

Different stages of regional integration and economic growth: Going beyond Intra-trade

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Abstract

The levels of regional economic integration among African countries are relatively low because of many contributing factors. It widely accepted the regional economic integration may play a vital role in strengthening different stages of economic integration in Africa. Since most of the studies seem to be literature review based, the notion of this study is to address that gap by using regression analysis on the regional integration and economic growth. Such is done by applying different levels of integration namely trade integration, macroeconomic integration, productive integration, infrastructural integration and free movement of people on the continental economic growth. The regression analysis findings can be interpreted as follows when the trade integration increases by 1% the economic growth of Africa will increase by 1.82%. This implies that the higher is the levels of trade integration the higher is the economic growth. Such does not only mean increases in the impact but also reflect the positive the trade integration has on stimulating the levels of th economic activities. Same reasoning applies with productive integration if its increases by 1% that would result into the African economic growth to increase by 0.31%. Similarly, when the free movement of people increases by 1% that amount to economic growth to be stimulated by 0.87%. It can also noted that macroeconomic integration has strong impact on the economic growth compared to other stages of regional economic integration. The impact of macroeconomic integration into economic growth can contribute to 7.2% growth of the African economy. In contrast, infrastructural integration reflected that if it increases by 1% the economic growth will decreases by 2.14%. Basically, the study went beyond the trade integration or not only addressing the so-called intra-trade regional issues within the African continent.

Keywords: Trade integration, Productive integration, Africa, Macroeconomic integration, Infrastructural integration

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