

## Building a New Africa without Borders for Economic Diversification and Sustainability: The Nigerian Perspectives

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### Abstract

This paper reviewed the literature on Economy, Economic development, diversification and sustainability as well as the implications of political and cooperate governance in African nations. The study employed theoretical and contextual approach thus situating the concepts in the domain of existential literature towards improving the economic development, diversification and sustainability efforts of nations in Africa. The paper concludes that the African economic diversification and sustainability effort is under siege and requires concerted efforts of all countries towards resuscitating, re-invigorating, re-engineering of all ailing industries, infrastructure as well as provision of secure environment for cross-border exchange relationships in education, commerce, entrepreneurship, among others. The paper therefore makes the following recommendations: (i) countries of Africa must strive to secure and protect its citizens, (ii) all intellectual properties of Africans must be seen to attract recognition and adoption by countries towards encouraging innovations and technological breakthrough, (iii) African countries must learn to trust and believe each other towards opening their doors of friendship for conviviality and forge a common front, (iv) African countries have come of age and is due for an "African Tigers" – a brand that is possible towards building a new Africa without borders. (v) Cross-fertilization of ideas, skills, competences and knowledge across nations irrespective of creed, colour or location.

### Keywords:

Economy, Economic development, Diversification, Sustainability

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## **Background to the Study**

Economic diversification and sustainability are current key concepts in any national discourse, particularly as it concerns the dwindling economic fortunes of nations arising from global warming, deforestation/degradation, rising unemployment/ population, security challenges, as well as depleting natural resources. Every country in Africa is endowed with certain natural resources which are unique to its source and development. Nigeria, for example is known to be endowed with petroleum resources. It is also a known fact that aside from being the 6<sup>th</sup> largest producer of crude oil in the world and a member of the Organization of Petroleum Exporting Countries (OPEC), the present Nigerian government is struggling to expand its revenue resources through diversification. Currently, there is growing emphasis on the development of the non-oil sectors- Agriculture, solid mineral/ steel development, ICT development, science and technology, among others. The reason for these efforts is simply because the oil sector which had hitherto become the main sustainer of Nigeria's economy can no longer be relied upon. Infact, the oil prices have been fluctuating and had fallen to an all time low of \$64.6 per barrel. The continuous drop in crude oil prices had continued to make budgetary provisions difficult to accomplish. This long time total dependence on oil has resulted to dire consequences on Nigerian government and its citizens. Government makes provisions in the budget but at the end of the day there is no money to execute the projects. The restive youths of the Niger Delta have not helped matters; their actions have led to low production that even the quota given to Nigeria could not be met at certain periods! It is no longer news that the mono-economy of the Nigerian government and in fact, most African countries is the reason for increased crime in Nigeria and around the various sub-regions. In Nigeria, for example, the cases of kidnapping and hostage taking is increasing day by day; armed robbery, ethnic hostilities by militia gangs, internet robbery, bank frauds as well as corruption brouhaha in government institutions are the order of the day.

The kernel of this paper, therefore, is that African nations are under siege economically. Hence, economic diversification and sustainability in the nations of Africa revolves around building a new Africa without borders by unearthing the insecurity imbroglio masquerading in our political and corporate governance.

## **Conceptual Development**

Economic development is the process by which emerging economics become advanced economies. Put differently economic development is all about improving living standards of citizens in a country. Improved living standards, therefore connotes higher levels of education and literacy, workers' income, health, and lifespans. Literally, economic development can be defined as “passage from lower to higher stage which implies change”. Similarly Economic development is generally defined to include improvements in material welfare especially for persons with the lowest incomes, the eradication of mass poverty with its correlates of illiteracy, disease and early death, changes in the composition of inputs and outputs that generally include industrial activities, the organization of the economy in such a way that productive employment is general among working age population rather than the situation of a privileged minority,

and the correspondingly greater participation of broad-based groups in making decision about the direction, economic and otherwise, in which they should move their welfare (Olure, 2014)

Kindleberger while making a distinction between economic growth and economic development argues that “Economic development implies both more output and changes in the technical and institutional arrangement by which it is produced and distributed” Economic development in the classical era meant: “an increase in the absolute size of annual production regardless of the size of the population, or an increase in the economy's real income over a long period of time”.

Economic development is thus a broad concept which includes both economic and non-economic aspects. “Development requires the removal of major sources of unfreedom, poverty as well as tyranny, poor economic opportunities as well as systematic social deprivation, neglect of public facilities as well as intolerance or over activity of repressive states” (Amartya, 1999).

Thus, aggregate and per capita real incomes are not sufficient indicators of economic development. Rather economic development is concerned with economic, social and institutional mechanisms that are necessary for bringing large scale improvements in the levels of living of the masses. Hence, it is now common practice to measure development in terms of composite indices such as HDI (Human Development Index), GDI (Gender Development Index), HPI (Human Poverty Index), among others, while per capita income has been a widely used indicator for measuring economic development.

### **Economic Diversification**

Economic diversification is the process of shifting an economy away from a single income source toward multiple sources from a growing range of sectors and markets. Traditionally, it has been applied as a strategy to encourage positive economic growth and development ([http//uncc.inttopic>resources](http://uncc.inttopic>resources)).

Economic diversification offers any country that engages in it (i) minimum risk of loss; that is, if one investment performs poorly over a certain period, other investments may perform better over that same period; (ii) reduction of the potential losses of investment portfolio from concentrating all capital under one type of investment; (iii) generating returns-since investment do not always perform as planned, diversification offers some level of leverage from merely relying upon one source of income ([www.dixon.com.au](http://www.dixon.com.au))

Economic sustainability is the ability of an economy to support a defined level of economic production indefinitely. Sustainability therefore, is what people want to happen indefinitely. No country has a GDP growth target less than about 2% except when recovering from a recession.

Economic sustainability from the foregoing, assumes a defacto definition of steady growth in total national GDP of a minimum of about 2% per year. This perspective shows a large gap between the developing and developed nations. The high growth rates are in effort to catch up in average GPD per person. For a pillar of sustainability to be strong it must answer these questions with a yes.

1. Can it be sustainable?
2. Does it well support the goal of the system?

For the first question, can steady GDP growth be sustainable, No: But average GDP per person can.

Now for the second question: As thwink.org sees it, the goal of Homo Sapiens is (or should be) to optimize long term quality of life for those living and their descendants. That is the goal of the human system. Therefore, economic sustainability occurs when a political unit, such as a nation, has the preferred percent of its population below its preferred minimum standard of living. The percent needs to be very low, somewhere around 5% or less, because everyone below the level is suffering, either physically due to poor health or psychologically.

### **Nigeria's Economic Diversification and Sustainability Efforts as Precursors to a New Africa without Borders**

Nigeria is one of the leading countries in Africa. Nigeria's efforts in building a United Africa, an Africa that can approach Africa's problems with Africa's solution cannot be over-emphasized. Economic diversification brings about the need for a paradigm shift in economic policies. It is the only viable way to survive in the continent of Africa given the current environment of global economic uncertainty with the volatility of oil price. There is therefore, a dire need for deeper appreciation of the past and current African issues in order to provide guidance, potential solutions and sustainability in the future economy of Africa as a whole.

Nigeria's foreign policy directives as it concerns African region are hinged on the following principles.

1. To promote national interest and world peace.
2. To pursue policy of non-alignment and neutrality.
3. To promote friendship and co-operation among countries of the world;
4. To respect the sovereign equality of all nations.
5. To maintain the principles of non-intervention in the internal affairs of other states.
6. To promote unimpeded decolonization
7. To maintain low-profile pursuit of Nigerian foreign policy
8. To support democratic principles all over the world; and
9. To promote and support inter-African support.

The above foreign policy in the African region came up as a rationale from the hindsight effects of Congo crisis; its ideological underpinning in the situation of Africa's colonization, cold war ripples, need for national security and economic advancement, among others (Eke, 2009). From the foregoing therefore, Nigeria has engaged in several areas of economic diversification and encouragement of a new Africa without borders. These areas include: Diversification in Agriculture, mines and steel; Diversification in Green/Renewable Energy; Promotion of African identity, international exchange programmes, among others.

### **Diversification in Agriculture, Mines and Steel**

Nigeria's economic diversification in the areas of agriculture, mines and steel, among others, are efforts to grapple with the challenges in oil revenue and general economic downturn. Nigeria's economic policies in recent times have been directed towards increased investments in animal husbandry, hides and skin as well as fishery, forestry, and general dairy production, increased exploration and exploitation of the vast mineral deposits – about 33 solid minerals occurring in about 450 locations that exist nationwide (yet, still untapped). These include coal, Tin ore, columbite, marble, tantalite, lead, zinc, limestone, Kaolin, clay, radioactive minerals, barites, among others.

### **Diversification in Green/Renewable Energy**

“The world faces no greater challenges in the 21<sup>st</sup> century than arresting the rapidly increasing accumulation of greenhouse gases in the atmosphere than cause climate change”. The second greatest challenge of the century is guaranteeing energy security. Unsustainable consumption of fossil fuels, in particular, oil, in many parts of the world, over a long period of time, is not only responsible for air pollution and the global climate change phenomenon; it is also largely responsible for the fear of energy-insecurity that may result from security of energy in the no distant time if urgent actions were not taken. The development and deployment of alternative renewable energy sources and energy efficiency technologies constitute the two key strategies the world is deploying to mitigate the twin challenges of climate change and energy security, a transition to low carbon economy (Eke, 2011).

From the foregoing, Nigeria's participation in global conferences and commitments in renewable energy policies and engagements show that the transition to low carbon economy, characterized by growing renewable energy and energy efficiency investment has not only started but has assumed the dimension of a global green energy revolution that is advancing rapidly in two major fronts-renewable energy and energy efficiency.

Investment in renewable energy and energy efficiency offers a number of economic benefits for two main reasons, namely renewable technologies that create more jobs per dollar invested than conventional electricity generation technologies and primarily indigenous resources that retain most of the energy dollars at home. Renewable energy are reputed as large job creators. It has been found that you get three to five times the amount of jobs in the renewable area than you do in fossil fuels (Kammen, 2007).

Renewables contribute to economic development by providing opportunities to build export industries as in developing countries that do not have electricity grids, pipelines, or other energy infrastructure, renewable energy technologies can be the most cost-effective options for electrifying rural villages. Realizing the importance of renewable energy, Nigeria has strong commitment to the Renewable Energy Policy Project (REPP) as being very important to consumers, since the costs of environmental controls are usually passed on to electricity consumers.

### **Promotion of African Identity**

Nigeria's effort in the promotion of African identity is seen from the major roles she has played in the apartheid practice with obnoxious policies in South Africa- Nigeria swore to employ to the full, all her resources and for more than four decades (1948-1994) fought the three and half century (1652-1994) white- minority rule in black South African with its apartheid policies.

Recognizing that South Africa and Nigeria, hold the ace to Africa's future and surefire to Africa's economic independence, Nigeria was relentless and vocal in pushing for imposition of sanctions, boycotts and outright expulsion of South Africa from the political, economic and socio-cultural activities within member-states. In 1977, Nigeria under the Gleneagles Agreement sponsored the boycott of any sporting activities which South Africa was featuring. On July 8, 1986, Nigeria led more than 30 out of the 59 member Commonwealth of Nations to boycott the 13<sup>th</sup> edition of the Games, slated to hold at Edinburgh in Scotland.

Apart from political and economic measures against the racist regime, Nigeria assisted the South African aborigines through the establishment of South Africa Relief Fund in 1976. The fund was used to offer special educational opportunities including scholarships to South Africans in Nigeria tertiary institutions. Many South Africans, for instance, the erstwhile President Thabo Mbeki; lived in Nigeria as their second home during the apartheid period. It was Nigeria's efforts with the support of other well-meaning African countries that led to the end of Apartheid regime in South Africa.

The recent backlash of the attitude of South Africa citizens against Nigeria is ugly and undeserving but sounds a quick reminder to South Africa and Nigeria to understand the nexus between globalization excellence and strive to put its houses in order through genuine, transparent and spirited re-branding process for attitudinal change of the citizens home and abroad (Eke, 2009). By so doing Africa's economic diversification and sustainability efforts would be ensured.

Nigeria has not also relented in other areas of Africa's identity efforts. The African Union Development Agency and New Partnership for Africa's Development (AUDA-NEPAD) are programmes geared towards bridging gaps for sustainable development goals, and have thus assumed top burner on side-level events organized at international fora.

As part of Nigeria's economic diplomacy, she is using her Technical Aid Corp (TAC) scheme, to promote herself as a medium power in global political area. Nigeria wants to remain an undisputed African leader and spokesperson as the largest black nation orbisferrarum (world over) and a respected state in the third world. TAC is in response to United Nations General Assembly resolution calling for Technical Corporation Among Developing Countries, TCDC, as a collective effort to alleviate the endemic poverty, ravaging the countries of the south- economic determinism as its superstructure. Nigeria implemented TAC under her policy of good neighborliness starting with her immediate West African states-extending free of charge, her human and material resources, which she enjoys comparative advantage over others to the regions of need in African, Caribbean and Pacific, ACP countries. The ACP countries benefitting from Nigeria's TAC scheme include: Gambia, Ethiopia, Seychelles, Fiji Islands, Sao Tome and Principe, Guyana, Belize, the Common wealth of Dominica, Sierra Leone, Benin, Guinea, Niger Republic, Uganda, Rwanda, Kenya, Djiboute, Congo Brazzaville, Tanzania, Zambia, Burkina Faso, Lesotho, Cape Verde, Equatorial Guinea, Mozambique, among others. TAC has been used by Nigeria as an effective instrument of strengthening bilateral relations between countries. TAC is distinctively Nigerian contribution to the search for continental and global harmony, understanding and development through technical cooperation, mutual assistance and exchange of technical skills and expertise based on assessed needs of ACP countries.

### **Conclusions**

Africa's journey towards economic diversification and sustainability is a major task given the emerging economic realities as countries, world over begin to benchmark on areas they have comparative advantages. Economic diversification and sustainability cannot be achieved with primordial policies. African countries cannot achieve economic diversification and sustainability by locking out opportunities of regional integration, exchange relationships, and sharing of economic potentials among nations.

Economic diversification and sustainability problem cannot be solved by doing the same things better; it is a matter of doing something different; radically different. Hence, countries in Africa must ensure good neighborliness, trust and conviviality among nations, attract and share knowledge, skills and innovations in natural, human and material resources where they have comparative advantages over another.

### **Recommendations**

The following recommendations are put forward in the course of this treatise for adoption and implementation if Africa's dream for economic diversification and sustainability can hold water:

- i. Countries of Africa must strive to secure and protect its citizens.
- ii. African countries must develop strong sense of trust, respect, support and appreciation for each other, and willingness to see each other partner grow, change and mature in any field of endeavour.

- iii. Countries in Africa must come together to share knowledge, skills, innovations towards revitalizing, re-invigorating and re-engineering its ailing industries to create enough jobs for her teeming youths.
- iv. All intellectual properties of Africans must be seen to attract recognition and adoption by countries towards encouraging innovations and technological breakthroughs.
- v. African countries should put their talents together to build a new Africa without borders and establish their own brand, "African tigers" with economic and trans-national free zones.

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