

**Regional Integration in Africa:
Theories, Concepts, and Lessons
for Successful Policy Creation and
Implementation**

A Dissertation
presented to

The Development Finance Centre (DEFIC)
Graduate School of Business
University of Cape Town

In partial fulfilment
of the requirements for the Degree of
Master of Commerce in Development Finance

by

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List of Acronyms

AfCTFA: Africa Continental Free Trade Area

ARI: Africa Regional Integration Index

AU: African Union

BRICS: Brazil, Russia, India, China and South Africa

COMESA: Common Market of Eastern and Southern Africa

EAC: East African Community

ECOWAS: Economic Community of West Africa

EU: European Union

FDI: Foreign Direct Investment

FTA: Free Trade Area

GATT: General Agreement on Tariffs and Trade
GDP: Gross Domestic Product
GVC: Global Value Chains
HOS: Heckscher-Ohlin-Samuelson
LDC: Least Developed Countries
MFN: Most-favoured-nation
MNC: Multinational Corporation
NAFTA: North American Free Trade Agreement
OECD: Organisation for Economic Development and Cooperation
OAU: Organisation for African Unity
RVC: Regional Value Chains
RTA: Regional Trade Agreement
SACU: Southern African Customs Union
SADC: Southern African Development Community
TNC: Transnational Corporations
UNASUR: Union of South American Nations
UNECA: United Nations Economic Commission for Africa
UNCTAD: United Nations Conference on Trade and Development

Chapter 1: Introduction

This chapter provides the backdrop of the study of regionalisation and regional integration globally, and particularly in Africa. It does not seek to contextualise the phenomenon of regionalisation and integration in Africa, which predates modern economic literature, but rather to contextualise the limited theoretical lenses through which it has been analysed.

The background and overview lay the foundation for the problem definition that there is a strong need to develop a new conceptual and theoretical framework for the analysis of regional integration and regional integration policy that is relevant to Africa. From the problem definition the research questions and objectives evolve and are laid out setting the challenge to evaluate the prevailing concept and theories, existing literature, and to critically examine what policies are relevant for regional integration in the African context.

The section following the problem definition and research objectives, explains the classic rational problem-solving model employed as methodology in this qualitative and research driven dissertation.

The justification that follows seeks to address why the contextualisation of Africa's regional integration and subsequent policy analysis is of great importance on the eve of the AfCTFTA.

Finally, this introductory chapter provides an overview of the structure of the dissertation.

1.1. Background and Overview of Regional Integration in Africa

The drums of regional economic integration in Africa have been beating since the decolonisation of the majority of the continent in the 1960's. In 1980, drafted by African leaders of the Organisation for African Unity (OAU), the Lagos Plan of Action rejected the limited Western view of Africa's developmental struggles as the failure of African leadership. Instead, the Lagos Plan of Action highlighted Africa's systemic exposure to global economic shocks, and the further entrenchment of Africa's dependence on Western financial institutions and their skewed development programs

for Africa. The Lagos Plan of Action can be seen as the precursor to the continent's "spaghetti bowl" of regional integration initiatives, including the Southern African Development Community (SADC), the East African Community (EAC), the Economic Community of West Africa (ECOWAS), and the Common Market of Eastern and Southern Africa (COMESA) (Ismail, 2017).

In addition to the sentiment that Africa can and should look inward to solve the African developmental problem, this paper also relies on the proposition of international trade theory and more recently, new economic geography theory, that regional integration leads to a range of benefits to its member countries. This includes higher returns and increased competition, lower production cost and consumer prices (scale effect), and an increase in product variety (variety effect). Regional integration also leads to larger markets, increased availability of production factors, and increased productivity. Furthermore, as more global firms seek to enter this market, the collective bargaining power through regional agreements proliferates, shared natural resources can be better managed, and tensions between member countries will diminish (Grobbelaar & Meyer, 2017: 76).

While progress towards integration has been made in some of Africa's jumble of integration communities, it has become apparent that political considerations rather than economic planning have often been driving Africa's regional integration initiatives and processes. This has led to the emergence of protectionist trade policies, an overemphasis on joint public investment, and malfunctioning regional commitments, which has been exacerbated by small domestic markets and high input costs. This has been detrimental to Africa's integration agenda. (Grobbelaar & Meyer, 2017: 73)

Yet, Africa's integration agenda is not a lost cause. Indeed, the continent is embarking on its most ambitious integration project yet: the Africa Continental Free Trade Area (AfCTFA) which has already been ratified by 54 of 55 African states and is set to commence in January 2021.

This dissertation will seek to highlight that regional integration is an on-going process that requires continuously evolving paradigms. Through an extensive literature review this paper will explore the economic rationale for integration among developing countries globally, and in Africa particularly.

Another one of the key issues in current prevalent literature on the topic of regional integration is that it too often presents the perception that regional integration among developed countries (the West) is successful, whereas regional integration among developing countries is problematic (Krapohl & Fink, 2013: 474). This dissertation will argue that such conclusions are inaccurate at best and that the fair assessment of progress and policy analysis around Africa's regional integration has to start by developing a relevant theoretical and conceptual framework. This framework should take into account the complex multidimensional and dynamic nature of the subject and the continent.

This dissertation will detail the problem of a lack of a well-defined theoretical and conceptual framework for Africa's regional integration, which includes the creation of regional value chains. The second part of the problem definition and the crux of this minor dissertation relates to how we assess and make recommendations for Africa's successful regional economic integration. Here a lack of shared history and similar economic make up with other regions who have, or as previously noted, are continuously integrating, makes us beg the question: which policies are applicable to the African case.

1.2. Problem Definition

To be able to assess prevailing policies for regional integration in Africa and make Africa-centric policy recommendations as it pertains to the creation of regional value chains, the first obstacle will be to define a conceptual and theoretical framework that describes the relevant theories and concepts of integration. Although there exists a substantial body of literature on regional integration, its definition remains contentious, even in the "well-developed" European context.

Contributing to the complexity of establishing a baseline definition of regional integration is the constituent interrelated fields of study that each place it under its unique lens. These fields include economics, politics, history, international relations, sociology and public administration (Bolanos, 2016: 3-6).

Another major challenge for Africa-centric regional integration studies is the divide between the prevailing studies on the EU and regional integration in developing

countries. To overcome this divide, this dissertation agrees with the recommendations by Krapohl and Fink (2013) in their analysis on the different pathways to regional integration that “integration theories need to conceptualize background conditions of regional integration in the developing world”.

After defining and addressing both of the above problems in the current prevailing literature, this dissertation will finally begin to address the ultimate and central problem: unlocking the value of regional integration for Africa by contextualizing the current experience and learning lessons for successful policy implementation from relevant cases around the world.

1.3. Research Questions and Objectives

In the attempt to address the current limitations and problems for regional integration policy studies in Africa, this dissertation will aim to answer the following questions:

Question 1: What theories and concepts form the framework for Africa’s regional integration and the creation of regional value chains?

Question 2: What existing literature aids in the assessment and policy analysis for Africa’s regional integration?

Question 3: What policies are applicable to Africa’s regional integration?

The answers to each of these questions aim to achieve the following objectives:

Objective 1: Outline a theoretical and conceptual framework for the study of Africa’s regional integration

Objective 2: Compare and discuss different viewpoints in existing literature to illuminate different schools of thought on regional integration and doing so with an Africa-centric approach.

Objective 3: Offer policy recommendations and pathways to regional integration in Africa.

1.4. Methodology

The three objectives of the dissertation namely to: 1) outline a theoretical and conceptual framework for the study of Africa’s regional integration, 2) compare and discuss different viewpoints in existing literature to illuminate different schools of

thought on regional integration and doing so with an Africa-centric approach; and 3) offer policy recommendations and pathways to regional integration in Africa, will be achieved by applying a purely qualitative design approach. The type of data consists mainly of peer-reviewed journal articles and working papers, internationally recognised reports from reliable sources such UNECA, UNCTAD and the OECD, and published works such academically prescribed textbooks. The research can broadly be categorised as relating to two areas; 1) theory and concepts, 2) case studies and policy analysis. Objective one and two of the dissertation need to be met to be able to achieve the third objective. To this end, the classic rational problem-solving model will be applied as adapted in Patton, Sawicki, and Clark’s (2016) textbook: “Basic methods of policy analysis and planning”.

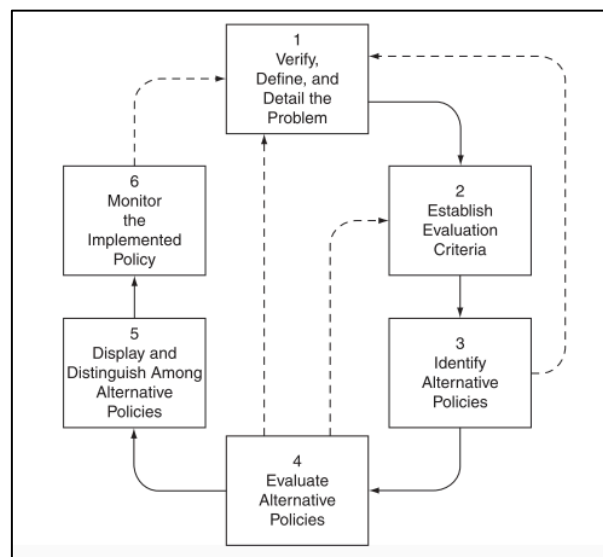


Figure 1. 1: The basic policy analysis process (Patton et al, 2016: 44)

To achieve the three objectives of the dissertation, the five most important elements in the theoretical and policy analysis process as outlined in Figure 1.1. is 1) the problem formulation; 2) researching and condensing alternative theories and policies; 3) forecasting the future environment; 4) analysing the impacts of alternatives; and 5) evaluating the alternatives as it relates to Africa (Patton et al, 2016).

It is worth noting that the dissertation will not be conclusive as the very nature of policy analysis is an iterative process in which the problem is reformulated and repositioned as objectives are clarified, alternatives are designed and evaluated, and better models are developed (Patton et al, 2016). The dissertation does not seek to make conclusive

findings, but only to build upon and reframe existing literature for further analysis in the future.

1.5. Justification

The framing and policy analysis of regional integration in Africa has always been important as the continent strives for economic and social development, however, it has become even more topical given the imminent commencement of the AfCTFA. There is a lack of literature that contextualizes Africa's background conditions and places the continent with its unique approach to regional integration at the center of its studies. This dissertation will seek to add that body of literature by providing an Africa-centric theoretical and conceptual framework that will allow policy makers to better determine which policies are relevant to achieve the goal of developmental regionalisation on the continent.

1.6. Structure

This dissertation is divided into six chapters. The introduction provides an overview of the context and justification of the dissertation. It will also give a brief overview of the historical lack of an African perspective on regional integration. The problem is defined in this chapter and the research questions and objectives are outlined. Finally, the introduction also explains the selected methodological approach and application thereof.

Following the introductory chapter, the literature review is an integral part of this dissertation given the qualitative nature of the research methodology. The literature review will highlight why certain theories and approaches are or are not relevant to the African pathway to regional integration and offer alternative viewpoints to historical theories and approaches.

Chapter 3 aims to distil the relevant concepts and theories to clearly define the framework for analysis for Africa's developmental regionalism.

After the framework for analysis has been established, chapter 4 will focus on assessing the relevant frameworks, dimensions and indicators for measuring the success of regional integration in Africa.

Chapter 5 explores the opportunities that regional value chains present for Africa's industrialization and the role that the AfCTFA aims to play in this endeavour. It also focuses on some of the key policies that need to be prioritized in this context.

As the final chapter, the conclusion will offer policy recommendations based on the analysis and conclusions from chapters four and five and also highlight what further research is recommended.

Chapter 2: Literature Review

2.1. Introduction

Regional integration is by no means a new concept or development and a vast amount of literature exists on the topic. Not least so, because regional integration is also the part and parcel of history of globalisation and spans a spectrum of different fields of study. In this paper our literature review is focused on regional integration through the bifocals of economics and political studies.

While many well-developed theories and thorough studies of regional integration exist, the scarcity of literature with Africa's integration as a focal point is evident. Notwithstanding the writings and considerations of Ismail (2016; 2017) and studies by relevant bodies such as United Nations Economic Commission for Africa (UNECA) (2016; 2018; 2019) and the African Union (AU) and the Organisation for Economic Development and Cooperation (OECD) (2019), which are frequently cited in the justification and development of the framework for AfCTFA, literature on the African application of regional integration has been sparse.

2.2. Regional Integration: Historical Narratives

Krapohl and Fink acknowledge in their 2013 study on the different pathways to regional integration and institution building, that existing integration theories do not sufficiently take the background conditions of developing countries into account and that this is imperative to overcome the disconnect between studies on the European model of integration or European Union (EU) and comparative regionalism. Contrary to what the commonly suggested conclusion studies of the EU model, Krapohl and Fink's analysis of economic structure as a background condition on regional integration is that "regional integration reinforces rather than changes the economic structures of a region" (2013: 486). Member states influence the progression and direction of integration and if existing economic structures determine the interests of member states, then the EU model with growing interdependence is only one example of the possible outcomes of integration (Krapohl & Fink, 2013). If Krapohl and Fink's (2013) conclusion is based on the analysis of one background condition, it is safe to assume that the addition of further variables unique to Africa will lead to many different

possible outcomes for the African case of regional integration, which remain underexplored.

In a Latin American parallel, Bolaños' (2016) paper on the integration strategy of the Union of South American Nations (UNASUR) supports Krapohl and Fink's notion of the importance of contextualising background conditions of member states by noting that there are striking differences in motivations for regional integration between developed and developing countries. For example, in the 1960's, African, Latin American, and South East Asian developing countries adopted various levels and forms of regional integration as development strategies, as opposed to the EU, which was initially formed in the 1950's in effort to secure peace and stability after a period of wars (Bolaños, 2016). Bolaños (2013) highlights that the developmental integration strategies, have been studied under the same market, complex, functional, and structural approaches that the European model is studied, however, due to the different circumstances these theoretical approaches of regional integration become controversial when applied to developmental regional integration. To this end, Ismail also concludes in his 2017 paper on "*The changing global trade architecture: Implications for Africa's regional integration and development*", that "the mainstream narrative of market and linear integration is inappropriate for Africa and should be replaced by a development integration approach" (2017:1).

In the 1970's the debate around the applicability of existing theoretical approaches was gradually replaced by literature that aimed to analyse and understand the failures and successes regional developmental strategies in Latin America and Asia, such as the failed Import Substitution and Industrialisation in Latin America and the relatively successful Asiatic Newly Industrialised Countries (NPI) policies (Bolaños, 2016). However, the debate and progress of alternative developmental regional integration theories and approaches was halted by the ensuing technological revolution which created conditions for "intensive regional integration", which has highlighted the role of political, fiscal, and financial factors that will be more extensively analysed in the chapters 3 and 4 of the dissertation (Bolaños, 2016: 6).

Ismail (2016) also supports the arguments already made in the 1980's by African leaders in OAU at the time that Washington consensus and the resultant policies of the

World Bank and OECD were drivers of Africa's developmental struggles and contributed to its de-industrialisation and growing poverty crises. He also contends that Africa has already been carving its own and more appropriate path of development integration, by laying the foundations for policies that focus on trade liberalisation, and industrial and infrastructure development (Ismail, 2016). Ismail (2016) further drives home the same point that Bolaños (2016) makes, that this will take steadfast and unwavering political commitment to the evolutionary path of regional integration. Africa's development integration stands to be strengthened and institutionalised by the adoption and commencement of the AfCTA and Ismail (2016) suggests that the global Western and Eastern institutions would do well to support this developmental approach rather than flogging the dead horse policies of the Washington consensus. One of a few lessons that are perhaps applicable from the EU case is that it will take two or three generations for the process to be completed (Ismail, 2016).

Bolaños challenges another perception that stems from the European integration approach, which is the necessity for political unification to fulfil the process of economic integration (2016). Instead they argue that forms of political integration should be viewed as precursory or concurrent phases and not the final step of economic integration, especially as it pertains to South American integration (Bolaños, 2016). This chapter will also seek to explore the implications and applicability of this argument to African case by contextualising the continent's pre-existing conditions.

2.3. Africa's Background Conditions

Gibb (2009) analysed Africa's development trajectory in the context of regional integration and in contrast to Ismail concluded that from both from a political and economic standpoint, the continent does not possess the characteristics for real and significant regional integration. He does however acknowledge that this is partially due to the fact that the European paradigm of integration had usurped the very concept and measure of regional integration and that African regionalism has been viewed in the context of a "neoliberal, free market and Westphalian state model built upon the experiences, values and norms of European integration" (Gibb, 2009: 717).

Gibb (2009:17) laments that structurally inappropriate comparisons made between the European market integration approach and Africa's regional integration experience are

“hegemonic” and “misconceived to the point of being fraudulent”. Gibb (2009: 17) also highlights some of the inherent features or background conditions of the African model that most notably precludes the imposition of the neo-classical market linear approach to be: a) a lack of complementarity; b) small and uncompetitive economies; c) imperfect markets, d) protectionism; and e) unfavourable terms of trade. Gibb (2009) further argues that regional integration in Sub-Saharan Africa is mostly an elitist and state-led exercise, which only lends itself to a shallow form of adoption that is only as strong as its weakest constituent part.

Another salient consideration in universal regional integration theory and study is the inherent premise that regional integration requires the voluntary cessation of elements of sovereignty. According to Gibb (2009) African sovereignty tends to be neo-patrimonial and that from the classic, yet deficient Westphalian viewpoint it is therefore not well positioned to be shared. Gibb (2009) therefore argues that there are serious limitations to level of political commitment to honour regional agreements and obligations, which is also evidenced by the rise of the “spaghetti bowl” of regional agreements that often lead to contradictory obligations. Finally Gibb (2009) contends that African states may portray that they assent to institutionalised regional integration, but that they do not actually subscribe to idea of regionalism as it exists in the neo-classical market-led approach. Instead their approach is in fact more “sophisticated and nuanced” and designed to continue the system of patronage that exists within the neo-patrimonial state system (Gibb, 2009: 717).

Grobbelaar and Meyer (2017) contributes to placing African regional integration within an appropriate historical context in their analysis of the Southern African Customs Union’s (SACU) integration. While SACU only comprises of South Africa, Botswana, Namibia, Eswatini, and Lesotho, it serves as microcosm to study the potential impact of macro-economic imbalances in the continent. In their analysis, Grobbelaar and Meyer (2017) argue that as the most powerful economy in the union, South Africa dictates policy and reforms. The main conclusion from their study on the dynamics of regional economic integration in SACU is that a more relevant framework for analysis of the region’s integration should contextualise the following factors;

- a) Initial conditions including prevailing capabilities and regional asymmetries.

- b) Global value chain trends and how a concentration of large global players create barriers of entry and skews economic development for member states.
- c) Extra-regional dependence and how to overcome their pressures.
- d) Competitiveness or lack thereof that lead to the inability to compete with the dominant economic member.

Strydom, Viviers, and Parry (2018) echo Ismail (2016) when they assert that the linear approach to regional integration, which overestimates the role of market liberalisation, is inadequate. With the rise in the prominence of the role and potential of the creation of regional and global value chains (GVCs), the combination of market integration, industrial, and infrastructure development is demanded and supplied by developmental integration (Strydom, et al, 2018). African states have recently put greater emphasis on building industrial capacity, aiming to focus in particular on building, or in some cases strengthening their manufacturing sector in order to reduce their dependency on exporting raw materials and strengthening their trade balance (Strydom et al, 2018). While GVCs in principle offer the opportunity to pursue this strategy more efficiently, most African countries face significant background challenges such as infrastructural deficits, and lack of regional trade relations and skills (Strydom et al, 2018).

The existence and strength of regional value chains is one of three fundamental conditions for regional integration, the other two being an efficient transportation and logistics systems and unencumbered cross-border trade (Grobbelaar & Meyer, 2017: 73).

In the case of Africa where the development agenda prioritises industrialisation, Weigert and El Dashan (2020) contend that the continent need not duplicate the paths to industrialisation of the West or indeed the East. According to Weigert and El Dashan (2020) Africa's industrialisation should focus on regional instead of global value chains, since this approach minimizes the risks posed by competition and automation.

2.4. Global Value Chains (GVC) vs. Regional Value Chains

The term GCV is currently widely and often inconsistently used across disciplines and there value in clearly defining this concept for the purpose of this paper and for future discussions of developmental regional integration.

According to Inomata (2017) the term “value chain” originated in business management studies as the basis for developing corporate strategies that promote a firm’s competitiveness by streamlining the processes and activities in the production and consumption of a product. Within the value chain framework, all activities should be collectively organised for the optimization of the functioning of the firm as a whole (Inomata, 2017).

Inomata (2017) notes however Global Value Chain studies is not an extension of the 1980’s concept of value chains, but rather has its origins rooted in sociology. The concept of GVCs was first collectively outlined in the discourse of the Rockefeller sponsored Global Value Chains Initiative at the beginning of the 21st century. GVC studies analyses the creation and transfer of value within a system as the result of organisations’ attempts to optimise cross–border production and production networks (Inomata 2017).

Yet, Inomata (2017) also argues that the term ‘global value chain’ is not an accurate description of the current world economy, because the world economy is regionally divided and not a global whole (2017: 14). Production systems are also not linear or sequential, but rather a complex spider web of nodes and multidirectional links at the heart of which lies “vertical (supply–use) relations of cross-border production sharing and their impact on distributing value among the parties” (Inomata, 2017: 14).

Lee and Gereffi (2015) analysed the complex role of GVCs in catalysing and unlocking economic value in developing countries. In their study, Lee and Gereffi (2015) focus especially on the outcomes for “rising power” firms. These are firms from developing economies such as the BRICS (Brazil, Russia, India, China and South Africa to an extent) countries that are on rapid growth trajectories. Lee and Gereffi note that GVCs tend to converge geographically and organizationally, which leads to a favourably skewed distribution of opportunities toward rising power firms, however, power asymmetry vis-à-vis global buyers often means that these opportunities do not materialise (2015). A potential mitigation for the quandary of the rising power firms is the combination of regionalisation of value chains and shifting end markets to emerging economies (Lee & Gereffi, 2015).

De Medeiros and Trebat (2016) also contribute meaningful analysis on GVCs in the context of Latin America and other developing economies. They contend that GVCs led by transnational corporations (TNCs) have reshaped the global division of labour for the worse. The nature of GVC leads to a hierarchical division of labour that engenders intense competition at the lower value-added stages of production that limits upward mobility for workers (De Medeiros and Trebat, 2016). Low wages and low margins characterise the situation for workers in the chain in emerging economies, in contrast to the other side of the spectrum where TNCs concentrate their highly paid workers occupied with management, marketing, and research and development, in their developed country headquarters (De Medeiros & Trebat, 2016). De Medeiros and Trebat makes the poignant observation that GVCs has created a world of developed country “headquarters” and developing country “factories” (2016: 32).

To accommodate and attract TNC’s many developing countries introduced legislation and institutions to enhance corporate mobility through, for example, tax-incentives (De Medeiros & Trebat, 2016). This has had further negative consequences for the economic development of such developing countries, as increased mobility led to increased rent-seeking by large firms that sees income being redistributed from productive workers to executives as firms reduced wage costs and shifted accounting profits to jurisdictions with low-tax incentives (De Medeiros & Trebat, 2016).

De Medeiros and Trebat are not alone in warning of the pitfalls of GVCs as it relates to developing economies. UNECA in its 2016 report on “Transformative Industrial Policy for Africa” also notes the four biggest downsides of GVCs as in relates to TNCs:

- a) The consolidation and expansion of the power of TNCs
- b) The appropriation of increasing shares of profits (rent-seeking)
- c) Failure of developing countries that get locked in to GVCs
- d) Risks associated with FDI such as capital flight

(UNECA, 2016: 143-154)

The UNECA (2016) report also notes that while a number of countries in the East such as Singapore and Hong Kong have benefitted from GVCs, equivalent successes have not materialised in Africa where most firms are still struggling to gain access to GVCs outside of the exports of raw material and products.

Weigert and El Dashan (2020) contend that regional value chains as variants of GVCs offer a response to the risks outlined above. Functioning as production systems, regional value chains flow beyond national borders to exploit existing complementary features and opportunities within a region. These include the opportunity for differentiated labour costs and complementary productive capabilities, taking advantage of having similar natural resources, sharing access to infrastructure such as ports and roads, and leveraging trade agreements with extra-regional partners. Forming a part of the developmental integration approach, regional value chains allow for gradual development and protection from foreign competitions (Weigert & El Dashan, 2020).

2.5. Conclusion

A shift in focus and organisation is required to make the vast literature that exists on the theories of and case studies on regional integration applicable to policy analysis and recommendations for the African case. In the literature review, authors, theories, and ideas were introduced that lay the foundation for the creation of a theoretical and conceptual framework and later the policy analysis and recommendation for regional integration in Africa in the chapters that follow in the dissertation.

Chapter 3: Theoretical Framework and Concepts

3.1. Introduction

Before presenting and evaluating the theoretical frameworks that exist on the topic of regional integration, we must first define the concept. This chapter then goes on to examine the “old” and “new theories” of regional integration, from Ricardo’s theory of comparative advantage to the evolving theories of open and developmental regionalism to determine a more appropriate framework for the analysis and of current and future integration policy for Africa.

3.2. Defining Regional Integration

Kang (2016: 236) differentiates between economic integration or regionalism and regionalisation defining regionalism as “an institutionalised economic structure established by regional agreements” and regionalisation as “the process/status of integration driven by trade and investments”.

Despite disparate views, the common understanding of the term “regional integration” is generally accepted as a group of countries working together to reduce barriers to the free flow of people, products, and capital between members to facilitate trade and economic development in the region. The term is often used interchangeably with “economic integration” and depending on the narrative, can refer to both a process and a state of affairs (Kimbugwe, Perdakis, Yeung & Kerr, 2012). Regional integration can further be categorized along three defining features including;

- 1) The motivation to join, which can be political, social, economic or geographical, or a combination of these factors.
- 2) The sectors and objectives that are targeted for instance trade, manufacturing, value-addition, labour mobility, etc. These sector specific regional objectives aim to develop the supply of sub-regional public goods and reduce common negative externalities, while creating and benefitting from positive sub-regional externalities.
- 3) The depth¹ of integration, where shallow integration would involve simple policy coordination, ranging to deep integration where a country surrenders a

¹ The depth of integration will be examined more thoroughly in the discussion on Balassa’s typology later in this chapter

more considerable degree of autonomy by establishing common laws and policies (Kimbugwe et al, 2012).

3.3. Theoretical Origins: Old and New Theory

As global political and economic developments continued to spur regional integration, the need to establish a mechanism for analysis of the impacts of integration measures both on member states and those outside became clear. This led to the development and evolution of “old” (also referred to as “static” or the “market integration” approach), and “new” (also referred to as “dynamic” or “developmental”) theories of regional integration.

3.3.1. Old Theory of Regional Integration: Heckscher-Ohlin-Samuelson

(HOS) and Viner-Meade Frameworks

Building on David Ricardo’s theory of comparative advantage², neo-classic international trade theory espouses the idea that under global free trade countries would efficiently reallocate production factors and the resulting increased efficiency will lead to welfare gains. The theoretical and empirical work in this “old” or “static” approach, is often based on the HOS framework that seeks to mathematically explain how a country should organize its production and trade, given the global imbalance of resources. The HOS model provides a simple evaluation of trade between two countries that have different specializations and natural resources, incorporating commodities and other factors of production. In the end, the theory main conclusion is that growth is more sustainable in an open vs. closed economy. (Burfisher, Robinson, & Thierfelder, 2004)

The HOS theory of comparative advantage proffers that international trade offsets the unequal geographic distribution of productive resources. While the HOS theory has been proved inadequate in many aspects, the fundamental insight that it contributes to the theoretical framework of regional integration, is that traded commodities are in fact

² Ricardo’s theory of comparative advantage predicts that different factors of production specialise in different economic activity based on the differences in their relative productivity. Ricardo famously gave the example that English workers are better at producing cloth than wine compared to Portuguese workers, then England will produce cloth and Portugal will produce wine. At least one of the two countries will be specialised in one of these two sectors or activities. (Costinot & Donaldson, 2012)

a bundle of land, labour, and capital factors. A deduction of this is insight that the international trade of commodities can be seen as indirect factor arbitrage; transferring the services of otherwise immobile factors of production from countries where they are abundant to where they are scarce, which can in some cases counter-balance factor-price differences. Another key take-away under the HOS is that through indirect arbitrage transforms the local market for factor services into a global one, where demand for input factors becomes more elastic and more uniform across countries. An elastic labour demand also infers an aggregate GDP with a fairly constant marginal productivity of labour which in turn infers that growth spurred by capital accumulation is limited by the decreasing marginal productivity of capital. Further, in the HOS model of a small open economy, the decline in marginal productivity of capital is balanced by a shift to capital-intensive products, and this shift is not possible in a closed economy. (Leamer, 1995)

David Viner's seminal study published in 1950 established a conventional framework and coherent theoretical structure for the analysis of the impacts of regional integration (Burfisher et al, 2004). It is an extension of classical free trade theory that is fundamentally defined by general equilibrium theory, with the addition of the consideration of potential welfare effects. The theory is underpinned by the following 9 assumptions:

- 1) Trade happens in homogenous goods
- 2) No-scale effects (import-competing goods can be produced under increasing marginal cost)
- 3) Export goods are produced under constant cost conditions
- 4) Perfect competition exists in commodity and factor markets
- 5) Mobility of production factors within countries
- 6) Zero transportation costs
- 7) No trade restrictions except certain ad volerum tariffs
- 8) Opportunity costs of productions are fully reflected in prices
- 9) Balanced trade in goods and full employment of resources

(Kimbugwe et al, 2012: 78)

Viner's theory relies on the static concepts of trade creation and diversion based upon the premise that free trade allows consumers and firms to select the cheapest supply source which leads to the location of production according to comparative advantage. According to Viner, there are two primary mechanisms that lead to increased trade between member countries of an integrated union. Depending on the source of increased trade and whether it is based the mechanisms can be labelled as either trade creation or trade diversion. According to Viner's theory, *trade creation* is the ideal outcome whereby domestic consumption shifts from a high cost domestic source to a lower cost member source because of removal of barriers to trade within the union. *Trade diversion* takes place when domestic consumption shifts from a low-cost source outside of the union to a higher member source because of the removal of tariffs between members. In this case, trade diversion leads to an inefficient allocation of resources. Viner's theory argues that in a successful customs union where trade barriers have been all but eliminated, trade creation and trade diversion will cancel out, leaving net welfare benefits (Kimbugwe et al, 2012).

The most significant criticisms levelled at Viner's theory stems from the lack of consideration for the reality of scale effects, consumption effects that stem from the changes of relative prices, and the loss of tariff revenues.

In 1956 Meade incorporated the theory of "second best" into Viner's framework. The theory of second best contends that "reducing tariffs on a discriminatory basis under an Regional Trade Agreement (RTA) does not guarantee an improvement in the welfare of the individual countries or the world economy at large" as long as other economic distortions exists. Meade further argues that the Vinerian framework that contends that gains from increased trade due to the establishment of the customs union can offset the negative effects of trade diversion and observes that welfare gains are realised even when regional integration causes the diversion effect. Since the establishment of a customs union leads to a decline in import tariff revenues, it is possible that member countries will apply other taxes to offset this loss. According to Meade, it is therefore crucial that gains from increased free trade offsets the trade contraction caused by the imposition of other taxes. (Kimbugwe et al, 2012: 80).

Another important contribution Meade makes to the Vinerian model, is to acknowledge that within the customs union there would also have to be an redistribution of economic gains among member countries since the customs union will still be a relatively small price taker in the global scheme of international trade. With the relocation of sources due to the establishment of the customs union, some countries within the customs union will be positively affected and some will necessarily be adversely impacted, and therefore further agreements between member countries are necessary to ensure the equitable distribution of welfare gains. (Kimbugwe et al, 2012)

While the HOS and Viner-Meade model is widely accepted as a traditional source of truth and analysis of international trade where shallow integration is at play, it is also commonly understood that this framework does not pass muster when it comes to the deep integration and the complex interactions between developing and developed countries in the new and dynamic developmental regionalism approach that is applicable to Africa. Burfisher, Robinson and Thierfelder (2004) sums up that the old approach to regionalism and international trade does not make provision for some of the defining features of new regionalism, including “dynamic changes such as trade trade-productivity links and endogenous growth theory, international factor mobility, the role of imperfect competition, rent seeking behaviour, and political-economy considerations such as potential conflicts between regionalism and multilateralism.”

3.3.2. Shallow vs. Deep Integration

3.3.2.(i) Balassa's Typology


The term most widely used to refer to the entire scale of depth of integration is “Regional Trade Agreement” or “RTA”. To prevent a mercantilist approach to free trade that will lead to trade-diversion and protectionism, the conventional minimum conditions for an RTA to be classified as such are laid out by the GATT/WTO rules under Article 24 (Burfisher et al, 2004: 8) that:

- a) *“substantially all trade” must be included and;*
- b) *The “general incidence of duties and other regulations of commerce” must not on the whole be higher or more restrictive on third parties than before the formation of the RTA.*

Varying degrees of integration are distinguishable among member countries of a trade agreement or area that ranges from shallow to deep. Traditionally member countries that enter into trade agreements that eliminates barriers to trade in commodities are placed on the shallow end of the spectrum, and on the deep end countries enter into a full political and monetary union.

Before the 1990's, RTA's involving developing countries were often on the shallow end of the integration spectrum (Kang, 2016). On the deep end of the integration spectrum, member countries enter into further and more robust agreements that includes coordinating national policies and facilitates internal factor mobility (Burfisher et al, 2004). Deep integration RTA's can also include provisions on trade of services, public procurement, competition, etc. The EU and NAFTA are two examples of the most advanced instanced of deep integration (Kang, 2016).

A commonly accepted reference for categorizing the depth of integration among countries, Balassa's typology (Figure 3.1) forms a useful starting point for analysis.



	Removal of tariff barriers	Common external customs tariff	Free movement of service and production factors including labour and capital	Harmonisation of economic policies and development of supranational institutions	Unification of political policies and establishment of powerful supranational institutions
Free Trade Agreement	X				
Customs Union	X	X			
Common Market	X	X	X		
Economic Union	X	X	X	X	
Monetary Union	X	X	X	X	X

Figure 3. 1: Balassa's typology (adapted from Kang, 2016: 214 and Gibb, 2009: 707)

Balassa's typology was conceived in the 1960's as a staged approach to define the gradual integration of the EU. As illustrated in Table 3.1, Balassa's typology outlines how a set of countries enter into the first shallow level of integration by signing on to a free trade agreement that removes most tariff barriers. A second deeper level of integration goes on to include the imposition of a common customs tariff on goods

and/or services from countries outside of the union. The third level of integration sees the formation of a common market that allows for the free movement of people and capital amongst the member countries. The fourth level of integration ratifies an economic union amongst members that entails the harmonization of economic policy amongst member countries and the beginning of the formation of supranational organisations such as monetary and fiscal institutions. In the fifth and most deeply integrated level, in addition to the harmonization of economic policy, there is also a unification of political policy amongst member states and a further strengthening and entrenchment of the power of the supranational institutions.

3.3.2.(ii) Critique of Balassa's Typology and Market Integration

As Kang (2016) notes, Balassa's typology has become outdated since the 1990's with a surge of RTAs globally that have not followed the stages of European integration. It is also impractical to distinguish integration levels since the relationship between financial and industrial capital has changed fundamentally (Kang, 2016).

Kang's (2016: 242-243) identified shortcomings of Balassa's typology can be summarised in the following four points:

- 1) *Disparate RTAs*: Under Balassa's classification, a customs union is supposed to signify a deeper level of integration than a free trade agreement, however the formation of a customs union does not guarantee that the union has satisfied all the conditions imposed upon a free trade agreement.
- 2) *Structural changes in international trade*: In the Balassa typology, customs unions and free trade agreements are only concerned with the trade of goods. However the emphasis on attracting FDI far exceeds the emphasis on the production and trade of goods and has become central in strategic regional integration. This means that motive of regional trade agreements, which have traditionally been seen as shallow forms of integration, now include the policy spheres of investment and regulation, which are part and parcel of a deeper integration strategy.
- 3) *Geographic limitations*: Balassa's typology assumes that countries in close proximity to each other form RTAs to create intra-trade zones. In reality, there has been a rise in geographically distant inter-regional RTAs.

- 4) *Disparity in levels of development*: Balassa's typology assumes that countries who enter into RTAs are at similar levels of development. However, since the 1990's, North-South agreements have increasingly been established between developed and developing countries.

Gibb (2009) notes that Balassa's typology focuses on the end goal of deep integration on the formation of a political union through a process of increasingly complex levels of integration. This progression of integration is also referred as the market integration approach. Although it was developed to contextualise European regional integration, it became the over-arching paradigm for modernist theories of development, (mis)placing the political union as the end goal of successful integration. (Gibb, 2009)

3.4. New Theory of Regional Integration

The static market integration approach to regionalisation relies on old trade theory that is based on the trade of commodities goods that leads to the efficient allocation of resources and location of production factors. New theory of regional integration was developed in response to the failure of old theory of trade to adequately explain welfare impacts. To highlight the contrast between the old and new paradigms, Warleigh-Lack (2006: 753) summarizes five key ways in which new regionalism differs fundamentally from old regionalism based on Söderbaum and Fredrik's (1998) publication of the "New Regionalism Approach":

- 1) New regionalism accommodates a range of structures and processes of integration and does not conform to the progressive levels of the market integration approach.
- 2) New regionalism considers arrangements between developed and developing countries, where old theories of regionalism assumes cooperation amongst countries of a similar development level.
- 3) Unlike old theories of integration, new theory does not expressly specify the role of or subscription to supra-national institutions.
- 4) New theory on regionalism also accommodates an amalgamation of economic and political integration and does separate these factors and goals explicitly.
- 5) Finally, new theory incorporates the concept of the development of a regional sense of identity and are shaped by participants from the bottom up, rather than imposed.

Burfisher et al (2006: 27) highlights that in contrast to old theory, new theory of regional integration takes a wider view to include a variety of effects and mechanisms include : “trade-productivity links, imperfect competition, and rent-seeking”.

However, and perhaps more importantly, new theory of regional integration offers a more robust response to the demands and incentives of globalisation (Nesadurai, 2003). As Mittelman (2006:189) elegantly explains, “Regionalism today is emerging as a potent force in the globalization process. If globalization is understood to mean the compression of the time and space aspects of social relations, then regionalism may be regarded as but one component of globalization. In this sense, regionalism is a chapter of globalization. But regionalism may also be a response or a challenge to globalization.” Globalization compels growing economic interlinkages between countries that lead to mutually beneficial co-operation. (Nesadurai, 2003)

Burfisher et al (2004:28) highlights some of the key features of new regionalism that includes:

- a) Increased productivity facilitated by a transfer of knowledge and technology from developed countries to developing countries
- b) Dynamic efficiency and comparative advantage gains due to higher demand from increased trade
- c) Minimization of rent-seeking activities through trade liberalization
- d) Economies of scale in production and price reduction of goods are realized by moving from imperfect competition to a pro-competitive environment through increased import competition
- e) Local economies of scale through specialization and labour division leads to increased production efficiency
- f) Increased FDI that accompanies the adoption of advanced technologies that leads to increased productivity
- g) Increased efficiency spurred by increased competition when faced with “challenge-response”
- h) Innovation and “creative destruction” led by increased competition

3.5. Open and Developmental Regionalism

3.5.1. Open Regionalism

As trade theory and policy continues to evolve, balancing the expanding realm of regional trade agreements with the global trading system founded on principles of market liberalization as set out by the GATT and WTO, becomes increasingly difficult. In response to this, “open regionalism” suggests that regional trade agreements, instead of thwarting the WTO globalisation agenda should be seen as the “building blocks” towards further global liberalization (Bergsten 1997). Bergsten (1997:549) in his eponymous paper on open regionalism further elaborates that “the concept [of open regionalism] represents an effort to achieve the best of both worlds: the benefits of regional liberalisation, which even the critics acknowledge, without jeopardising the continued vitality of the multilateral system.” In 1989, open rose to its prominence when it was espoused as the foundation of the Asia Pacific Economic Cooperation (APEC) organisation.

In an attempt to define open regionalism, Bergsten (1997: 551-557) offers five “options” that can exist concurrently or separately:

- 1) Open membership: any country that is willing to abide by the terms of the regional arrangement are invited to join, enabling ever expanding trade liberalization that will eventually reach the entire world (in principle).
- 2) Unconditional most-favoured-nation (MFN): trade liberalization is extended unconditionally to all trading partners of member countries and no new preferences or discrimination would be established.
- 3) Conditional MFN: The members of regional agreement will extend the reductions of barriers to all non-member that reciprocate the offer.
- 4) Global liberalization: members of the regional agreement merely continue to reduce global trade barriers through unilateral liberalization or multilateral negotiations while pursuing regional objectives.
- 5) Trade facilitation: trade enabling non-tariff and tariff reforms; from customs coordination and mutual acceptance of product standards, to synchronization of competition policies and deep integration of domestic markets.

3.5.2. Developmental Regionalism

Developmental regionalism made its conceptual appearance in the 1950s and 1960s in Latin America when the Economic Commission for Latin America experienced growing momentum behind the combination of restrictive import-substitution and redistribution in the region. Developmental regionalism was seen as the solution for developing country regions that will lead to larger markets and will enable regional value chains to enhance efficiencies and specialisation in production that will lead to economic growth for each member country. Importantly, it was also seen as the answer to eliminate the dependence on foreign imports and politically strengthen the Global South against the Global North through adopting proactive economic policies rather than the Western preference of passive liberalisation. (Schlovin, 2018)

In the context of this dissertation, the 2013 UNCTAD “Economic Development in Africa Report” set the agenda for the propagation of developmental regionalism as a path to development for the continent. UNCTAD’s defines (2013: 97) developmental regionalism as “encompass[ing] cooperation in the area of trade, with an emphasis on the promotion of intraregional trade and integration into the global economy.” According to UNCTAD (2013), developmental regionalism extends the parameters of trade, and stretches into further areas of cooperation such as infrastructure and industrial policy. Developmental regionalism also focuses on the formation of strategic trade policies and incorporating these with the industrial policy framework of each member state. The UNCTAD (2013) report also recognizes that the colonial legacy still burdens especially poor and least developed countries (LDCs) in Africa with small and fractured markets. In this context developmental regionalism suggests that member states should aim to attract investment into areas of common interest that will strengthen intra-regional linkages such as transportation or energy infrastructure to create larger markets. (UNCTAD, 2013).

Developmental regionalism therefore offers a more pragmatic approach and allows for the use of creative policy tools that have not historically been included in static market integration approaches. In addition to traditional policy tools such as tariff and non-tariff measures, import and export quotas and bans, and technical and phytosanitary standards, developmental regionalism also relies on harmonizing policy that stimulates

investment in infrastructure and public goods, fair competition policy, incentivization investment into research and development to build domestic production and manufacturing capacity in public and private sector enterprises. Developmental regionalism also places the emphasis on strengthening national structures and institutions and governments that can adhere to and implement these policies, rather than building supra-national institutions and diminishing member state sovereignty. (UNCTAD, 2013)

3.6. Conclusion

Both old and new theories on regionalism present fundamental shortcomings in its application to the African experience. However, even in an early and evolving state, developmental regionalism presents a more appropriate framework for the analysis and of current and future integration policy for Africa.

Chapter 4: African Application and Analysis

4.1. Introduction

This chapter starts by reflecting on the different motives for regionalisation between developed and developing countries. It then proceeds to assess the applicability of the theoretical frameworks explored in the preceding chapter, before examining and evaluating the methods used to measure and evaluate the efficacy of regional integration in Africa.

4.2. Divergent Incentives: The Economic Rationale for Regionalisation for Developing and Developed Countries

Until now, regionalisation in the developed world has followed the old theory approach of market integration. While new theory approach to regionalisation is still ongoing and evolving, it is evident that it is a more suitable and preferable approach to regionalisation in developing world. In addition to understanding the divergent paths to regionalisation of the developed and developing world, it is also worth understanding the different economic rationale for pursuing regionalisation.

Economic interdependence is a key feature and motivation for cooperation in the market integration approach that the EU has followed. In addition, the neo-institutionalist approach also postulates that intra-regional trade reinforces regional supra-national institution building. Since intra-regional trade allows industrialized countries to specialise in areas where they have a comparative advantage and then trade amongst each other, benefitting from a larger market with no tariff barriers, then the potential for intra-regional economic trade correlates with the mutual degree of economic development. (Krapohl & Fink, 2013)

By this logic, there is limited opportunity for intra-regional trade in developing countries because a lack of industrialization means that they often produce and export; similar primary, non-value-added commodities and limited finished goods. Therefore, when looking at the economic rationale for regional integration, new regionalisation theory offers a better presupposition, which is that in the developing world, members

join forces to create efficiencies to trade³ and attract investment from extra-regional actors. Under new theory on regionalisation, embraced by developmental regionalism, developing countries should aim for export-led strategies to growth. For developing countries, regional integration offers the following strategic benefits (Krapohl & Fink, 2013):

- 1) Integrated economies are more attractive investment options than fragmented regional economies.
- 2) Larger market size improves the collective position in international trade negotiations with other countries and regions.
- 3) Regional integration offers greater political and economic stability, included reduced conflict and a level of accountability of domestic political institutions than fragmented countries.

For developing regions, attracting FDI and access to export markets are the fundamental reasons for regional integration, which is dependent on the reception of extra-regional countries and institutions. As Krapohl and Fink (2013:474) notes for developing countries, especially in Africa: “the loss of sovereignty to common decision-making is only sustainable if it pays off economically.”

4.3. A Comparative Framework for African Regional Integration

As discussed in the preceding chapter, there is a vast array of the theories and frameworks on regionalism. The question is what does that translate to for empirical comparative analysis when it comes to Africa, and how can different approaches be combined to advance this field of study at such a crucial, when Africa is set to embark on its biggest experiment on regionalism yet under the AfCTFA.

It is critical for African countries to determine if and how regionalism can become a part of their development strategy. It is clear from decades of systemic “failure” that the dominant static market integration approach has had a very real and counter-productive impact on Southern Africa (Gibb, 2009). From the establishment of the African Economic Community and Abuja Treaty 1991, the goal has been the deepening integration through following Ballassa’s typology through six stages until the continent

³ This paper goes on to argue that these efficiencies are created through the development of regional value chains in Chapter 5.

achieves economic unification in 2028. This deterministically linear and Eurocentric approach has been unsuccessfully aspired to by the four main regional blocs of SADC, COMESA, SACU, and the EAC. The “spaghetti bowl” of RTA’s and overlapping regional institutions also adds to the impracticality of this model. (Gibb, 2009)

While the refocus on Africa’s development trajectory under the lens of new theories on regionalism is a welcome shift, Fioramonti and Matheis (2016) rightly point out that there is a lack of literature on comparative regionalism that successfully combine old and new theories of regionalism. To do this, it is useful to identify the components of old and new literature that can compare and contrast the differences between the two approaches. Since this paper’s particular focus is developing a relevant framework for analysis for Africa’s path to regionalism, and the market integration approach is the direct result of the European regionalisation experience and experiment, we can further apply an analysis of these components to African and European regionalisms.

This is done in Table 4.1 below.

Table 4. 1: Comparative Framework of European Regionalism (Market Integration) and African (New Theory) Regionalism (adapted from Fioramonti & Mattheis, 2016: 678 and 685)

<i>Component</i>	<i>European Regionalism (Market Integration Approach)</i>	<i>African Regionalism (New Theory on Regionalism)</i>
Motivation	Intra-regional trade and specialization	Market expansion and export-led growth in the face of globalisation
Process	Gradual and linear, progressing from shallow to deep integration	Flexible, ranging from shallow to deep, but not following a gradual process (ie. Africa’s spaghetti bowl of multiple and overlapping RTA’s)
Institutional Design	Formal supra-national institutions	Ad hoc and not seen as an integral to deepen integration, dominated by intergovernmental cooperation

Leadership	Static central leadership	Diffused leadership
Membership	Exclusive formal membership	Territorially inclusive and flexible membership
Sovereignty	Shared sovereignty	Levels of cooperation, but a strong sense of individual country sovereignty, often reinforced by systems of patronage in member states
Identity	Top down artificial promotion of European identity	Strong sense of Pan-Africanism (Ubuntu)

Both static and new theory on regionalism were in effect retro-actively developed to support the trajectories of the European case (static) and developing country cases in Asia and Africa (new theory on regionalism). While both cases continue to evolve, both frameworks will continue to evolve, though in the case of new regionalism, one may argue that the process is currently more dynamic and requires comparatively more research attention. In any case, an applied comparative framework such as presented in Table 4, is a useful first step in the theoretical analysis of regional integration in Africa.

4.4. Measuring Regional Integration in Africa

In addition to the ongoing challenge and refinement of the theoretical framework within which to view and assess Africa’s path to regional integration, measuring regional integration in Africa presents its own complexities. Measuring and tracking and indicators are crucial to monitor and track performance over time with the end-goal of informing policy decisions that will help lift the continent out of its currently low levels of production and high levels of poverty. To add to the complexity of measuring indicators, there is also a need to evaluate the current indicators that are widely used to determine their relevance to the African context.

According to the UNCTAD (2020) publication, “*Designing Trade Liberalization in Africa: Modalities for tariff negotiations towards an African Continental Free Trade Area*” the average intra-African exports between 2014-2016 was around US\$72 billion. Regionally SADC led the charge accounting for about 46 percent of total intra-regional

exports, followed by ECOWAS at 12 percent and COMESA at 2 percent. That being said, intra-African exports account for a small proportion of total exports with even SADCs proportion of intra-African exports registering only 23 percent of total exports as a leader registering only 23 percent. (UNCTAD, 2020)

The UNCTAD (2020) report also shows that regional economic communities within Africa export most concentratedly to members of their own communities.

Figure 4.1 shows the levels of intra-regional trade in Africa. Up until the end of the last decade only about 10 percent of African trade has taken place intra-regionally climbing slightly to average at 16 percent between 2010 and 2018.

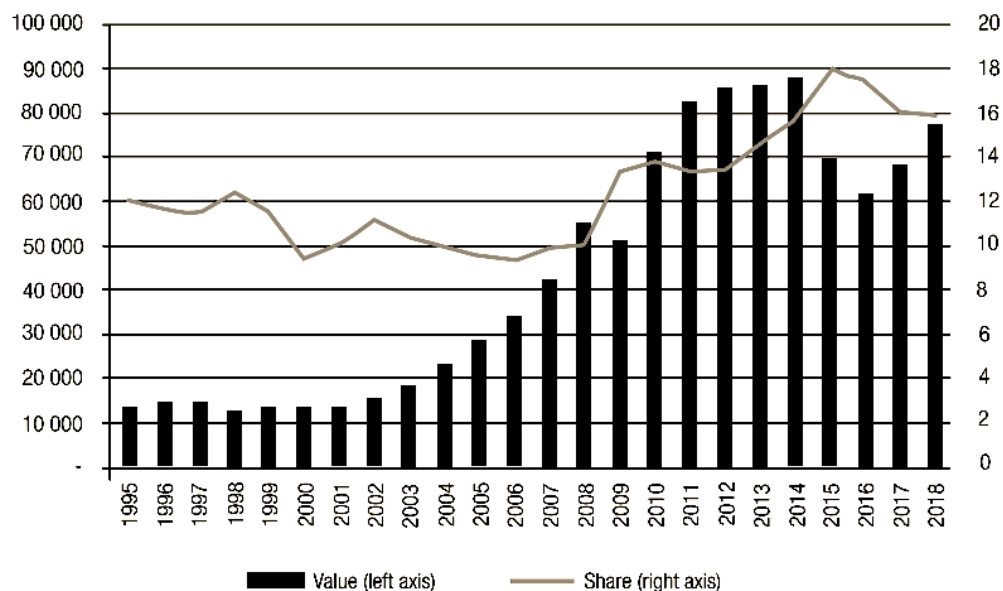


Figure 4. 1: Value and share of intra-Africa exports in total African exports, 1995–2018 (US\$ million and per cent) (UNCTAD, 2020: 8)

This is a very small percentage compared to the global West, where intra-European trade accounts for over 60 percent of overall trade, and trade amongst American countries which accounts for 40 percent of overall trade in North America. This level of trade is also far below the continent’s global South contemporaries, with between Latin American countries accounting for 22 percent of total trade on that continent and Intra-Asian trade 50 percent of total trade in Asia. (Bouët, Cosnard & Laborde, 2017)

A popular explanation amongst these institutions is the lack of infrastructure and a lack of policy, however, some scholars such as Bouët et al (2017) argue that the low levels of trade, stem from the “gravity equation” that results from the low levels of GDP from member countries. They even venture a step further by making the case that despite lower levels of intra-regional trade vis-à-vis other regions, the intensity of intra-regional African trade is substantially higher than trade between the region and the rest of the world (Bouët et al, 2017).

Selecting the correct indicators to measure the levels of integration in Africa is a crucial yet controversial exercise. Bouët et al (2017) attempt to develop a set of indicators to evaluate the dimensions and determinants of regional integration in Africa that is more dynamic and relevant than indicators such as percentage of intra-regional trade to total trade or trade-to-GDP ratios. Table 4.2 attempts to summarize these indicators and their application in the African context⁴ and finally, make a value judgement on their relevance and efficacy as an indicator of regional integration in Africa.

From the summary of indicators used to measure trade integration in Table 5, tariffs, gravity analysis, network analysis, and indicators of trade and value-added products are the most effective and relevant indicators to measure regional integration in Africa. In this analysis, one of the most popular indicators, the trade-to-GDP ratio are shown to be less relevant for measuring integration in Africa due to its biases toward trade in value-added products, manufacturing, and country size.

Though further research is required, especially on indicators of trade and value-added products, this analysis is a useful and important step toward an Africa-centric approach to measuring African integration rather than continuing to apply a Euro-centric approach.

⁴ Comparisons of African FTAs including SADC, SACU, COMESA, ECOWAS, EAC, CEMAC, IGAD, and UMA vis-à-vis, ASEAN, NAFTA, EU, and MERCOSUR.

Table 4. 2: Application and Efficacy of Regional Trade and Integration Indicators

Author’s adaptation based on Bouët et al(2017) paper: “Measuring Trade Integration in Africa”

Indicator		African Instance	Relevance/Efficacy
<i>Trade Cost Indicators</i>	<i>Tariffs (import and export duties and taxes)</i>	Africa is the least open continent with an average intra-continental import duty of 8.62% while African exports enjoy relatively low global export duties (2.72%).	High Lowering regional tariff barriers will can unlock higher levels of intra-African trade.
	<i>Non-tariff measures (price and quantity control measures, anti-dumping, SPS, subsidies, distribution restrictions, intellectual property rights, and rules of origin)</i>	Africa has the highest NTBs on average.	Low/medium There is a high dispersion with many countries that have almost 0 average NTBs and countries such as Algeria, Egypt, and Sudan that have disproportionately high NTBs.
	<i>Other trading costs⁵ (High transportation costs, lack of infrastructure and communication,</i>	Africa’s top 10 ⁶ ranked countries does not rank amongst the top 10 in the world (however Mauritius	Low/medium Main criticisms of the World Bank Doing Business report is that there

⁵ As measured by the World Bank’s Doing Business (DB) Report (2020); based on eleven sets of indicators investigating the main obstacles to business activity in more than 135 economies

⁶ African countries on the DB report: Mauritius:13, ease of doing business ranking: 81.5; Rwanda: 38, ease of doing business ranking: 76.5; Morocco: 53, ease of doing business ranking: 73.4; Kenya: 56, ease of doing business ranking: 73.2; Tunisia: 78, ease of doing business ranking: 68.7; South Africa: 84, ease of doing business ranking: 67.0; Zambia: 85, ease of doing business ranking: 66.9; Botswana: 78, ease of doing business ranking: 66.2; Togo: 97, ease of doing business ranking: 62.3; Seychelles: 100, ease of doing business ranking: 61.7; Namibia:104, ease of doing business ranking 61.4; Malawi:109, ease of doing business ranking: 60.9; Côte d’Ivoire:110, ease of doing business ranking: 60.7; Djibouti: 112, ease of doing business ranking: 60.5; Egypt, Arab Rep.:114, ease of doing business ranking: 60.1

	<i>insufficient access to credit and insurance markets)</i>	comes close at number 13) with most African countries being ranked at the bottom quartile.	exists an actual or perceived common law bias; it shows a preference for deregulation and free market solutions; there is a lack of correlation between the rankings and the empirical realities on the ground; there are methodological flaws in the way in which the rankings are drawn up (McCormack, 2018).
<i>Trade Flow Indicators</i>	<i>Trade-to-GDP Ratio (Symmetric Indicator of Relative Openness and Corrected degree of Openness)</i>	Africa follows North America in being the least open, with Oceania displaying the highest degree of openness.	Low Although trade-to GDP are popular use due to their simplicity, the incorporate the following biases: <ol style="list-style-type: none"> 1) Ratio's will be higher in countries where processing and assembly is predominant. 2) If a country is predominantly engaged in services as opposed to manufacturing, the ratio will be low. 3) Smaller countries' ratios will also be skewed to be lower.
	<i>Gravity Analysis (A statistical method to estimate potential levels of trade flows based on a series of specific determinants)</i>	Under the gravity analysis African countries are globally under-trading and their actual levels of trade are generally less than the global average taking GDP and distance into account.	High The gravity approach does not include any bias related to country size or geographic location.
	<i>Network Analysis (Degree of country, measured my trade links)</i>	Africa's global trade share is only 3.47 percent for exports an 3.36 percent for exports compared to	High The network analysis approach more accurately accounts for direct and indirect trade links amongst countries and better

		Latin America at 6.12 percent and 6.01 percent, and Asia at 40.2 and 34.93 percent respectively.	describes the pattern of the trade network between centers and peripheries.
	<i>Diversification Indices (Geographic and sectorial indices)</i>	Compared to the rest of the world, African trade appears to lack diversification and the low level of diversification helps to explain the continent's weak global trade integration.	Medium This indicator does not account for the size of each member country.
	<i>Regional Indicators (Intra-regional trade intensity indices)</i>	African RTA's appear to be trade introverted ranking second behind UMA	Medium The use of share of regional trade in total trade has no benchmark and contain many biases, however, the regional trade introversion index corrects many of these.
	<i>Indicators of trade and value-added content (Participation in GVCs)</i>	Africa has a low but growing participation in GVC almost doubling its value-added content from 1.4 percent in 1995 to 2.2 percent in 2011. This very low number confirms that African countries still mainly produce primary products that are beneficiated and processed elsewhere.	High Despite a lack of available data, there is significant potential for growth for Africa stemming from GVCs and RVCs.

Supporting the case for a renewed evaluation of the relevance of especially trade-to-GDP indicators as a reliable measurement of Africa’s regional integration, consider the disparity in the composition of Africa’s intra-regional exports versus her global exports as showcased in table 4.3.

Table 4. 3: Africa’s categorized exports to Africa versus the rest of the world (UNCTAD, 2020: 13)

Product	Export destination (split by %)	
	<i>Intra-Africa</i>	<i>Global</i>
Primary commodities, precious stones, and non-monetary gold	56.8	82.2
All food items	18.6	10.5
Raw agricultural materials	1.3	2.6
Ores and metals	3.7	11.1
Fuels	26.7	50.7
Manufactured goods*	43.2	17.8
Chemical Products	10.3	3.5
Machinery and transport equipment	15.3	7.2
Other manufactured goods	17.6	7.2
All allocated exports	100	100
*Manufactured goods by degree of manufacturing	43.2	17.8
Labour- and resource-intensive manufactures	8.3	4.4
Low-skill and high-technology manufactures	8.0	2.3
Medium-skill and high-technology manufactures	13.6	6.0
High-skill and high-technology manufactures	13.4	5.1

According to the UNCTAD (2020) report, primary commodities dominate Africa’s global exports at 82 percent. This skewed propensity for raw and primary commodity export has long been flagged as developmental challenge that has to be overcome if for Africa’s industrialisation. However, when we compare the dominant category of intra-African exports, we see a much healthier balance of primary commodities, still dominant at 56.8 percent, and manufactured goods at 43.2 percent. As a single product and category on its own, fuel unfortunately remains one of the most important exports both regionally and globally. Another positive feature of intra-African exports is the 27 percent of medium- and high-skill and high-technology exports, compared to 11.1 percent in the same category to the rest of the world.

One of the most salient tools for the assessment of regional integration in Africa is the Africa Regional Integration Index (ARII) that was developed jointly by the AU, AfDB, and UNECA for the first time in 2016 to help policy makers to make decisions and allocate resources.

The ARII measures economic integration in Africa by comparing each African country to its fellow members of each of the eight regional economic communities as recognised by the AU (see Appendix A) to determine the efficacy of integration policies and indicating which areas need improvement. (AU, AfDB, & UNECA, 2019)

The ARII measures key indicators that are categorized along the following five dimensions:

Table 4. 4: ARII Dimension and Indicators of Integration (based on the 2019 Africa Regional Integration Index Report 2019 by the AU, AfDB & UNECA)

Dimension	Indicators
1) <i>Trade integration</i>	<ul style="list-style-type: none"> i. Share of intra-regional exports over GDP ii. Share of intra-regional trade defined as the sum of a country's exports and imports within the region as a proportion of all of the region's intra-regional trade. iii. Average intra-regional import tariffs iv. Signed or ratified AfCFTA agreement
2) <i>Productive integration</i>	<ul style="list-style-type: none"> i. Share of intra-regional intermediate imports ii. Share of intra-regional intermediate exports iii. The merchandise trade complementarity index
3) <i>Macro-economic integration</i>	<ul style="list-style-type: none"> i. The regional inflation differential ii. The regional convertibility of currency indicator iii. The number of bilateral investment treaties in force is used as a proxy for the scope of cross-border capital flows
4) <i>Infrastructural integration</i>	<ul style="list-style-type: none"> i. The AfDB Infrastructure Development Index⁷ ii. The proportion of intra-regional flight connections

⁷ A composite index of nine measures of the state of electricity, transport, information and communication technologies, and water and sanitation in an area .

- 5) *Free movement of people*
 - i. Signed or ratified the Protocol to the Treaty Establishing the African Economic Community Relating to Free Movement of Persons, Right of Residence and Right of Establishment.

There are many sound criticisms levelled at the ARII including its lack of theoretical basis and the inappropriateness of the data normalization process in the face of the vast gap between the continent's richest and poorest countries (Gor, 2017). Nevertheless, it has created an acceptable starting point for integration analysis.

4.4. Conclusion

Even when trying to control for bias within suggested indicator or limiting indicators to the most relevant, overall integration across the continent is low. The ARII 2019 average score on a normalised scale is 0.327 (AU/AfDB/UNECA, 2019). This means that a substantial effort is needed to enhance integration to tap into its potential benefits. To address the most immediate concern would be to find a way to spur production growth if African countries are to boost both intra- and extra-continental export growth. In the following chapter we explore how regional value chains can improve regional production networks and how under the establishment of the AfCFTA enables this process. These networks will complement member countries' productive, distributive and marketing capacities in a strategic manner (AU/AfDB/UNECA, 2019).

Chapter 5: Alternative Regionalisation Policy for Africa

5.1 Introduction

This chapter focuses on the most promising pathways to regionalisation in Africa, namely through the development of regional value chains, supported by the AfCFTA. Regional value chains can be pursued through an export-oriented approach or through import substitution. In this chapter we argue that import-substitution presents greater opportunities and less risk to Africa's industrialization goals.

5.2. Developing Regional Value Chains

In the literature review we discussed the benefits of value chains as well as the threats that TNCs and MNCs present to developing countries, in this case African countries, if strived for in the global value chain context. This paper has also explored that regional markets and regional value chains are more conducive to Africa's development and industrialisation than GVCs. Regional value chains offer the solution to increase intra-Africa trade and development and become both the means and the end, a supplier and a market. It also provides the opportunity for African countries to grow and develop their productive capabilities before attempting to integrate with GVCs (Keane, 2016). While one would do well to apply some scepticism to the blanket acceptance of global institutions' policy recommendations for Africa, it is worth noting that establishing regional value chains as a primary model for Africa's industrialisation has become a focal point for institutions like UNCTAD and UNECA.

The continent also collectively has a delicate task of attracting investment, but to avoid becoming entrenched as the next cheap labour market. As Weigert and El Dashan (2019) notes that development finance institutions have a proclivity for export driven diversification and employment generating growth in Africa, by attempting to attract manufacturing opportunities in the face of higher wages in China. This type of positioning places Africa in the GVCs that are linked to the developed markets and bear all the risks as documented in the literature review.

In addition to the rent-seeking behaviour of TNCs and MNCs and the low-value added manufacturing activities, this linking into GVCs would also likely cause divisiveness at a time that calls for African unity and spur African countries to participate in a "race

to the bottom” as these competitive pressures increase. Regional value chains however offer a much safer and more promising trajectory in which it offers to become entire production systems that can grow from providing production inputs, to specialization that exploits existing complementary activities and resources in the region. (Weigert & El Dashan, 2019)

Regional value chains can be classified according to their intention of either supplying the global or regional markets and can be either inward looking regional value chains that are targeted toward import substitution; or outward looking regional value chains that are export orientated.

5.2.1. Export-oriented Regional Value Chains

A good example of an export-oriented regional value chain can be found when studying the ASEAN model. In this model, countries in the same region can join forces by coordinating policy and collaborating in the division of labour to strengthen their power by trading as regional block with extra-regional institutions and countries and/or regions. As a regional block, developing countries are better supported to enter the fiercely competitive global value chains. Operating as an export-oriented regional block also requires countries to enter into intra-regional trade agreements and incentives, develop shared infrastructure and negotiate with extra-regional partners and investors collectively. In this model, while crucial, government support is outweighed by MNCs who need to undertake large-scale investment to locate early stage value chain activities to build industrial manufacturing capabilities in the region. (Weigert & El Dashan, 2019)

While some instances of export-oriented regional value chains exists in Africa, it presents limited opportunities due to the prohibitive size of investment undertaking required by MNCs and Africa’s fractured markets and infrastructural challenges especially faced by least developed countries. (Keane, 2016)

5.2.2. Import-substitutional Regional Value Chains

The Keynesian theory of import substitution and infant industry protection has been long criticized leading to inflation and inefficiencies due to a lack of competition and specialization, exacerbated by small markets and dominance of state-owned enterprises. However, much has changed since the debt crisis of the 1970’s that saw

many developing countries in Latin America seek bail outs in some part due to misplaced import-substitution policies. Today markets are larger and regional markets are becoming more prominent with a significant private-sector presence. Import-substitution is most suitable to the Africa's regional value chain development since it takes both production and consumption into account. The foundation of present day import-substitution is that it creates complementarities by combining production capabilities and consumption potential. Being intra-regional, import-substitution regional value chains in Africa have the added advantage of facing little tariff and other non-tariff barriers to entry, including SPS standards, and also enjoys some protection from extra-regional competition, that allows members some space for steady and gradual development.

Regional value-chains focused on import-substitution are also tapping into an increasing popular trend of embracing regional tastes and celebrating local regional culture. African staple food crops such as yams, cassava and potatoes that are produced and consumed across the continent have been sheltered from international competition because of their entrenchment in the continental diet and have therefore enjoyed the gradual growth mentioned before. This model of regionalisation through import-substitution is replicable in other industries such as tourism, cosmetics and pharmaceuticals where localised tastes and habits determine consumption behaviours and demand (Weigert & El Dashan, 2019).

5.2.3. The Private Sector Role in Regional Value Chains

While the formalization of the concept and drive for regional value chains emerged in 2014, regional value chains such as the tea industry in East Africa have existed and developed since as early as 1969 and these existing value chains offer a glimpse into how production streams can be industrialised to value-add to primary products. The most encouraging aspect of Africa's much hailed population and demand growth is that it spurs the organic and sustainable development of these emerging value chains.

Despite the organic growth possibilities, pursuing and streamlining the development of regional value chains requires government to create an enabling environment for private sector participation. Established local or localised private sector firms are well positioned to take charge of the advancement of regional value chains, bringing local experience of the market, products and business environments. They have a competitive

advantage over global TNCs in the local and regional markets. However, established local firms also face challenges that include: access to credit, small and fragmented domestic markets, high production costs and low technology adoption. These obstacles that needs to be unblocked by African governments as far as possible. (Weigert & El Dashan, 2019)

5.3. The African Continental Free Trade Area (AfCTFA): Africa's Most Ambitious Regional Integration Endeavour

African countries are on a spectrum of economic development and each will be affected in different ways by the implementation of the AfCTFA. We can assume that African countries that are relatively more developed will be well positioned to take advantage of manufacturing opportunities while less developed will benefit from linking into regional value chains that will see larger industries sourcing their supplies from smaller industries. The AfCTFA aims to promote the formation of these regional value chains by reducing costs and enabling investment. (AU/UNECA, 2018)

According to the AU (2019) the AfCTFA, once in effect, will be the world's largest trading block and has the potential to change the trajectory of the continent and lift millions out of poverty. It is the central project of the AU's Agenda 2062 and will cover a collective market of 1.2 billion people with a GDP of US\$2.5 trillion across Africa's 55 member states. Consolidating the continent into one trade area will be the most concerted and ambitious effort and has the potential to unlock a vast range of regional value chains.

Africa is also often heralded as the final frontier, with a highly dynamic market and a population set to reach 2.5 billion people by 2050 including 26 percent of the global working age population. (AU/UNECA, 2018).

As a first item on the agenda, UNECA (2018) estimates that the AfCTFA has the potential to boost intra-regional trade in Africa by 53.2 percent by eliminating intra-regional import duties. This increase is estimated to double if non-tariff barriers are also reduced.

The AfCTFA also seeks to contribute to the achievement of the Sustainable Development Goals (SDGs), specifically the following (AU/UNECA, 2018):

- Goal 1: “no one will be left behind... starting with the furthest behind first”
- Goal 2: Food security
- Goal 3: Affordable access to health services
- Goal 8: Decent work and economic growth
- Goal 9: Promotion of industry

The AfCFTA’s contribution to the above SDGs are interwoven. When considering goal 1 it is important to note that Africa is a large continent with economies that vary greatly in size and strength. While we should be mindful of the risks of larger economies dominating smaller economies, on the whole the UNECA/AfDB (2020) analyses predict that while more industrialised economies will likely benefit from a growth in manufactured goods and the creation of regional value chains will necessitate these larger industries sourcing their supplies and inputs from smaller cross-border industries. In addition to the growth in demand, the smaller industries will also reap the additional benefits of reduced trade costs and enhanced regional infrastructure. This creation of industry also speaks goals 8 and 9.

Also facilitating goals 1, 8 and 9, for landlocked African nation who have notoriously been at a disadvantage to access global markets, the AfCFTA also includes agreements that facilitate trade, transit, and customs cooperation.

Finally the AfCFTA will create an environment where women who currently account for almost 70 per cent of informal cross-border traders in Africa, can enjoy the protection of the newly created formal channels.

The AfCFTA also contributes to goal 2 of food security by facilitating the free flow of food from agricultural economies in times of plenty, to African economies that are experiencing shortages, eliminating costly tariff and non-tariff barriers to trade.

Increased mobility will also allow people in need of specialist health care to seek it in countries that are capable of supplying it as well as allowing local healthcare sectors to benefit from locally manufactured or traded equipment and supplies contributing to goal 3.

While the SDGs listed above are some of the “lowest hanging fruit” of all the development goals, there is substantial optimism and cause to believe that there is likely to be even farther ranging positive effects towards progress on all 18 SDGs.

5.3. A Means to End: Policy Recommendations that Promote Regional Value Chains Aimed at Industrialization

The AfCTFA supports African industrialization that also seeks to reduce the continent’s reliance on external products and resources and allow Africa to finance its own development. It is therefore critical that policy makers across Africa implement policy that encourages the African private sector to participate in this endeavour and can do so in the following ways:

- 1) While the elimination of tariff barriers is the first win of the AfCTFA, non-tariff barriers must be addressed as a point of urgency.
- 2) Policymakers should embed state of the art technologies into production and encourage investment into continuous research and development so that the regional value chains that will be nurtured and developed in the next few years remain future proof regional value chains open up from import-substitution to include an export-oriented approach.
- 3) African policymakers should tap into its rich and growing labour market by identifying skills gaps and developing cross-border development programs so that worker’s capabilities match the technology and production capacities described in the previous point. Policy should aim to embed continuous growth and development plans that increase the labour market’s cognitive and transferable skills.
- 4) Adequate and reliable infrastructure is a prerequisite for sustainable development and regional policy aimed at improving infrastructure is necessary for the participation in, and growth and development of the coveted import-substitution regional value chains. It is crucial for production, value-added activities, lowering transaction costs, and improving market size and access. Extending production activities beyond national boundaries depends on effective and operational transport and communications infrastructure (Xu & Luo, 2016)

- 5) A mobile workforce accelerates innovates and reduces costs and the correlation between labour mobility and foreign investment is well documented. Therefore, policymakers should prioritize implementing policy that allows for the free movement of people across intra-regional borders. (AU/AfDB/UNECA, 2019).

In addition to policy that will enable the successful implementation of the AfCTFA, the “true north” of policy objectives when considering Africa’s regionalisation should be industrialization. Rekiso (2017) identifies five pillars of policy creation that can be applied the creation of regional value chains with the end goal of industrialization:

- 1) Policymakers should specify from the outset that industrialization is the key objective. Therefore, any regional integration policy decisions should be based on the impact it will have on the impact it will have on the development of higher quality value-added production and manufacturing capabilities and the creation of and high-skill jobs and high-technology processes.
- 2) Policymakers have to specify and create space for transformative industrial policy that are aimed at shifting an economy away from specializing in low-quality economic activities and towards high-quality activity specialization.
- 3) In African countries that are predominantly producers of primary commodities, policymakers should focus on implementing regional integration policies that promote a regionally integrated labour market and creates effective institutional redistribution mechanisms, so that value-addition can happen within regional value chain prior to extra-regional export.
- 4) Since industrialization requires a captive domestic market, policymakers should consider the need for local industry protection at the initial stage of regional value chain development. Selective protectionism from more competitive products from more developed countries outside the region should not be allowed to compete if a captive domestic market can spur the development of production efficiencies within the regional value chain.
- 5) Industrialization necessitates changing the structure of external trade and realigning internal market development toward import substitution. Policymakers should therefore aim to promote extra-regional export only as a means to earn foreign currency to offset critical imports.

Chapter 6: Conclusion

This paper aimed to frame the past, present, and future of Africa's regional integration trajectory. In order to address the first research question, "*What theories and concepts form the framework for Africa's regional integration and the creation of regional value chains*", chapter 3 examined the "old" and "new theories" of regional integration, from Ricardo's theory of comparative advantage to the evolving theories of open and developmental regionalism. Corresponding to the first research question, the first research objective was to "*Outline a theoretical and conceptual framework for the study of Africa's regional integration.*" While both old and new theories of regionalism fall short of satisfactorily framing the African regional integration experience, still in its early stages, developmental regionalism presents a more appropriate framework for the analysis and of current and future integration policy for Africa. In chapter 4 a conceptual framework for analysing regional integration policy in Africa is developed and identifies that fundamentally production growth in Africa has to be spurred if African countries are to boost both intra- and extra-continental export growth.

The second research question posits, "*What existing literature aids in the assessment and policy analysis for Africa's regional integration?*" and its corresponding objective of comparing and discussing different viewpoints in existing literature to illuminate different schools of thought on regional integration and doing so with an Africa-centric approach. This was addressed and achieved in chapter 2 through the extensive literature review that introduced authors, theories, and ideas; from the historical narratives of regional integration, to Africa's unique set of background conditions and the development of and distinction between global and regional value chains that led to the subsequent development of a theoretical and conceptual framework in chapter 4.

The final and arguably most important research question asks "*What policies are applicable to Africa's regional integration?*" We are able to address this question in chapter 5. Chapter 5 also fulfils the corresponding objective to offer policy recommendations and pathways to regional integration through regional value chains. Regional value chains can improve regional production networks and the establishment of the AfCFTA promotes this process. African regionalisation policies should focus on

eradicating both tariff and non-tariff barriers to trade, transforming the economic landscape to high-quality high-technology activities, allow labour mobility and diversification of skills on intra-regionally, and focus on creating robust and reliable infrastructure.

Africa has a complex history and background conditions that do not easily lend itself to slot comfortably into traditional linear theories of integration. More than that global institutions that set the tone for global trade policy propagate policies of open regionalism for Africa, which has and will do more harm and contribute to the continent's deindustrialization. This paper has outlined and highlighted the theories that remain the benchmark for the regional integration analysis and equally inappropriate indicators measuring the success of regional integration. However, theory evolves and without the contrast of the old static theories, it would have been hard to formulate and assess the appropriateness of new theory of developmental regionalism, that includes the creation of regional value chains for Africa. There is much more research still to be done to investigate opportunities to build regional value chain frameworks in different sectors and to develop more robust indicators to measure their success.

Through many attempts of varying levels of success Africa has forged her own path with her own flawed leaders toward integration, first through the melange of FTA's and now the renewed and concerted effort towards creating the all-encompassing Africa Continental Free Trade Area. It is for this reason that research and contextualization of Africa's path to economic integration is important at this historical junction as we forge and adapt a mix of new and tried policies to reap all of the potential benefits of a new era of regionalisation in Africa.

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Appendix

Appendix A: Africa's Regional Economic Communities (source: "Africa Regional Integration Index Report 2019")

