



New possibilities for expanding Pan-African commerce

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by
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Abstract

This dissertation explores the opportunities and challenges of expanding Pan-African commerce, with a focus on regional trade integration, value chains, social policies, domestic markets, wage-led growth, and the costs and benefits of regional collaboration. The study examines how the African Continental Free Trade Area (AfCFTA) can spur growth and development across the continent, highlighting the transformative potential of structural reforms, industrialisation, and export diversification.

Using qualitative research methods, this study employed a snowball sampling technique to identify and engage key stakeholders, including business leaders and trade experts from across the continent. Data was collected through structured questionnaire interviews, enabling an in-depth examination of the core themes.

The findings underscore the transformative power of innovative social policies, drawing on successful case studies from Malawi, the East African Community, Rwanda, and Ethiopia. The research advocates for policy reforms that prioritise inclusivity, sustainability, and technological advancement as essential drivers for regional integration. Furthermore, the study highlights the role of wage-led growth strategies in reducing poverty and improving income distribution, with examples from Ghana's National Health Insurance Scheme.

Ultimately, the study contributes to a nuanced understanding of Pan-African commerce and offers critical insights into the factors influencing Africa's economic development trajectory. By recognising the importance of social safety nets, industry-specific support, and forward-looking policies, this study contributes to a deeper understanding of the factors shaping Africa's economic future.

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List of Abbreviations

AfCFTA – African Continental Free Trade Area

EAC – East African Community

EASDF – East African Social Development Framework

ESG – Environmental, Social, and Governance

ICT – Information and Communications Technology

LDC – Least Developed Countries

NAFTA – North American Free Trade Agreement

NHIS – National Health Insurance Scheme

REC – Regional Economic Communities

RVC – Regional Value Chains

SADC – Southern African Development Community

SEZ – Special Economic Zones

SMEs – Small and Medium-sized Enterprises

UNECA – United Nations Economic Commission for Africa

Chapter 1

1.1 Introduction

The African continent has enormous economic potential, in that it has a young and growing population, abundant natural resources, and a fast-growing middle class. However, the potential progress of African economies has been hampered by a lack of infrastructure, weak institutions, and crippling levels of corruption. One of the ways to overcome these challenges is to expand trade within the African continent, which in turn will promote economic growth, create jobs, and improve living standards for millions of people. The purpose of this study is to explore new possibilities for expanding Pan-African commerce, with a focus on the potential benefits and challenges of trade within the African continent, as well as the key drivers and barriers to achieving this goal. African regional integration has long been touted as a key driver of economic growth, development, and social progress on the continent. Recent research has highlighted the potential benefits of deeper economic integration, such as increased trade, investment, and productivity. It has also outlined the potential challenges, including trade diversion, distributional effects, and institutional capacity building (Afesorgbor, 2017; Jiboku, 2015).

One critical aspect of African regional integration is the role of regional social policies in promoting inclusive growth and development. Recent studies have emphasised the importance of aligning social policies with regional value chains and institutional arrangements, and of leveraging the social partners in promoting effective policy implementation and coordination (African Union Commission, 2021; Iratni, 2023). Despite these potential benefits, African regional integration faces other obstacles and challenges, including inadequate financing and political instability. Moreover, the COVID-19 pandemic has exposed and exacerbated many of these underlying vulnerabilities, highlighting the need for more robust and resilient integration strategies (Atta, 2020; Asafu-Adjaye et al., 2021).

To address these issues and develop more effective strategies for promoting regional integration and social policy alignment, this study seeks to evaluate the economic factors that drive regional trade integration amongst African countries, the obstacles to accelerating

economic convergence through African regional integration, and the mechanisms through which African regional integration can promote domestic market development and wage-led growth. Through a comprehensive literature review and a structured questionnaire, this study aims to provide insights into the costs, benefits, and adjustment strategies associated with African regional integration, as well as the potential role of the African Continental Free Trade Agreement (AfCFTA) in promoting deeper economic integration and social policy coordination.

1.2 Definition of research problem and research questions

Despite numerous initiatives aimed at promoting intra-African trade, the volume of trade between African countries remains low. Intra-African trade accounts for only 17% of Africa's total trade, compared to 69% for Europe and 59% for Asia (African Development Bank, 2019). This indicates a significant gap in trade relationships between African countries. The current situation presents an opportunity to explore new possibilities for expanding Pan-African commerce.

The research problem of this study is to investigate the benefits, challenges, key drivers and barriers of expanding Pan-African trade, as well as to explore the potential impact of increasing intra-African commerce on economic growth, development, and regional integration. This is significant because increasing intra-African trade can lead to job creation, technology transfer, and the development of regional value chains. These in turn can contribute significantly to the economic growth and development of the African continent. Moreover, expanding Pan-African commerce can promote regional integration and strengthen the resilience of African economies against external shocks (Tröster & Janechová, 2021).

The literature review highlights the importance of increasing intra-African trade and identifies several challenges and opportunities for expanding Pan-African commerce. In terms of the challenges, the literature points out that the lack of infrastructure, trade barriers, and political instability are significant obstacles to Pan-African trade. The opportunities that exist are the potential to create economies of scale, exploit comparative advantages, and build stronger regional value chains. However, the literature also highlights the need for further research to identify the key drivers and barriers to fully expanding Pan-African trade (Aniche, 2020).

1.3 Research Objectives

The study aims to provide policymakers with evidence-based insights to inform policies and strategies aimed at promoting intra-African trade and regional integration. Africa, in particular, allows for an intriguing study because prior attempts at this Regional Economic Communities (RECs) integration have frequently drawn criticism. The attempts have been slighted for failing to carry out their purpose, failing to address member states and continental issues, and failing to advance the RECs' development objective (Olayiwola, 2020).

The African Continental Free Trade Area presents an opportunity for increased intra-African trade and the advancement of the continent's regional trade sector, which could lead to greater employment opportunities for its growing youth population. However, the African continent faces structural challenges that inhibit its participation in the global market and limit its benefits from trade integration. These challenges include disparities in economic structures, financial development, and soft and hard infrastructure, as well as difficulties in building inclusive Regional Value Chains (RVCs).

Additionally, the failure of past attempts at regional integration highlights the need for a comprehensive and African-specific approach to trade integration. Therefore, the research problem is to identify the barriers to successful implementation of the AfCFTA and provide recommendations for building inclusive RVCs that promote sustainable economic growth and development in Africa (Olayiwola, 2020).

The below main sub-objectives will be explored in the African context:

- Identify the economic factors that drive regional trade integration amongst African countries.
- Examine the relationship between regional trade integration and the establishment of effective RVCs in Africa.
- Examine the relationship between effective RVCs and economic growth.

1.4 Research question

- What are the key barriers to successful implementation of the AfCFTA, including the establishment of inclusive RVCs in Africa?

- How can African countries build inclusive RVCs that address the needs of small and medium-sized enterprises, and promote sustainable economic growth and development?
- What are the effects of the AfCFTA and RVCs on the dependent variables of economic growth, employment, and poverty reduction in African countries?

1.5 Organisation of the study

Chapter 1: The study is introduced in the first chapter, which also provides a background on the industries that will be examined as well as an overview of intra-African trade. A summary of the study's relevance and applicability is given along with the research problem, questions, and objectives.

Chapter 2: The previous researchers' work is the main emphasis of the literature review. This overview includes a critical evaluation of the many methods, strategies, and equipment that have been used. This section examines the parallels and discrepancies between the viewpoints or methods used by earlier researchers.

Chapter 3: The study methodology describes the methods and instruments used for this analysis and gives an overview of the research strategy. It offers a precise explanation of the data set employed, its justification, the data collecting and analysis procedure, and establishes the parameters for result interpretation that permit a discussion of the empirical findings.

Chapter 4: Based on the parameters examined and the methods employed, this chapter presents a thorough examination, interpretation, and discussion of the empirical results. It allows for a comprehensive discussion of the research findings, focusing on the various themes derived from the questionnaire and data collection.

Chapter 5: The study's final chapter, the conclusion, aims to provide a clear connection between the study's goals, the methodology used for the research, and a summary of the major findings. In order to address the limitations of this study, this chapter concludes with specific recommendations for important stakeholders, based on the findings.

Chapter 2

2.1 Literature Review

2.1.1 Introduction

The African continent comprises 54 countries with diverse cultures and resources, all of which share a common history of colonization, economic exploitation, and underdevelopment. In recent years, the importance of regional integration and cooperation for promoting economic growth and development across Africa has gained recognition. One notable initiative in this regard is the African Continental Free Trade Agreement, which seeks to enhance intra-African trade and investment, the goal being the creation of a single market for goods and services. However, to fully realise the potential of regional integration, it is crucial to understand the factors that drive or hinder its success. This literature review aims to explore recent research on the opportunities and challenges of expanding Pan-African commerce, as well as provide insights into strategies for promoting regional trade integration and growth.

According to a study conducted by the United Nations Economic Commission for Africa (UNECA, 2020), the AfCFTA has the potential to increase intra-African trade by 52.3% by 2025 and could boost Africa's income by \$450 billion by 2035. These findings highlight the immense economic benefits that can be derived from the successful implementation of the agreement. However, there exist significant challenges that must be addressed to expand Pan-African commerce. Inadequate infrastructure, limited access to finance, and a lack of institutional capacity to implement and enforce trade agreements are among the key obstacles faced (Ngepah & Udegha, 2018). Moreover, considerable disparities in economic development and trade capacities exist among African countries, with some nations exhibiting greater levels of development and competitiveness than others (Abrego et al., 2020).

In order to overcome these challenges, a variety of strategies were suggested. These include investment in infrastructure and transport networks to improve connectivity and facilitate trade flows; the promotion of regional value chains to enhance intra-African production and trade; and the provision of technical assistance and capacity-building support to help countries effectively implement trade agreements (Onwuka & Udegbunam, 2019).

Furthermore, fostering greater collaboration and coordination among African countries, as well as establishing strategic partnerships with external bodies such as the European Union and countries like China, are deemed essential for the success of regional integration efforts (Pietrangeli, 2016).

One notable regional integration initiative is the Southern African Development Community (SADC), which aims to deepen economic integration and promote trade among its member states. To gain insights into the opportunities and challenges of regional integration within SADC, let us explore real case studies that shed light on these aspects.

One case study examines the impact of the SADC Trade Protocol on regional trade and economic growth. The study conducted by Farahane and Heshmati (2020) analyses the trade flows within SADC and the effects of the trade liberalisation measures implemented under the protocol. The findings indicate that the removal of trade barriers and the reduction of tariffs have facilitated increased trade among member states. In particular, the case study highlights the positive impact of the protocol on intra-regional trade in agricultural products, which has contributed to food security and economic development within the region.

However, the achievement of the complete potential of regional integration within SADC continues to encounter ongoing obstacles. A case study conducted by Moyo (2023) examines the trade patterns and determinants of intra-SADC trade. Although trade liberalisation measures have been put into effect, the study indicates that intra-regional trade within SADC is significantly lower compared to external partnerships. The case study identifies various factors that limit regional trade, including restricted productive capacities, inadequate infrastructure, and non-tariff barriers such as complex customs procedures and administrative hurdles. The obstacles mentioned emphasise the urgent need for increased efforts to strengthen regional trade facilitation and tackle the challenges presented by non-tariff barriers.

To address these challenges, case studies offer insights into strategies that can promote regional trade integration and growth within SADC. One such case study focuses on the SADC Industrialisation Strategy and Roadmap, which aims to promote value addition, industrial diversification, and competitiveness within the region. The study conducted by Black et al. (2021) highlights the importance of developing regional value chains as a means to enhance intra-regional trade and industrialisation. The case study presents examples of

successful regional value chains in sectors such as agro-processing and manufacturing, which have contributed to increased intra-SADC trade and economic growth.

Furthermore, the case study emphasises the significance of infrastructure development to support regional integration within SADC. The example of the North-South Corridor, a major transportation network connecting landlocked countries in Southern Africa to ports and markets, demonstrates the positive impact of infrastructure investments on trade facilitation and regional integration. Infrastructure development can stimulate intra-regional trade and economic development within SADC by improving transportation connectivity, reducing logistics costs, and enhancing trade flows. In addition, the case study highlights the importance of institutional capacity-building to support regional integration efforts within SADC. The study conducted by Mlambo (2019) examines the challenges and opportunities of implementing regional trade agreements in SADC. The case study emphasises the need for strengthening institutions responsible for trade facilitation, such as customs administrations and national standards bodies. By enhancing institutional capacity, SADC member states can effectively implement trade protocols and address non-tariff barriers, thereby promoting regional trade integration.

In summary, the case study provides valuable insights into the opportunities and challenges of regional integration within SADC. While the SADC Trade Protocol has contributed to increased intra-regional trade, challenges related to limited productive capacities, infrastructure deficits, and non-tariff barriers persist. Strategies such as the development of regional value chains, infrastructure investment, and institutional capacity-building are crucial for promoting regional trade integration and fostering economic growth within SADC.

2.1.2 Regional Trade Integration

Regional trade integration plays a crucial role in promoting economic growth and reducing poverty in Africa. It involves the coordination of economic policies and the removal of trade barriers among neighbouring countries to facilitate trade and investment. The African continent has recognised regional integration as a key strategy for economic development (Gumede, 2019). Several economic factors contribute to the success of regional integration initiatives in Africa, including the potential for increased market size, economies of scale, and specialisation in the production of goods and services (De Melo et al., 2020). Additionally,

regional integration can facilitate technology transfer, foster competition, and attract foreign investment (Gammadigbe, 2021).

However, the benefits of regional integration are not always straightforward and can vary depending on the level of economic development and the trade relationship between countries. In the short term, regional integration may lead to trade diversion, where countries shift from trading with non-member countries to intra-regional trade, potentially harming their economic welfare (Turkson et al., 2023). Furthermore, the success of regional integration in promoting economic convergence relies on member countries' ability to implement necessary policy reforms, such as reducing trade barriers and harmonising regulations (De Melo et al., 2020).

One of the main challenges of regional integration in Africa is the existence of trade barriers, both at national and regional levels. Non-tariff barriers such as cumbersome customs procedures, technical regulations and restrictive rules of origin impede the smooth flow of goods and services across borders (Wapmuk & Ali, 2022). Addressing these barriers requires not only policy reforms but also enhanced institutional capacity and cooperation among member countries.

Another critical aspect is the level of economic development among participating countries. Disparities in economic development can create challenges in achieving balanced benefits from regional integration. Less developed countries may face difficulties in competing with more advanced economies within the region, leading to potential inequalities and uneven distribution of gains (De Melo et al., 2020).

To ensure the success of regional integration, comprehensive policies and actions are necessary. These include the implementation of trade facilitation measures, the establishment of effective dispute resolution mechanisms, and the promotion of productive capacity development and regional value chains (Sakyi & Afesorgbor, 2019). Additionally, addressing infrastructure gaps such as improving transport networks and energy systems is crucial for enhancing connectivity and facilitating trade flows (Quium, 2019).

One case study that sheds light on the opportunities and challenges of regional trade integration in Africa is the East African Community (EAC). The EAC is a regional intergovernmental organisation composed of six countries in East Africa: Burundi, Kenya,

Rwanda, South Sudan, Tanzania, and Uganda. The EAC has made significant strides in promoting regional integration and trade cooperation among its member states.

The EAC's efforts have led to the establishment of a common market, customs union, and various trade facilitation measures, such as the elimination of tariff and non-tariff barriers. These initiatives have resulted in increased intra-regional trade within the EAC. For example, between 2005 and 2015, intra-EAC trade grew by more than 200%, reaching approximately \$5.6 billion (Umulisa, 2020). The EAC's regional integration efforts have provided several opportunities for economic growth and development. By reducing trade barriers, countries in the EAC have gained access to larger markets, leading to increased export opportunities for their industries. The expansion of regional trade has also encouraged investment in sectors with a regional comparative advantage, such as agriculture and manufacturing.

However, the case of the EAC also highlights the challenges faced in regional trade integration. Despite progress in reducing tariff barriers, non-tariff barriers such as cumbersome customs procedures and differing technical regulations continue to hinder seamless trade within the region (African Union Commission, 2021). In addition, disparities in economic development and trade capacities among EAC member states pose a challenge to achieving balanced trade and equitable distribution of benefits.

To address these challenges, the EAC has implemented various adjustment strategies. These include harmonising technical regulations and standards, streamlining customs procedures, and enhancing infrastructure connectivity. For instance, the EAC has invested in the improvement of transport networks, such as the Northern Corridor, to facilitate the movement of goods and reduce transportation costs (Quium, 2019).

The case study illustrates the complex dynamics involved in regional trade integration. While progress has been made, challenges remain, particularly in addressing non-tariff barriers and promoting equitable development among member states. The EAC's experience highlights the importance of implementing comprehensive adjustment strategies that encompass both short-term measures and long-term structural reforms to foster regional trade integration and address the specific needs of member countries.

In summary, regional trade integration holds enormous potential for promoting economic growth and reducing poverty in Africa. However, it is essential to address trade impediments including non-tariff barriers and consider the varying levels of economic development among

member countries. Effective policy reforms, along with enhanced institutional capacity, and targeted investments in infrastructure and productive sectors are necessary to overcome these challenges and foster successful regional integration.

2.1.3 Regional Value Chains

Regional value chains play a crucial role in African trade integration, encompassing the production and distribution of goods and services across multiple countries in a region, with each country managing a specific stage of the production process (Slany, 2019). The intersection of regional value chains and trade integration holds significant potential for regional economic growth while the expansion of regional value chains can lead to increased productivity, job creation, and technological advancement (Taglioni & Winkler, 2016). Furthermore, regional value chains offer opportunities for small and medium-sized enterprises (SMEs) to integrate into global supply chains and enhance their competitiveness (Fofack & Mold, 2021).

However, there are several challenges confronting the smooth integration of regional value chains in Africa. For example, insufficient infrastructure including transport networks and energy systems hampers the smooth flow of goods and services across countries, limiting the effectiveness and efficiency of regional value chains (Kuteyi & Winkler, 2022). Inadequate regulatory frameworks such as cumbersome customs procedures and divergent regulations create barriers to the seamless operation of value chains, thwarting any potential benefits (Taglioni & Winkler, 2016). Limited access to finance and technology poses additional hurdles for businesses to participate effectively in regional value chains, particularly for SMEs which often face constraints in accessing capital and advanced technologies (Epede & Wang, 2022). Furthermore, the distribution of benefits from regional value chains may not be equitable across countries and sectors, potentially exacerbating existing inequalities. Some countries and sectors may be better positioned to capture value and benefit from the integration of regional value chains, while others may face challenges in fully participating and reaping the advantages (Epede & Wang, 2022). Therefore, it is crucial to ensure that the integration of regional value chains is inclusive and benefits all participating countries and sectors.

Addressing the challenges faced by regional value chains requires comprehensive actions and policy measures. Investment in infrastructure, including transportation, logistics and energy, is essential for enhancing connectivity and facilitating the smooth operation of value chains

(Slany, 2019). The establishment of harmonised and streamlined regulatory frameworks can reduce trade barriers and facilitate the movement of goods and services within the region (Kuteyi & Winkler, 2022). Additionally, improving access to finance and technology for SMEs and promoting capacity-building initiatives can enhance their participation and competitiveness in regional value chains.

A notable case study that demonstrates the potential of regional value chains in Africa is one involving the horticulture sector in East Africa. Countries such as Kenya, Ethiopia, and Tanzania have developed a regional value chain for horticultural products, with each country specialising in diverse stages of the production process (Whitfield et al., 2020). Kenya, for example, has become a hub for flower production, while Ethiopia focuses on rose cultivation, and Tanzania specialises in fruit production. This coordination and specialisation within the regional value chain have resulted in increased exports, job creation, and improved livelihoods for small-scale farmers (Whitfield et al., 2020).

However, there are challenges to be addressed in realising the full potential of regional value chains in Africa. One key challenge is the lack of adequate infrastructure, including transportation networks and energy systems, which hinders the efficient movement of goods and services across countries (Anbumozhi & Kalirajan, 2021). Insufficient infrastructure increases transaction costs which can limit the expansion of regional value chains. Addressing infrastructure gaps through investment in transportation, logistics, and energy infrastructure is crucial to enable smooth trade flows within regional value chains.

Another challenge is the presence of non-tariff barriers and divergent regulations among countries in the region. These barriers can impede the seamless operation of regional value chains and limit their effectiveness (Anbumozhi & Kalirajan, 2021). Streamlining regulations, harmonising standards and simplifying customs procedures can facilitate the movement of goods and services. This in turn will reduce trade costs and promote greater integration within regional value chains.

To foster inclusive regional value chains, it is important to ensure that the benefits are shared equitably among participating countries and sectors. Efforts should be made to promote the inclusion of small and medium-sized enterprises in regional value chains, which often face challenges such as limited access to finance, technology, and market information (Obeng et al., 2022). Providing support to SMEs through capacity-building programmes, access to

finance, and technology transfer can enable their active participation and integration into regional value chains.

In conclusion, regional value chains offer significant opportunities for trade integration and economic development in Africa. Through coordination and specialisation, they can enhance productivity, job creation, and competitiveness. However, challenges related to infrastructure, non-tariff barriers, and inclusivity need to be addressed. By investing in infrastructure, streamlining regulations, and supporting SMEs, African countries can unlock the full potential of regional value chains and promote sustainable economic growth.

2.1.4 Development

The African continent is home to several Least Developed Countries (LDCs) that face significant challenges in terms of development. In the context of African regional integration, LDCs encounter specific obstacles, including limited capacity to participate in regional trade negotiations and implement policy reforms (Ndonga et al., 2020). To accelerate the development of LDCs within African regional integration, various mechanisms and measures can be employed.

One essential mechanism is increasing market access for LDCs. If trade barriers were reduced and preferential treatment was given for LDCs in regional trade agreements such as through tariff exemptions and simplified rules of origin, LDCs would be able to enhance their export potential and access larger markets (Nwankwo & Ajibo, 2020). Moreover, creating a conducive business environment and providing technical assistance to LDCs can further support their integration into regional value chains and expand their market presence.

Infrastructure development is another crucial factor in promoting the development of LDCs within regional integration. Insufficient infrastructure, including transportation networks, energy systems, and digital connectivity, hinders the productive capacity and competitiveness of LDCs (Pasara, 2020). Therefore, investing in infrastructure projects, both at national and regional levels, can enhance connectivity, facilitate trade flows, and stimulate economic growth in LDCs. Human capital development is equally vital for the advancement of LDCs within regional integration. Enhancing education and skills training programmes, promoting entrepreneurship, and investing in research and development can bolster human capital and foster innovation and productivity in LDCs (Nwankwo & Ajibo, 2020). Additionally,

providing capacity-building support and technical assistance to LDCs can strengthen their institutional capacity to implement regional trade agreements and carry out necessary policy reforms (Ndonga et al., 2020).

Studies have shown that regional integration can be a powerful tool for promoting economic growth and development in LDCs, but the benefits are not automatic and depend on the design and implementation of regional integration agreements (Tumwebaze & Ijjo, 2015). It is crucial to ensure that regional integration initiatives are inclusive and take into account the specific needs and challenges faced by LDCs. By increasing market access, building infrastructure, and enhancing human capital, regional integration can provide opportunities for LDCs to overcome development constraints and realise their potential for economic progress (Shadlen, 2005).

One case study that highlights the importance of development in Africa is the economic transformation of Rwanda. Following the devastating genocide in 1994, Rwanda embarked on a comprehensive development agenda aimed at rebuilding its economy and society. The country implemented a range of policies, including investment in human capital, infrastructure development, and promoting a conducive business environment (Malunda & Serge, 2012). These efforts resulted in sustained economic growth, poverty reduction, and improvements in social indicators such as education and healthcare (Biedermann, 2015). However, development in Africa faces numerous challenges. Limited access to finance and investment, inadequate infrastructure, and significant levels of inequality are among the key obstacles to achieving sustainable development (Biedermann, 2016). Additionally, African countries often grapple with governance issues, including corruption and weak institutions, which can impede progress in development (Qureshi et al., 2021).

To address these challenges and promote development, African countries have implemented various strategies. One approach is promoting inclusive growth, ensuring that the benefits of development reach all segments of society, particularly marginalised groups (Reinders et al., 2019). This involves implementing social protection programmes, expanding access to education and healthcare, and creating opportunities for employment and entrepreneurship.

Another strategy is fostering regional integration and cooperation. By deepening regional integration, African countries can leverage economies of scale, enhance trade, and attract investment. Initiatives such as the African Continental Free Trade Area aim to create a unified

market, stimulate intra-African trade, and promote economic diversification and industrialisation (Songwe, 2019). Regional integration can also facilitate the development of regional value chains and promote collaboration in key sectors, leading to sustainable development. Furthermore, investing in human capital is vital for development. Enhancing education and skills development, promoting research and innovation, and improving healthcare systems contribute to building a knowledgeable and productive workforce, which is crucial for driving economic growth and development (Songwe, 2019). Collaboration with development partners and leveraging external resources and expertise can support human capital development efforts.

In conclusion, development is a critical goal for African countries, encompassing economic, social, and environmental dimensions. Case studies like Rwanda demonstrate the potential for sustained economic growth and poverty reduction through comprehensive development strategies. However, challenges such as limited access to finance, inadequate infrastructure, and governance issues need to be addressed. Strategies such as inclusive growth, regional integration, and investments in human capital are key to promoting sustainable development in Africa.

2.1.5 Social Policies

Social policies play a fundamental role in promoting inclusive economic growth, reducing poverty, and addressing inequality within the context of regional integration. These policies focus on providing access to essential services such as education, healthcare, and social protection programmes, among others. By ensuring that individuals have access to these basic services, social policies contribute to the development of human capital and foster social cohesion, which in turn can lead to improved economic outcomes (Dugarova, 2015). Effective social policies within regional integration frameworks require careful consideration of the unique needs and characteristics of each region. A one-size-fits-all approach may not be effective, as different regions face distinct challenges and have varying social and economic conditions (Todes & Turok, 2018). Therefore, policymakers need to adopt a context-specific and participatory approach when formulating and implementing social policies within regional integration initiatives.

To design effective social policies, policymakers should engage in comprehensive research and analysis to understand the specific needs and challenges of the target population within

the region. This process may involve collecting data, conducting surveys, and consulting with relevant stakeholders, including civil society organisations, communities, and individuals directly affected by social policies. By involving multiple stakeholders and incorporating their perspectives, policymakers can ensure that social policies are responsive to the needs of the people they aim to serve.

In addition, coordination and collaboration among regional integration institutions and member countries are essential for the successful implementation of social policies. Close cooperation allows for the sharing of best practices, experiences, and knowledge, enabling countries to learn from each other's successes and challenges. It also facilitates the alignment of social policies across countries, promoting harmonisation and integration.

Furthermore, the financing of social policies is a critical aspect that requires attention. Adequate and sustainable funding mechanisms should be established to ensure the effective implementation and continuity of social programmes; this may involve mobilising domestic resources. Overall, social policies are an integral part of any regional integration efforts, as they contribute to inclusive growth, poverty reduction, and social development. By adopting a context-specific and participatory approach, considering the unique needs of each region, and fostering coordination among member countries, policymakers can design and implement effective social policies that contribute to the overall objectives of regional integration.

A case study that exemplifies the importance of social policies in expanding Pan-African commerce is the Cash Transfer for Orphans and Vulnerable Children programme in Malawi (Covarrubias et al., 2012). The programme, implemented in partnership with various stakeholders and international organisations, provides monthly cash transfers to families caring for orphaned and vulnerable children. A study conducted by Covarrubias et al. (2012) found that the cash transfer programme significantly improved household food security and increased school enrolment among beneficiary children. This case study demonstrates how targeted social policies can alleviate poverty, enhance human capital, and create opportunities for economic participation, ultimately contributing to expanded commerce.

Another case study focuses on the East African Community (EAC) and its efforts to harmonise social policies across member countries. The EAC has implemented various initiatives to promote regional integration and social development, including the East African Social Development Framework (EASDF). This framework aims to coordinate social policies

in areas such as health, education, and social protection to ensure equitable access to services across the region. The EASDF has led to the development of common standards, guidelines, and collaborative programmes that enhance social policy outcomes within the EAC (Ogola et al., 2015).

Additionally, the case of Ghana's National Health Insurance Scheme (NHIS) showcases the potential of social policies to promote inclusive economic growth. The NHIS, established in 2003, provides affordable health insurance to Ghanaians, contributing to improved healthcare access and reduced financial burdens. A study by Kotoh et al. (2018) found that the NHIS positively impacted household welfare, increased healthcare utilisation, and reduced out-of-pocket payments. By ensuring access to healthcare services, the NHIS contributes to a healthier and more productive workforce, which in turn supports economic development and commerce.

To design effective social policies within regional integration frameworks, policymakers should engage in comprehensive research and analysis to understand the specific needs and challenges of the target population within the region. This procedure may entail the accumulation of data, execution of surveys, and consultation with pertinent stakeholders, such as civil society organisations, communities, and individuals who are directly impacted by social policies. Policymakers can ensure the responsiveness of social policies to the needs of the intended beneficiaries by engaging various stakeholders and integrating their viewpoints.

In conclusion, social policies are integral to expanding Pan-African commerce within the context of regional integration. The case studies of the Cash Transfer for Orphans and Vulnerable Children programme in Malawi, the harmonisation of social policies in the East African Community, and Ghana's National Health Insurance Scheme demonstrate the potential of targeted social policies to reduce poverty, enhance human capital, and create a conducive environment for economic participation. By adopting context-specific and participatory approaches, policymakers can design and implement effective social policies that contribute to inclusive growth, poverty reduction, and social development.

2.1.6 Domestic Market

The domestic market plays a crucial role in promoting economic growth and development, providing a foundation for expanding production and consumption of goods and services

within a country. A strong domestic market contributes to economic stability by creating a steady stream of demand, encouraging investment, and generating job opportunities (Robinson & Von Below, 1990). A robust domestic market reduces a country's dependence on external markets and exports, which can be volatile and susceptible to global economic fluctuations and trade policies. By reducing reliance on exports, a strong domestic market enhances a country's resilience to external shocks, making it less vulnerable to disruptions in global demand and other external factors beyond its control (Abiad et al., 2015).

Moreover, a strong domestic market enables countries to diversify their economies and reduce their exposure to risks associated with dependence on specific sectors or products. By stimulating demand for a wide range of goods and services domestically, countries can promote the growth of various industries and sectors, fostering economic diversification and reducing dependence on a single sector or a narrow range of products (Obeng-Odoom, 2020). To strengthen the domestic market, policymakers can employ a range of strategies. Firstly, they can focus on enhancing consumer purchasing power by implementing measures that promote income growth, such as improving labour market conditions, implementing progressive taxation, and providing social welfare programmes (Obeng-Odoom, 2020). Increasing purchasing power boosts domestic demand, which in turn stimulates economic growth and supports the development of a strong domestic market.

Secondly, policymakers can support small and medium-sized enterprises and entrepreneurs by creating an enabling environment and providing targeted support. This includes measures such as streamlining regulations, improving access to finance, and offering technical assistance and training programmes (Ouma-Mugabe et al., 2021). SMEs play a vital role in driving domestic market growth, as they contribute to employment creation, innovation, and the diversification of products and services. Furthermore, investment in infrastructure development is crucial to support the growth of the domestic market. Adequate transportation networks, reliable energy systems, and digital connectivity are essential for facilitating the movement of goods and services within the country, enabling businesses to reach consumers effectively and efficiently (Mezui, 2012).

To illustrate the role of the domestic market in expanding Pan-African commerce, we can examine case studies that demonstrate successful initiatives in African countries. These examples highlight the strategies employed by policymakers to strengthen the domestic market and promote economic growth:

The first one is a case study of the transformation of Ethiopia's domestic market. Ethiopia has implemented various policies to enhance its domestic market and reduce dependence on external markets. The country has focused on infrastructure development, particularly in the transportation and energy sectors, to improve connectivity and facilitate the movement of goods and services. The Ethiopian Government's investment in the construction of railways, roads, and airports has played a crucial role in expanding the domestic market by improving access to remote areas and linking production centres with consumers (Minten et al., 2014). Additionally, Ethiopia has implemented policies to support small and medium-sized enterprises through access to finance, business development services, and technology adoption. These initiatives have encouraged entrepreneurship and the growth of domestic industries, contributing to the expansion of the domestic market (Shkabatur, 2022).

Another case study is Rwanda's success in building a strong domestic market. Rwanda has implemented a range of policies and programmes to enhance consumer purchasing power and stimulate domestic demand. The Government has implemented social protection programmes such as the Vision 2020 Umurenge Programme which provides support to vulnerable populations and promotes poverty reduction. These initiatives have increased household incomes and improved the purchasing power of Rwandan consumers, creating a robust domestic market (Williams et al., 2022).

Additionally, Rwanda has prioritised investment in infrastructure, particularly in the ICT sector, to enhance digital connectivity and promote e-commerce. The country's efforts in digital transformation have facilitated access to markets for SMEs and enabled businesses to reach consumers efficiently (Calabrese et al., 2017).

The case of Nigeria highlights the importance of promoting SMEs and entrepreneurship to strengthen the domestic market. The Nigerian Government has implemented policies and programmes to support SMEs, including the establishment of specialised banks, funding schemes, and capacity-building initiatives. One notable initiative is the Bank of Industry's SME Development Fund, which provides affordable financing options to SMEs that support their growth and expansion. These policies have encouraged the development of domestic industries, promoted innovation, and generated employment opportunities, contributing to the expansion of Nigeria's domestic market (Emmanuel, 2017).

In conclusion, case studies from Ethiopia, Rwanda, and Nigeria demonstrate the strategies employed by policymakers to strengthen the domestic market and expand trade. These examples highlight the importance of infrastructure development, support for SMEs and entrepreneurship, and initiatives to enhance consumer purchasing power. By implementing these strategies and prioritising the development of the domestic market, African countries can foster inclusive economic growth, reduce dependence on external markets, and create a stable foundation for sustainable development.

2.1.7 Wage-Led Growth

Wage-led growth refers to a process in which increases in wages play a vital role in driving economic growth by stimulating aggregate demand and creating a multiplier effect within the economy. This concept is particularly relevant in developing countries, as it can contribute to poverty reduction by enhancing the purchasing power of workers and generating new employment opportunities (Lavoie & Stockhammer, 2013).

One of the key advantages of wage-led growth is its potential to reduce inequality and improve social welfare in developing countries. Sotomayor (2021) argues that by increasing wages and narrowing the income gap, wage-led growth can contribute to a more equitable distribution of income and wealth. This in turn can enhance social cohesion and support inclusive development.

Empirical evidence supports the positive effects of wage-led growth on employment and income distribution. Alarco Tosoni (2014) conducted a study in Latin America and found that wage-led growth policies had significant positive impacts on employment creation and income distribution. They suggest that policies focusing on increasing wages can lead to a virtuous cycle of higher consumption, increased production, and expanded employment opportunities. Moreover, wage-led growth can also promote economic development through its impact on investment and innovation. (Parui, 2022) argues that higher wages can stimulate domestic demand, which, in turn, can encourage firms to invest in new technologies, research and development, and human capital. This can contribute to increased productivity, competitiveness, and overall economic development.

However, it is important to note that wage-led growth policies must be implemented with careful consideration of the broader macroeconomic context and the specific characteristics of each country. The effectiveness of wage-led growth strategies may vary depending on factors

such as inflation, labour market dynamics, and the overall state of the economy. Thus, policymakers need to adopt a balanced approach that takes into account both the short-term and long-term implications of wage increases on inflation, productivity, and competitiveness (Sotomayor, 2021).

The concept of wage-led growth can be further elucidated through case studies that highlight its practical implications in developing countries. These examples provide insights into the potential benefits and challenges associated with implementing wage-led growth policies.

One notable case study is the experience of Brazil in pursuing wage-led growth strategies. Brazil has implemented policies to increase the minimum wage and improve the wages of low-income workers. These policies have contributed to poverty reduction and enhanced social welfare by improving the purchasing power of workers at the lower end of the income spectrum. The increase in wages has stimulated domestic demand, leading to higher consumption levels and increased economic activity. This in turn has generated employment opportunities and supported inclusive development (Jetin et al., 2020).

Another case study is the implementation of wage-led growth policies in South Africa. In that country, wage-led growth has been employed as a means to address income inequality and promote social cohesion. The country has implemented policies to raise wages, particularly for low-income workers, through mechanisms such as minimum wage legislation and collective bargaining agreements. These policies have contributed to reducing income disparities, enhancing the well-being of workers, and fostering a more equitable distribution of income. Additionally, wage increases have stimulated domestic demand, creating a multiplier effect that supports economic growth (Jetin et al., 2020).

Furthermore, the experience of India provides insights into the challenges and considerations associated with wage-led growth. India has pursued policies to increase wages and improve working conditions, particularly in the informal sector. The aim has been to enhance the income and purchasing power of workers in the informal economy, which constitutes a significant portion of the workforce. However, the implementation of wage-led growth policies in India has faced challenges such as labour market informality, limited enforcement mechanisms, and concerns about potential inflationary pressures. These challenges highlight the importance of considering the specific characteristics of each country's labour market and

macroeconomic conditions when designing wage-led growth strategies (Sheikh & Gaurav, 2020).

In conclusion, case studies from Brazil, South Africa, and India shed light on the practical implications of wage-led growth in developing countries. These examples demonstrate how policies aimed at increasing wages can contribute to poverty reduction, income distribution, and economic development. However, challenges related to labour market dynamics, enforcement mechanisms, and macroeconomic considerations need to be carefully addressed to ensure the effectiveness and sustainability of wage-led growth strategies. By considering the lessons learned from these case studies, policymakers can develop tailored approaches to leverage wage-led growth as a driver of inclusive economic development.

2.1.8 Costs and Benefits

When formulating economic policies, policymakers and stakeholders must carefully consider the costs and benefits associated with these policies. Evaluating the potential impacts allows for a more informed decision-making process. Several studies have shed light on the costs and benefits of various economic policies, highlighting the need for a nuanced approach.

Trade policies, particularly those that promote free trade, can bring about economic growth and job creation. Sakyi et al. (2017) emphasises the positive effects of free trade on economic growth. However, they also note that such policies may contribute to increased inequality and environmental degradation. This finding aligns with the research of Siddiqui (2015), who observed that trade liberalisation can lead to both economic growth and increased income inequality in developing countries.

Technological progress and automation, while offering numerous benefits, can also have costs associated with job displacement and income inequality. Goyal and Aneja (2020) highlight the potential negative impacts of technological advancement on employment and income distribution. As new technologies and automation replace certain jobs, there is a risk of leaving certain segments of the population behind, exacerbating income inequality. Therefore, policymakers need to consider measures to ensure inclusive growth and provide support for those affected by technological changes.

Environmental policies are crucial for sustainable development; however, they may also impose costs on certain industries and affect competitiveness and employment. Zhao et al.

(2022) emphasise the positive effects of environmental policies on economic growth.

Nonetheless, they also note that some industries may experience challenges in adapting to these policies, leading to potential competitiveness issues and job losses.

Given these complexities, policymakers must carefully weigh the costs and benefits of economic policies and develop strategies to mitigate any negative impacts. This involves designing policies that prioritise inclusive growth, environmental sustainability, and the well-being of all segments of society. Measures such as social safety nets, retraining programmes, and targeted support for affected industries can help alleviate the costs and facilitate a smoother transition to new economic paradigms.

Case studies examining trade policies, particularly those promoting free trade, have highlighted their potential benefits in terms of economic growth and job creation. For example, a case study by Hur and Park (2012) emphasises the positive effects of free trade on economic growth. However, it is worth mentioning that these policies can potentially exacerbate inequality and lead to environmental deterioration. This finding aligns with the research of Siddiqui (2015), who observed that trade liberalisation can lead to both economic growth and increased income inequality in developing countries.

Another area of study revolves around the costs and benefits of technological progress and automation. While technological advancements offer numerous benefits, there are associated costs such as job displacement and income inequality. Goyal and Aneja (2020) shed light on the conceivable negative impacts of technological advancement on employment and income distribution. They emphasise that the replacement of certain jobs by new technologies and automation poses a risk of further widening income inequality and potentially excluding certain segments of the population. Hence, policymakers must deliberate on strategies to ensure equitable economic expansion and offer assistance to individuals impacted by technological advancements.

The costs and benefits of environmental policies are also subjects of interest in case studies. Zhao et al. (2022) emphasise the positive effects of environmental policies on economic growth. However, they also note that some industries may face challenges in adapting to these policies, leading to potential competitiveness issues and job losses. Case studies in this area help policymakers understand the trade-offs and devise strategies to balance environmental sustainability with industry needs.

One case study that exemplifies the costs and benefits of trade policies is the North American Free Trade Agreement (NAFTA) that exists between the United States, Canada, and Mexico. NAFTA aimed to promote free trade and economic integration among the member countries. While the agreement led to significant benefits, such as increased trade and investment flows, it also had costs associated with job displacement and income inequality. For instance, the manufacturing sector in certain regions of the United States experienced job losses as production moved to Mexico, contributing to economic dislocation and social challenges (Hannan, 2016). This case study highlights the need to carefully assess the potential costs and benefits of trade policies to ensure a balanced approach.

In the context of technological progress and automation, a case study from Germany provides insights into the costs and benefits. Germany has been at the forefront of adopting advanced manufacturing technologies such as robotics and automation in its industrial sector. While these technologies have improved productivity and competitiveness, they have also led to job displacement in certain industries. However, the case study also highlights that technological progress has created new job opportunities and improved the overall efficiency of the manufacturing sector (Berger, 2016). This demonstrates the importance of implementing policies that promote upskilling and reskilling programmes to ensure a smooth transition for workers affected by technological changes.

Environmental policies also entail costs and benefits, as exemplified by the case study of Denmark's transition to renewable energy. Denmark has implemented comprehensive environmental policies to reduce its reliance on fossil fuels and promote renewable energy sources. This transition has led to significant economic benefits, such as the growth of renewable energy industries and the creation of green jobs. However, it has also imposed costs on certain industries and sectors that relied heavily on fossil fuels. For instance, the traditional fossil fuel-based energy sector experienced challenges and job losses during this transition (Johannessen, 2021). This case study accentuates the need for carefully designed policies that consider the potential costs and provide support for affected industries and workers.

Given these complexities, policymakers must carefully weigh the costs and benefits of economic policies and develop strategies to mitigate any negative impacts. This entails creating policies that put the welfare of all societal segments, inclusive growth, and

environmental sustainability first. Policies like social safety nets, retraining initiatives, and focused assistance for impacted industries can reduce expenses and make the shift to new economic models go more smoothly. Policymakers and other interested parties must carefully weigh the advantages and disadvantages of proposed economic policies. Making more informed decisions is made possible by assessing the possible effects. Numerous case studies have clarified the advantages and disadvantages of various economic policies, emphasising the need for a comprehensive strategy. Several case studies have shed light on the costs and benefits of various economic policies, highlighting the need for a nuanced approach.

In conclusion, the case studies provide valuable insights into the costs and benefits of economic policies. The case studies of NAFTA, Germany's technological progress, and Denmark's transition to renewable energy highlight the importance of comprehensively assessing the potential impacts. In order to adopt a balanced stance and effectively tackle the challenges posed by economic changes, policymakers must diligently consider the associated costs and benefits before implementing any remedial actions.

2.1.9 Adjustment Strategies

Adjustment strategies play a crucial role in helping countries respond to economic shocks or changes in the global economy. These strategies encompass a range of policies and measures aimed at mitigating the negative impacts of such shocks and promoting economic resilience. While numerous studies emphasise the importance of comprehensive and balanced approaches to adjustment, real case studies provide valuable insights into the practical implementation and outcomes of these strategies. Furthermore, exploring case studies in the context of expanding Pan-African commerce highlights the possibilities for adjustment strategies in the continent. Structural reforms are often a key component of adjustment strategies. Bluedorn et al. (2019) emphasise the significance of structural reforms such as changes in labour market regulations or tax policies in enabling countries to adapt to economic shocks and improve their competitiveness. By implementing reforms that enhance flexibility and efficiency, countries can create an enabling environment for sustained economic growth and resilience.

In addition to structural reforms, social safety nets play a crucial role in adjustment strategies. Beegle et al. (2018) underscore the importance of a comprehensive approach that includes short-term measures to alleviate the immediate impact of shocks, as well as long-term

structural reforms. Social safety nets, such as unemployment benefits, cash transfers, and targeted assistance programmes, help protect vulnerable groups during times of economic hardship, providing them with essential support. Moreover, Beegle et al. (2018) highlight the positive relationship between social safety nets and long-term economic growth, as these programmes promote human capital development and reduce inequality, thereby fostering more inclusive and sustainable economic outcomes.

Effectively designing adjustment strategies requires striking a balance between promoting economic growth and ensuring social protection. While structural reforms are essential for enhancing competitiveness and resilience, it is crucial to mitigate any potential negative impacts on vulnerable groups. This can be achieved by implementing social safety nets that provide targeted support to those most in need. By combining structural reforms with social protection measures, countries can foster both economic stability and social well-being.

One case study that exemplifies the potential of adjustment strategies in the context of Pan-African commerce is the experience of Rwanda. Rwanda has made remarkable strides in promoting regional integration and expanding its commerce within Africa. The country has implemented a series of adjustment strategies that have contributed to its economic growth and resilience. For instance, Rwanda has focused on structural reforms to enhance its business environment and attract investments. These reforms have included streamlining administrative processes, reducing trade barriers, and improving infrastructure connectivity (Booth & Golooba-Mutebi, 2012). As a result, Rwanda has witnessed a significant increase in intra-African trade and foreign direct investment, which in turn fosters economic development and job creation.

Another noteworthy case study highlighting the role of adjustment strategies in Pan-African commerce is the experience of Ethiopia. Ethiopia has prioritised industrialisation and export diversification as part of its adjustment strategies. The Government has implemented policies to attract foreign direct investment, develop industrial parks, and promote sectors with high export potential such as textiles and garments. These strategies have contributed to the expansion of Ethiopia's exports within Africa and beyond, fostering economic growth and reducing reliance on traditional commodities (Gebreeyesus, 2018). By focusing on value addition and regional market integration, Ethiopia has leveraged Pan-African commerce to enhance its competitiveness and achieve sustainable development.

Additionally, a case study from South Africa highlights the significance of adjustment strategies in expanding Pan-African commerce. South Africa has implemented various adjustment measures to strengthen its position as a regional economic hub. One notable example is the development of Special Economic Zones (SEZs). SEZs in South Africa such as the Coega Industrial Development Zone and the East London Industrial Development Zone have attracted foreign investments and facilitated exports, driving economic growth and job creation (Nel & Rogerson, 2013). These SEZs have served as platforms for industrial development, technological innovation, and regional integration, contributing to South Africa's participation in Pan-African commerce.

However, successful adjustment strategies in the context of expanding Pan-African commerce face challenges that must be addressed. These challenges include inadequate infrastructure, trade barriers, and institutional constraints. Countries need to invest in physical infrastructure including transportation networks and energy systems to facilitate the movement of goods and services across borders. Furthermore, addressing trade barriers such as cumbersome customs procedures and non-tariff barriers is essential to enhance the efficiency and competitiveness of intra-African trade. Strengthening regional institutions and fostering cooperation among African countries are also key factors in ensuring the effective implementation of adjustment strategies.

In summary, the case studies provide valuable insights into the practical implementation and outcomes of adjustment strategies in the context of expanding Pan-African commerce. The experiences of countries like Rwanda, Ethiopia and South Africa highlight the potential of structural reforms, industrialisation, and export diversification in enhancing competitiveness and promoting intra-African trade. By addressing challenges and implementing well-designed strategies, African countries can harness the opportunities presented by Pan-African commerce to foster inclusive and sustainable economic growth.

2.1.10 Conclusion

The literature and case studies examined in this review provide valuable insights into the opportunities and challenges of expanding Pan-African commerce and the strategies for promoting regional trade integration and growth. The African continent, with its diverse cultures and resources, has recognised the significance of regional integration in addressing

historical challenges of colonization, economic exploitation, and underdevelopment. Initiatives such as the African Continental Free Trade Agreement have emerged as important frameworks to foster economic growth and development across Africa.

The case studies in sections 2.1.1 and 2.2.2 highlight the opportunities and challenges of regional integration within SADC and EAC. While the SADC and EAC Trade Protocol boosts intra-regional trade, issues like limited capacities, infrastructure deficits, and non-tariff barriers persist. To promote regional trade integration and economic growth, strategies like developing value chains, investing in infrastructure, and building institutional capacity are crucial. Overcoming trade barriers and considering varying levels of development are also important while policy reforms, institutional strengthening, and targeted investments can foster successful regional integration and economic prosperity within the African continent.

The case study discussed in section 2.1.3 underlines the significant opportunities that regional value chains present for trade integration and economic development in Africa. These value chains, characterised by coordination and specialisation, have the potential to enhance productivity, generate employment, and improve competitiveness. However, challenges such as infrastructure deficits, non-tariff barriers, and inclusivity issues must be addressed. By making strategic investments in infrastructure, streamlining regulations, and providing support to SMEs, African countries can fully unleash the benefits of regional value chains, leading to sustainable economic growth.

Section 2.1.4 delves into the critical goal of development for African countries, encompassing economic, social, and environmental dimensions. Case studies, such as the one from Rwanda, illustrate the potential for sustained economic growth and poverty reduction through comprehensive development strategies. However, challenges mentioned limited access to finance, inadequate infrastructure, and governance issues must be tackled. Strategies such as inclusive growth, regional integration, and investments in human capital emerge as crucial drivers for promoting sustainable development.

The case studies discussed in sections 2.1.5 and 2.1.6 emphasise the role of social policies in expanding Pan-African commerce. The examples of the Cash Transfer for Orphans and Vulnerable Children programme in Malawi, the harmonisation of social policies in the East African Community, and Ghana's National Health Insurance Scheme demonstrate the

potential of targeted social policies in reducing poverty, improving human capital, and creating an enabling environment for economic participation. Policymakers can effectively design and implement context-specific and participatory social policies that contribute to inclusive growth, poverty reduction, and social development.

Furthermore, the case studies from Ethiopia, Rwanda, and Nigeria highlight the strategies employed by policymakers to strengthen the domestic market. These examples underscore the importance of infrastructure development, support for SMEs and entrepreneurship, and initiatives to enhance consumer purchasing power. African countries can promote inclusive economic growth, decrease dependence on foreign markets, and establish a strong basis for sustainable development by adopting these strategies and giving priority to domestic market development.

The case studies in section 2.1.7, focusing on Brazil, South Africa, and India, shed light on the practical implications of wage-led growth in developing countries. These examples demonstrate how policies aimed at increasing wages can contribute to poverty reduction, income distribution, and economic development. However, challenges related to labour market dynamics, enforcement mechanisms, and macroeconomic considerations need to be carefully addressed to ensure the effectiveness and sustainability of wage-led growth strategies. By considering the lessons learned from these case studies, policymakers can develop tailored approaches to leverage wage-led growth as a driver of inclusive economic development.

Section 2.1.8 focuses on the case of NAFTA, Germany's technological progress, and Denmark's transition to renewable energy. These three examples highlight the importance of assessing the potential impacts comprehensively. Policymakers must carefully consider the costs and benefits to ensure a balanced approach and implement supportive measures that address the challenges associated with economic changes.

Lastly, section 2.1.9 discusses the importance of adjustment strategies in responding to economic shocks and promoting economic resilience. Structural reforms and social safety nets are identified as key components of successful adjustment strategies. Structural reforms such as changes in labour market regulations and tax policies enhance competitiveness and resilience. Social safety nets, including unemployment benefits and targeted assistance

programmes, protect vulnerable groups and promote inclusive and sustainable economic outcomes. A comprehensive and balanced approach that combines structural reforms and social protection measures is crucial for successful adjustment strategies.

In conclusion, expanding Pan-African commerce is a crucial goal for promoting economic growth and development in Africa. While challenges exist, including inadequate infrastructure, limited access to finance, institutional capacity gaps, and disparities in economic development, a range of strategies and initiatives have been identified to overcome these challenges. These include infrastructure investment, the promotion of regional value chains, increased collaboration among African countries, and partnerships with external actors. By heeding the insights and feedback from the case studies and literature reviewed, policymakers and stakeholders can make informed decisions and design effective measures to support Pan-African commerce and consequently foster economic growth across the continent.

2.2 Conceptual framework

The expansion of Pan-African commerce presents numerous new possibilities for economic growth, regional integration, and improved livelihoods across the African continent. The conceptual framework for this study is based on the following key concepts:

Regional Trade Integration: Refers to the coordination of economic policies and the removal of trade barriers among neighbouring countries to promote trade and investment (Kawasaki et al., 2021).

Motivation: Regional trade integration enables countries in Africa to leverage their comparative advantages, promote specialisation, and achieve economies of scale. This in turn fosters increased intra-regional trade, stimulates economic growth, and enhances regional integration.

Example: The Trans-Cunene trade corridor between Namibia and Angola showcases the potential of regional trade integration. The development of infrastructure and improved transport links has facilitated increased trade flows, benefiting both countries and fostering regional stability (Kawasaki et al., 2021). This integration has resulted in enhanced cross-border trade, increased export opportunities, and economic growth.

Regional Value Chains: Refers to the production and distribution of goods and services across multiple countries in a region, with each country specialising in a particular stage of the production process (Barnes et al., 2021).

Motivation: Developing regional value chains in Africa enhances productivity, promotes industrialisation, and strengthens the region's competitiveness in global markets. It encourages collaboration and cooperation among countries, enabling them to harness their individual strengths and resources to achieve shared goals.

Example: The Southern African Development Community region has successfully developed regional value chains, such as the automotive industry in South Africa. South Africa has emerged as a hub for automotive manufacturing, attracting global automakers which drives economic growth. This has led to job creation, technology transfer, and increased intra-regional trade. Neighbouring countries, such as Botswana and Eswatini, have become part of the value chain by specialising in supplying components and parts, further strengthening regional integration and economic cooperation (Barnes et al., 2021).

Social Policy: Refers to policies that promote inclusive economic growth and reduce poverty and inequality by enhancing access to education, healthcare, and social protection programmes, among other basic services (Vyas-Doorgapersad, 2020).

Motivation: The expansion of Pan-African commerce should be accompanied by effective social policies that ensure the benefits are shared equitably among all segments of society. It is crucial to address social inequalities, promote social inclusion, and provide opportunities for marginalised communities to participate in and benefit from the economic gains.

Example: The implementation of comprehensive social policies in conjunction with expanding Pan-African commerce can contribute to poverty reduction, improved healthcare, and access to education. By investing in human capital and reducing social disparities, African countries can ensure that the benefits of commerce are shared equitably, leading to inclusive development. For instance, the South African Government has implemented social protection programmes, in the form of grants and subsidies, to uplift vulnerable populations and reduce poverty levels (Vyas-Doorgapersad, 2020).

Wage-Led Growth: Refers to a process whereby increases in wages drive economic growth by increasing aggregate demand and creating a multiplier effect on the economy (Stockhammer et al., 2013)

Motivation: Ensuring fair and inclusive wage policies can contribute to equitable economic growth, poverty reduction, and shared prosperity. Wage-led growth promotes consumption, which, in turn, drives aggregate demand, stimulates production, and encourages investment, thereby fostering sustained economic growth.

Example: Wage-led growth is a potential outcome of expanding Pan-African commerce. By implementing policies that ensure fair wages and improve working conditions, African countries can stimulate domestic demand, promote consumption, and contribute to poverty reduction. When workers have higher incomes, they have increased purchasing power, which positively impacts local businesses, leads to job creation, and supports overall economic development. Kenya implemented wage-led growth policies aimed at increasing workers' income and stimulating domestic demand. (Stockhammer et al., 2013).

Domestic Market: Refers to the market for goods and services within a country's borders that provides a foundation for the economy to expand through increased production and consumption (Kawasaki et al., 2021).

Motivation: A strong domestic market is essential for driving economic growth, fostering entrepreneurship, and creating an enabling environment for businesses to flourish. Expanding Pan-African commerce can contribute to the growth of domestic markets by enhancing regional trade, stimulating consumer demand, and providing opportunities for local businesses to expand their customer base.

Example: The development of regional trade integration and value chains contributes to a strong domestic market. The Namibia-Angola trade corridor has enhanced trade flows, boosting Namibia's role as a transit route and increasing Angola's imports of Namibian products. This expansion in trade stimulates economic growth in both countries and provides opportunities for domestic businesses to tap into new markets, leading to increased production, job creation, and improved standards of living (Kawasaki et al., 2021).

Development: Refers to the economic, social, and political transformation of the region that leads to sustainable growth and improved standards of living (Mubichi, 2017).

Motivation: Expanding Pan-African commerce can significantly contribute to the development Africa by fostering economic diversification, reducing poverty, and improving living conditions. It provides opportunities for innovation, technological advancements, and human capital development, all of which are crucial for sustainable and inclusive development.

Example: The Mozambique-Malawi agriculture value chain exemplifies the potential of regional collaboration for development. By leveraging their respective strengths, these countries have enhanced productivity, increased trade, and promoted food security in the region. Mozambique, with its fertile land, produces agricultural commodities such as maize, while Malawi specialises in value-added processing and packaging. This collaboration has led to improved agricultural productivity, increased export opportunities, and reduced reliance on food imports, thereby contributing to regional food security and economic development (Mubichi, 2017).

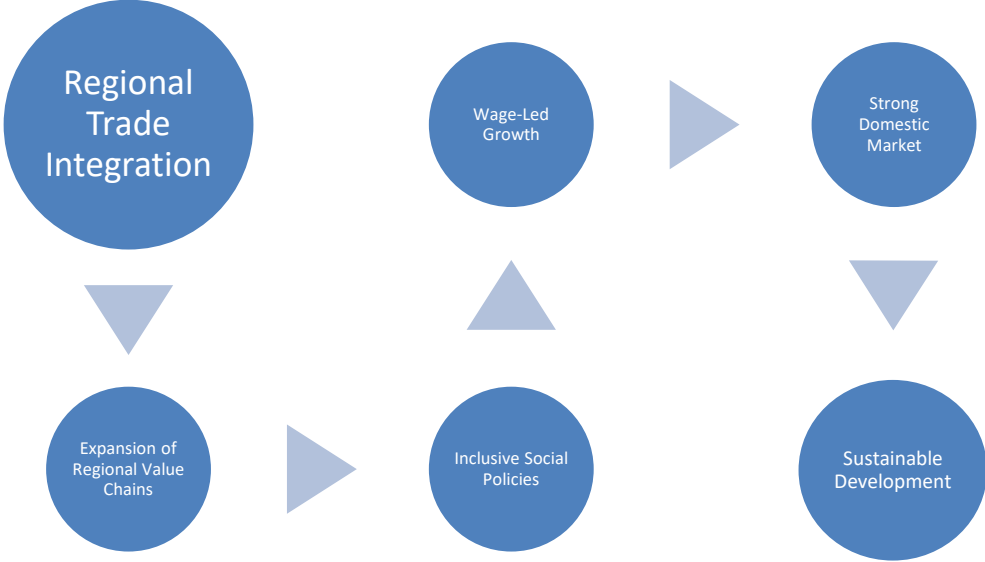


Figure 1: *Conceptual Framework*

Conclusion:

The conceptual framework highlights the potential of expanding Pan-African commerce and its impact on economic growth, regional integration, and improved livelihoods. The examples and case studies demonstrate how regional trade integration, and the development of regional value chains, can lead to tangible benefits such as job creation, technology transfer, increased intra-regional trade, enhanced food security, and economic diversification. Furthermore, effective social policies, strong domestic markets, and wage-led growth play critical roles in ensuring that the benefits of expanding Pan-African commerce are shared equitably and

contribute to sustainable and inclusive development in the region. By harnessing these concepts and examples, policymakers and stakeholders can explore and unlock the new possibilities for expanding Pan-African commerce, leading to a brighter and more prosperous future for the African continent.

Chapter 3

3.1 Research methodology

In this chapter, we provide a comprehensive overview of the research methodology employed in this study. The methodology encompasses the research paradigm, design, approach, sampling, data collection, data analysis, ethical considerations, limitations, and a thorough summary of our research methodology.

3.1.1 Research paradigm

The research is anchored in the constructivist paradigm, a philosophical approach that acknowledges the importance of comprehending how individuals construct knowledge and experiences. Within this paradigm, knowledge is not regarded as an objective reality but as a product of human interpretation and context. The constructivist paradigm aligns seamlessly with the qualitative nature of our study, allowing for a profound exploration of the intricate and multifaceted perspectives and insights of our participants. It demonstrates the subjective nature of reality, emphasising the need to explore the unique and diverse viewpoints of individuals (Adom et al., 2016).

This paradigmatic choice is further substantiated by Spencer et al. (2014), who suggests that constructivism is particularly well-suited for qualitative research, as it encourages researchers to delve into the unique perspectives of individuals and the complexities of their experiences.

3.1.2 Research design

To attain a precise snapshot of the participants' perspectives on African trade, we have chosen a cross-sectional research design. This design enables us to collect data from a diverse and representative group of individuals at a specific point in time. Cross-sectional research is particularly suitable for our study, as it accommodates the gathering of data from participants with varied experiences and knowledge levels regarding African trade. It provides a snapshot of the current state of participants' perceptions, allowing us to explore the subject within its real-world context (Creswell & Poth, 2016).

This design choice is corroborated by Spector (2019), who emphasises the utility of cross-sectional designs in qualitative research for obtaining a diverse range of perspectives at a single point in time.

3.1.3 Research approach

The research approach is firmly grounded in qualitative methodology, consistent with the constructivist paradigm. This approach enables us to explore the subjective experiences and perspectives of our participants regarding African trade. Qualitative research is the opposite of quantitative research, which relies on numerical data for statistical analysis. Instead, qualitative research entails collecting and analysing non-numerical data to comprehend concepts, opinions, and experiences. It serves as an ideal approach for gaining in-depth insights into the complexities and nuances of the research topic.

The qualitative approach is well-supported by Marshall and Rossman (2014), who emphasise the value of qualitative methodologies in exploring the intricacies of participants' experiences and the richness of their narratives.

3.1.4 Sampling

The choice of sampling methodology is the snowball sampling technique, a non-probabilistic method that is particularly suited to identify and recruit participants with specialised knowledge and experiences in African trade. The sampling technique was used to identify 13 experts from various sectors, including trade experts, CEOs, NGOs, and business leaders with extensive experience in African trade. In snowball sampling, our initial participant, often referred to as the "seed," is selected based on specific purposive criteria. After completing the structured questionnaire, the seed participant is encouraged to refer others from their network who also meet the study's inclusion criteria, thereby creating a "snowball" effect in participant recruitment. Referrals were made by industry experts, ensuring the inclusion of participants from diverse regions of Africa.

This methodological choice is aligned with the principles outlined by Biernacki and Waldorf (1981), who argue that snowball sampling is invaluable when studying hidden or difficult-to-

reach populations. It allows us to tap into the network of individuals with relevant expertise, creating a more focused and knowledgeable sample.

3.1.5 Data collection

The data was collected during the research through structured interviews, administered via Microsoft Teams. Interview requests, including the questionnaire, were sent via email, and the interviews were recorded for analysis. These questionnaires encompass sections with open-ended questions, enabling participants to express their opinions, experiences, and perspectives in their own words. The inclusion of open-ended questions in our questionnaires is well-grounded in the literature. Smith and Caddick (2012) highlights the benefits of open-ended questions in qualitative research for eliciting rich and detailed responses from participants. It allows us to capture the depth and nuances of participants' viewpoints.

The demographic section of the questionnaire is important for describing the characteristics of the sample and ensuring that the sample is representative of the population. The questions on age, gender, education level, and employment status are commonly used in social science research. Such questions are relevant for understanding how these factors may influence participants' perspectives on African trade.

To ensure the validity and reliability of the questionnaire, pilot tests were conducted with four master's students before the actual data collection. The pilot test helps to identify any potential issues with the questionnaire, such as unclear or ambiguous questions, and to assess the time required to complete the questionnaire. Based on the results of the pilot test, any necessary revisions to the questionnaire were made before the actual data collection. The pilot testing process was consistent with the recommendations of Creswell and Creswell (2017), who stress the importance of pretesting data collection tools to ensure their reliability and validity.

3.1.6 Data analysis

Our data analysis primarily revolves around thematic analysis, a qualitative method that involves the systematic identification of themes and patterns within the data. To enhance the efficiency and consistency of our analysis, the Dedoose coding software was used. This software was used to facilitate the systematic organisation of data into themes and sub-themes, allowing for a more structured analysis process.

This choice of thematic analysis and coding software is in alignment with the recommendations of Flick (2018), who emphasises the utility of software in managing and analysing qualitative data. It enables us to systematically identify and categorise themes, ensuring a rigorous analysis.

Furthermore, to enhance the credibility and reliability of our study, we will employ triangulation. Triangulation involves comparing the findings from data analysis with results from the interviews and the literature review, validating and corroborating our research outcomes. This comprehensive approach ensures that our findings are robust and trustworthy.

3.1.7 Ethical considerations

The Declaration of Helsinki (2013) is a set of ethical principles that guide research involving human subjects, developed by the World Medical Association. The principles emphasise the importance of protecting the rights, safety, and welfare of research participants, and they serve as a global standard for ethical research involving human subjects. The Declaration provides guidance on various aspects of research involving human subjects, including informed consent, research design, and confidentiality.

Adherence to the ethical principles outlined in the Declaration of Helsinki is essential to ensure the protection of research participants (World Medical Association, 2013). In the present study, ethical considerations were prioritised to maintain the trust and integrity of the research process. Informed consent was obtained from participants, and the interview analysis was anonymous to protect confidentiality. Personal information will not be published, and any identifying information that may inadvertently appear in the responses will be removed during the data analysis process. Participants will have the right to withdraw from the study at any time without penalty. To further ensure transparency, the questionnaire used to collect data is provided in **Annexure 1**, and **Annexure 2** contains the demographic information of the participants. These annexures serve as supplementary references, ensuring that the study adheres to ethical guidelines, including informed consent and safeguarding participants' privacy.

3.1.8 Limitations of this study

Several limitations were acknowledged in the study. The cross-sectional design provides only a snapshot of participants' perspectives at a single point in time, limiting our ability to capture changes or developments over time. Moreover, our study focuses on individuals with experience in African trade and may not represent the views of other stakeholders such as policymakers, economists, or consumers. Additionally, our sample is limited to English-speaking individuals, given the criterion of reading and writing in English for effective communication. Lastly, the reliance on self-reported data may introduce the potential for social desirability bias or memory recall bias. However, we have designed our questionnaire to mitigate these potential biases and maintain data validity (Rattray & Jones, 2007).

These limitations are well-documented in the literature on qualitative research and are essential to acknowledge to ensure the transparency and rigor of our study. The cross-sectional design provides only a snapshot of participants' perspectives at a single point in time, limiting our ability to capture changes or developments over time. Moreover, our study focuses on individuals with experience in African trade and may not represent the views of other stakeholders such as policymakers, economists, or consumers. Additionally, our sample is limited to English-speaking individuals, given the criterion of reading and writing in English for effective communication. Lastly, the reliance on self-reported data may introduce the potential for social desirability bias or memory recall bias. However, we have designed our questionnaire to mitigate these potential biases and maintain data validity (Rattray & Jones, 2007).

These limitations are well-documented in the literature on qualitative research and are essential to acknowledge to ensure the transparency and rigor of our study.

3.1.9 Summary

In summary, our research methodology is firmly grounded in the constructivist paradigm and employs qualitative methodology to explore perspectives on African trade using snowball sampling. Data collection primarily involves structured questionnaires and interviews, with a focus on open-ended questions. Data analysis comprises thematic analysis with coding software and triangulation for enhanced credibility and reliability. Ethical principles will be strictly adhered to, and limitations have been acknowledged to ensure the validity and reliability of our research findings.

3.2 Scope and justification of the study

The aim of this study is to evaluate the economic factors that drive regional trade integration amongst African countries, the obstacles to accelerating economic convergence through African regional integration, and the mechanisms through which African regional integration can promote domestic market development and wage-led growth. This study seeks to contribute to the ongoing debate on the role of regional integration in promoting economic development in Africa.

Recent studies have highlighted the potential of regional integration to drive economic growth and development in Africa. For example, a study by Gourdon et al. (2020) found that regional integration can increase economic growth by facilitating trade and investment flows across borders. Similarly, a study by Rekiso (2017) emphasised the potential of regional integration to promote industrialisation and domestic market development in Africa. However, other studies have highlighted the challenges associated with regional integration in Africa, such as limited institutional capacity, lack of political will, and poor infrastructure (Pasara, 2020).

In light of these debates, this study seeks to provide a more nuanced understanding of the factors that drive and hinder regional integration in Africa. Specifically, this study focuses on the African Continental Free Trade Agreement, which is the largest free trade area in the world in terms of the number of participating countries. The AfCFTA aims to create a single market for goods and services in Africa, with the goal of increasing intra-African trade and promoting economic integration. However, the success of the AfCFTA is contingent on a number of factors, including the implementation of supportive policies and institutional arrangements, as well as the resolution of outstanding issues related to tariffs and non-tariff barriers to trade.

This study therefore used a qualitative approach, including questionnaire interviews, to evaluate the economic factors that drive regional trade integration among African countries, the obstacles to accelerating economic convergence through African regional integration, and the mechanisms by which African regional integration can promote domestic market development and wage-led growth. The findings of this study will be of interest to policymakers, researchers, and practitioners interested in the potential of regional integration to promote economic development in Africa.

Chapter 4

4.1 Discussion of Findings

This chapter presents a comprehensive discussion of the research findings, focusing on the various themes derived from the questionnaire and data collection methods related to the expansion of Pan-African commerce and regional trade integration. The discussion of findings is a crucial section of this paper as it allows for a comprehensive analysis and interpretation of the results. This analysis will delve into the key findings from the questionnaire on the potential opportunities and challenges for expanding Pan-African commerce. The discussion will be structured based on the main themes addressed in the questionnaire interviews.

Demographic Information from the questionnaire interviews

The demographic information gathered in this section helps identify the profile of respondents and their backgrounds, which can be valuable in understanding the context of their responses. The demographic data collected includes age, gender, highest qualification, region in Africa, nature of business or industry, and years of experience in the industry. This information offers valuable insights into the diversity and backgrounds of our study participants.

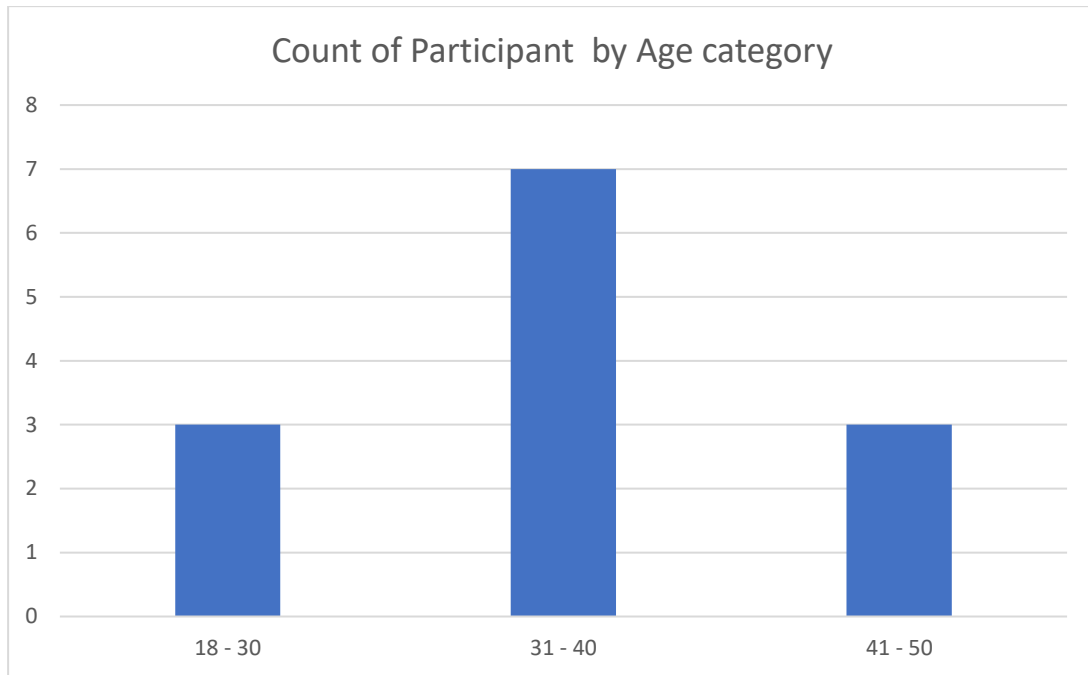


Figure 2: The participants in the study span a wide range of age categories, reflecting a balanced distribution across different age groups. These age categories include 18-30, 31-40, and 41-50, providing a broad spectrum of experiences and perspectives within our sample.

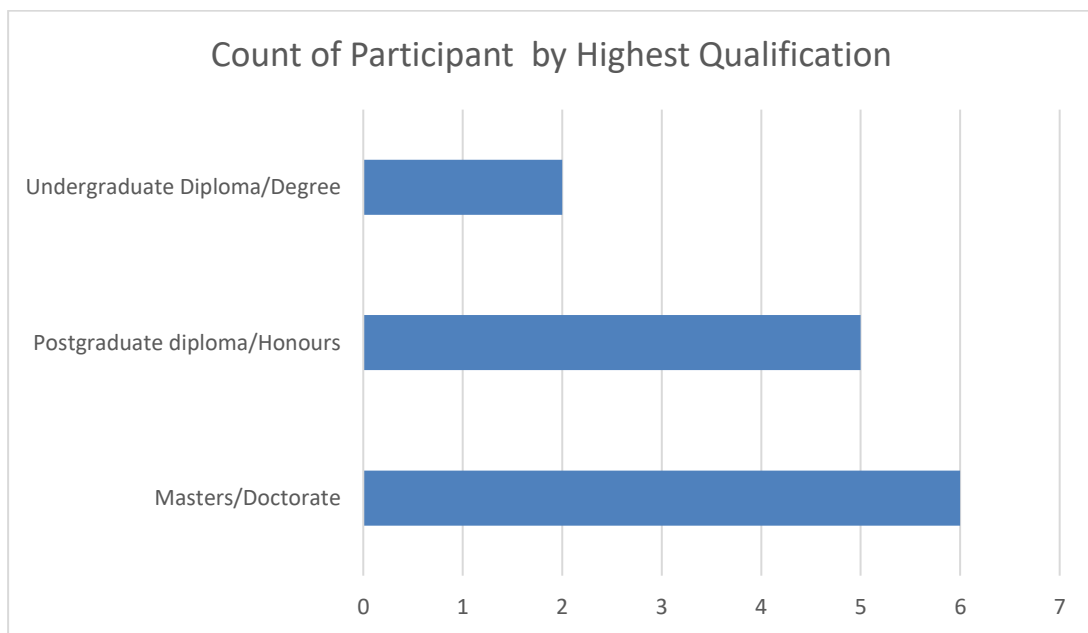


Figure 3: The participants' educational backgrounds vary, with qualifications ranging from undergraduate diplomas/degrees to postgraduate diplomas/honour's and master's/doctorate [degree]. This diversity in educational attainment enriches the depth of expertise within our research cohort.

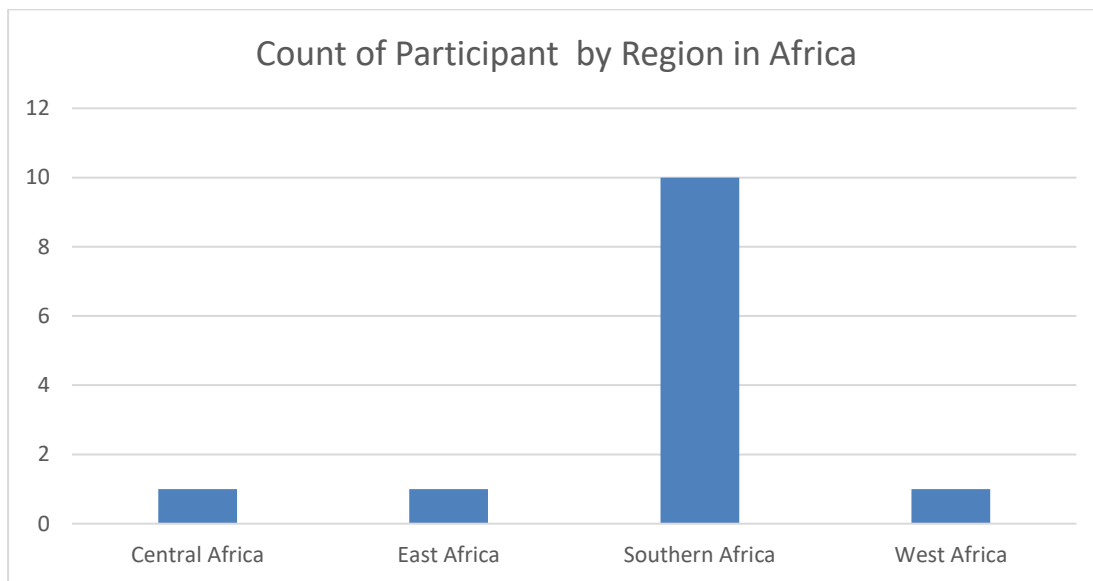


Figure 4: The study encompasses participants from various regions across Africa, including Southern Africa, Central Africa, East Africa, and West Africa. The geographic diversity reflects a broader perspective on the subject matter, encompassing regional differences.

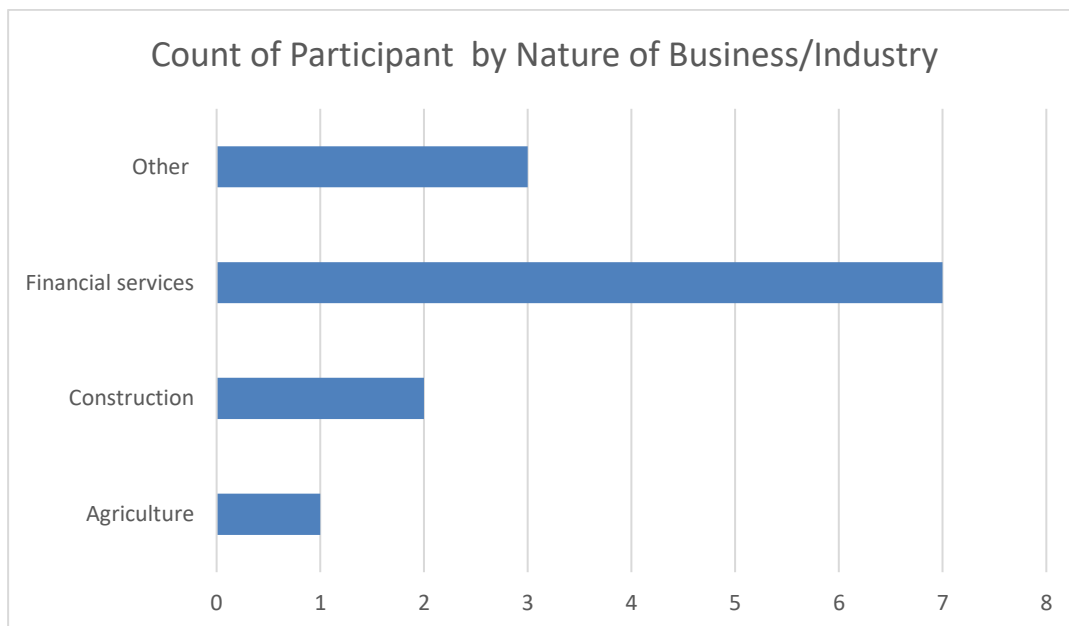


Figure 5: Participants are engaged in a range of industries, including agriculture, financial services, construction, and other sectors. The varied nature of their professional backgrounds adds a multifaceted dimension to our research.

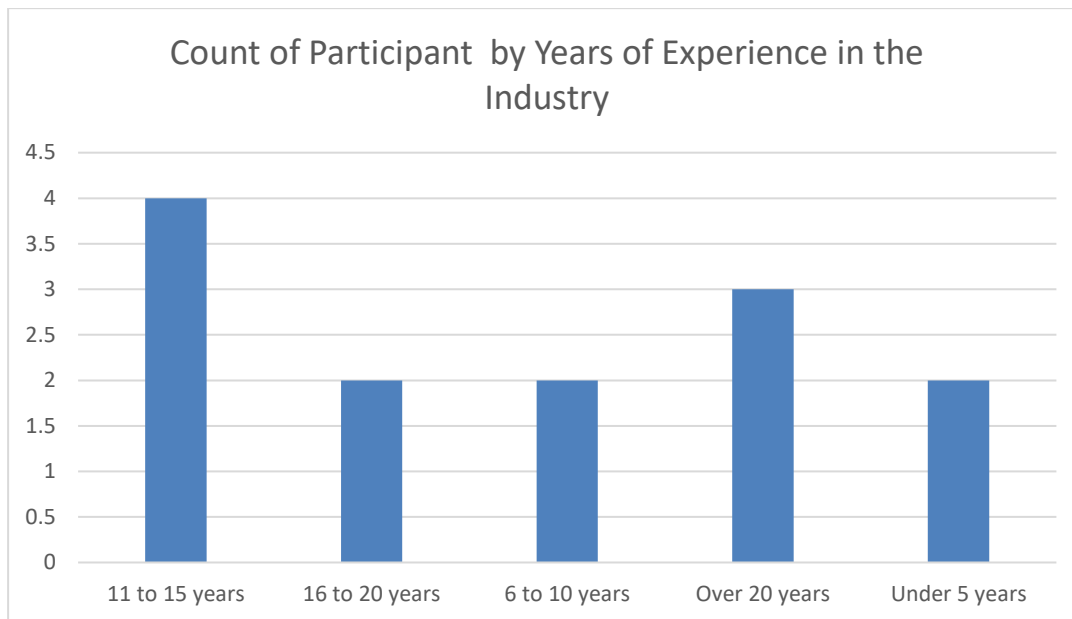


Figure 6: *The participants have differing levels of experience in their respective industries, with tenure ranging from under five years to over 20 years. This diversity in experience levels contributes to their comprehensive understanding of the subject matter under investigation.*

The study's participant demographic reveals several key characteristics. The majority of respondents fall within the age range of 31 to 50, suggesting a cohort with substantial work experience. Gender distribution is diverse, encompassing both male and female respondents. Moreover, a significant portion of participants hold at least a postgraduate diploma/degree, indicative of a well-educated sample. A range of geographic locations/regions in Africa are represented, reflecting the diversity of the continent with a predominant focus on the Southern African Development Community (SADC) region. The study captures a diverse spectrum of industries, including construction, agriculture, financial services, and other sectors, showcasing the varied professional backgrounds of the participants. Additionally, the experience level among participants varies, highlighting a mix of seasoned professionals and individuals newer to the industry.

Thematic analysis

This thematic analysis provides an in-depth look at the key themes and insights derived from the qualitative data in the questionnaire responses. It provides a more in-depth understanding of the numerous factors and considerations associated with expanding Pan-African commerce and regional trade integration. These insights can be used by researchers, policymakers, and stakeholders to inform strategies, policies, and decisions aimed at fostering sustainable economic growth and development across the African continent.

Theme 1: Economic Drivers of Regional Trade Integration

Participants frequently emphasised the economic factors that drive regional trade integration amongst African countries. These factors form the backbone of regional integration efforts and lay the foundation for economic cooperation and growth.

Market Potential: Respondents consistently recognised the vast market potential within Africa as a critical driver of regional trade integration. The participants' insights about market potential and resource complementarity align with recent research findings (Abrego et al., 2020) highlighted the importance of market potential in stimulating regional integration and promoting economic growth in Africa, which resonates with the viewpoint shared by P1 (Abrego et al., 2020). Considering the population size of over a billion people across the continent, it is evident that integrated markets can provide a significant consumer base. This recognition reflects a shared understanding of the need to tap into this untapped potential for economic growth and prosperity. As P1 pointed out, *"Africa's market potential is enormous, and tapping into it through regional integration is vital for our economic growth."*

Resource Complementarity: Another prominent theme was resource complementarity among African countries. African nations often possess complementary resources, such as raw materials, minerals, and agricultural products. It follows from this that integration would enable efficient resource allocation, reducing waste and promoting economic growth. It was evident that the concept of comparative advantage was central to their thinking, and integration is seen as a means to maximise its benefits. P3 highlighted, *"We need to recognize the resource complementarity in our region. Integration can make the most of our strengths."*

Moreover, the concept of resource complementarity and the efficient allocation of resources, as discussed by P3, is consistent with the findings in the work of Saleh et al. (2020), which stressed the role of resource allocation in driving economic growth through regional integration (Saleh et al., 2020). These insights collectively underscore the economic imperatives that underpin regional integration efforts in Africa.

The recognition of vast market potential within Africa as a critical driver of regional trade integration has been emphasised by multiple participants (P1; P6), underscoring the shared understanding of the need to tap into this untapped economic growth opportunity. Similarly, the concept of resource complementarity and efficient allocation, as discussed by P3, aligns with the broader perspective of leveraging resource strengths for regional integration.

Theme 2: Short- and Long-term Economic Growth

The discussion on the short- and long-term impacts of African regional trade integration revealed a nuanced perspective. Recent research findings are consistent with the observations regarding short-term and long-term economic growth resulting from African regional trade integration. Fofack (2020), emphasised the immediate economic advantages of integration, including heightened levels of trade and investment. These benefits are consistent with the participants' short-term outlook (Fofack, 2020). Respondents believed that in the short term, integration could stimulate economic activity. This stimulation arises from increased trade volumes, heightened competition, and the lowering of trade costs. The immediate consequences include improved GDP growth, job creation, and increased investment. The short-term gains were described as tangible and vital for building momentum in the integration process. P6 highlighted, *"In the short term, integration boosts trade, creating jobs and attracting investments. These immediate gains are crucial for our economy."*

Furthermore, the respondents' emphasis on the structural changes and long-term transformations linked to integration aligns with the results reported in the study by Lopes and Te Velde (2021). Their research also points out the profound effects of long-term integration, encompassing industrial advancement and diversification (Lopes and Te Velde, 2021). These observations collectively underscore the multifaceted and ever-changing characteristics of economic expansion that arise from the integration of regional trade. Participants envisioned a more profound transformation in the long term. The sustained

growth of regional trade was seen as a catalyst for various structural changes. These included the development of regional value chains, increased industrialisation, and enhanced productivity. Long-term integration can also support diversification, thereby reducing the continent's vulnerability to external economic shocks and promoting a more sustainable development trajectory. As P8 emphasised, *"Long-term integration means changing the way our industries work and making sure our economic future is safe. It's not just about making money right away; it's also about long-term growth."*

Theme 3: Consequences of Regional Trade Integration

The potential consequences of regional trade integration on economic growth were a significant focus. These discussions resonate with recent research. A study by Aryeetey & Baffour, (2022) highlighted the positive impact of integration on trade volumes, competitiveness, and job creation in the African context.

Increased Trade Volumes: Integration was consistently associated with increased trade volumes, which have the potential to significantly boost economic growth. African countries stand to gain by expanding their exports and imports within the region, leading to greater economic activity. As P3 highlighted, *"Integration is all about increasing our trade volumes. It's a key driver for economic growth."*

Enhanced Competitiveness: Participants recognised that integration could enhance the competitiveness of industries. As countries specialise in areas of comparative advantage and become more efficient, their industries can become more competitive on a global scale. This could lead to increased exports and job creation. P7 emphasised, *"We need to be competitive globally. Integration pushes us to improve, and that's how we can grow."*

Industrial Development: Industrial development was a recurring theme. Integration encourages the growth of manufacturing and processing industries, which are typically higher value-added sectors. This evolution from primary to secondary and tertiary sectors was seen as essential for economic growth. P10 noted, *"We've seen how integration drives industrialization. That's where the real economic growth happens."*

Job Creation: An important consequence of integration was identified as job creation. Expanding economic activity through trade can lead to job opportunities in various sectors, reducing unemployment rates and improving overall living standards. As P2 pointed out, *"Integration can't be successful without job creation. It's the lifeblood of our people."*

Furthermore, analyses by Mutiiria et al. (2020) and Appiah et al. (2022) underscored the critical role of infrastructure development in driving economic growth and improved living standards. Respondents also recognised that to support increased trade, infrastructure development is essential. Investments in transportation, logistics, energy, and digital infrastructure were highlighted as critical components that can stimulate economic growth while improving trade efficiency. P5 emphasised, *"We can't forget the importance of infrastructure. It's the backbone of trade and economic development."*

Improved Living Standards: The overarching goal of regional trade integration, improving the living standards of African citizens, emerged as a fundamental consequence (Mutiiria et al., 2020). The benefits of increased trade, job creation, and enhanced economic activity are ultimately expected to translate into better living conditions for the continent's population. P12 summed it up: *"Integration is about making lives better. That's the ultimate consequence we aim for."*

Theme 4: Regional Value Chains and Economic Growth

The discussion surrounding the relationship between regional trade integration and regional value chains revealed crucial insights into how economic growth is fostered. The findings of recent research are consistent with the observations made regarding regional value chains and their influence on economic growth. Obasaju et al. (2021) emphasised the pivotal role of regional value chains in driving productivity and economic development in Africa, consistent with the sentiments expressed by the participants.

Regional Value Chains: Respondents recognised that regional trade integration plays a pivotal role in shaping regional value chains. Integration allows for the seamless movement of goods and services within the region, which encourages the development of value-added production processes. As countries specialise in distinct stages of production and trade within the region, this can lead to increased efficiency, productivity, and ultimately economic growth. P4

emphasised, *"Value chains are where we add value and create jobs. Integration is the key to this."*

The efficient allocation of resources within the region, as discussed by the respondents, reflects the findings in Saleh et al 's (2020) study, which highlighted the role of resource optimisation in promoting economic growth through regional integration. These insights collectively underscore the significance of regional value chains in the context of regional trade integration and their potential for fostering economic growth. Integration was seen as a mechanism for the efficient allocation of resources. Different African countries have varying strengths and resources. Through integration, these resources can be optimally utilised, reducing waste and promoting economic growth. The idea of resource complementarity within the region was closely tied to the concept of regional value chains (Saleh et al, 2020). P8 noted, *"Integration is like a puzzle coming together. It's about using our resources wisely."*

Industrial Clusters: The concept of industrial clusters emerged as an important aspect of regional value chains. Integration can lead to the formation of industrial clusters where businesses within a particular sector or value chain locate in close proximity to one another. These clusters promote collaboration, knowledge sharing, and innovation, ultimately fostering economic growth. P6 pointed out, *"Clusters help us learn and grow together. It's a big boost for our industries."*

Supply Chain Integration: Integration was also seen as a means to facilitate supply chain integration. This is particularly important in industries where raw materials or intermediate goods are sourced from multiple countries within the region. A well-integrated supply chain can lead to cost savings and increased competitiveness. P11 highlighted, *"Supply chains need to be seamless. Integration makes that possible, and it's a game-changer."*

Theme 5: AfCFTA Implications

Participants shared valuable insights regarding the implications and lessons learned from the implementation of the African Continental Free Trade Agreement. Rikhotso (2023) outlines the significance of political commitment in advancing regional trade agreements, emphasising that strong political will and leadership are key drivers of success, which aligns with the sentiments expressed by participants.

Political Commitment: A recurrent theme was the critical importance of political commitment to the success of regional integration efforts. AfCFTA's progress was often attributed to the strong political will and commitment of member states to advancing the integration agenda. This highlighted the role of leadership in driving integration forward. P3 emphasised, *"Without political commitment, we can't move forward. AfCFTA shows what leadership can achieve."*

The observations made regarding the implications and lessons learned from the implementation of the AfCFTA resonate with recent research. A study by Odeku and Addressing non-tariff barriers, as highlighted by the respondents, is consistent with findings from the work of Turkson (2023), which delineates the importance of addressing regulatory and administrative obstacles to facilitate the flow of goods. These findings collectively highlight the relevance of the lessons learned from AfCFTA to the broader context of regional trade integration. Respondents stressed the significance of addressing non-tariff barriers. While tariff reductions are essential, non-tariff barriers such as regulatory differences and cumbersome administrative procedures can hinder the smooth flow of goods. AfCFTA's focus on addressing these non-tariff barriers was seen as a crucial step. P9 highlighted, *"Tariffs are just part of the puzzle. We need to clear the non-tariff barriers for real progress."*

Inclusive Development: Lessons from AfCFTA pointed to the importance of inclusive development. Participants recognised the need to ensure that the benefits of integration are spread across all sectors and countries, including least developed ones. This inclusive approach was viewed as essential for the sustainable success of regional integration. P5 pointed out, *"Inclusivity is our strength. We can't leave anyone behind in this journey."*

Infrastructure Investment: Infrastructure investment was identified as a key lesson. The implementation of regional integration often requires significant investments in transportation, energy, and digital infrastructure. AfCFTA's emphasis on infrastructure development was seen as a valuable strategy to support integration. P12 stated, *"We've learned that we need to build the roads to prosperity. Infrastructure matters."*

Private Sector Engagement: The active involvement of the private sector was another recurring theme. Businesses and entrepreneurs play a crucial role in realising the full potential

of regional trade integration. AfCFTA's recognition of the private sector as a driving force in economic integration was considered a positive development. P8 emphasised, *"Private sector engagement is a game-changer. They drive innovation and create jobs."*

Theme 6: Development and Least Developed Countries

The assertions concerning the advantages LDCs derive from inclusive growth, regional integration, economic diversification, customised assistance, and infrastructure advancement are consistent with recent scholarly investigations. In their study on the development implications of regional integration, Afesorgbor (2022) emphasised the potential for LDCs to leverage regional integration for improved market access, foreign direct investment, and economic diversification, similar to the sentiments expressed by respondents. The researcher highlighted the importance of tailored support, including technical assistance and capacity building, to address the unique challenges faced by LDCs, consistent with the participants' suggestions. Respondents acknowledged that LDCs can benefit from regional integration through improved market access, increased foreign direct investment, economic diversification, and enhanced productivity. However, the extent of these benefits may vary depending on the specific circumstances of each LDC. P1 emphasised, *"For LDCs, this is a lifeline. We gain access to bigger markets and investments that can transform our economies."*

Economic Diversification: Economic diversification was a prominent theme concerning LDCs. Integration was seen as a means to encourage LDCs to diversify their economies away from dependence on a single industry or export commodity. This diversification can reduce vulnerability to external shocks and promote more balanced economic growth. P7 stated, *"Diversification is key. Relying on one thing is risky. Integration can help us diversify our economies."*

Tailored Support: Participants highlighted the need for tailored policies and support programmes to address the specific needs and challenges of LDCs. These may include technical assistance, capacity building, and targeted investments in sectors with growth potential. P4 emphasised, *"One size doesn't fit all. LDCs need tailored support to make the most of integration."*

Macleod et al. (2023) also stressed the significance of infrastructure development to connect LDCs to regional markets, echoing the sentiments of Participant 11. Another recurring theme was the importance of infrastructure development to connect LDCs to regional markets.

Investment in transportation and logistics infrastructure was seen as critical to ensuring that LDCs can fully participate in regional trade.

P11 highlighted, *"Without proper roads and ports, we can't seize the opportunities of regional trade. Infrastructure is a priority."*

Inclusive Growth: Inclusive growth was a central theme concerning LDCs. Policymakers and stakeholders need to ensure that the benefits of integration reach all segments of the population, including marginalised and vulnerable groups in LDCs. P9 pointed out, *"Integration should lift everyone up, especially the marginalized. Inclusivity is our moral duty."*

Theme 7: Social Partners and Social Policies

The role of social partners and social policies in the context of African regional integration was explored and it aligns with recent literature that emphasises the significance of these stakeholders in shaping and fostering inclusive and equitable policies. Ofori et al. (2022) have conducted a comprehensive study that underlines the critical role of social partners in regional integration. Their research highlights the need for collaboration and coordination among governments, civil society organisations, labour unions, the private sector, and academic institutions to create policies that benefit the entire society. This resonates with the perspectives shared by participants regarding the importance of working with all social partners to ensure policies genuinely promote the common good (P2; P6).

Crucial Social Partners: Respondents identified crucial social partners as governments, civil society organisations, labour unions, the private sector, and academic institutions. These partners play various roles in shaping regional integration policies and their outcomes. P2 highlighted, *"Our governments need to work with all social partners to create policies that truly benefit the entire society."*

Varied Involvement: The extent of involvement and support provided by social partners in regional integration varied. While some actively engaged in the policymaking process and advocated for inclusive and equitable policies, others had concerns or reservations based on

their interests and perspectives. P6 expressed, *"We see varying levels of commitment from different social partners. It's essential to align interests for the common good."*

Policy Advocacy: Civil society organisations, in particular, were seen as essential for policy advocacy, ensuring that integration policies align with social and environmental objectives and benefit all segments of society. P10 noted, *"Civil society keeps governments in check. They ensure that our environment and vulnerable groups aren't left behind."*

Role of Academic Institutions: Academic institutions were recognised for their role in providing research and expertise to inform and guide integration policies. They contribute to evidence-based decision-making and policy formulation. P8 emphasised, *"Academic institutions have a role in providing the data and analysis that policymakers need to make informed decisions."*

Private Sector Engagement: The active engagement of the private sector was highlighted as vital for realising the full potential of regional trade integration. Private enterprises are seen as critical drivers of economic growth and employment. P5 pointed out, *"Private sector investments are the lifeblood of economic growth. They need to be on board with the integration agenda."*

Theme 8: ESG Concerns

The impact of Environmental, Social, and Governance (ESG) concerns on integration was explored. Sonko and Sonko (2023) have conducted a comprehensive study emphasising the dual effects of ESG concerns on integration. Their research delves into the fact that ESG concerns can serve as both promoters and hindrances to regional integration. They assert that ESG concerns can foster integration by incentivising sustainable and responsible business practices that align with the long-term goals of integration. However, there is also a recognition that stringent ESG regulations and requirements, when not carefully balanced, can potentially hinder trade and integration by adding compliance costs and administrative burdens for businesses. This dichotomy accentuates the need for a balanced approach, as highlighted by the participants (P2; P6).

Promotion and Hindrance: ESG concerns were found to have dual effects on integration. On one hand, they can promote integration by encouraging sustainable and responsible business practices, which align with the goals of integration, particularly in the long term (P3; P7). As Participant 3 noted, *"Sustainability practices are essential for the future of our region."* On the other hand, strict ESG regulations and requirements can add compliance costs and administrative burdens for businesses, potentially hindering trade (P9; P11).

According to the study by Onofrei et al. (2023), finding this middle ground is crucial. Their research underscores the importance of striking a balance in policy design to effectively integrate sustainability practices while maintaining the cost-effectiveness and efficiency of economic integration within the region. This aligns with the sentiments expressed by participants regarding the necessity of pursuing sustainable practices without stifling economic growth (P9; P11). These observations converge with the existing literature on the dual impacts of ESG concerns on regional integration, emphasising the significance of achieving equilibrium to harness the benefits of sustainable practices while ensuring economic prosperity and efficiency (Onofrei et al., 2023). Respondents recognised that balancing ESG concerns with the imperatives of economic integration requires careful policy design. Policymakers need to strike a balance between promoting sustainability and ensuring that integration remains cost-effective and efficient (P2; P6). Participant 6 stated, *"We need to find a middle ground that supports sustainability without strangling our businesses."*

Theme 9: Impact on Primary, Secondary, and Tertiary Sectors

The discussion delved into how regional integration influences different economic sectors. The insights on how regional integration influences different economic sectors align with recent research in the field. Ibrahim and Vo (2020) conducted a study that explored the impact of integration on primary, secondary, and tertiary sectors, highlighting the potential for increased production and export volumes in primary sectors and the growth of diversified and competitive manufacturing industries in secondary sectors. Respondents indicated that the integration of regional markets can influence the growth of the primary sectors, such as agriculture and mining (P2; P4). Access to larger markets can lead to increased demand for agricultural and mining products, potentially boosting production and export volumes. As Participant 2 noted, *"With a larger integrated market, our agricultural products can reach*

more consumers." Additionally, integration can encourage value addition within these sectors, leading to higher-value exports (P7).

Secondary Sectors (Manufacturing): The manufacturing sector was seen as a significant beneficiary of regional integration (P5; P8). Integration provides market access, stimulates production, and allows for economies of scale (P12). This sector stands to gain from integration by becoming more competitive and diversified. Participant 12 pointed out, *"Integration supports the growth of our manufacturing industries."*

Ariu and Ogliari (2023) examined the development of the services sector within the context of regional integration, emphasising the rising demand for services and the potential boost in tourism and hospitality industries. Integration was also expected to promote the development of the services (tertiary) sector (P3; P9). As the regional market expands, there is greater demand for services, including finance, healthcare, education, and hospitality. Additionally, the facilitation of trade and movement of people can boost the tourism and hospitality industries (P10).

Theme 10: Wage-Led Growth

The insights regarding the potential for wage-led growth resulting from regional integration are in line with recent research in this field. A study by Simola et al. (2022) explored the mechanisms through which regional integration can lead to wage increases and income redistribution. They highlighted the significance of increased competition and productivity growth as driving factors for wage-led growth. Regional integration was recognised as a potential driver of wage-led growth (P1; P4). Integration can create opportunities for higher-paying jobs, improve labour market conditions, and increase overall income levels. As Participant 1 noted, *"As regional integration drives economic growth, we see potential for better wages."* Integration leads to increased competition, which, in turn, can encourage employers to offer higher wages to attract and retain skilled workers (P9).

Mechanisms for Wage-Led Growth: Mechanisms through which regional integration can lead to wage-led growth include job creation, skill development, wage increases, and income redistribution (P3; P6). Increased competition and productivity growth can put upward

pressure on wages, particularly for skilled workers (P7). Participant 3 stated, *"Integration has the potential to create jobs with higher wages, benefiting the workforce."*

Additionally, Carrillo-Maldonado (2023) conducted research on the distributional effects of wage-led growth in the context of regional integration, emphasising the importance of equitable wage distribution for sustainable and inclusive economic growth.

The sectoral and distributional effects of wage-led growth were acknowledged (P5; P11).

Some sectors and segments of the population may experience more significant wage increases and improvements in living standards, while others may see more modest or uneven improvements (P12). Policies aimed at ensuring equitable distribution of benefits were highlighted (P8). As Participant 5 noted, *"Equity in wage distribution is vital for a sustainable and inclusive economic growth."*

Theme 11: Costs and Benefits

The analysis explored the short-term and long-term costs and benefits of regional integration. The insights into the short-term and long-term costs and benefits of regional integration align with recent literature in this field. Zhao et al. (2022) conducted a comprehensive study of environmental regulations, emphasising the significance on the costs and benefits of the policy implementation. Policymakers must carefully consider the costs and benefits to ensure a balanced approach and implement supportive measures that address the challenges associated with economic changes.

Short-term Costs and Benefits: In the short term, integration was associated with immediate benefits such as increased trade, job creation, and improved access to regional markets.

Participant 3 stated, *"The immediate gains are essential to jumpstart the integration process."*

However, it also comes with short-term costs, including adjustment challenges for certain industries, trade disruptions, and the need for infrastructure investments (P1). Participant 7 highlighted, *"Investing in infrastructure is necessary for the short-term benefits to materialize."*

Long-term Costs and Benefits: In the long term, regional integration can lead to sustained economic growth, diversification of economies, and enhanced competitiveness on the global stage, as mentioned by Participant 5 (P5). The long-term benefits are often more evenly distributed across sectors and groups (P2). P8 noted, *"Long-term costs may include the need*

for ongoing investments in infrastructure and addressing income inequality and social disparities."

Costs and Benefits Across Sectors and Groups: The analysis emphasised that the costs and benefits of regional integration vary across different sectors and groups (P11). P12 added, *"Different segments of the population may be affected differently, with some benefiting more from integration and others facing adjustment challenges."*

Theme 12: Adjustment Strategies

The discussion focused on strategies to counterbalance the negative economic impacts of regional integration. The discussions on adjustment strategies to counter negative economic impacts align with current literature. Scholarly works, such as Bluedorn et al. (2019), underscore the need for anticipatory measures like tailored Trade Adjustment Assistance Programs. The call for inclusive policies, resonates with broader literature advocating for equitable distribution of integration benefits (Beegle et al., 2018).

Negative Economic Impacts: Participants highlighted various negative impacts of regional integration, including industry disruptions and trade imbalances. Participant 4 mentioned, *"It's crucial to anticipate these disruptions and have measures in place."* Additionally, income inequality and the adjustment costs for industries and workers were acknowledged by Participant 9 stating, *"The costs of adjustment can be challenging, especially for certain sectors and workers."*

Adjustment Strategies: Strategies proposed to counter these negative impacts included several measures. Participant 6 emphasised, *"Trade Adjustment Assistance Programs can mitigate some of the negative consequences by aiding affected industries and workers."* Participant 11 also noted the importance of infrastructure investments, saying, *"Investing in infrastructure can ensure connectivity and reduce trade costs."*

Successful Adjustment Strategies: The success of these strategies, as mentioned by Participant 2, is contingent on proper execution and tailored approaches. *"Not every strategy works in every context. Tailored solutions are essential,"* they stated. Participant 7 stressed

the importance of inclusive policies, saying, *"It is important to be inclusive so that the benefits of integration reach everyone and not just a few groups."*

Chapter 5

5.1 Conclusions and Recommendations

5.1.1 Introduction

In conclusion, this study embarked on a comprehensive exploration of the new possibilities for expanding Pan-African commerce. By scrutinising the economic drivers such as market potential and the role of RVCs in fostering productivity our findings uncover the urgent need for strategic policies to unlock Africa's vast economic potential. The identification of barriers echoes existing literature, accentuating the importance of a nuanced, Africa-specific approach to address the historical shortcomings of regional integration initiatives. Building on these insights, the study's recommendations align with contemporary research, urging a holistic strategy that encompasses infrastructure development, private sector engagement, and inclusivity. Furthermore, our exploration expanded beyond the realms of trade, recognising the integral role of complementary measures such as a single currency, visa-free regimes, and a common language of trade, drawing on the scholarly works of Aryeetey & Baffour, (2022); Mutiiria et al. (2020); Appiah et al. (2022). As Africa steers its economic course, the study accentuates the importance of a unified vision, harmonising core elements of AfCFTA and RVCs with broader measures for a prosperous and interconnected future. This conclusion, informed by participant perspectives and robust scholarly discourse, offers a roadmap for policymakers to navigate the intricate economic landscape, fostering an environment conducive to sustainable growth and shared prosperity across the continent.

5.1.2 Summary and conclusions

The emphasis on market potential and resource complementarity, as highlighted by participants, resonates with Abrego et al.'s (2020) assertions regarding the significance of market potential in stimulating regional integration and the role of resource complementarity in efficient resource allocation (Saleh et al., 2020). This highlights a shared understanding among participants and scholars alike regarding the economic imperatives that underpin regional integration efforts in Africa. Notably, the alignment with existing literature serves to validate and reinforce the importance of these drivers, emphasising their pivotal role in shaping successful integration initiatives.

Participant insights regarding short-term gains including improved GDP growth and job creation align with Fofack's (2020), findings on the immediate economic advantages of integration, such as heightened trade and investment. Moreover, the envisioned long-term structural changes resonate with Lopes and Te Velde, (2021) research, emphasising the profound effects of long-term integration, encompassing industrial advancement and diversification (Lopes and Te Velde, 2021). This convergence of perspectives demonstrates the temporal duality of integration benefits and provides a robust foundation for policymakers to craft strategies that balance immediate gains with sustained, transformative growth.

The anticipated consequences, such as increased trade volumes, enhanced competitiveness, industrial development, job creation, infrastructure development, and improved living standards, align with the broader literature on the positive impacts of regional integration on trade, competitiveness, and development (Aryeetey & Baffour, 2022; Mutiiria et al., 2020; Appiah et al., 2022). This synthesis not only reinforces these expected outcomes, but it also establishes a coherent narrative, weaving together participant expectations with well-established research findings. The nuanced exploration of consequences serves as a compass, guiding policymakers towards a holistic understanding of the multifaceted impacts of regional trade integration.

The recognition of regional trade integration as a catalyst for regional value chains mirrors Obasaju et al 's (2021) emphasis on the pivotal role of regional value chains in driving productivity and economic development in Africa (Obasaju et al., 2021). The insights into efficient resource allocation and the formation of industrial clusters align Saleh et al's (2020) findings on the role of resource optimisation in promoting economic growth through regional integration. This area not only draws attention to the interconnectedness of economic principles but it also emphasises the intricate dance between regional collaboration and sustainable economic development.

Participants' emphasis on political commitment, addressing non-tariff barriers, inclusive development, infrastructure investment, and private sector engagement resonates with recent research findings that highlight the importance of political will, addressing regulatory obstacles, inclusive policies, infrastructure development, and private sector involvement in successful regional trade agreements (Odeku and Rikhotso, 2023; Turkson, 2023). This convergence between participant insights and scholarly research not only validates the critical

nature of these factors but it also provides a practical roadmap for policymakers seeking to navigate the complexities of AfCFTA implementation.

The recognition of benefits for LDCs, including improved market access, economic diversification, tailored support, and infrastructure development, echoes Afesorgbor's (2022) emphasis on the potential for LDCs to leverage regional integration for improved market access and economic diversification. This synthesis amplifies the significance of regional integration as a tool for fostering inclusive development, specifically tailored to uplift the economies of LDCs, aligning with broader developmental goals (Macleod et al., 2023).

The identification of crucial social partners, varied involvement, policy advocacy by civil society organisations, and the role of academic institutions align with Ofori et al's (2022) comprehensive study, emphasising the critical role of social partners in regional integration and the need for collaboration and coordination among governments, civil society organisations, labour unions, the private sector, and academic institutions (Ofori et al., 2022). This exploration not only recognises the diversity of stakeholders but it also reinforces the collaborative nature essential for the success of regional trade integration initiatives.

Insights into the dual impacts of ESG concerns on integration, acting as both promoters and hindrances, resonate with the findings of Sonko and Sonko (2023) on the complex role of ESG concerns in regional integration. The emphasis on finding a balanced approach aligns with Onofrei et al's (2023) research on the importance of striking a balance in policy design to integrate sustainability practices while maintaining economic prosperity. This nuanced examination of ESG concerns provides policymakers with a holistic understanding, emphasising the need for balanced strategies that reconcile environmental, social, and economic imperatives.

The influence of regional integration on primary, secondary, and tertiary sectors, including increased demand for agricultural and mining products, growth of manufacturing industries, and development of the services sector, aligns with recent research (Ibrahim and Vo, 2020; Ariu and Ogliari, 2023). This exploration delves into the sectoral nuances, providing a comprehensive view of how integration reverberates across diverse economic domains and laying the groundwork for targeted policy interventions and sector-specific strategies.

The recognition of regional integration as a potential driver of wage-led growth, including mechanisms through job creation, skill development, and sectoral and distributional effects, aligns with Carrillo-Maldonado (2023) exploration of the mechanisms through which regional integration can lead to wage increases and income redistribution. This thematic area accentuates the socio-economic dimensions of integration, shedding light on the mechanisms through which the benefits of integration permeate across various strata of society, ensuring a more equitable distribution of gains.

The acknowledgment of short-term benefits and costs, long-term sustained growth, and the variation of costs and benefits across sectors and groups aligns with Zhao et al's (2022) study on the costs and benefits of regional integration, emphasising the significance of short-term gains and long-term structural changes (Zhao et al., 2022). This synthesis serves as a compass for policymakers, highlighting the need to navigate the dynamic landscape of costs and benefits, ensuring a balanced approach that maximises short-term advantages while paving the way for enduring, transformative growth.

The proposed adjustment strategies including trade adjustment assistance programmes, infrastructure investments, and tailored approaches align with existing literature on the need for adaptive strategies to counterbalance the negative impacts of regional integration (Bluedorn et al., 2019). This thematic exploration not only acknowledges the inevitability of adjustment but it also provides a strategic framework for policymakers, emphasising the importance of targeted interventions and adaptive measures to ensure that the transition towards integration is smooth and inclusive.

5.1.3 Policy recommendations and Contributions to the Literature

Policy Recommendations:

Enhancing Political Commitment: Policymakers should prioritise building and sustaining political commitment among member states for the successful implementation of the African Continental Free Trade Agreement. This includes continuous diplomatic efforts, awareness campaigns, and collaborative initiatives to ensure that political will remains steadfast (Börzel & Risse, 2020).

Addressing Non-Tariff Barriers: Governments and regional bodies must prioritise the identification and elimination of non-tariff barriers to facilitate smooth trade flows. This requires harmonising regulatory frameworks, simplifying administrative procedures, and fostering cooperation in areas such as customs and standards (Turkson, 2023).

Tailored Support for SMEs: To promote inclusive RVCs, tailored policies and support programmes should be implemented, with a specific focus on small and medium-sized enterprises. This includes providing financial support, capacity-building initiatives, and creating an enabling environment for SMEs to thrive within the regional integration framework (Olayiwola, 2020).

Infrastructure Development for LDCs: Least Developed Countries should receive targeted support for infrastructure development. This involves investments in transportation, energy, and digital infrastructure to connect LDCs to regional markets, fostering their full participation in regional trade (Afesorgbor, 2022).

Promoting Social Policies: In conjunction with regional trade integration, policymakers should prioritise comprehensive social policies. These policies should address social inequalities, enhance access to education and healthcare, and promote social protection programmes to ensure that the benefits of Pan-African commerce are equitably distributed (Ofori et al., 2022).

Fostering Wage-Led Growth: Policymakers should implement fair wage policies and improve working conditions to stimulate domestic demand, thereby contributing to wage-led growth. This involves collaboration with social partners, including labour unions, to ensure the inclusivity and sustainability of economic growth (Carrillo-Maldonado, 2023).

Contributions to the Literature:

Political Commitment in Regional Integration: This study reinforces the prevailing literature highlighting the pivotal role of political commitment in propelling regional integration initiatives. Building on Börzel & Risse's (2020) insights, it contributes empirical evidence, affirming that sustained political will stands as a linchpin for the triumph of regional

integration efforts. This empirical grounding augments our comprehension of the nuanced political dynamics that steer successful integration processes.

Non-Tariff Barriers as Implementation Hurdles: The identification of non-tariff barriers as formidable impediments aligns seamlessly with Turkson's (2023) research, amplifying the acknowledgment of the intricate challenges entwined with trade integration. By corroborating these findings, this study bolsters the argument that effective regional integration necessitates not only tariff reductions but also a concerted effort to dismantle non-tariff barriers. This contribution provides pragmatic insights that can guide policymakers in navigating the complexities of the integration landscape.

SMEs in Regional Value Chains: The nuanced focus on small and medium-sized enterprises within regional value chains contributes by recognising the distinctive challenges and potential contributions of these enterprises. In tandem with Olayiwola's (2020) work, this study accentuates the imperative of tailored support mechanisms for SMEs, offering a more granular understanding of their role in shaping and benefiting from regional integration efforts. This contribution is particularly significant in the context of fostering inclusive and sustainable economic growth.

Infrastructure Development for Inclusive Growth: The emphasis on targeted infrastructure development, especially for LDCs, aligns with Afesorgbor's (2022) findings, enriching the literature by acknowledging infrastructure's pivotal role in fostering inclusive growth. This study contributes by providing concrete recommendations for policymakers to address the specific infrastructure needs of LDCs, ensuring their active participation in regional value chains. Such insights are crucial for crafting effective development strategies.

Comprehensive Social Policies: The alignment with Ofori et al's (2022) insights regarding the importance of social policies in promoting inclusive economic growth contributes by emphasising a holistic approach. By advocating for a comprehensive strategy that intertwines economic integration with social policies, this study adds depth to the literature on sustainable development. The recommendation for inclusive policies provides practical guidance for policymakers aiming to create an environment where economic growth is not only robust but also equitable.

Wage-Led Growth for Inclusive Development: The deliberate focus on wage-led growth contributes to the literature by shedding light on potential benefits, in line with Carrillo-Maldonado's (2023) research. This perspective deepens our understanding of economic development dynamics, stressing the role of fair wage policies in stimulating consumption and overall economic growth. The study's contribution lies in its exploration of a socio-economic factor that is integral to inclusive development.

By addressing the identified challenges and leveraging the recommended policies, African countries can enhance the prospects of successful regional integration, inclusive development, and sustainable economic growth. The synthesis of insights and their alignment with existing literature strengthens the foundation for future research, policymaking, and strategic initiatives in the realm of Pan-African commerce.

5.1.4 Avenues for future research

The exploration of Pan-African commerce and regional trade integration, particularly within Southern Africa, has provided valuable insights. However, several avenues for future research emerge from the findings:

- Given the dominance of participants from Southern Africa, future research should focus on smaller economies and less represented regions. Investigating the specific challenges and opportunities faced by these economies in participating and benefiting from Pan-African commerce would provide tailored insights for policy formulation. Understanding how Central, Western, and Northern Africa perceive and engage with regional trade integration would contribute to a more comprehensive understanding of the continent's dynamics.
- Environmental and Sustainability Perspectives:
The current study touches upon Environmental, Social, and Governance concerns briefly. Future research could delve deeper into the environmental dimensions of regional integration, assessing the sustainability practices, and exploring how eco-friendly policies can be integrated into Pan-African commerce for long-term resilience.

- **Single Currency Implementation:**
Exploring the feasibility and implications of a single currency for Africa as a means to deepen economic integration. This research could assess the challenges, benefits, and lessons from regions that have successfully implemented a common currency.

- **Visa-Free Regimes and Language of Trade:**
Investigating the impact of visa-free regimes and a common language of trade on intra-African business and economic collaboration. Analysing case studies and global examples could inform potential strategies.

- **Digital Transformation and Trade:**
With the increasing role of technology in business and trade, future research should explore the impact of digital transformation on regional commerce. Understanding how digitalisation influences cross-border trade, e-commerce, and financial transactions within the Pan-African context can provide valuable insights for policymakers and businesses.

In summary, these avenues for future research aim to deepen our understanding of Pan-African commerce, ensure a more inclusive representation of diverse perspectives, and provide practical insights for policymakers and businesses seeking to navigate the complexities of regional trade integration in Africa.

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Annexure 1: Questionnaire

New possibilities for expanding Pan-African commerce

Thank you for taking the time to participate in this interview. The purpose of this interview is to gather insights on the potential opportunities and challenges for expanding Pan-African commerce. Your input will help us better understand the current economic landscape and identify strategies for promoting regional trade integration and growth. Please answer each question to the best of your ability, and feel free to add any additional comments or feedback in the provided open-ended sections. Your responses will be kept confidential and will only be used for research purposes.

Section 1: Demographic information

1. Please indicate for the record, the following:

- Age category
 - 18 to 30
 - 31 to 40
 - 41 to 50
 - Over 50

- Gender
 - Male
 - Female

- Highest Qualification
 - Grade 12
 - Undergraduate Diploma/Degree
 - Postgraduate diploma/Honour's
 - Master's/Doctorate

- Geographic location/Region in Africa
 - Southern Africa
 - East Africa
 - Central Africa
 - West Africa
 - North Africa

- Nature of Business/Industry
 - Construction
 - Retail
 - Transport/Logistics
 - Agriculture
 - Financial Services
 - Other

- Years of experience in the industry.
 - Under 5 years
 - Six to 10 years
 - Eleven to 15 years
 - Sixteen to 20 years
 - Over 20 years

Section 2: Interview questions

Regional Trade Integration:

2. Can you describe the key economic factors that drive regional trade integration amongst African countries?

3. To what extent does the African regional trade integration accelerate economic growth in the short and long term?

4. What are the potential consequences of regional trade integration on economic growth?

Regional Value Chains:

5. To what extent does the Regional Trade Integration shape the Regional Value Chains and foster economic growth?

6. What regional institutional arrangements have supported the incorporation of regional value chains within the African regional integration?

7. What are the implications that can be learned from the implementation of the African Continental Free Trade Agreement (AfCTA)?

Development:

8. To what extent do Least Developed Countries in the African region benefit from AfCTA?

9. What are the benefits of regional integration for the Least Developed Countries in terms of development?

10. What are the appropriate institutional mechanisms within African regional integration that can accelerate the development of Least Developed Countries?

Social Policy:

11. In your view, who are the crucial social partners in the context of African regional integration?

12. To what extent have social partners supported the regional social policies within the context of African regional integration?

13. To what extent do Environmental, Social, and Governance (ESG) concerns promote or hinder integration African trade?

Domestic Market

14. To what extent can the integration of regional markets in Africa influence the growth of the agricultural and mining sectors (primary sectors)?

15. To what extent can domestic market in African regional integration improve the development of manufacturing sector (secondary sectors)?

16. To what extent can domestic market in African regional integration promote the development of services (tertiary sectors)?

Wage-Led Growth

17. To what extent can African regional integration promote wage-led growth?

18. What are the mechanisms through which African regional integration can lead to Wage-Led Growth?

19. What sectoral and distributional effects does African regional integration have on wage-led growth?

Costs and Benefits:

20. What are the short-term costs and benefits of African regional integration, and how do they vary across sectors and groups?

21. What are the long-term costs and benefits of African regional integration, and how do they vary across sectors and groups?

22. How do the costs and benefits of African regional integration vary across different sectors and groups?

Adjustment Strategies:

23. What are the negative economic impacts of African regional integration?

Annexure 2: Demographic information from the participants

Demographic information						
<i>Participant</i>	<i>Age category</i>	<i>Gender</i>	<i>Highest Qualification</i>	<i>Region in Africa</i>	<i>Nature of Business/Industry</i>	<i>Years of experience in the industry</i>
P1	41 - 50	Female	Masters/Doctorate	Southern Africa	Other	Over 20 years
P2	31 - 40	Male	Postgraduate diploma/Honours	Southern Africa	Other	6 to 10 years
P3	31 - 40	Male	Masters/Doctorate	Southern Africa	Agriculture	11 to 15 years
P4	18 - 30	Male	Undergraduate Diploma/Degree	Central Africa	Financial services	Under 5 years
P5	31 - 40	Female	Postgraduate diploma/Honours	Southern Africa	Financial services	11 to 15 years
P6	31 - 40	Female	Postgraduate diploma/Honours	Southern Africa	Financial services	16 to 20 years
P7	31 - 40	Male	Postgraduate diploma/Honours	Southern Africa	Financial services	11 to 15 years
P8	31 - 40	Male	Masters/Doctorate	East Africa	Other	11 to 15 years
P9	18 - 30	Male	Undergraduate Diploma/Degree	Southern Africa	Financial services	Under 5 years
P10	41 - 50	Male	Masters/Doctorate	Southern Africa	Construction	Over 20 years
P11	41 - 50	Female	Masters/Doctorate	Southern Africa	Financial services	Over 20 years
P12	18 - 30	Male	Postgraduate diploma/Honours	West Africa	Financial services	6 to 10 years
P13	31 - 40	Male	Masters/Doctorate	Southern Africa	Construction	16 to 20 years