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THEME THE AFCFTA, REGIONAL INTEGRATION AND  
INDUSTRIAL DEVELOPMENT

REGIONAL INTEGRATION AND INDUSTRIAL DEVELOPMENT:  
STRANGE BEDFELLOWS FOR THE AFRICAN CONTINENTAL  
FREE TRADE AREA PROGRAMME IN SOUTHERN AFRICA

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## Abstract

The African Continental Free Trade Area (AfCFTA) aims to reshape Africa's economic landscape by strengthening regional integration and boosting industrialisation through lowered trade barriers, harmonised standards, and increased intra-continental trade in goods and services. However, this initiative faces a major obstacle in the form of national sovereignty. In Southern Africa, despite vocal commitments to integration, industrial policies remain disjointed, nationalist, and protectionist, weakening regional coordination and industrial growth.

This paper interrogates the sovereignty-integration tension at the heart of AfCFTA's implementation in the Southern African Development Community (SADC). It posits that national reluctance to cede policy space, particularly in trade and industrial governance, stymies efforts to build the cross-border value chains necessary for inclusive growth. The political economy of domestic constituencies, uneven industrial capacities, and mistrust among member states exacerbate these dynamics, leading to policy incoherence and integration fatigue.

Drawing on theories of sovereignty, regional integration, and political settlements, the paper adopts the critical reflection methodology, supported by comparative insights from the European Union, using the Airbus consortium case. The Airbus story illustrates how sovereignty can be strategically pooled to enable sectoral integration, shared industrial governance, and global competitiveness, without requiring full political union.

The paper suggests a pragmatic path forward for SADC, recommending functional integration in specific sectors, supported by supranational coordination mechanisms, industrial development funds, and differentiated integration frameworks. It argues that sovereignty, redefined as 'strategic sovereignty,' can become an asset rather than an obstacle to regional integration if based on trust, institutional innovation, and mutual benefit. Therefore, the success of AfCFTA in Southern Africa depends not on eliminating sovereignty but on reconciling it with regional priorities. The real choice is not between sovereignty and integration but between fragmented stagnation and collaborative development.

### **Keywords:**

AfCFTA; Regional Integration; Industrial Policy; National Sovereignty; Pooled Sovereignty; Sectoral Cooperation; Regional Value Chains.

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## Abbreviations

AfCFTA	African Continental Free Trade Area
TRALAC	Trade Law Center
SADC	Southern African Development Community
REC	Regional Economic Community
UNECA	United Nations Economic Commission for Africa
EU	European Union
SACU	Southern African Customs Union

# 1. Introduction

The African Continental Free Trade Area (AfCFTA) is arguably the most targeted and precise step toward realising the long-held vision of unifying Africa's fragmented markets. When fully operational, this Agenda 2063 initiative will create the largest free trade area by the number of participating countries. Its main goals include boosting industrialisation and intra-continental trade in goods and services produced in Africa, which are central to economic development today. This programme aims to eliminate intra-African trade barriers by, among other measures, harmonising product and service standards and increasing the interconnectedness of African economies. Hypothetically, the AfCFTA connects over 1.3 billion people across 55 countries with a combined gross domestic product (GDP) of US\$3.4 trillion. This initiative can lift 30 million people out of extreme poverty. However, achieving these goals depends on overcoming several challenges. These include social, environmental, and economic policy reforms necessary for consistent implementation across the continent.

Certainly, there are significant challenges in implementing the AfCFTA. Debatably, these challenges are most sharply pronounced in the Southern African Development Community (SADC) region. This African Union-recognised regional economic community (REC) comprises 16 Member States: Angola, Botswana, Comoros, the Democratic Republic of Congo, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, the United Republic of Tanzania, Zambia, and Zimbabwe. Its core focus is to sponsor sustainable and equitable economic growth and socio-economic development, marked by efficient and effective intra-regional cooperation, integration, and good governance. In addition, the REC seeks to ensure persistent peace and security, thus establishing the region as a notable bloc in various geopolitical matters.

Despite the positive rhetoric and member states ratification of the AfCFTA, national protectionist stances, inward-looking industrial policies, and development practices persist in the region. The tendencies reveal a concerning pull of national sovereignty, which detrimentally conflicts with the push for regional integration. Unquestionably, countries have employed and continue to impose various bans, tariffs, and non-tariff barriers that hinder regional economic cooperation and integration. For instance, until recently (2025), Botswana had banned imports of certain agricultural products, including milk and eggs, from South Africa. Similarly, Zambia has imposed restrictions on dairy products from its neighbors (Trade Law Center, TRALAC, 2016). Additionally, countries continue to implement sanitary and phytosanitary restrictions, non-automatic licensing requirements, export restrictions, and technical regulations primarily focused on agricultural products. These measures exacerbate the challenges of hard and soft infrastructure that limit greater intra-SADC trade.

Governments often balk when suggestions to confront these barriers arise. Scholars, including Pritchett et al. (2018), use the political settlement theory to explain why such behaviours and outcomes endure. The theory explains national political power relations that dictate the system and types of distribution of economic rents, among other factors. These power relations affect international relations. They compel national governments in the SADC region, and those of other RECs in Africa (and beyond), to contextualise supranational negotiations and consider national dictates. Under such circumstances, regional development agreements are implemented only when the domestic interests of powerful national constituencies converge across member states. Politically, this makes

sense since governments are voted in by national and not regional constituencies. However, this does not always deliver optimal economic, social, and environmental outcomes.

It is against this background that this paper seeks to address the persistent challenge of reconciling national sovereignty with regional economic imperatives in the context of the AfCFTA. Specifically, the paper investigates this tension through theoretical analysis, comparative experiences, notably those of the European Union, through the lens of the Airbus consortium, regional institutional dynamics, and sectoral case studies. It concludes that successful integration demands strategic compromises on sovereignty, coordinated industrial policy, and sector-driven collaboration. This is critical for informing economic integration theory, policy, and practice in the context of Africa and beyond.

## **2. Critical Reflection as Analytical Lens**

This paper adopts critical reflection as its principal methodological approach. Entrenched in interpretivist traditions, critical reflection enables the interrogation of both theoretical assumptions and policy practices by situating them within their broader historical, political, and institutional contexts (Schön, 2017; Brookfield, 2017). Thus, the approach is useful in unpacking the normative and structural tensions between national sovereignty and regional integration, which are central to the African Continental Free Trade Area (AfCFTA).

Instead of solely depending on quantitative indicators or empirical case counts, the critical reflection methodology combines scholarly theory, historical precedent, and regional policy frameworks to reveal the deeper contradictions and possibilities within Africa's industrial integration agenda. Using this approach, the paper explores concepts such as sovereignty, differentiated integration, political settlements, and institutional trust, critically examining their relevance and limitations in the SADC region.

The use of comparative analysis, namely the Airbus case in Europe, forms a central part of this reflective approach. The aim is not to replicate the European experience across the board, but rather to critically assess what elements are plausibly adaptable to Southern Africa's institutional terrain. In doing so, the paper acknowledges the epistemic limitations of drawing lessons from fundamentally different contexts. Nevertheless, it extracts strategic insights for the Airbus case to illuminate potential policy pathways for the SADC region.

In this way, this methodology enables the paper to challenge prevailing assumptions about sovereignty as a zero-sum game. Instead, it encourages us to re-imagine it as a negotiable and functional tool for collective development. Importantly, it provides an opportunity for multi-scalar analysis, placing national decision-making within a broader regional and global economic framework. In turn, this offers essential vantage points for understanding the complex politics of AfCFTA implementation.

## **3. Theory of Sovereignty**

In general, sovereignty refers to the full right and power of a governing body to govern itself without any interference from outside sources. The classic Westphalian model accentuates

absolute control and independence as core dictates of the concept of sovereignty. However, the interconnected global system of the contemporary world has tempered with the notion of absolute control and independence, making sovereignty a flexible, negotiated, and conditional phenomenon.

With no single definition or description of the term ‘sovereignty’ as shown in Table 1, this paper adopts a description of sovereignty as the authority of a state to formulate and enforce policy, subject to the domestic limits and those imposed by its voluntary participation in regional or international agreements.

**Table 1: A sample of descriptions of the term sovereignty**

Thinker	Interpretation of Sovereignty
Jean Bodin (Rath, 1964)	Sovereignty as absolute and perpetual power
Stephen Krasnern(1999)	Sovereignty as “organized hypocrisy”
Said Ali et al. (2021)	Sovereignty includes internal authority and external recognition
Zoltán J. Tóth (2023)	Sovereignty must adapt to regional and international obligations

Source: Author

This interpretation aligns sovereignty with responsibility and interdependence. This is critical to advancing policy and practice recommendations necessary for successful regional integration.

The traditional view of sovereignty relates to a state's absolute authority to create and enforce policies and laws within its borders without outside interference. The Peace of Westphalia in 1648 established this principle, serving as the basis for today's international system. Jean Bodin’s 16th-century work laid the groundwork for this idea, describing sovereignty as absolute and perpetual power vested in a commonwealth (Rath, 1964).

This concept of sovereignty endures and supports the modern nation-state system. However, this conceptualisation is being increasingly challenged in a world shaped by globalisation, regionalization, and economic dependence. Consequently, where regional and supranational governance play vital roles in national well-being, sovereignty becomes more relative and conditional than unqualified. Krasner (1999) famously referred to sovereignty as “organized hypocrisy.” Here, the scholar shows the differences between the claimed rhetoric of independence and practical negotiation. More recent views emphasise that sovereignty needs to be flexible and adaptable to international commitments and collective objectives (Tóth, 2023; Ali et al., 2021).

In the context of contemporary Africa, this flexibility is both theoretically necessary and politically fraught. On one hand, the continent’s history of colonialism, external exploitation, and economic dependence fuels a fierce commitment to national sovereignty, accentuating the emotions of the struggles and victories for independence from colonial powers. On the other hand, the fragmentation of small and mid-sized economies, along with shared development challenges, compels African states to pursue regional cooperation as a path to scale, competitiveness, and resilience (United Nations Economic Commission for Africa,

UNECA, 2020). Thus, for purposes of this paper, sovereignty is best understood as the ability of a state to autonomously formulate and implement policy within the constraints and commitments it voluntarily assumes in pursuit of broader, national, regional, or international benefits. This framing aligns with the concept of “strategic sovereignty,” which embraces interdependence as a source of economic and geopolitical strength rather than as a threat to autonomy (Tóth, 2023; Afolabi and Seriki, 2020).

Many African governments still struggle to balance national autonomy with regional commitments. The implementation of the AfCFTA programme highlights these challenges. Indeed, while almost all AU member states have signed and ratified the agreement, progress has been slow and uneven, especially in Southern Africa (SADC, 2019; TRALAC, 2016). This hesitance is not due to a lack of awareness of regional benefits but stems from the significant political and economic consequences of surrendering authority.

For instance, adherence to AfCFTA protocols on rules of origin, tariff reduction, non-tariff barriers, and harmonised industrial policy frameworks all require countries to relinquish a degree of unilateral control over trade and industrial regulation. Yet, these very areas are politically sensitive because they impact domestic firms, employment, tax revenues, and political alliances.

In weak or fragile political settlements, national elites are incentivised to maintain sovereignty over economic levers, often at the expense of regional cohesion for a greater good (Pritchett, Sen, and Werker, 2018). In addition, the asymmetry in industrial capacity across the Southern African Development Community (SADC) exacerbates the dilemma. More industrialised economies, especially South Africa, stand to gain disproportionately in the short to medium term, creating perceptions of domination and eroding trust among less industrialised peers (UNECA, 2020). This induces the “fear of unequal integration,” which in turn reinforces sovereignty-based resistance, leading to enduring instruments such as import bans, local content rules, and non-automatic licensing (TRALAC, 2016; SADC, 2015). Such practices contradict AfCFTA’s core principles.

Notably, sovereignty does not need to be an all-or-nothing proposal. The European Union (EU) presents a valuable counterpoint in how sovereignty can be selectively pooled to achieve collective economic and political goals. The Airbus consortium is an example in which France, Germany, the United Kingdom, and Spain intentionally coordinated industrial policy and production across borders while preserving national identities and strategic sectors. Their readiness to share decision-making power, supported by enforceable institutional frameworks, enabled Europe to compete with American giants in the aerospace industry (Ahrens, 2020; Neven, Seabright, and Grossman, 1995).

For SADC, a similar approach of functional integration could assist the objective of industrialisation built through regional value chains. This could entail a targeted ceding of sovereignty in areas that benefit from scale and coordination, while retaining control over core domestic functions, member states can build trust incrementally. I posit that sectors that include agro-processing, pharmaceuticals, or digital services are ripe for such an undertaking. This model aligns with theories of differentiated integration, which assert that

states integrate at different speeds and levels depending on political readiness and sectoral imperatives (Haas, 1958; Hoffmann, 1966). It also offers political cover to leaders wary of appearing to disregard national interests by anchoring integration in mutual benefit and demonstrable results.

Accepting this argument, the next section will examine the concept of regional integration, a core objective of the AfCFTA programme.

## **4. Regional Integration: Between Idealism and Realpolitik**

The concept of regional integration is located at the intersection of political ambition, economic necessity, and institutional design. In general, the concept refers to the process by which sovereign states voluntarily coordinate, align, or unify certain policy areas in economic, political, or social matters. States chose this approach in pursuit of national and shared benefits that are relatively easier to attain working together than as individual nations. The AfCFTA seeks this for Africa. Success towards this end demands effective rethinking of both the justification and apparatus for integration, especially where sovereignty is aggressively defended.

The theoretical landscape underpinning regional integration is diverse. The classic contributions of Balassa (1961) articulate five stages of integration: (i) free trade area, (ii) customs union, (iii) common market, (iv) economic union, and (v) political union. These stages represent a linear and cumulative model of integration, where each stage builds upon the institutional and economic foundations of the previous one. While this model has been useful in guiding integration theory and practice in Europe, it assumes a level of political coherence and institutional maturity rarely found in African RECs.

Contrasting sets of theories offer a fluid and politically attuned perspective of the concept of regional integration. Neofunctionalism, advanced by Haas (1958), contends that integration is not a linear process but a dynamic one. It holds that integration in one sector, i.e., trade, produces spillover effects into other sectors, including labour mobility, industrial policy, and sometimes even political cooperation. Notably, this assertion maintains that such an integration process is typically driven by technocrats and interest groups, rather than high-level political decrees. Neofunctionalism also elevates the role of supranational institutions in catalysing deeper integration.

Hoffman (1966) argues the concept of intergovernmentalism, emphasising the dominance of national governments in regional integration processes. This position asserts that integration progresses only when it aligns with the domestic interests of member states. In this realm, national sovereignty remains central, and regional initiatives survive only to the extent that they serve national priorities. This theory strongly echoes the political realities of the Southern African Development Community (SADC), because national concerns continue

to override regional commitments. The frequent imposition of trade bans, divergent industrial policies, and hesitation to enforce AfCFTA protocols amply demonstrate this theory.

In African integration debates, the political settlements framework further enhances understanding of the obstacles to integration (Pritchett et al., 2018). It shifts focus from normative institutional design to the configuration of power among elites and how this influences the enforcement of policies. This theory explains why well-crafted and well-intended regional strategies are often selectively implemented (Ibid). Political elites in SADC countries maintain policy control in sectors where rents are high or politically sensitive. Such sectors include some manufacturing industries, agriculture, and natural resources. Rents and political considerations resident in these sectors limit the willingness of the region's elites to align national strategies with regional blueprints, often leading to suboptimal outcomes.

While all these theories are important, it is worth noting that pragmatism also shapes the processes and pace of regional integration. The distinction between trade creation and trade diversion (Viner, 1950) is relevant in evaluating the actual economic outcomes of integration. While a customs union may foster intra-regional trade, it can also shift trade from more efficient global producers to less efficient regional ones. In the SADC context, where industrial capacities are unevenly distributed and infrastructure deficits persist, the risk of uneven integration is high. Arguably, this is driving intra-regional tensions, which in turn reinforce sovereignty concerns.

Despite these challenges, integration remains essential. Fragmented national markets and small economies cannot achieve scale, global competitiveness, and industrial development in the region. The UNECA (2020) underscores that integration is necessary for creating value chains, attracting FDI, and enabling African firms to compete globally. However, it also cautions that integration without fairness risks marginalising weaker economies and triggering backlash. This demands formulating and implementing politically feasible integration prescriptions. A plausible path toward this end is the differentiated integration approach. This framework acknowledges that member states may integrate at different speeds and depths depending on their readiness, interests, and capacity. This avails opportunities for forming coalitions of the willing to proceed without being hindered by hesitant members. For example, members of the Southern African Customs Union (SACU) may pilot deeper integration in select sectors like agro-processing or pharmaceuticals before scaling up across the SADC region.

Another approach is functional integration, which focuses on practical, sector-specific cooperation rather than grand institutional integration. This approach elevates tangible cooperation through and in key industries to build trust between countries instead of integration driven through declarations. This is possible through establishing cross-border

industrial parks, harmonising standards in priority sectors, or shared research and development platforms. The assertion is that such functional arrangements can evolve into more institutionalised frameworks as confidence grows.

Concluding this section, it is arguable that differentiated and functional integration advance pragmatic pathways to resolve the sovereignty-integration tension. Their advantage is that they seek to balance the needs and calls for sovereignty on the one hand and the need for greater cross-border cooperation on the other hand, and, not the feared wholesale surrender of sovereignty. This proposition is practical, as the Airbus case discussed in the next section demonstrates. I advance this example, fully conscious of the contextual differences between conditions in Europe and in the SADC region. However, this story still provides important lessons for sectoral cooperation and shared sovereignty in Africa.

## **5. The Airbus Story: Sovereignty Pooled for Industrial Power**

The Airbus consortium is perhaps one of the most instructive examples of how states can overcome sovereignty constraints to create globally competitive industrial capacity through regional collaboration. Established as a post-war project to re-establish Europe's technological and industrial capabilities and to counterbalance American dominance in the aerospace industry, the Airbus project needed participating countries to relinquish individual control over strategic industrial policies. I sought to have these countries adopt a shared, coordinated approach to industrial planning, production, and investment.

The initiative was launched in 1970 as a joint venture initially involving France, West Germany, and later including Spain and the United Kingdom. Airbus was formed as a deliberate political-industrial project to denote and operationalise European technological sovereignty (Ahrens, 2020). The founders viewed it as a tool for asserting European competitiveness in the face of American aerospace hegemony, dominated by Boeing and McDonnell Douglas firms. Despite a shared vision, the early years of Airbus were characterised by sharp nationalist rivalries, divergent visions, and political friction, particularly between France and Germany (Neven, Seabright & Grossman, 1995). Nevertheless, the shared goal of creating a "European champion" forced compromise. At the apex of the disagreement is that each partner state initially insisted on hosting key production lines and preserving control over their national aerospace industries. Policymakers and analysts noted that progress required reconciling strong national interests, conflicting industrial policies, and deep-rooted concerns over sovereignty.

Gradually, these tensions were managed through a functional division of labour, where each state assumed responsibility for a segment of the aircraft. For instance, Germany produced the fuselage, France the cockpit and control systems, the UK the wings, and Spain the tail (Peterson and Sharp, 1998). This arrangement was coordinated through joint planning and investment under a shared corporate governance arrangement. Importantly, it ensured mutual dependency. This somewhat narrowed differences and reduced the temptation for unilateral action.

From a turbulent beginning, the firm has evolved from an intergovernmental venture into a fully integrated commercial enterprise, becoming Airbus S.A.S. in 2001 and later part of the European Aeronautic Defence and Space Company (EADS), now Airbus Group. This transformation further diluted national control, necessitating corporate coordination, without severing the political support and strategic alignment underpinning the genesis of the firm (Schmidt, 2007).

Peterson (1996) states that the Airbus initiative demonstrates that cooperation between governments in strategic sectors is not only possible but can produce globally competitive industries when tied to shared governance mechanisms and institutionalised coordination. Importantly, this case shows the potential of pooled sovereignty used pragmatically to achieve industrial outcomes that no single state could have secured independently. This is a critical lesson for the SADC regions and other regions as well.

Perhaps more important to SADC is that presently, Airbus still has to balance national sensitivities with corporate priorities. Under the prevailing conditions, the governments of France, Germany, and Spain maintain influence through golden shares, allowing some degree of strategic oversight without direct control. This condition demonstrates that sovereignty need not be fully surrendered to enable integration. Instead, it can be selectively and strategically pooled, allowing states to retain key levers while advancing collective goals. Even more important is that the Airbus example does call for avoiding the thorny issue of sovereignty, but instead it calls for addressing the issue head-on, pragmatically, and promptly. Through this approach, willing and capable partners can participate and reap the associated rewards.

The SADC region's and indeed the AfCFTA industrialisation goals can manifest following contextually-modified and similar experiences. In this way, African countries can build (*ceteris paribus*) regional industrial champions if states commit to long-term shared interests, institutionalise cooperation, and accept differentiated but complementary roles.

The SADC region and other RECs in Africa are fertile ground for such collaborative sovereignty that can build support for the development of regional value chains in Africa. Industries such as mining, agriculture and agro-processing, pharmaceuticals, and green technologies offer lucrative investment opportunities under such arrangements. However, success would depend on robust institutions, equitable governance, and clear political commitment to regional development over narrow nationalism. These need to be established at the genesis of each agreed-upon collaboration arrangement.

## **6. So What for the SADC Region?**

While SADC countries plan for and routinely express a need for regional cooperation to spur and accelerate industrialisation in the region, implementing agreed-upon plans often stalls due to strong nationalistic tendencies.

The Airbus experience illustrates how states can overcome sovereignty constraints to build globally competitive industrial capabilities. The Airbus experience displays the potency of sectoral collaboration and pooled strategic authority. Importantly, this experience carries

sobering and instructive lessons for the SADC region. One such lesson is that the fundamental logic of shared development and coordinated industrial policy is a powerful driver of cooperation, notwithstanding the different political, institutional, and historical contexts of Europe and Southern Africa. The SADC countries jointly express their industrialisation objectives through the SADC Industrialization Strategy and Roadmap 2015–2063 and the Protocol on Industry (SADC, 2015; SADC, 2019). Notably, these policy documents articulate objectives that are similar to many of the goals that drove European cooperation in the aerospace industry. These include regional value chain development, technology transfer, economies of scale, and reduced external dependency. While some countries in the EU acted decisively to realise their goals, the SADC region is characterised by modest and uneven progress, undermined largely by a reluctance to institutionalise coordination mechanisms and a deep-seated preference for national autonomy. This holds despite suboptimal development outcomes.

From this observation, I posit that willing countries could learn from the Airbus case, which vividly demonstrates that sectoral integration, built around mutual dependency and jointly governed institutions, is not a mere possibility but an effective approach. Significantly, European states intentionally forfeited individual control over production, design, and investment decisions in the aerospace sector, not as an act of political subservience but as a strategic necessity to compete with dominant American players like Boeing. Notably, they did this without losing their national identities and political autonomy. This approach shows the viability of a sovereignty-sharing model that is conditional, strategic, and limited to sectors where regional coordination yields clear gains. SADC countries need to the same. The countries must identify sectors that are malleable to such an approach and offer tangible benefits for regional value chain development and deliberately build shared governance frameworks to support these sectors

Looking at the various sectors in the region I propose agro-processing, pharmaceuticals, mining, automotive components, and green energy technologies as sector that present such possibilities. Agro-processing, especially, is uniquely positioned to deliver regional employment, industrial upgrading, and export diversification due to the natural complementarities in agricultural production across SADC countries. This proposed approach is likely to deliver a deadly blow to the development retarding practices of non-tariff barriers, uncoordinated sanitary and phytosanitary standards, and duplicative infrastructure investments that dominate in the region (TRALAC, 2016; UNECA, 2020). This a call for mutual beneficial cooperation replacing deleterious competition centred around narrow national champions. Indeed, a regionally governed agro-industrial hub could distribute production and processing functions across member states, supported by joint infrastructure planning, standardised regulations, and shared financing mechanisms. Such an arrangement would generate jobs across borders, deepen industrial capability, and gradually erode the distrust that fuels protectionism. The proposed SADC Industrial Development Fund could be revived as a financing mechanism for such regional pilot projects.

Fundamentally, the Airbus case demonstrates the importance of institutional architecture in making integration irreversible. This is important for sustained integration irrespective of domestic administration (regime) changes. To support Airbus, political leaders proceeded beyond declarations of intent. Fundamentally, they created binding frameworks for cooperation, supported by enforceable mechanisms and clear decision-making procedures (Neven et al., 1995; Peterson and Sharp, 1998). This arrangement is different from the present consensus-based forum of non-binding strategies typical in SADC agreements. This must change. Once such change is operationalizing the SADC Protocol on Industry by mandating and enforcing monitoring and dispute resolution powers through a reformed SADC Secretariat or a designated regional industrial agency. Parties that enter into such agreements must commit in principle and practice.

What is impressive about the Airbus case is the division of labour arrangement which ensured that each member-country contributed specialized components to the venture. This created a model for functional interdependence without a single country dominating the value chain. This created incentives for cooperation and not competition in the value chain. This aligns with theories of differentiated integration, which suggest that countries willing to proceed with deeper cooperation in targeted sectors should be allowed to do so, creating demonstrable success stories to encourage broader participation over time (Haas, 1958; Hoffmann, 1966).

An overarching lesson for SADC is that regional industrial policy must be anchored in shared sovereignty, not just shared aspirations. While the Airbus case is not a perfect demonstration of this principle it nevertheless, remains a persuasive example of how political vision, institutional design, and strategic compromise can converge to deliver world-class industrial outcomes. SADC countries can, with the necessary modifications emulate this to change their call for regional integration from a mere rhetorical commitment to a structured economic project. This is important to halt the presently entrenched fragmentation, duplication, and stagnation that is deleterious to economic development and growth in the region.

## 7. Conclusion

The AfCFTA is a watershed moment for Africa's economic integration, but it cannot succeed without addressing the sovereignty-integration tension head-on. This tension arises from the desire for autonomy, a misplaced and short-term view of protecting domestic industries, and asymmetries in industrial capacity. These misdirected desires pose real challenges but are not insurmountable. I suggest the following ways to circumvent these challenges.

Sovereignty in the context of African regional integration must be re-imagined not as a rigid shield against cooperation but as a strategic instrument of development. The current practices which routinely elevate national interests above regional commitments have clearly failed to deliver industrial transformation, undermining both economic and political objectives in the sub-region, narrowly and Africa, broadly. Advancing the objectives of the AfCFTA demands the finding of a new equilibrium. This equilibrium is selectively pooled sovereignty targeting specific sectors and embedded within accountable regional institutions.

This dictates institutional reform in the SADC formation and a normative shift in how sovereignty is understood across African leadership circles. Countries must see regional integration not as a loss of power, but as a recalibration of authority that enhances national capacity by leveraging regional solidarity. Only by learning from comparative examples like the EU and Airbus, leveraging sectoral cooperation and fostering political will for coordinated action, SADC can begin to transcend the sovereignty dilemma. Strategic sovereignty, where states cede limited authority while preserving core national control offers a realistic path forward. With such institutional innovation and political commitment, SADC can industrialise inclusively while navigating sovereignty with purpose. In the realm I advance the following practical proposals:

- i. Supranational enforcement: Establish empowered AfCFTA compliance institutions.
- ii. Industrial policy forums: Institutionalise coordination at ministerial level.
- iii. Incentives: Deploy regional funds and SEZs to drive collaboration.
- iv. Intermediate trade: Promote trade in components to build value chains.
- v. Pilot projects: Allow differentiated integration via sectors.

Ultimately, reconciling sovereignty with regional industrialisation goals demands bold leadership, diplomatic agility, and a deliberate design of institutions that command both national respect and regional authority. Without this, AfCFTA risks becoming another well-intentioned but under-implemented initiative. With it, Southern Africa stands poised not only to integrate economically but to industrialise inclusively.

Indeed, by piloting sectoral co-investment frameworks, harmonising policies, and selectively pooling industrial governance in high-potential sectors, SADC can emulate Europe's pragmatic and results-oriented path. As Europe's Airbus shows, sectoral integration backed by strong political will and enforceable institutions can overcome even the most entrenched sovereignty concerns, and turn "strange bedfellows" into strategic partners.

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