

Journal of African Union Studies (JoAUS)

ISSN 2050-4306 (Online) ISSN 2050-4292 (Print)

Indexed by: SCOPUS, IBSS, JSTOR, EBSCO, COPERNICUS,
ERIH PLUS, ProQuest, J-Gate and Sabinet

Volume 12, (Number 1), April 2023
pp 125-143

The Transformative Impact of Regional Integration and Industrialisation in the SADC, 2000-2015

DOI: <https://doi.org/10.31920/2050-4306/2022/12n1a7>

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Abstract

Industrialisation is vital for developing countries' quest for sustainable growth, development, and transformation. This article examines the SADC region's stated objective of industrialisation and regional integration as an approach towards achieving industrialisation. This is done through an analysis of manufacturing activities as a measure of industrialisation, in relation to regional integration to determine the significance of manufacturing to the development of member states of the SADC. It examines the increase or decrease in the region's manufacturing sector and its significance to economic growth for the period 2000-2015. The article is not concerned with SADC's advancement vis-à-vis the stated sequential integration milestones. Instead, it focuses on claims that manufacturing is significant for integration and a significant contributor to economic growth. It also uses a mixed-methods design based on secondary

sources and an examination of qualitative and quantitative data in an attempt to understand the transformative impact of regional integration on industrialisation. The latter has been consistently noted as the key driver of sustainable growth, development, and transformation, even more so for developing countries. Forward and backward linkages in the manufacturing sector and economies of scale give it a slight edge over other sectors insofar as contributions to development are concerned. This article argues that contrary to the expectation that regional integration in the SADC would lead to industrialisation, the economies in the region have rather experienced deindustrialisation.

Keywords: *Regional Integration, Industrialisation, Manufacturing, Transformation, SADC*

Introduction

Industrialisation is vital for developing countries' quest for sustainable growth, development and transformation. There is a substantial body of literature that supports this view, like Aryeetey and Moyo (2012); Szirmai and Verspagen (2015); Sen (2016); and Sugihara (2019). More importantly, the manufacturing sector is said to be the main driver of growth and development as a result of economies of scale as well as forward and backward linkages (Naudé and Szirmai, 2012; Haraguchi et al., 2017; Moyo, 2020b). However, there have been questions surrounding the influences of the manufacturing sector's productivity growth. Arza and López (2010); Chikabwi, Chidoko, and Mudzingiri (2017) arguing that trade openness, foreign direct investment (FDI), as well as labour play very crucial roles in the sector's growth. While on the other hand, Sai-Wing Ho (2012), Guadagno (2016), and Martorano, Sanfilippo, and Haraguchi (2017) argue that a country's technological progression determines how fast its manufacturing sector grows.

As a developing region, the Southern African Development Community's (SADC) transformation in 1992 from the Southern African Development Coordination Conference (SADCC) demonstrated the intensification of efforts to pursue industrialisation. While, on principle, the region adopted developmental integration to achieve this goal, it deployed a neoliberal regional integration approach (Tsie, 1996; Evans, 2010; Lowitt, 2017). This saw the regional member states pursuing a linear approach to regional integration, beginning with the adoption of the Protocol on Trade in SADC in 1996. The Protocol was enforced in 2000 as a blueprint for a free trade area (FTA) to be achieved by 2008.

When SADC adopted the Regional Indicative Strategic Development Plan (RISDP) in 2003, the principles of developmental integration were largely ignored (SADC RISDP, 2003). In laying out a fifteen-year plan in the RISDP of how the region was to deepen its integration, member states opted for market integration, a linear approach to regional integration, beginning with an FTA in 2008, a customs union in 2010, a common market by 2015, a monetary union by 2016 and an economic union with a single currency by 2018 (Evans, 2010; Hartzenberg, 2011; Hartzenberg and Kalenga, 2015; Monyae and Nganje, 2019). However, the organisation has since revised these objectives as it failed to meet them by the stipulated time frame. Realising that member states' current trading structures do not support intra-regional trade (Mureverwi, 2016), i.e., while the free trade area came into effect in 2008, it has not increased trade among the participating regional countries. Instead, they continue to trade with third parties. Thus, 2015 revised RISDP prioritised industrialisation (Mureverwi, 2016).

This article examines the SADC region's stated objective of regional integration as an approach towards achieving industrialisation and sustainable growth and development. The article does not concern itself with SADC's advancement vis-à-vis the stated sequential integration milestones. Instead, it focuses on claims that manufacturing is significant for integration and a significant contributor to economic growth. Have the regional integration initiatives had any transformative impact on the structural composition of the member states' GDPs in the SADC region? It examines the increase or decrease in the region's manufacturing sector as a measure of industrialisation, and its significance to economic growth for the period 2000-2015. As already indicated, the RISDP is SADC's regional integration blueprint and was due for its first revision in 2015. Thus, the 2000-2015 timeline is crucial to SADC's integration agenda. Several objectives indicated in the RISDP were supposed to be met within this time frame. Thus, this period is central to examining SADC's regional integration and its transformative impact.

This article argues that contrary to the expectation that regional integration in the SADC would lead to industrialisation and development, the economies in the region have rather experienced deindustrialisation in the period under examination. This is because the manufacturing sector's contribution to GDP has consistently declined. The rest of the paper is structured as follows; the following section discusses the methods used to meet the objectives of the article; the third section deals with the conceptual considerations. The fourth section

examines data and trends in the manufacturing sector and other industrialisation indicators for the SADC regional economies, followed by the conclusion.

Methods

The article uses a mixed-method design to qualitatively and quantitatively analyse data in line with the stated objective. In addition to reviewing the literature on regional integration and industrialisation, the article assesses trends in SADC economies, particularly the contribution of manufacturing and manufacturing value added (MVA) to GDP. The trends are assessed for the period 2000-2015 unless stated otherwise. The other variables the article also considers include the statistical analysis of the region's annual percentage growth in the industrial sector, annual percentage growth in MVA, and annual percentage growth in GDP during the stated period. Data sources for the exercise included scientific publications, reports, SADC regional instruments, and statistical reports from the SADC Secretariat, Selected Economic Indicators, the World Bank, and the African Development Bank (AfDB).

Conceptual Considerations

Regional integration is not new to the African continent in general and the SADC region in particular. In the immediate post-colonial period, newly independent countries were strongly committed to economic planning. This seemed more feasible at the continental and regional levels. The understanding was informed by the argument that industrialisation, and particularly core manufacturing, would promote development. The work of Lewis, along with that of Prebisch, Kuznets, Tinbergen, Schultz, and other experts called upon to advise the United Nations, influenced the aspiration of developing countries to grow their economies through a "big push" (United Nations 1951, 1955).

Lewis (1951) showed that countries with a surplus of labour had a comparative advantage in manufacturing activities and used this to advocate for industrialisation. He based his argument on the success of his work in Puerto Rico, where he radically advocated for Puerto Ricans to manufacture goods for local markets as well as the region and the metropole. Lewis had also worked in Ghana, where he was an economic advisor to the state and recommended the combination of agricultural development with import substitution. Herein lay the interface between

regional integration and government-led industrialisation. The logic behind this was that larger, protected markets in the various regions of Africa would support import-substituting industrialisation policies designed to create a broad spectrum of industries in different sectors.

While more recent experience seems to suggest that African and, indeed, Southern African countries have abandoned the import-substitution type of regional integration, the pursuit of regional integration for industrialisation continues to inform their policies and the drive to form regional blocs (see, e.g., UNECA, 2015). In this respect, policymakers and academicians continue to advocate for appropriate policies for productivity, inclusive growth, and structural transformation through industrialisation and regional integration (UNECA, 2015; Akinkugbe, 2020).

For this reason, this article examines the transformative impact of regional integration on industrialisation within the SADC region.

According to Simandan (2009), Industrialisation should be understood as a process, not an event. This process involves an economic shift from the primary sector, which consists of agriculture and resource extraction as the main economic activities, to the secondary sector, which consists of manufacturing as the main economic activity (Simandan, 2009). Several scholars have advanced theoretical and empirical arguments that only industrialised countries can meet their development objectives as it is harder to generate value in primary production (Naudé & Szirmai, 2012; Sai-Wing Ho, 2012; Sen, 2016; Szirmai, 2012). In this regard, industrialisation is understood to consist of an increase in the contribution of the manufacturing sector to an economy's GDP, which influences the structural composition of the economy in favour of manufacturing.

Regional integration, on the other hand, refers to a process of cooperation between at least two countries to achieve development, peace, and stability, among other things. This means regional integration can be pursued for economic or political benefits. However, regional integration has been equated with economic integration, given that most of its initiatives often have an economic reference, like the customs union and free trade areas, while the political aspects of it get neglected (Peters-Berries, 2010). Even within the African continent in general and SADC in particular, regional integration is pursued mainly for economic purposes. For instance, Asante (2016) noted that regional integration is necessary for sustainable development on the continent. Countries like those in Latin America have also made use of regional integration to

pursue their industrialisation objectives. As a result of colonisation, Latin American countries were balkanised and geared towards primary production like the African continent (Prebisch, 1950, 1964). Thus, at independence, they came together under the Commission for Latin America and the Caribbean (ECLAC) to pursue their development aspirations, including industrialisation (Eder, 2019).

Manufacturing and Industrialisation in the SADC: Data and Trends

Manufacturing became a major economic activity in the aftermath of the Second World War in many developing countries, transforming the nature and structure of global production (Szirmai, 2012). This has inspired several studies that have sought to understand this phenomenon in global production. For example, in relatively recent studies, Szirmai, Naude, and Alcorta (2013); Szirmai and Verspagen (2015) have concluded that there are no important examples of success in economic development in developing countries since the 1950s that have not been driven by a stronger manufacturing sector. The African continent, in general, has struggled to establish and sustain this sector (Nizeimana and Nhema, 2016; Cantore et al., 2017; Moyo, 2017; Zondi, 2020). Thus, evidence seen in the competitive industrial performance ranking, which by its composite nature mirrors facts like the GDP contribution of the manufacturing industry, suggests that African countries feature in the lowest quintiles (Cooper and Maddison, 2001; Dadush, 2015; Szirmai and Verspagen, 2015).

The SADC's approach to integration is underpinned by the SADC Protocol on Trade, adopted in 1996 and enforced in the year 2000. According to the Protocol, it seeks to achieve five key objectives: liberalising intra-regional trade in goods and services; ensuring efficient production within SADC; enhancing regional economic development, diversification, and industrialisation; contributing to the improvement of the climate for domestic, cross-border, and foreign investment; and establishing a free trade zone in the region.

The industrial development policy framework, as adopted by the SADC Committee of Ministers on Trade (CMT) in 2012, recognised industrialisation as a sustainable development path within the region (SADC, 2012; McCarthy, 2014). Three years later, in 2015, the region adopted the industrialisation strategy and a roadmap (2015-2063). The strategy asserts that the abundant natural resources that the region

exports in their raw form or minimally processed make a compelling case for the region to pursue industrialisation as the main driver of the region's economic transformation and diversification (SADC, 2015; SARDC, 2015; Monyae and Nganje, 2019).

Regional integration has not had a significant impact on the strengthening of the SADC's manufacturing sector and the regional industrialisation process. While several member states have experienced some growth over the years, it has been short-lived as it was inspired by the unsustainable commodity prices and demand boom (Saylor, 2012; Moyo, 2017, 2020a; Page, 2018). Furthermore, the significance of the manufacturing sector to the GDP has been declining over the years, signalling deindustrialisation, which is the direct opposite of what this regional agenda has been in pursuit of. Evidently, between 2000 and 2015, SADC member states were unable to transform their economies to ensure sustainable growth.

Table 1 and Table 2 depict the Manufacturing Value Added (MVA) of individual SADC member states as a percentage of GDP between 2000 and 2015 and MVA's annual percentage growth for the same period. The MVA share has declined for several SADC member states. Most notably, the South African MVA declined from 17.47 per cent in 2000 to 12.02 per cent in 2015, Mauritius declined from 19.75 per cent in 2000 to 13.04 per cent in 2015; Mozambique declined from 13 per cent in 2000 to 8.19 per cent in 2015; and Seychelles declined from 19.21 per cent in 2000 to 5.98 per cent in 2015. The only exception was the Democratic Republic of the Congo (DRC), whose MVA grew from 9.91 per cent in 2000 to 17.13 per cent in 2015 (WDI, 2020). The data suggests that the region's manufacturing base was much stronger in the early 2000s than in 2015.

Table 1: Manufacturing Value Added (% of GDP)

| | 2000 | 2011 | 2012 | 2013 | 2014 | 2015 |
|------------------|-------|-------|-------|-------|-------|-------|
| South Africa | 17,47 | 12,00 | 11,72 | 11,60 | 12,05 | 12,02 |
| Botswana | 5,63 | 5,79 | 5,94 | 5,82 | 5,31 | 5,78 |
| Mauritius | 19,75 | 13,87 | 13,65 | 13,91 | 13,59 | 13,04 |
| Mozambique | 13,00 | 9,81 | 8,65 | 8,19 | 8,03 | 8,19 |
| Angola | 2,89 | 4,17 | 4,40 | 4,83 | 4,76 | 5,69 |
| Zambia | 9,45 | 7,52 | 7,08 | 6,02 | 6,82 | 7,52 |
| Zimbabwe | 13,39 | 9,17 | 14,04 | 12,92 | 12,59 | 11,89 |
| Congo, Dem. Rep. | 9,91 | 15,36 | 15,36 | 15,39 | 15,55 | 17,13 |
| Eswatini | 33,86 | 31,69 | 31,02 | 29,64 | 30,65 | 31,60 |
| Lesotho | 13,62 | 12,57 | 11,23 | 10,69 | 11,96 | 15,05 |
| Malawi | 11,62 | 10,07 | 9,25 | 9,56 | 9,55 | 9,60 |
| Namibia | 9,96 | 13,65 | 12,19 | 10,36 | 9,76 | 11,38 |
| Seychelles | 19,21 | 7,31 | 8,43 | 7,22 | 6,50 | 5,98 |
| Tanzania | 9,86 | 9,55 | 9,44 | 9,11 | 9,12 | 7,86 |
| Madagascar | | .. | .. | .. | .. | .. |

Source: World Bank; World Development Indicators, 2020

Table 2: MVA (Annual % Growth)

| | 2000 | 2011 | 2012 | 2013 | 2014 | 2015 |
|------------------|--------|-------|-------|--------|--------|-------|
| Zimbabwe | -11,00 | 13,85 | 5,35 | -0,60 | -5,09 | 0,20 |
| South Africa | 8,10 | 3,03 | 2,10 | 1,02 | 0,35 | -0,45 |
| Angola | .. | 9,08 | 9,56 | 7,72 | -9,92 | 12,02 |
| Botswana | -1,08 | 11,35 | 3,71 | 6,53 | 0,51 | 3,24 |
| Malawi | -3,01 | 1,36 | -6,40 | 8,81 | 5,53 | 2,93 |
| Namibia | 3,60 | 5,68 | -6,84 | 4,42 | 3,74 | -3,22 |
| Lesotho | 18,34 | -2,84 | -4,16 | -4,08 | -11,37 | 15,26 |
| Madagascar | .. | .. | .. | .. | .. | .. |
| Eswatini | 1,47 | 1,66 | 1,88 | 3,19 | 4,67 | 1,82 |
| Mauritius | 7,52 | 0,75 | 2,06 | 4,71 | 1,79 | 0,05 |
| Mozambique | 15,14 | 1,98 | 0,74 | 3,32 | 4,59 | 7,58 |
| Seychelles | 35,60 | 6,98 | 24,31 | -13,08 | -6,32 | 7,40 |
| Zambia | 4,01 | 10,60 | 4,81 | 6,21 | 6,55 | 5,42 |
| Tanzania | 4,85 | 6,68 | 4,20 | 3,72 | 9,97 | 7,11 |
| Congo, Dem. Rep. | -10,90 | 1,79 | 5,22 | 10,05 | 9,94 | 13,73 |

Source: World Bank; World Development Indicators, 2020

The data further demonstrates that the manufacturing sector in most of the region's economies has only gotten worse over the years. For example, Zimbabwe's declined from 13.39 per cent in 2000 to 11.89 per cent in 2015; Malawi's declined from 11.62 per cent in 2000 to 9.60 per cent in 2015; Tanzania's declined from 9.86 per cent in 2000 to 7.86 in 2015; and Zambia's declined from 9.45 per cent in 2000 to 7.52 per cent in 2015. This indicates that there has been deindustrialisation among the regional economies, described in the literature as a consistent decline in the significance of the manufacturing sector in an economy's GDP (Morris and Fessehaie, 2014; Tregenna, 2015; Fforde, 2018).

Table 3: Industry, Value Added (% of GDP)

| | 2000 | 2011 | 2012 | 2013 | 2014 | 2015 |
|------------------|-------|-------|-------|-------|-------|-------|
| South Africa | 29,07 | 26,94 | 26,68 | 26,67 | 26,55 | 26,03 |
| Botswana | 46,30 | 35,05 | 29,72 | 31,48 | 33,08 | 29,98 |
| Mauritius | 25,99 | 21,60 | 20,94 | 20,60 | 19,83 | 19,24 |
| Zimbabwe | .. | 21,72 | 25,33 | 23,80 | 23,72 | 22,36 |
| Angola | 72,12 | 56,03 | 56,92 | 53,36 | 46,20 | 41,93 |
| Eswatini | 39,39 | 36,78 | 36,81 | 35,65 | 35,62 | 35,76 |
| Seychelles | 29,02 | 13,71 | 14,24 | 12,62 | 12,15 | 11,82 |
| Tanzania | 19,20 | 26,38 | 25,40 | 25,45 | 25,14 | 24,49 |
| Lesotho | 35,16 | 33,20 | 30,82 | 29,02 | 32,16 | 33,74 |
| Madagascar | 13,92 | 10,97 | 11,22 | 12,45 | 13,49 | 12,59 |
| Malawi | 16,16 | 15,41 | 15,03 | 14,78 | 14,65 | 14,81 |
| Mozambique | 17,90 | 16,53 | 16,66 | 16,35 | 17,33 | 18,10 |
| Namibia | 23,47 | 29,33 | 29,98 | 26,55 | 26,63 | 27,56 |
| Zambia | 23,24 | 34,44 | 32,01 | 32,56 | 32,94 | 33,66 |
| Congo, Dem. Rep. | 22,41 | 40,94 | 40,25 | 41,29 | 42,98 | 41,70 |

Source: World Bank; World Development Indicators, 2020

Table 4: Industry (Annual % Growth)

| | 2000 | 2011 | 2012 | 2013 | 2014 | 2015 |
|------------------|-------|-------|-------|--------|-------|-------|
| Zimbabwe | -9,79 | 17,86 | 6,75 | 3,25 | -2,48 | 0,04 |
| South Africa | 3,84 | 1,41 | 0,43 | 2,17 | 0,03 | 0,82 |
| Angola | .. | -1,41 | 10,69 | 3,20 | -1,62 | 7,49 |
| Botswana | 6,81 | 1,46 | 0,30 | 15,87 | -0,23 | -8,94 |
| Malawi | -0,98 | 1,95 | -0,55 | 3,47 | 4,70 | 3,50 |
| Namibia | 1,88 | 2,37 | 6,52 | 5,24 | 5,32 | 1,33 |
| Lesotho | 14,35 | 3,16 | 5,21 | -10,40 | -4,63 | 3,91 |
| Madagascar | 7,59 | 0,55 | 9,15 | 27,29 | 6,96 | 6,69 |
| Eswatini | 1,94 | 1,42 | 5,45 | 4,33 | 1,22 | -1,23 |
| Mauritius | 7,45 | 0,00 | 0,83 | 1,50 | -0,32 | -0,69 |
| Mozambique | 12,50 | 6,66 | 5,13 | 5,76 | 8,75 | 10,99 |
| Seychelles | 12,77 | 15,25 | -4,35 | -17,88 | -0,06 | 7,27 |
| Zambia | 4,36 | 4,22 | 2,01 | 2,61 | 3,89 | 6,81 |
| Tanzania | 4,39 | 11,84 | 4,23 | 10,48 | 5,96 | 9,72 |
| Congo, Dem. Rep. | 10,61 | 15,66 | 8,96 | 10,45 | 14,63 | 5,91 |

Source: World Bank, World Development Indicators, 2020

Furthermore, the industrial sector as a whole, as depicted in Table 3 and its annual percentage growth, demonstrated in Table 4, has also generally declined over the study period. Botswana's declined from 46.30 per cent in 2000 to 29.98 per cent in 2015; that of Mauritius from 25.99 per cent in 2000 to 19.24 per cent in 2015; that of Angola from a whopping 72.12 per cent in 2000 to 41.93 per cent in 2015; and that of Seychelles from 29.02 per cent in 2000 to 11.82 per cent in 2015.

Table 5 shows that the annual percentage growth of the respective SADC economies has been inconsistent. The inconsistencies in the annual percentage growth of GDP in these economies indicate the unsustainable nature of the source of growth, which mainly consists of primary goods (Hansohm, 2018).

Table 5: GDP Growth (Annual %)

| | 2000 | 2011 | 2012 | 2013 | 2014 | 2015 |
|------------------|-------|-------|-------|-------|------|-------|
| Congo, Dem. Rep. | -6,91 | 6,87 | 7,09 | 8,48 | 9,47 | 6,92 |
| Madagascar | 4,46 | 1,58 | 3,01 | 2,30 | 3,34 | 3,13 |
| South Africa | 4,20 | 3,28 | 2,21 | 2,49 | 1,85 | 1,19 |
| Mauritius | 8,20 | 4,08 | 3,50 | 3,36 | 3,74 | 3,55 |
| Seychelles | 1,51 | 7,89 | 1,26 | 6,02 | 4,50 | 4,94 |
| Lesotho | 3,88 | 5,36 | 6,74 | 4,19 | 2,88 | 2,65 |
| Angola | 3,05 | 3,47 | 8,54 | 4,95 | 4,82 | 0,94 |
| Eswatini | 1,76 | 2,25 | 5,39 | 3,86 | 0,91 | 2,31 |
| Tanzania | 4,52 | 7,67 | 4,50 | 6,78 | 6,73 | 6,16 |
| Malawi | 1,58 | 4,85 | 1,89 | 5,20 | 5,70 | 2,80 |
| Namibia | 3,49 | 5,09 | 5,06 | 5,61 | 5,76 | 4,53 |
| Botswana | 1,99 | 6,05 | 4,46 | 11,34 | 4,15 | -1,70 |
| Mozambique | 1,19 | 7,40 | 7,26 | 6,96 | 7,40 | 6,72 |
| Zimbabwe | -3,06 | 14,19 | 16,67 | 1,99 | 2,38 | 1,78 |
| Zambia | 3,90 | 5,56 | 7,60 | 5,06 | 4,70 | 2,92 |

Source: World Bank, World Development Indicators, 2020

The services sector in the SADC region has registered consistent growth, as Tables 6 and 7 show. The sectoral composition of GDP in the SADC economies suggests that there has been a huge leap from the primary production sector to the services sector (Tandrayen-ragoobur, 2010; Cantore et al., 2017; Fforde, 2018; Page, 2018). Traditionally, it is understood that economies would swiftly move from the agricultural sector to manufacturing and ultimately the services sector (Monga, 2012; Fforde, 2018; UNIDO, 2018; Bianchi and Labory, 2019). This orthodox narrative can be traced from the first industrial revolution when Europe and North America moved from predominantly agricultural economies to manufacturing. This transition included moving from hand production methods to mechanised production (Naseemullah and Arnold, 2013; Bianchi and Labory, 2019). However, the SADC region seems to have not followed this pattern, as the region has not established a strong manufacturing base that would inspire sustainable economic growth and development (Jan Vanheukelom and Bertelsmann-Scott, 2016; Cilliers, 2018; Bianchi and Labory, 2019).

Table 6: Services, Value Added (% of GDP)

| | 2000 | 2011 | 2012 | 2013 | 2014 | 2015 |
|------------------|-------|-------|-------|-------|-------|-------|
| Zimbabwe | 70,13 | 57,90 | 55,09 | 58,33 | 57,59 | 58,65 |
| South Africa | 59,07 | 60,87 | 61,29 | 61,17 | 61,02 | 61,39 |
| Angola | 22,21 | 39,08 | 39,60 | 42,78 | 46,81 | 48,66 |
| Botswana | 42,75 | 52,72 | 57,67 | 56,66 | 55,76 | 58,15 |
| Malawi | 38,37 | 47,89 | 49,19 | 49,74 | 49,80 | 50,20 |
| Namibia | 56,90 | 57,03 | 56,11 | 57,74 | 57,70 | 57,94 |
| Lesotho | 51,32 | 51,89 | 52,85 | 54,88 | 53,07 | 51,53 |
| Madagascar | 48,37 | 53,75 | 54,66 | 54,65 | 54,33 | 55,13 |
| Eswatini | 45,56 | 50,15 | 48,38 | 49,43 | 50,25 | 50,05 |
| Mauritius | 55,99 | 63,19 | 63,62 | 64,37 | 65,67 | 66,30 |
| Mozambique | 45,94 | 47,41 | 48,04 | 48,66 | 47,96 | 47,44 |
| Seychelles | 50,50 | 63,89 | 67,54 | 69,73 | 69,12 | 70,55 |
| Zambia | 48,96 | 50,39 | 53,19 | 53,14 | 53,51 | 56,22 |
| Tanzania | 49,08 | 41,41 | 40,61 | 40,27 | 41,30 | 40,43 |
| Congo, Dem. Rep. | 44,51 | 33,11 | 33,18 | 32,33 | 31,70 | 33,10 |

Source: World Bank; World Development Indicators, 2020

Table 7: Services, Value Added (Annual % Growth)

| | 2000 | 2011 | 2012 | 2013 | 2014 | 2015 |
|------------------|--------|-------|-------|-------|-------|-------|
| Zimbabwe | -5,46 | 15,14 | 20,80 | 4,19 | 1,68 | 2,51 |
| South Africa | 3,88 | 4,07 | 3,04 | 2,65 | 2,57 | 1,57 |
| Angola | .. | 10,52 | 5,66 | 7,74 | 10,08 | -4,84 |
| Botswana | -1,23 | 9,03 | 7,24 | 10,09 | 6,49 | 1,34 |
| Malawi | 1,58 | 5,13 | 4,68 | 4,00 | 5,96 | 5,52 |
| Namibia | 3,92 | 7,44 | 3,87 | 7,31 | 7,21 | 7,27 |
| Lesotho | -3,68 | 5,36 | 6,67 | 7,11 | 6,62 | 3,91 |
| Madagascar | 5,05 | 0,87 | 2,45 | 0,44 | 2,84 | 2,60 |
| Eswatini | -16,00 | 1,97 | 3,12 | 3,26 | 2,80 | 5,04 |
| Mauritius | 9,33 | 5,36 | 4,85 | 4,44 | 4,99 | 4,66 |
| Mozambique | 5,95 | 8,61 | 11,15 | 5,94 | 9,99 | 7,36 |
| Seychelles | 5,28 | 2,78 | 5,95 | 11,62 | 5,11 | 4,71 |
| Zambia | 5,28 | 5,98 | 11,72 | 7,89 | 5,63 | 2,20 |
| Tanzania | 5,16 | 8,22 | 6,45 | 5,08 | 9,31 | 6,37 |
| Congo, Dem. Rep. | -16,86 | 1,03 | 6,61 | 7,83 | 6,84 | 9,07 |

Source: World Bank; World Development Indicators, 2020

The data suggest that SADC is de-industrialising; this means there is a drift away from the common objective of industrialisation. This is in contrast to the region’s development objectives, as enshrined in the Declaration Treaty, the RISDP, and the Trade Protocol (SADC, 1992, 1996; SADC RISDP, 2003). The significance of the manufacturing sector to the GDP of regional economies has not increased over the years, and the economic structures have barely changed (Nizeimana and Nhema, 2016; Mkwizu, Monametsi, and Swai, 2019; World Bank, 2020).

At the formation of SADC in 1992, the member states enshrined in the declaration treaty that they must establish the Regional Development Fund to assist member states in developing their industrial base (SADC, 1992). However, this fund has not been fully operationalised, despite higher levels of deindustrialisation in the region. Thus, as outlined above, it can be deduced that several factors are responsible for the SADC’s failure to drive regional integration to achieve its industrialisation objective by strengthening the manufacturing sectors across the region. Another one of these factors is the lack of commitment by the member

states to the regional integration agenda. While member states seem to understand that a strong manufacturing base is required to create jobs and alleviate poverty in the region, they do not seem willing to do what is necessary to achieve it.

Conclusion

Member states hoped that by adopting the Trade Protocol in 1996, which paved the way for a linear regional economic integration in the SADC region, they would inspire sustainable growth and industrialisation in the region. However, more than twenty-five years later, the region has not realised this dream. The evidence presented in this article shows that the economies in the region are de-industrialising. The contribution of the manufacturing sector and its significance to the economies in the region is consistently declining. The approach to regional integration adopted in the region has not helped propel the industrialisation and transformation process. Member states must domesticate regional industrialisation initiatives in pursuit of collective sustainable growth and development. Measures like the Regional Development Fund, which seeks to help the regional economies industrialise, must be taken seriously and be fully operationalised if SADC is to get anything out of regional integration.

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