as it was the largest import market for Lesotho, Zimbabwe, Zambia, and Mozambique covering almost 77%, 39%, 31%, and 28% , respectively of their imports in 2019 (UN Comtrade online data, n.d.). The importation of ‘nuclear reactors, boilers, machinery, etc’, ‘vehicles other than railway, tramway’, and ‘electrical, electronic equipment’ from South Africa constituted between 25% and 35% of Mozambique Zambia, and Zimbabwe’s imports (exact ratios are 32.33%, 29.71%, and 28.90% respectively) while they made up 20 percent of Lesotho’s imports from South Africa (collected from UN Comtrade by the author).

In conclusion, it can be said that most of SADC countries exported mainly primary products or raw materials to South Africa while South Africa exported not only primary products and raw materials but reinforced its exports by including value-added products such as ‘vehicles other than railway, tramway’, ‘nuclear reactors, boilers, machinery, etc’, ’electrical, electronic equipment’. These three groups of items exported from South Africa to the other fourteen SADC countries constituted almost 27% of its exports (collected from UN Comtrade by the author). It must be noted that rate of value-added products exported to SADC by South Africa was not as high as China and India.

4.7. Conclusion

The statistics above clearly show that China, India and South Africa occupy dominant positions in trade with SADC. It can be said that China and India dominate almost 100% of BRIC trade with SADC when South Africa is excluded BRICS trade. China and India together made up around 95% of the BRIC’s trade with SADC region while they covered more than 70% of total BRICS trade with SADC region.

Table 10: *BRICS countries' trade with SADC region 2019 (Current US$).*

Partner Country	Bilateral Trade (Millions)	Average Bilateral Trade Percentage to BRIC	Average Bilateral Trade Percentage to BRICS
Brazil	**2,577.0**	**2.94**	**2.23**
China	**65,838.0**	**75.21**	**57.01**
India	**17,621.0**	**20.13**	**15.26**
Russia	**1,493.0**	**1.70**	**1.29**
South Africa	**27,940.0**	**-**	**24.19**
BRIC	**87,529.0**	**-**	**-**
BRICS	**115,469.0**	**-**	**-**

Source: Data has been collected from UN Comtrade by the author. Retrieved October 14, 2021, from https://dit-trade-vis.azurewebsites.net/?type=C&year=2019&flow=2

Furthermore, China, India and South Africa feature in the top three, five or ten in the export and import market of most of SADC member countries. These three countries imported mainly primary products or raw materials from SADC. Even though South Africa imported chiefly raw materials or primary products from SADC region, it also mainly exported raw materials or primary products to SADC region. The rate of value-added products exports from especially China and India was very high while it was much lower in South Africa's export to SADC region than that of China and India. This also demonstrates the significant role that China and India play in the SADC's trade. Suffice to say that the trade relations of China and India with SADC have a significant impact on SADC intra-trade.

In this sense, when items, which were exported and imported between China and SADC countries and between India and SADC countries are observed, it seems that China and India imported mainly primary products or raw materials from SADC region. Raw materials or primary products such as 'mineral fuels, oils, distillation products', 'ores, slag and ash' and 'iron and steel', 'copper and articles thereof' were the most popular items which were imported from SADC region by China. China imported these four types of commodities with an average value of around $35.0 billion from the SADC area, forming more than 90% of China's total imports from the region. When it comes to India, the import of primary products or raw materials of India from SADC region composed more than 85% of the imports of India from SADC region. This kind of commercial trend deepens SADC countries' dependence on primary product exportation. Reliance on the exportation of primary products is an obstacle for SADC countries to develop industrially and to develop intra-SADC trade. As previously mentioned, failure to expand intra-SADC commerce is a major impediment to the creation of a successful Custom Union, and eventually, the consolidation of regional integration.

The trade relationship existing between SADC and BRICS appears to contradict the vision of boosting SADC's production capacity through the effective use of resources in production, and with the purpose of consolidating the economic diversification with the region. As stated in Chapter 2, one of the reasons why SADC countries have low intra-trade activity can now be linked to their reliance on raw material or primary product exports which causes the lack of economic diversification within the region. These statistics clearly show that the trade relationship with China and India further encourages SADC countries to maintain their 'raw material or primary products exporter' position thereby undermining the efforts for economic diversification. Such a hindrance to the region's economic progress is one of the most challenging barriers in the development of intra-SADC trade.

On the other hand, when the goods exported by China and India to the region are examined, it can be seen that they exported a great amount value-added products to SADC region, notwithstanding the fact that they rank among the top three, five, or ten exporting countries to the majority of SADC member states. Three groups of value-added products' export ('electrical, electronic equipment', 'nuclear reactors, boilers, machinery, etc', and 'vehicles other than railway, tramway') *per se* covered almost 50% (around 47%) of China's exports to SADC region. In India's exportation to SADC region, four groups of value-added products' exports alone (electrical, electronic equipment', 'nuclear reactors, boilers, machinery, etc', 'pharmaceutical products' and 'vehicles other than railway, tramway') made up 42% of India's exports to SADC region. Besides, these four value-added products were among India's first five exported goods to the majority of SADC countries. The percentage of value-added products' exports from South Africa to SADC region (around 25%) remained much lower compared with that of China and India. Dependency theory here illustrates the dependent position of SADC countries on the imports from BRICS, particularly imports of manufactured products from China and India.

Moreover, as referred before, penetration of the manufactured goods of well-developed industrial economies into SADC region may have a negative impact on local industries' competition ability and on their further development. In that regard, the infiltration of industrialized Chinese and Indian goods into the region may negatively affect the domestic industries as their ability to compete diminishes and the opportunity to benefit from economies of scale which would be introduced through integration also evaporates. Undeveloped local industries cannot contribute either to the increase in production capacity or to the diversification of the economy in the region as a result of such trade practices. SADC countries without economic diversification continue to be dependent on raw materials or primary products exportation and this undermines efforts of progress in intra-trade activities.

CHAPTER 5

FINDINGS AND CONCLUSION

5.1. Introduction

Chapter 1 looked at the concerns and expectations regarding BRICS' trade activities within SADC while Chapter 2 delved into BRICS as a unit as well as SADC as a region; formation, mission, goals, and objectives were looked at including integration as an underlining focus area for SADC. The involvement of Africa/SADC in the BRICS agenda and the promises made by BRICS in the summits for the further development of Africa were also discussed. Chapter 3 looked at literature review and in this section the idea of forming RECs, their experiences prior to their establishment, and the unfavourable trade connections with previous colonizers were stated. Accordingly, the framework of dependency theory was also discussed in terms of the potential risks and outcomes of core-periphery relations. Chapter 4 consequently analysed BRICS countries' trade relations with SADC countries separately in order to provide a thorough examination of the commercial actions and economic activities of BRICS countries within SADC region.

This study examined the influence of BRICS countries' bilateral commercial relations with SADC countries in terms of the SADC's regional economic integration. The first objective of this study was to analyse the effects of BRICS countries' bilateral trade interactions with SADC countries on SADC's goals for regional economic integration. The first objective has been achieved by analysing trade interaction (statistics mainly from UN Comtrade) between SADC and BRICS countries and comparing these activities' compatibility with SADC regional economic integration development policy and the goal of SADC intra-trade development. In this framework, the study found that trade interaction between BRICS and SADC countries has a detrimental effect on SADC regional economic integration progress because trade interaction of BRICS with SADC countries is not compatible with SADC integration and intra trade development targets. The other two objectives of the study as sub-questions were examined to be able to answer better the main question. Therefore, the second objective of the study was to focus on whether the trade relations of SADC countries with BRICS countries are compatible with the aim of regional economic integration for SADC. The second objective has been accomplished by revealing trade patterns in detail between SADC and BRICS countries that SADC countries mainly export raw materials or primary products to BRICS countries. This kind of trade pattern is opposite to the goals of SADC economic integration, particularly SADC industrialization strategy which aims to utilize the regions' raw materials in the production of value-added goods. The third objective of the study was to examine the influence of the trade interaction of SADC countries with BRICS countries on SADC intra-trade development. The impact of BRICS countries' trade relations with SADC countries on the development of intra-SADC trade was critically looked at, as development of intra-SADC trade is one of the most important aspects to encourage economic integration within SADC. The third objective has been fulfilled by identifying the sectoral distribution of exported and imported goods between SADC and BRICS countries. Through the examination of sectoral distribution of imports and exports between BRICS and SADC countries, the study found that the export of manufactured goods from China and India to SADC accounts for a significant portion of their exports while primary products imports cover a great share of imports into BRICS from SADC region. Therefore, the export of manufactured goods of SADC from China and India may have a detrimental impact on the growth of emerging local businesses in the SADC region since it prevents them from benefiting from anticipated integration-related benefits. This hinders SADC economies from realizing economic diversification within the region by increasing their industrial productive capacity, ending the long-running primary product exportation activity, and ultimately transforming their economic structures to promote intra-regional trade. These all three objectives were attained mainly by closely examining goods exported and imported (data primarily from UN Comtrade) between SADC and BRICS countries, particularly sectoral distributions of export and import between them.

This chapter is an attempt to answer these questions. Therefore, findings are shared first and the potential outcomes of BRICS countries' trade relations with SADC countries are examined under the discussion section. The following section includes the conclusion, where the study is summarized.

5.2. Findings

5.2.1. BRICS countries' trade relations with SADC countries are not compatible with the objectives of SADC's regional economic integration.

Russia's trade share in SADC region was the lowest compared with other BRICS countries. Its trade volume covered only an average of 1.29 percent of BRICS' trade with SADC region. After Russia, Brazil accounted for 2.23 percent of BRICS' trade volume with SADC region. Reversely, China with the $65.9 billion had the largest bilateral trade value while South Africa with $27.9 billion and India with 17.6 billion followed China respectively. Moreover, China also made up an average of 57% of BRICS' trade with the region. Therefore, the trade relations of BRICS with SADC are represented predominantly by activities of China followed by South Africa and India. When analysing the exported and imported items, it can be clearly noted that these three BRICS countries imported mainly primary products or raw materials from SADC at 95% of imports for China, more than 85% for India's and around 80% for South Africa (collected from UN Comtrade by the author). While China and India also exported mainly value-added products to SADC region at almost 50% and 45% of China's and India's exports respectively, this percentage is much lower for South Africa (at around 25%).

Firstly, the type of trade relation with BRICS countries, in which SADC countries are mainly exporters of raw materials or primary products does not fit the objective of SADC regional economic integration. SADC region's aim was to benefit from the resources in their own production process and thus to increase industrial productive capacity of SADC economies in order to realize economic diversification within the region in order to terminate the long lasting primary product exportation activity and finally transform their economic structure in order to develop intra-trade in the region. Yet, the trade relationship established with BRICS seems to undermine these objectives since they are mainly primary products or raw materials importers from SADC region.

Change in the development policies regarding SADC countries and converting their raw-material-production and passive-utilizer-of-commodities based economies into the more active, industrially diversified one is required. SADC countries cannot rely solely on low-cost labour or natural resources as a ground for modernization and industrialization in the twenty-first century. In order to narrow the productivity gap with the rest of the world, they need of use the region's wide and varied resources, especially in mining and agriculture, to promote industrial expansion through beneficiation and value addition.

Accordingly, the framework of the SADC Industrialisation Strategy (2015) aims to benefit as much as possible from mineral resource extraction in order to transform their economic structure from being dependent on primary products into a diversified, value-added production one. However, trade relations with BRICS countries, being based on the importation of primary products and raw materials from SADC, undermines the specific objectives of SADC as such trade further exacerbates SADC countries dependence on exportation of the primary products or raw materials. It also constrains SADC countries from utilizing their mining into value-added production, which also brings a significant impediment to the transformation of SADC's economic structure, eventually hindering the development and diversification of SADC economies.

5.2.2. It is highly possible that trade with China and India negatively affect the development of domestic infant industries since it blocks domestic industries to take advantage of expected beneficiation through the integration process.

Trade relations with the industrialized BRICS countries, especially with China and India, pose a great risk to the development of domestic industries within SADC countries. The statistics in Chapter 4 showed that export of value-added products from China and India in 2019 dominated China and India's trade with SADC. Indeed, several critical aims for the regional economic integration such as trade creation and development of economic diversification were specified to encourage domestic industries' progress by offering opportunities for greater productivity through the exploitation of better-scale economies and for acquiring higher number of outputs by specialization based on comparative advantage.

Policy of economic integration in general framework may also be pursued by countries to establish a sufficiently large marketplace for the concurrent growth of new industries, as advocated by proponents of the balanced-growth idea. It indeed carries importance to benefit from economies of larger scale, which are absent in small national markets, in order to carry out industrialization projects.

Imports from well-developed BRICS industries, especially from China and India, have the potential to obscure the development of domestic infant industries by benefiting from exploitation of scale economies, specialization based on comparative advantage, and the development of competitive ability of infant SADC industries.

In this respect, trade relations with BRICS countries seem to be a contradiction with the objectives and expected benefit of SADC regional economic integration which aims to provide an opportunity and create a suitable environment for infant SADC industries to develop. When observed through the data, especially with regards China and India, maintaining such trade patterns is very problematic for SADC's initiative to create new industries or development of infant industries to foster economic diversification and eventually to progress the intra-regional trade.

For developing countries, structural imbalances and, in particular, the lack of a well-developed industrial sector are major problems. These countries generally produce primary commodities, and their international trade is conducted mostly with industrialized nations while commercial affairs among emerging nations remain limited. Therefore, any member country may continue importing the most cost-effective sources from non-member countries. As mentioned above, China and India covered great share in trade with SADC countries in

2019, they were mainly in top ten in rankings, particularly China was mostly at the top three as one of the largest exports and imports market for many SADC countries. Rate of importation from China and India by SADC countries was higher than the import sum of the most of SADC countries regarding their inter-trade within the region. Trade with China and India overwhelmingly dominated SADC countries' import market. Therefore, SADC members may continue importing from China and India which are in fact non-member countries affects their collective growth potential.

5.2.3. When South Africa is excluded from the intra-SADC trade equation, the already low intra-SADC trade becomes negligible.

South Africa covered a significant portion of intra-SADC trade. The trade of the member countries with the region is mostly pioneered by South Africa. The other countries of the region have mediocre commercial relations with each other. One of the most important reasons of this is that SADC countries are generally similar primary product or raw material exporters, as shown in Table 3 in Chapter 2. South Africa, on the other hand, is relatively more industrialized than other member countries in the region thereby playing a significant role by accounting for the bulk of intra-SADC trade. In fact, this situation shows the importance of industrialization and diversification in economies if development of intra-trade is to thrive.

5.2.4. South Africa dominates the trade in SADC region. This also shows that SADC countries' economies are heterogeneous.

The dominance of South Africa shows that SADC economies are heterogeneous, and this heterogeneity becomes a barrier to regional integration. The dominance of South Africa can create tremendous anxiety among other member countries since opening up their markets implies larger regional producers (like South Africa) flooding their marketplaces with cheap(er) items at the peril of potential local businesses. The analysis of export and import between South Africa and other SADC members shows that South Africa sold at least 25% of value-added products to the region while other members only sold primary products or raw materials to South Africa. This also reveals that South Africa is relatively more industrialized than other SADC members with the danger that the relatively more industrialized South Africa can negatively affect the competitive ability and potential of other SADC member countries. Heterogeneity among SADC economies may jeopardize the economic integration in the region due to the economic inequality of the member countries. In the end, it may turn out to be an obstacle for a successful regional integration since these economies cannot be merged, particularly when larger economies, such as South Africa, are involved.

5.3. Discussion

SADC countries had vertical trade relations with China and India, based on the fact that China and India were final goods exporters while SADC countries were primary product or raw material exporters. Most African countries had vertical trade contacts with their former colonizers, which had been developed over the years of colonial rule. Such relations have shown to be critical to the neo-colonial effect on the commercial activities.

In this direction, when the trade relations with BRICS are examined regarding aspects of the dependency theory, core-periphery relationship emerges in the case of China and India. While this is particularly applicable for China and India, it cannot be applied for Russia since it also exports primary products to the region. When it comes to Brazil and South Africa, even though they imported mainly primary products or raw materials from SADC region, the rate of export of primary products or raw materials to SADC region was rather overwhelming as well.

According to Frank (Dzinesa et al., 2012), as previously mentioned, the core can become a serious hurdle to regional integration if it starts to benefit from the commercial imbalance at the expense of the periphery. On the other hand, Prebisch (1959) and Singer (1950) stated that characteristics intrinsic to trade contradict with the profits of primary-producer countries in the long term. One of the key factors impeding the development of LDCs is such form of commerce. LDCs have had limited opportunities for technical advancement, internal and external economic diversification as a result of international commerce. These risks could also be observed in SADC's regional economic integration as it trades with BRICS countries.

In accordance with SEA of dependency theory, overseas trade is one of the most important strategies of capitalism so that decline in long-term profit can be curbed. Trade patterns between SADC with China and India offer a kind of overseas trade relation, which allows both the acquisition of raw materials from SADC region and the flow profitable disposal of finished goods to the region from China and India. This kind of trade relation is similar to overseas trade as explained in SEA of dependency theory. Additionally, when trade patterns between BRICS and SADC is considered with regard to Marx's statements about being an agricultural country and provider of raw materials for others within colonial exploitation and international capitalism, SADC countries seem to fit the label of being providers of raw materials to BRICS countries, while at the same time being markets for their value-added products, especially for China and India. Value transfer through the purchase of high-value capital whilst exporting low-value local items, as noted by Bond also occurs in the trade between SADC and China as well as India. This is both the reason and result of SADC countries being taken as the resource for primary products or as the raw material and importers of value-added products from China and India.

5.4. Conclusion

Trade with the industrialized BRICS countries, especially with China and India, poses remarkable risks for the development of intra-SADC trade and eventually for the regional economic integration. Commerce with the industrialized BRICS countries is not considerably compatible with the strategy and objectives of SADC's economic integration due to the discussions above. This trade has the potential to stifle SADC's comparative advantage. The penetration of the developed BRICS industry into SADC market, as well as the significant amount of BRICS-produced goods imported into SADC may have negative impact on the development of SADC domestic industries and on the improvement of their ability to compete economically. This may withhold local industries in SADC from taking advantage of economies of scale that would stem from integration. In such a setting, specialization of the local industries and formation of trade activities are unlikely to emerge or develop in the region. This also stifles the growth of economic diversity, which is critical for the enhancement of regional commerce and thereby for the success of regional economic integration within SADC.

The trade statistics have shown that commercial activities of BRICS in SADC region bear adequate aspects that can trigger the dependence of the region's economy on export of primary products and raw materials. This discourages the development of domestic industries within SADC and spurs an uneven commercial relationship between BRICS and SADC countries. Lack of development in the domestic industry also fuels a lack of economic diversification – which the region has already started to experience and a lack of trade creation. Such a situation further suffocates the development of intra-SADC trade and thus the regional integration. This type of commercial relationship can also hinder the accurate fulfilment Custom Union objectives, one of SADC's most important integration milestones. Even if the Customs Union is put in place with the aim of enhancing intra-regional commerce, it is unlikely to cause a major increase in intra-regional trade because of the lack of economic diversification. As a result, economic links with BRICS countries appear to be jeopardizing the formation of a successful Custom Union within SADC region as well. As mentioned before, Custom Union is one of the most fundamental milestones of SADC regional economic integration. In this case, the failure to establish a well-functioning Custom Union further stifles the integration progress. Consequently, the commercial ties established with BRICS have aspects that hinder and even jeopardize regional economic integration within SADC region.

5.5. Contribution

BRICS' impact on South Africa and the African continent is a widely studied subject; however, its influence on SADC regional economic integration and intra-SADC commerce has barely been analysed. This study therefore contributes to the literature by analysing the impact of BRICS countries on SADC's regional economic integration and by revealing the trade patterns between these two groupings through the examination of exported and imported commodities moving in both directions. The study's unique contribution is that it has tried to examine possible hazards associated with trade relations between SADC and BRICS countries for SADC regional economic integration progress by identifying particular bilateral trade interactions and sectoral distributions of exported and imported goods between them, which has not been looked at in the literature.

5.6. Recommendations for Further Study

This study was not able to go into detail about the effects that trade interactions with BRICS countries have on the industries of the SADC countries in each sector. Due to COVID-19 constraints, the research was unable to conduct interviews with several of the key players in the SADC integration process, which would have allowed it to investigate the topic in greater detail. Further research can explore more qualitative analysis of the relationship by examining the influence of BRICS trade interaction on the SADC industry. The study suggests that examining BRICS countries' investment and development assistance in SADC region would be noteworthy to evaluate exactly how BRICS countries affect SADC regional economic integration process. In addition, an analysis of BRICS relations with SADC and its impact on other SADC objectives besides economic development – such as peace and security, growth, poverty alleviation, climate change adaptation, sustainable use and management of the environment, enhancement of standard and quality of living within member states as well as support of the socially disadvantaged would be noteworthy as well to evaluate exactly BRICS' impact on SADC.

5.7. Recommendations for Policy

Even though SADC countries have targeted to promote the growth of manufactured products and reduce the dependency on imports of manufactured products by regional industrialization strategy, the study has revealed that SADC countries still depend on the imports of manufactured products from BRICS countries, particularly from China and India. Therefore, the study recommends that SADC countries should promote investments that contribute to the growth of the manufacturing sector in their interaction with BRICS countries.

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