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Why So Much Pessimism about Economic Integration in Africa? The Case of the Southern African Development Community

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Abstract

African economic integration initiatives have been judged by models and theoretical concepts developed outside Africa. Findings from such unrealistic and simplified models, rather than augment the continental initiatives, often create pessimism among stakeholders in the continent and outside. Hence, this paper emphasizes the fact that integration attempts should be evaluated in the context of their objectives, and the political, economic, and institutional setups in which they operate. To understand the economic integration dynamics in Africa and other developing regions, our sets of analysis should go beyond the common approaches which are based on optimum currency area (OCA) theory

and experiences pertinent to north-north monetary integration. African countries need to adopt an alternative model that make the integration initiatives less costly and engender pessimism. Empowering citizens and stakeholders to make informed decisions may also reduce the existing pessimism about a Pan-African Economic Community initiative.

Keywords: *Economic Integration, Economic Community, Africa, SADC, Pessimism*

Declaration

The authors would like to confirm that there is no conflict of interest in this submission.

1. Introduction

In Africa, economic integration agenda have been in place since 1910 (Burgess, 2009). Explicit political agenda were targeted towards an African Economic Union since the Abuja Treaty in 1991. In the African context, the notion of economic integration goes beyond purely economic aspects. The AU's Vision 2063 sets out important African aspirations to which regional economic integration is fundamental, among others. The AU's Vision 2063 further aspires for an integrated and politically-united continent based on ideals of pan-Africanism and the vision of Africa's Renaissance (World Bank Report, 2018).

Political commitment to regional monetary policy coordination is generally assumed to be the pre-condition and underlying force of any integration process. With the advent of the African Union (AU), there have been intense and renewed efforts by member-states to prioritise economic integration, as a way to enhance their bargaining power via a common negotiating position in this era of globalization. The African Economic Community (AEC) was built on eight recognized regional economic communities (RECs): Inter-Governmental Authority on Development (IGAD), Arab Maghreb Union (UMA), Community of Sahel-Saharan (CEN-SAD), East African Community (EAC), Economic Community of Central African States (CEMAC), Economic Community of West African states (ECOWAS), Common Market for Eastern and Southern Africa (COMESA), and Southern African Development Community (SADC). However, the focus of this paper is to highlight the

challenges of south-south economic integration initiatives focusing on African economic integration attempts in the context of the SADC.

In spite of the AU's big push towards economic integration in the continent, there is strong pessimism about the on-going economic integration initiatives in Africa (Buigut & Valev, 2006; Ghosh, Ostry & Tsangarides, 2010; Agbeyegbe, 2008; Debrun, Masson & Patillo, 2010). However, integration attempts should be evaluated in the context of their objectives, and the political, economic, and institutional setups in which they operate. The literature on economic or monetary integration initiatives are largely biased towards north-north monetary integration (NNI), particularly the European Monetary Union (EMU). Furthermore, the original theory of optimum currency areas (OCA) did not consider attempts towards monetary integration among developing and emerging market economies, collectively known as south-south monetary cooperation or integration schemes (SSI). SSI sprung up in the 1990s (Fritz & Mühlich, 2010).

Given such theoretical gaps and the absence of research frameworks which go beyond the optimum currency area (OCA) theory, there are mounting doubts about the economic and political feasibility of monetary integration attempts in the continent and among regional blocs. Therefore, we pose the questions: should Africa refrain from any integration efforts? Why is there so much pessimism about economic integration in Africa? In this paper, we attempt to highlight these perceptions in the context of the SADC initiative. This study sheds light on the economic feasibility of the proposed monetary union in the SADC[1]region, with some policy implications. Here we want to emphasise that the awareness creation, economic education, and information campaign of an existing or proposed monetary union is important in order to develop rational expectations and avoid premature collapses. In the context of the SADC and Africa in general, member-states of economic communities need to work extensively to create awareness in their fellow citizens in order to realise on-going endeavours towards a Pan-African Economic Community (PAEC).

[1]The fifteen countries that make up the SADC are Angola, Botswana, Democratic Republic of Congo, Lesotho, Malawi, Madagascar, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe.

2. Data and methodology

The paper employed a literature review and deductive analysis. We also used simple descriptive analysis to highlight the facts, challenges, and achievements of the SADC monetary integration initiative. The following data sources were consulted: the World Bank's *World Development Indicators and African Development Indicators*, UN statistics, the IMF's *International Financial Statistics*, and other published UN and AU sources and publications including those by the central banks of SADC member-states.

3. Literature review

3.1 South-South economic integration and its challenges

Traditional monetary integration theory and its critiques are primarily designed for developed countries, especially those in the euro area. Literature on OCA approaches in the analysis of south-south integration (SSI) initiatives, such as the SADC, is scarce. As stated by Fritz & Mühlich (2010), the development of regional financial markets that play a crucial role in minimizing exposure to currency and maturity mismatches is critical. Furthermore, we need to consider the original sin hypothesis when we discuss SSI. The original sin hypothesis is "*the inability of a country to borrow abroad in its own currency and measured as the ratio of foreign currency-denominated gross debt to foreigners as a share of total gross debt to foreigners*" (Eichengreen & Hausmann, 2005).

The original sin hypothesis evidences the importance of the denomination and composition of domestic and external debt for economic growth and development (Eichengreen & Hausmann, 2005; Fritz & Mühlich, 2010). Itis an important concept to understand for SSI since countries in the *south*[2]are not allowed to service their debt payment

[2]The North–South divide is broadly considered a socio-economic and political divide. Generally, definitions of the Global North include North America, Western Europe, and developed parts of East Asia. The Global South is made up of Africa, Latin America, and developing parts of Asia, including the Middle East.

in their local currencies. Monetary integration is characterised by either the creation of a single currency or the adoption of a regional currency. The literature on original sin show that a full monetary integration may reduce currency and maturity mismatches in regional balance sheets due to scale effects in portfolio diversification of an enlarged regional currency area (Eichengreen & Hausmann, 2005; Panizza, 2006). Thus, by definition, SSI is pursued by countries who accumulate debt in foreign currencies, thereby often suffering from a restricted lender of last resort function, balance sheet effects in the event of a currency devaluation and original sin and, as a result, small and undiversified financial markets. While levels and composition of internal and external debt may vary among the participating countries, SSI needs to deal with specific monetary constraints of member-countries.

Intra-regional hierarchies in terms of original sin and net creditor or net debtor relations play a crucial role in the success of an SSI project (Eichengreen & Hausmann 2005). The authors further argue for a clear hierarchy in terms of indebtedness in foreign currency, which seems to provide favourable conditions for a successful SSI and may provide further perspectives for regional monetary integration and financial market development. In this sense, both strong and weak countries can benefit from regional monetary integration, with the larger economies establishing potentially stabilising leading roles.

3.2 Experiences of economic integration in Africa

Since the early years of independence, regional integration and the creation of a pan-African common market has been the central vision of African leaders. Efforts to give priority to policy coordination and economic integration began with the creation of the African Union. On June 3, 1991, the African Economic Community was created and a call for an African Central Bank to follow by 2028 was made. The current plan is to establish an African Economic Community with a single currency by 2023. The question is if this goal is attainable. Studies have found that the economies of most African countries remain detached from the global market and each other due to overlapping membership of various Regional Economic Communities (RECs) and a lack of investment in the institutions and systems required for integration

(Jovanovic, 2006; UNECA, 2010). Deeper regional integration is thought of to promote peace, security, and stability by forcing a stronger commitment by members to unify within the AU. In recent times, the AU has been emphasizing the economic benefits of deeper integration. Indeed, a common view is that Africa is becoming increasingly marginalized by globalization (Adepoju, 2001) and that governments see deeper integration as a way to enhance their bargaining power by achieving a common negotiating position.

Economic integration initiatives in Africa are often led by public sector organizations without public support and the support of the private sector, thus, failing to produce positive results (Adepoju, 2001). In the current xenophobic society, the '*Africa Unite*'[3]slogan may not move Africa as it did during the early years of independence. Empowering citizens and stakeholders to make informed decisions may also reduce the existing pessimism about a Pan-African Economic Community (PAEC). Moreover, many African countries belong to multiple customs unions, development associations, and other multi-country institutions with various objectives and degrees of integration. Three general groupings were formed in the post-independence period: Francophone countries which generally remained linked to the French Franc, former colonies of other European countries, and Southern African economies which are generally drawn towards South Africa (Masson & Pattillo, 2005; Masson, 2008). These different groupings remain evident today, with the CFA Franc zone (now linked to the Euro) and the Common Monetary Area (CMA). These are the only two single currency areas in Africa, with the other countries (generally colonies of Britain, Portugal, Spain, and Belgium) using their own national currency. Together with these historical groupings, there has been renewed interest in regional cooperation, resulting in multiple regional economic communities (RECs) that are generally based upon geographical as well as historical circumstances.

Regional integration offers significant win-win possibilities for the region's economies, particularly for landlocked economies. Integration offers possibilities to leverage and extend economic comparative advantage at a regional level in ways not accessible through national development programmes (UNECA, 2010).Furthermore, an empirical study by Chingarande, Mzumara, and Karambakuwa (2013) finds that the

[3]A popular song by Bob Marley

East African Community (EAC) member-states have comparative advantage in several products produced in the region. The World Bank Report (2018) highlights the 21st century drivers of greater integration in the African continent and affirms that deepening integration and cooperation in Africa can be an effective way of responding to Africa's short and medium-term challenges and opportunities. The report posits that regional integration in Africa will foster greater intra-African trade as a potential driver for increasing productivity and economic diversification. This would also give Africa some arsenal in case of trade wars as is currently not the case. When a trade war happens somewhere, Africa suffers because all that African countries can do is to wait and see the outcome.[4]The report further indicates that the ongoing demographic boom and rapid urbanization, an accelerated pace of structural reforms, which lead to improvements in competitiveness and consequent opportunities for agglomeration and specialization among countries, and advances in technology and its falling costs are likely to be additional drivers of economic integration in the continent.

Regional integration can also be a tool for African countries to facilitate and manage their integration with the rest of the world (globalization). The advantages of managing regional commons and in creating new regional public goods are similarly accessible through strengthened regional integration (Diouf, 1994). However, the process of integration is inherently complex and fraught with pitfalls that can easily stall or block progress. As noted above, not all countries stand to gain equally from integration or commensurately with the costs they incur. Some countries or sub-regions are more advanced and politically prepared than others. Furthermore, large economies inherently are more self-reliant than small economies. These are just two examples of the realities in the geography and political economy of Africa that countries must navigate when moving forward to integrate regionally.

3.3 Why pessimism about economic integration in Africa?

Monetary integration attempts should be evaluated in the context of their objectives, and the political, economic, and institutional setups in which they operate (Geda & Kebret, 2008). Regional economic integration,

[4]The authors would like to acknowledge one of the anonymous reviewers for giving the idea that economic integration in Africa can give Africa some arsenal in case of trade wars.

which can take the form of regional monetary union, can have positive welfare effects on the countries joining the union and lead to economic growth and poverty reduction (UNECA, 2010). The successful economic integration of Africa requires a basic rationalization: it is essential to maintain a single large economic community in every sub-region and thus proceed to the necessary system changes (Jovanovic, 2006). The African Union and the New Economic Partnership for Africa's Development (NEPAD) advocate that a procedure that focuses on trade facilitation through sub-regional preferential arrangements, should be followed by establishing common currency areas, and harmonization of macroeconomic policies (UNECA, 2010).

However, there is so much pessimism about African economic integration efforts. To evaluate any project, there should be a point of reference or scenario to base our conclusion on. For example, Adepoju (2001) in his critical evaluation of African economic integration for the years 1995-2020, divides the evaluation into two scenarios: (a) a status quo scenario under both optimistic and pessimistic assumptions and (b) effective integration bearing positive transformations (see Box 1 for the likely outcomes of these two scenarios).

African socioeconomic development initiatives, including African economic integration strategies, have been judged using models and theoretical concepts developed outside Africa. Findings from such academic applications, rather than augmenting the continent's initiatives, often create pessimism among stakeholders on the continent and outside. That is why some call Africa the "*hopeless continent*". For example, the issue of a single currency for Africa was addressed as "…*probably not, but selective expansion of existing monetary unions could be used to induce countries to improve their policies*" (Masson & Pattillo, 2005).The authors arrived at this conclusion from two viewpoints: firstly, the existing challenges of EMU; "…if the process of creating appropriate institutions was so difficult for a set of rich countries with highly competent bureaucracies that have cooperated closely for more than 50 years, then, realistically, the challenge for African countries must be considered enormous..." (Masson & Pattillo, 2005). Secondly, from the viewpoint that African monetary union is motivated by the desire to counteract perceived economic and political weaknesses.

> Regional groupings could help Africa in negotiating favourable trading arrangements, either globally or bilaterally. While the objective of

regional integration seems well founded, it is unclear whether forming a monetary union would contribute greatly to it (Masson & Pattillo, 2005).

Taking important lessons from ongoing initiatives is acceptable. However, the conclusions on the PAEC from the EMU's viewpoint may not be robust enough. Judgmental and biased views have little or no input on African endeavours towards peace and development. Box 1 highlights scenarios for African Economic Integration (1995-2020).

Box 1: Scenarios for African Economic Integration (AEI) (1995-2020)

I. A status quo scenario

The current situation (*i.e. as in mid 1990s*), integration is characterized by a proliferation of economic communities. With the exception of one, SADC, these structures are all ineffective. They were created at different periods, without any master plan, and their actions which lack harmonization, denote overlapping and duplication which defy all reason. In such scenario, African integration exists only on paper.

II. Pessimistic extrapolative scenario

In this scenario the various intergovernmental organizations (IGOs) are formally maintained with apparent activity (in fact strictly bureaucratic) by those lucky enough to have some financial resources. On the whole the IGOs continue to be a burden on the economies of member countries which get nothing in return. In the meantime, profuse lip-service is paid to integration as a means of development, symposia and conferences are held on economic integration as a factor of development. Yet the fate of economic communities will be variable depending on their degree of vulnerability.

III. Reformist scenario

In this scenario genuine efforts are made by the various actors, notably African states, at revitalizing integration, but in a pluralist fashion, devoid of any pan-Africanist approach. Efforts are made to promote integration, but exclusively at the sub-regional and not at the continental level. This would amount to reinstating the original integration strategy, without innovation or change of perspective, but with a little more dynamism.

IV. Optimistic normative transformation

In this scenario the reaction of African governments to new trends in the global economy, at least in terms of the survival of the continent, might compel them finally to attain economic integration. This leads to an optimistic normative transformation scenario dictated by the Lagos *Plan of Action-implementation of integration through the effective operation of sub-regional economic communities and the Pan-African* Economic Community.

Source: Adapted from Diouf (1994)

Evaluations of prospective monetary unions in Africa tend to conclude that the involved economies do not comply with OCA requirements. Even when actual monetary unions, such as the US or the Euro zone fail to conform to such conditions, studies involving African and non-African nations show that the distance to the OCA paradigm is much larger in Africa (Jurčić, Franc & Bilas, 2010).The conclusion is that African countries appear to not be ready for full monetary integration that is rather robust, holding across time and geography and for studies assessing a variety of variables (Buigut &Valev, 2006; Ghosh et al., 2010;

Agbeyegbe, 2008).In addition to providing a comprehensive survey of the OCA literature in the African context, an empirical analysis involving countries of the EAC, SADC, and the West African Monetary Zone, suggests that monetary integration would bring more costs than advantages, albeit in some cases for a narrow margin of benefits (Debrun et al., 2010).

The inclusion of some countries in more than one community is one of the problems facing the integration of RECs (Angola, Botswana, Burundi, Democratic Republic of Congo, Malawi, Mauritius, Namibia, Seychelles, Swaziland, Rwanda, Tanzania, Zambia and Zimbabwe are all members of more than one REC). Different communities, at this stage at least, have different timetables for the harmonisation of trade policies and dissolution of tariff and non-tariff barriers such that membership in multiple communities complicate and confuse the harmonisation process. It would be preferable to streamline the system of RECs to ensure there is no duplication of efforts.

Analyses of monetary integration in Africa indicate that most countries still have a long way to go before being able to reap tangible economic benefits from a monetary union, although some projects can in the future be successfully implemented. Current processes of integration should thus be gradual and slow, to allow for the consolidation of progress attained with required convergence criteria and to provide sufficient time to learn how to deal with fixed foreign exchange rates, for instance in a system of adjustable pegs, as European countries do within the European Monetary System.

3.4 Experiences of SADC economic integration: Achievements and challenges

The SADC has a clear goal of moving towards a common future. However, such a move requires coordinated and transparent effort from member-states and the citizens of the region. Macro-economic stability is important in promoting regional economic integration and is essential in developing robust regional financial and capital markets. Maintaining stability will require strengthened policy coordination and macroeconomic convergence, which over time and with varying speed, depending on the sub-region, can become building blocks towards deep integration and monetary unification.

Appendix A is an illustration of SADC real growth rate, economic growth rate, and gross fixed investment, respectively. Angola's growth (3.9%) in 2011 was spurred by oil sector growth, trade-related activities, agriculture, and construction sectors. South Africa experienced a 3.1% growth sustained by tertiary growth developments. Swaziland exhibited a much less favourable GDP growth rate (1.2%) with a small reduction from 2010 scores. This was mainly due to poor tertiary sector performance, related to increased fiscal short-term financial needs in 2010 and 2011.

4. Analysis and discussion

4.1 Introduction

SADC economies are heavily dependent on trade, especially in agricultural products for their exports, and for their imports, machinery, fuels, chemicals, and other inputs related to production. Trade with the outside world has outweighed intra-SADC trade primarily because the economic structures of SADC member-states have only changed marginally. Indeed, all SADC member-states belong to more than one regional integration grouping with binding commitments on trade matters.

SADC member-countries have been engaged in a series of trade liberalisation activities, such as negotiating and signing bilateral trade agreements and even negotiating at the multilateral level under the World Trade Organization (WTO) in order to increase intra-SADC trade and enhance regional integration. Furthermore, political and economic motives have shaped the regional integration process. Commitments have been undertaken over time, geared towards creating conditions for enhanced free trade through the reduction of and complete removal of tariffs on products traded within the region. The region has exhibited modest achievements so far. Furthermore, the political, cultural, socioeconomic, and geographical setup ofthe SADC region puts the region in a better position than other PAEC countries. However, as part and parcel of PAEC, there are mounting challenges in the SADC and other RECs as discussed in the next section.

4.2 Preconditions for economic Integration: Trade and financial sector integration

Following Mistry (2000), instead of simply being ambitious about economic integration, African governments should instead be more realistic and pragmatic about the objectives and stepwise targets that ought to be met, given their capacity and the constraints that they face. The preconditions for the economic integration of Africa are centred on the obstacles that make Africa lag behind the rest of the world insofar as integration is concerned. These obstacles relate to a pan-Africanist ideology of regionalism that has not kept up with the realities of globalization. The Regional Integration Strategic Framework (RISF) of the African Development Bank (Qobo, 2007), provides tangible targets within the strategic framework that can serve as guidelines for the pre-conditions that should be met by African governments.RISF will support initiatives across the continent to (a) increase prospects for cross-border economic linkages and value-added; (b) provide access to regional and global markets for landlocked countries; and (c) strengthen corridors that will enable business development, job creation, and increased flows of goods, services, and people. It is pragmatic and attainable goals that should be pursued by African governments, with proper coordination among ministers, director-generals and departments. Qobo (2007) adds another pre-condition for successful integration, not only among members of RECs, but for the integration of Africa as a whole. According to Qobo (2007), and we fully support his view, successful African economic integration starts with a domestic clean-up; domestic success precedes continental success. In other words, the biggest pre-condition for all African governments, according to Oyejide (2000), is that "regional integration schemes should constitute an extension of the domestic reforms of member countries rather than act as a force to engineer them". This would require that countries have in place a strong governance culture and financial infrastructure that includes viable public service institutions, that there is macroeconomic stability, and that they develop the capacity for a competitive domestic economy through the development of the private sector.

4.3 SADC towards a monetary union: Challenges and achievements

The SADC's economic activity is hampered by infrastructural problems, energy sector inefficiencies, strong dependency on primary commodities, uncertainty from financial stress in the Euro Area, and a possible rise in

oil prices (UNECA, 2010).Thus, economic developments in SADC economies have been affected by recent global uncertainty and financial turmoil in the Euro Area. Consequently, according to SADC performance indicators, economic activities have declined. Such a declining trend underscores the need for sound fiscal and monetary policies in order to sustain macro-economic stability and robust economic growth. More so, it urges the need for extensive reforms to unlock the region's productive potential, promote trade and financial sector development as buffers to mitigate against the disruptive effects associated with the increasingly uncertain global environment.

SADC economies have adopted the Maastricht type convergence criteria in their major macro-economic variables (Table 1) (Kumo, 2011). Most member-states have achieved those criteria, except during the recent global financial crisis. However, the EMU experience proves that meeting those criteria does not guarantee successful monetary union in the region. On average, main macro-economic convergence indicators deteriorated slightly in 2011. Budget deficit to GDP and public debt to GDP ratios increased slightly, while reserves (import cover in months) reduced. Nevertheless, budget deficit and public debt to GDP convergence targets were met in this period. In line with an uncertain international environment, SADC countries generally adopted soft economic policies as a general strategy to prompt growth. In general, reference interest rates were either maintained or reduced.

Table 1: Maastricht Type Macroeconomic Convergence Goals of the SADC

Criteria	2008	2012	2015	2018
Inflation	<10%	5%	5%	3%
Budget deficit, % GDP	<=5%	3% as an anchor, proportion1%	3% as an anchor, proportion1%	3% as an anchor, proportion1%
Foreign debt, % GDP	< 60%	< 60%	< 60%	< 60%
Foreign reserve/ covered by exports	>= 3 month	> 6 months	> 6 months	> 6 months
Central bank Debt	< 10% of the previous year	< 10% of the previous year tax revenue	< 5% of the previous year tax revenue	< 5% of the previous year tax revenue

tax revenue

Source: Kumo (2011).

For further analysis of the SADC's performance against monetary integration targets, see appendix A.

4.4 Not all necessary institutions are dysfunctional

The number of reports that have been produced by international organisations that concern themselves with the economic integration of Africa and its development are innumerable. These reports are based on data and on comparative studies. It can therefore be concluded that African economic development is retarded mostly because of weak institutions. There are, however, positive developments and African governments should learn and build on these successes. According to a report by the Economic Commission for Africa (2018), progress in African integration is mixed across sectors, regional economic communities, and member-states. There have been strides in trade, communications, macro-economic policy, and transport. Some regional economic communities have made significant progress in trade liberalization and facilitation (The West African Economic and Monetary Union (UEMOA), and the Common Market for Eastern and Southern Africa (COMESA)), in free movements of people (the Economic Community of West African States (ECOWAS)), in infrastructure (the Southern African Development Community (SADC), and the East African Community (EAC)), and in peace and security (ECOWAS and SADC).Overall, however, there are substantial gaps between the goals and achievements of most regional economic communities, particularly in greater internal trade, macro-economic convergence, production, and physical connectivity.

Even though national and regional institutions play a critical role in setting up the enabling policy framework and agreements and building some of the infrastructure foundations, focusing too much on building national and regional mega institutions can make integration initiatives costly and leads to the development of a pessimistic view of ongoing initiatives on the continent. African countries and the AU need to learn from the Association of Southeast Asian Nations (ASEAN) who present a pragmatic, market-oriented approach with little focus on building regional institutions; an alternative model with relevant lessons as Africa

looks ahead to deepening its integration (World Bank Report, 2018). The New Partnership for Africa's Development (NEPAD) also suggests an active role for civil society and micro-economic empowerment in regional integration and calls for citizen inclusiveness (Lehloenya & Mpya, 2016).

5. Conclusion and Policy Implications

There has been too much pessimism about African economic integration efforts. One potential reason for this is that African socioeconomic development initiatives, including African economic integration strategies are judged using models and theoretical concepts developed outside Africa. Findings from such studies, rather than augmenting continental initiatives, often create pessimism among stakeholders on the continent and outside. That is why some even call Africa "hopeless continent" (the Economist, 2000). Judgmental and biased views have little or no input on Africa's on-going economic integration endeavours.

Regional integration has been perceived as the strategy to accelerate development by overcoming multi-faceted problems in the African continent since most African countries are small economies with small populations, low incomes, and weak production structures. However, this strategy is under threat from EU-Africa economic partnership agreements which pose a direct threat to the policy space of African governments and the aspiration for full economic integration (Meyn, 2008).

This paper looked at the developments in Africa's economic integration, specifically in the SADC region. It also looked at the real economic performance of SADC economies in an attempt to understand the economic potential of the region. The study concludes that there is overwhelming evidence that real convergence is met to some extent among SADC economies as a group though there is a slow pace of integration. In general, there is a modest move towards economic/monetary integration in the region. However, reaping benefits from the SADC economic integration initiatives requires a realistic time span, political will, common understanding and awareness, commitment and self-disciplined policy actions from member-states and their citizens.

Furthermore, all stakeholders within and outside the region need to contribute and effectively participate at all stages of the policy process. The SADC states should take the EU-Africa economic partnership

agreements process as an opportunity to address the tensions in the SADC regional integration agenda and reshape the region's geo-politics where member-states make binding decisions on where they fit. That is, decide either to remain in the SADC or move to another REC, but not both. Such a strong stand allows committed member-states to benefit from on-going endeavours towards a harmonised and successful African Economic Community (PAEC).

Finally, we recommend that qualitative assessments be carried for the purpose of exploring the perceptions of stakeholders on the ongoing economic integration initiatives in Africa. We would like to call on interested scholars to further conceptualize the south-south integration for better understanding of economic integration initiatives and for its proper implementation as stipulated in AU's Vision 2063.

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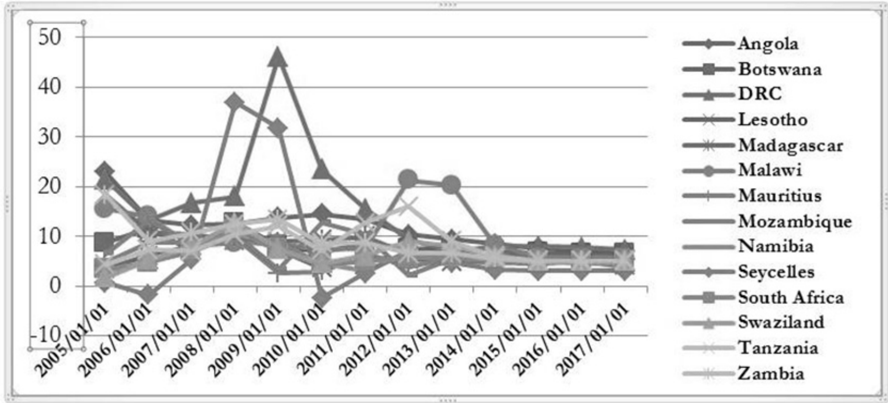
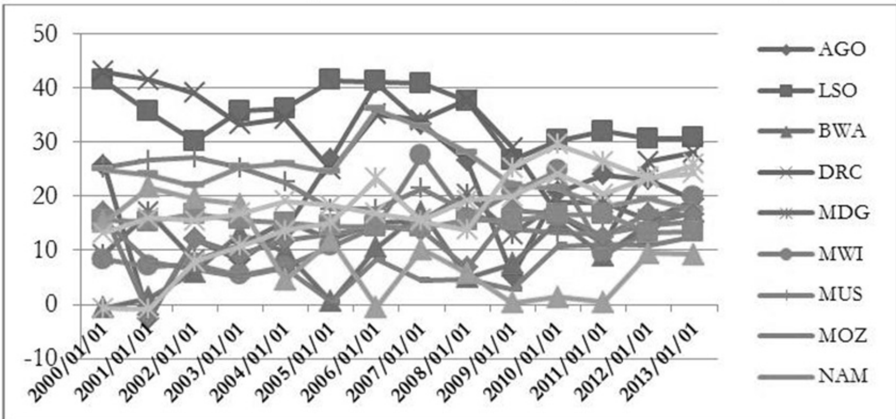
Appendix ASADC performance indicators

A1: SADC Countries Trend of Inflation from 2005-2017 (excluding Zimbabwe)

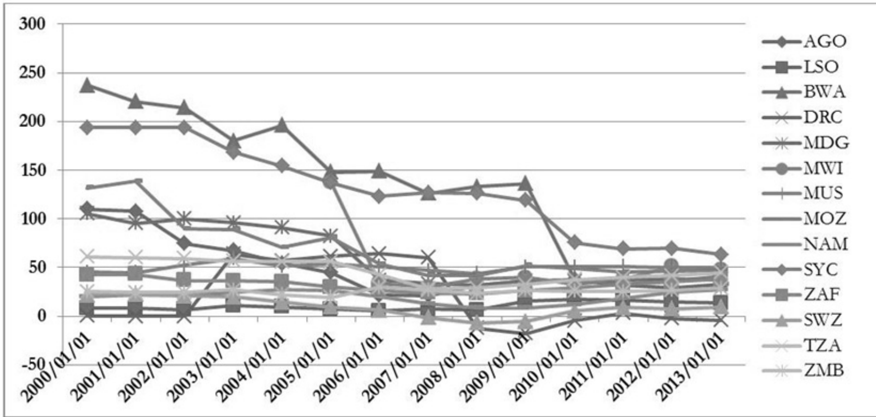


Source: computed from World Development Indictors (WDIs) database

A2: Gross National Savings: Percent of GDP (Percent of GDP)

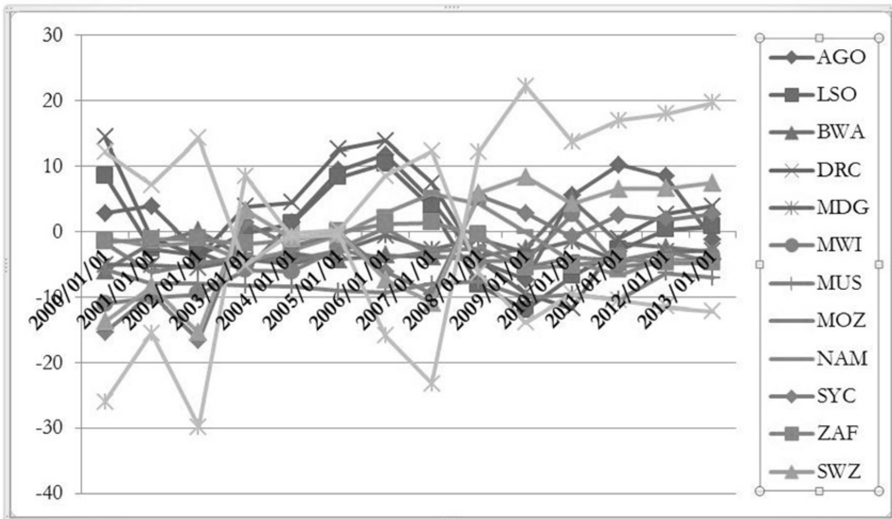


A3: SADC Countries Trend of Debt from 2000-2013 (excluding Zimbabwe)



Source: computed from WDI database

A4: General government budget deficit: Percent of GDP (Percent of GDP)



Source: computed from WDI database

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