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Article

Trade Liberalization and Africa's Economic Crisis: The Role of the Diaspora in Driving Technological Development for Industrial Scale-Up and Economic Growth

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Abstract: Trade liberalization in Africa has failed to significantly boost international or intra-African trade shares, raising questions about alternative pathways for technological and industrial development. This study examines the underexplored role of the African diaspora in driving innovation and industrial scale-up, framed by Innovation Systems Theory and Endogenous Growth Theory. The study provides an analysis of the historical legacy of trade liberalisation and its impact on Africa's industrial and technological development. Through a systmatic analysis of trade liberalization's historical impact, we reveal its contribution to economic vulnerabilities and limited industrial growth in Africa. Leveraging secondary data, we then demonstrate how diaspora engagement mitigates these gaps via four key channels: (1) technology/knowledge transfer, (2) entrepreneurial investments, (3) remittance flows, and (4) enhanced innovation capabilities. Our findings highlight transformative diaspora impacts in fintech, renewable energy, and e-commerce sectors. Policy analysis underscores the need for structured frameworks to optimize diaspora contributions, including investment-friendly policies, coordinated support systems, and strategic communication. We propose three actionable recommendations: (i) systematic mapping of diaspora networks, (ii) incentivized multi-stakeholder partnerships, and (iii) targeted interventions to align diaspora expertise with industrial priorities. The study advances debates on Africa's development by shifting focus from trade liberalization's limitations to diaspora-led growth opportunities, offering evidence-based strategies for policymakers to harness this potential.

Keywords: African diaspora; industrial development; innovation systems; remittances; trade liberalization

Introduction

Trade liberalization has been widely adopted by developing and transitional economies as a strategic approach to boost productivity, expand market access, and attract foreign investment. These policies often involve the removal of tariffs, quotas, and trade restrictions to integrate economies into global markets and enhance competitiveness (Gnangnon, 2019). Similarly, trade liberalisation policies were introduced to integrate developing economies into global for the purpose of increasing the exchange of their goods or services, competitiveness, and industrial scaling (Spilker, 2018).

This is because despite numerous trade agreements, Africa's share of both international and intra-African trade is low when compared to other regions. For instance, according to the United Nations Trade and Development (UNCTAD) (2023), between 2017 and 2023, intra-African trade accounted resulted in a meagre 16–18% of total trade, which is lower than Europe (68%) and Asia (59%). This persistent underperformance

begs and raises questions about the effectiveness of trade liberalization policies in addressing Africa's structural economic challenges, such as over-dependence on raw material exports, inadequate industrial capacity, and limited technological innovation. This is additionally compounded by the loss of income and economic gain of households and government and decreased remittances (Volkov, 2023). More significant is the largely exacerbated economic crisis and vulnerabilities of African economies and the failure of economic openness to promote regional integration and industrial growth. The high prioritisation of extractive industries and less emphasis on industrialisation represents one of the key factors why African economies lack the comparative advantage in technological and industrial capacity (Freund & Bolaky, 2008).

While previous studies have extensively explored trade liberalization and its impacts, they often neglect the critical role of the African diaspora in addressing these challenges. The African diaspora which represents a vast network of individuals with connections to Africa, possesses valuable resources, including skills, capital, and access to global networks, which can be leveraged to drive technological development and industrial scale-up (Schmutzler, Andova & Perez-Lopez, 2021). For instance, the Silicon Savannah in Kenya has been noted as a tech hub and centre for innovative development where diasporas' financial capital and networking have helped enhance the development of initiatives on the continent.

Similarly, the fintech industry in Nigeria also points to the relevance of diaspora networks for capital investment and opportunities for collaboration to enhance the continent's financial sector landscape. Furthermore, Akanle and Ola-Lawson (2022) stressed that the diaspora's networks and connections in foreign markets can serve as a bridge for facilitating trade, investment, and technology transfers between Africa and other regions. As Chidiebere et al. (2022) posited**,** leveraging diaspora knowledge and technological gain can help increase foreign direct investment and knowledge spillovers for the growth of key African industries and sectors. However, the potential of the African diaspora to contribute meaningfully to Africa's economic transformation remains underexplored in academic and policy discourse. This research aims to fill this gap by critically examining the impact of trade liberalization on Africa's economic crisis, with particular emphasis on how the African diaspora can catalyze technological and industrial development.

This article is guided by a central question: To what extent can the African diaspora contribute positively to addressing Africa's technological and industrial development? In addressing this question, the paper further examines how Africa's historical trade liberalisation efforts have impacted its economic structure, the contributions of diaspora-driven innovations, and actionable policy recommendations for sustainable and beneficial diaspora engagement.

The importance of examining this topic lies in its potential to contribute significantly to our understanding of the impact of trade liberalisation, Africa's enduring economic challenges, and the often-overlooked role of African diasporas in fostering technological and industrial growth. For instance, the examination of the historical legacy of trade liberalisation and its impact on Africa's economic crisis could allow policymakers and researchers to have a grasp on how past policies have shaped the current economic landscape. Similarly, the analysis of relevant literature on the diaspora element in driving technological development would provide a foundation for understanding the potential of diaspora-driven initiatives for economic growth and industrial scale-up in Africa. Additionally, the possibility of the African diaspora enhancing Africa's technological and industrial development would allow us to see the possibility of how policy changes could be used to sustain beneficial diaspora engagement for realising any benefits of trade liberalisation initiatives.

The remainder of this paper is divided into five sections. Section two is the theoretical framework that guides the research. Section three details the historical context and impact of Trade liberalisation on Africa's Economic growth. In section four, we discuss the role of diasporas in Africa's economic development and industrial scaling and relevant case studies of diaspora-driven initiatives. In section five, we analyse our policy recommendations on beneficial diaspora engagement. Finally, the study's conclusion is provided in section six.

Literature review

1. Historical Context and Impact of Trade Liberalisation on Africa's Economic Crisis

The integration of the African continent into the global capitalist economy, the adoption of trade liberalization policies, and their persistent structural vulnerabilities to external shocks have been extensively discussed in the literature. Trade liberalization, generally conceptualized as the reduction or removal of barriers to trade such as quotas and tariffs, has been promoted as a panacea for industrial competitiveness, economic efficiency, and access to international markets (Abboushi 2010; Ndhlovu & Mhlanga, 2023). However, the submission by many scholars indicated that the expected outcomes or benefits of trade liberalization initiatives failed to materialize in competitive industrial and technological development, institutional stability, and economic independence (Ndhlovu & Mhlanga, 2023). Scholars identify the Structural Adjustment Programmes (SAPs) in the 1980s and 1990s as a crucial period in the historical trajectory of trade liberalization policies in Africa (Gray and Gills, 2016). The SAP's to widespread deindustrialisation, the erosion of state capacity or state fragility, and increase in poverty levels (Mavhunga, 2023). Osakwe (2016) stressed that trade liberalization policies often failed to account for the asymmetrical or beneficial global trade arrangement, where Africa economies have consistently remained the primary producers and exporters of primary commodities, thereby exposing them to price volatility and shocks in the global market.

The history of trade liberalisation in Africa reflects a complex interplay of economic policies, global influences, and regional constraints. This is because, while trade liberalization policies have intended to boost productivity, attract foreign investment, and integrate African economies into global markets, their outcomes remain contested. For instance, trade liberalisation policies, such as the removal of tariffs and quotas, are theoretically expected to enhance competitiveness and industrial growth. Similarly, based on Neo-classical economists' argument that global markets operate on a level playing field and when developing economies focus on their comparative advantage, they could specialize in raw material production while importing high-value goods from advanced economies, thereby benefiting from global trade. However, this assumption often fails in practice and attracts critics suggesting that trade liberalization exacerbates structural inequalities by exposing African economies to unfair competition with industrialized nations.

Historically, the period between the 1960s and 1970s represents the transformative era in Africa as political independence was granted, and the new states in the continent had opportunities to experiment with several economic policies (Ndhlovu & Mhlanga, 2023). This period signalled a gradual trajectory from implementing protectionist measures to trade policy measures aimed at opening up the economies to external markets. According to Abboushi (2010), with the emergence of new states, protectionist measures as represented by import substitution industrialisation strategies are initially pursued by developing economies to enhance domestic production and minimise dependency on manufactured goods. However, these strategies failed to result in needed technological development, and the efficiency and competitiveness of local industries (Osakwe, 2016).

In the late 1970s, the dwindling commodity and oil price shock exacerbated the economic crisis across the region pushing most developing economies in search of alternative economic policies. As a result, between the 1980s and 1990s, Structural Adjustment Programmes (SAPs) were introduced to developing countries as an economic reform strategy with a macroeconomic outlook (Noyoo, 2022). Under the SAPS, developing countries were encouraged to embrace privatisation, pursue fiscal austerity measures, and devalue their currency to open up their economies to market forces of demand and supply. With this arrangement, countries with liberalised trade regimes could attract needed investment from foreign investors and foster economic development, competitiveness, and efficiency of their local firms. Sahn, Dorosh and Younger (1996) claimed that SAPs mandated liberalization reforms but resulted in widespread economic dislocation, increased poverty, and the deindustrialization of many African economies. The SAPs also contributed to the continued weakness of the economies, inadequate human capital development, and infrastructural decay. Most Countries which liberalized their economies under SAPs, experienced a surge in imported goods that stifled local manufacturing industries.

In the 1990s, trade liberalisation reached a global scale with the emergence of the World Trade Organisation (WTO) and the emergence of several multilateral trade agreements. Like before, a level playing ground was envisioned for engaging countries but this failed to materialise due to Africa's limited industrial development to engage in healthy competition with firms from advanced economies (Konadu-Agyemang, 2018). In particular, most African countries implement export-led strategies to promote their primary commodities for foreign exchange earnings and balance their trade, and overall economic development. However, Africa's dependency on commodity exports increased and left the continent vulnerable to global price fluctuations and external shocks. For instance, Noorbakhsh (1999) discusses how African countries have struggled to diversify their economies away from commodity dependence, leading to economic instability.

In the 2000s, significant changes can be observed in the pattern of trade agreements across Africa. For instance, the Cotonou Agreement between countries from Africa, the Caribbean, the Pacific, and the European Union were developed to engender beneficial or reciprocal trade arrangements where participating countries are required to gradually open their markets to EU goods in return for maintaining access to European markets. However, the extent to which these economic frameworks impact reciprocity on African produce has been heavily contested in literature. For instance, direct competition with more advanced European industries is hard and if not impossible due to the shortage of financial and capital resources. The consequence of this includes the persistent limitation of domestic firms to realise significant benefits from trade. Another instance of trade liberalisation in the 2000s was the African Growth and Opportunity Act (AGOA) which seeks to provide African countries with duty-free access to U.S. markets for specific products and enhance trade ties between Africa and the United States. However, the stringent eligibility requirements limit exports in certain sectors of African economies. Similarly, the shift towards South-South trade in Africa, particularly with emerging economies like China and India, reflects a mutual interest between African countries, seeking to diversify trade partners and to secure resources and markets (Gray and Gills, 2016). However, Africa's reliance on commodity exports remains largely unchanged, and trade imbalances persist despite this shift.

The impact of trade liberalisation on Africa's trade structures includes the difficulty of the continent in establishing a strong manufacturing base. For instance, the colonial economic structures ensure that Africa remains predominantly a producer and exporter of raw materials and a major importer of finished products from the overseas market (Mavhunga, 2023). This includes establishing trade relations that only ensure the continuation of trade and production arrangements where valuable raw materials are extracted but there is a lack of improvement in industrial efforts.

Theoretical Framework

One of the theoretical underpinnings of this study is the Innovative System Theory (IST), which Christopher Freeman (National System of Innovation, 1987), Bengt-Ake Lundvall (the Learning Economy, 1992), and Richard Nelson (National Innovation Systems: A Comparative Analysis, 1993) are notable contributors. The IST emerged in the late 20th century primarily to examine the differences in innovation and economic growth among countries (Hasegawa, 2018). The framework provides a robust lens for understanding how internal and external factors, such as diaspora networks, drive innovation and economic growth. For the theorists, innovation and economic growth rest on the relationship between interconnected agents such as the government and diaspora networks. In the African context, diaspora communities can act as vital agents in transferring technology, skills, and financial resources to their home countries.

The Endogenous Growth Theory, which is developed as one of the critiques of Neoclassical growth models, offers another theoretical lens for the study. For the theorists, growth dynamics are the outcomes of internal factors rather than external forces (Cvetanovic et al., 2015). Internal factors that drive growth include technological change, human capital, and innovation. According to Cervellati et al. (2023), the theory highlights how skilled individuals, including diaspora professionals, can contribute to sustained economic development by fostering innovation and industrial productivity. India's IT sector offers a compelling example where returning diaspora members have played a pivotal role in establishing tech hubs like Bengaluru, driving knowledge-based industries, and enhancing global competitiveness. Similarly, the Chinese government's "Thousand Talents Plan" successfully leveraged its diaspora to attract top-tier talent and expertise, leading to

significant advancements in high-tech industries. These examples underscore the potential for African countries to harness their diasporas for technological growth and industrial scaling.

Methodology

This paper is guided by a qualitative research methodology using secondary data analysis. These sources were identified and selected based on their scholarly credibility and relevance to the study's core concepts, such as trade liberalisation, technological and industrial development, and diaspora engagement. The choice of using a qualitative method is to allow for a critical understanding of the complex and multidimensional issues of trade liberalisation, technological and industrial underdevelopment, and diaspora engagement. The lack of quantifiable criteria to measure these phenomena makes qualitative methodology appropriate for this paper to explore the contextual, historical, and policy-driven dimensions as well as to understand the patterns of trade relationships and processes that impact Africa's technological and industrial development. We source relevant secondary data from peer-reviewed academic papers, policy documents, institutional reports and diaspora-driven case studies. The use of secondary data sources allows for a synthesis of existing literature and provides credible and in-depth insight from a broad range of scholarly and policy sources. A thematic analysis technique is utilised to examine cases of diaspora-driven industrialisation

The Findings

1. Challenges and Current Industrial and Technological Landscape in Africa

The current industrial landscape in Africa is reviewed to provide a broader understanding of industrialisation challenges and the continent's industrialisation potential. Scholars consistently highlight that industrialisation remains a critical driver of economic transformation, yet Africa's industrial base continues to lag due to a range of systemic barriers, including infrastructural deficits, low technological absorption, and policy inconsistency (Akinloye et al., 2020; Dlomo & Rogerson, 2021). Despite decades of trade liberalisation, industrial growth has remained uneven across the continent, with many countries still dependent on the export of raw materials, underscoring the limited development of value-added manufacturing sectors (Nwaiwu, 2021). Research shows that Africa's manufacturing sector is often constrained by low productivity, inadequate energy supply, limited economies of scale, and weak institutional capacity which collectively hinder the continent from realising significant benefit from its integration into global value chains. Nonetheless, there is growing scholarly attention on the continent's untapped industrial potential, particularly to its young labour force, digital innovation ecosystems, and strategic reserves of critical minerals essential for the global green economy (Akinwumi, 2024).

The industrialisation potential of the African continent is marred by many challenges which include the inadequate industrial and technological capabilities that continue to limit Africa's economic potential to achieve sustainable development in the global value chains (Dlomo & Rogerson, 2021). For instance, the heavy reliance on raw materials production remains a dominant theme in the African industrial landscape. This includes the continent's continuous struggle to transform its manufacturing sectors to the level of massive technological and industrial capability that exists in other regions of the world due to reliance on the exportation of primary monoculture commodities.

The research by Asche and Grimm (2017) offers suggestions on the relevance of manufacturing-led growth in the East Asian economy's progress and argues that this is lacking or inadequate in the African region and making its manufacturing industries remain uncompetitive. This is because much of Africa's economy remains centred on low-value-added sectors with inadequate manufacturing capabilities for industrial scalability. Dlomo and Rogerson (2021) claimed that infrastructural deficiencies remain a critical obstacle in Africa's industrialisation efforts. Digital infrastructure and inadequate energy generation inhibit crucial sectors of the economy such as automotive from significantly contributing to industrial growth by increasing productivity levels (Nwaiwu, 2021). This is coupled with inherent economic factors involving limited economies of scale, inadequate technological capabilities, and high cost of production. The existence of weak

institutions to fabricate effective economic policy, inefficient bureaucracies, and policy inconsistency additionally limit industrial development and mismanagement of resources including innovative shortfalls.

Despite the above challenges, Africa's fastest-growing population and vast reserves of critical minerals can serve as important elements in enhancing Africa's industrialisation potential. Specifically, the recent turbulence and economic uncertainty in global markets, the global pandemic, and geopolitical events such as the Russia-Ukraine war could boost manufacturing production in the region. Critical minerals such as copper, aluminium, lithium and manganese are abundant in Africa and are more needed for the production of high-tech products like mobile telephone supply and renewable energy products. Africa holds a strategically important position in the global supply of transition-critical metals, accounting for roughly 20% of the world's total reserves (Akinwumi, 2024). This substantial endowment positions the continent as a key player in the renewable energy and decarbonization agenda, given the growing demand for these minerals in green technologies.

The automotive industry is now seen as a growing high-tech sector in Africa. Countries like Morocco and South Africa are becoming important centers for car manufacturing on the continent. Meanwhile, the Democratic Republic of the Congo (DRC) supplies much of the world's cobalt with about 46% of global reserves. Recently, the DRC has started making cathode precursors, a key material for batteries, showing Africa's potential to move into more advanced industries, especially in energy storage. Countries like Egypt, Morocco, and South Africa have already made strides in manufacturing solar panels, with further opportunities in assembling solar fields.

2. The Role of the African Diaspora in Africa's Technological and Industrial Development

The role of the African diaspora in facilitating technological and industrial development across the continent has gained increasing scholarly attention in recent years. This reflects a broader shift in global development discourse from narratives of "brain drain" to "brain gain" and knowledge circulation (Selelo et al., 2023; Siekierski et al., Mlambo & Adetiba, 2020). The diaspora is now widely recognised as a critical transnational constituency with the capacity to influence economic transformation through knowledge transfer, capital flows, innovation networks, and entrepreneurial engagement (Mukhongo, Mano & Chuma, 2023; Smart & Hsu, 2004). Scholars have explored how diasporic communities maintain enduring social and emotional ties to their homelands, enabling them to contribute meaningfully to developmental initiatives via remittances, investment in start-ups, and collaboration with domestic institutions (Filipović, Devjak & Putnik 2012; Akanle & Ola-Lawson, 2022). Particularly within Africa, the diaspora's potential to stimulate technological advancement and industrial scaling is increasingly viewed as a valuable yet underutilised resource one capable of bridging capacity gaps in human capital, infrastructure, and innovation systems (Mbohou, 2023; World Economic Forum, 2024).

According to World Atlas (2024), diaspora is commonly used to refer to the dispersion or migration of people from their ancestral homeland to different regions across the globe. They are formed by various factors such as colonisation, political conflicts, economic opportunities, or cultural ties. Recently, the diaspora has been widely recognised as an important element in increasing infrastructural investment, technological transfer, debt-financed partnerships, and partnerships for African development. This is because members of a diaspora often maintain a strong sense of identity and connection to their homeland, and as such represent a critical development constituency of social, economic, and cultural development of both their host and home countries (Mukhongo, Mano & Chuma, 2023). Nathan (2014) identified the growing structural shifts in the global economy to necessitate changes in how the diaspora is viewed as a brain drain or reverse technology transfer to a much more innovative idea of brain gain and knowledge circulation.

Similarly, the economic, political and social impact of diaspora networks has attracted much debate on how they can contribute to industrial potential and technological development. The development initiatives such as entrepreneurial activities are currently shaped by both residents and diaspora networks who have gained expansive entrepreneurial experience and human capital resources at a more advanced level. Pande's (2014) study on India's IT sector exemplifies how returning diaspora professionals have played a crucial role in establishing and growing the tech industry, ultimately enhancing global competitiveness and fostering

growth in knowledge-based industries. The demography of the African diaspora living abroad is about 200 million people and 1.4 billion-plus people living within (World Economic Forum, 2024). This indicates a diverse and widespread population with connections within and outside Africa with needed knowledge and technological expertise. Diasporas in essence serve as a link between different communities and play a significant role in global interconnectedness and contribution towards the broader economic growth objectives.

The relevance of diaspora is also noted in the aspect of providing significant investment and funds for start-up businesses in technological ventures. For instance, the study by Smart and Hsu highlights how Chinese diasporas are instrumental in facilitating investment in Silicon Valley which is now recognized as a global technology hub (Smart, 2004). The study by Mbohou (2023) similarly suggests that the diaspora represents an important factor in building networks with professionals in their host countries for much-needed knowledge and capital transfer in their home countries. This provides a solid ground for fostering collaboration on innovative ideas with diasporas to enhance productivity and industrial scaling.

Discussion

1. Silicon Savannah

Silicon Savannah is a Kenya-based dynamic tech hub that is notable for driving innovation by providing investment for start-ups and entrepreneurs. According to Martinez (2024), Silicon Savannah serves as a prime example of Africa's untapped potential and technological prowess in the global tech industry. This is based on its instrumental contribution to developing over 200 tech hubs and incubators with major technological innovations. For instance, digital literacy which is one of the main developmental challenges in Africa has recently made impactful strides in the innovative development of mobile money platforms involving M-Pesa, iHub, Gearbox, Konza Technopolis etc.

M-Pesa represents a diaspora-driven initiative that offers a mobile money transfer system assisting millions of customers previously unbanked in conducting bank transactions digitally. The platform has attracted about 66.2 million customers and facilitated the transfer of over 33 billion transactions between 2017-2024 (Sherif, 2024). This shows the platform's widespread adoption and growth and its transformative impact on the financial landscape in Kenya. In 2021, Kenya's ICT sector contribution to the country's GDP will be about 9.9%, showcasing the sector's rapid expansion and the growing importance of mobile-based financial services in driving financial inclusion for over 90% of people across the country to access and manage finances (Martinez, 2024). Additionally, M-Pesa's rapid expansion highlights the power of the African economy to engender innovative solutions that address consumers' evolving needs and catalyse economic development across the region.

The financial sector has been notable for receiving a significant boost from African diasporas, specifically in offering technological support. Blockchain and cryptocurrency platforms have been developed to support the fintech outlook on the continent and beyond. BitPesa represents Bitcoin technology that provides a seamless mode for users to send money to mobile wallets and buy bitcoins. This diaspora-led platform has contributed substantively by providing users with low-cost access to financial services. Additionally, businesses can expand their reach globally and conduct financial transactions remotely, thereby stimulating economic growth.

Wasoko is an e-commerce startup pioneered by the African diaspora. It offers the opportunity for informal retailers to connect directly with manufacturers in Côte d'Ivoire, Kenya, Sénégal, Tanzania, Rwanda, and Uganda (Wasoko, 2024). Wasoko helps local producers thrive through economic empowerment by providing a platform for their products or services to be exchanged with end-users. The Wasoko Innovation Hub is transforming the African e-commerce landscape by building world-class tech solutions to strengthen operational efficiency, enhance customer experience and improve delivery metrics. For the continent, this signalled increased employment and career opportunities. Between 2016 and 2022, about $125m in equity and venture financing have been provided to non-fintech startups in Africa (Oluwole, 2022). Wasoko has over 1000 employees and contributes over $850 billion annually to the Kenyan GDP (Kuuire, 2021).

Similarly, the Ushahidi crowdsourcing platform was developed to map out demographic events and disaster management before Kenya's election in 2007. Today, Ushahidi is internationally recognised as a tech company and is applied in many countries for diverse applications. For instance, the platform recorded 90,000 deployments internationally across 160 different countries (Rotich, 2017). This data indicates the potential of Africa's technological potential to enhance transparency, accountability, and collaborative problem-solving across diverse regions and sectors.

The African diaspora has been key in the growth of Silicon Savannah as a tech hub through investment and funding, remittances, global partnerships, skill development and technological transfer. According to Kumalo (2024), tech giants such as Microsoft, IBM, and Intel are global partners with Silicon Savannah that were facilitated by the diasporas to engender a dynamic tech environment for the development of innovation. In 2023, $1.4 billion was raised for African tech start-ups from diaspora members and foreign investors (Akabor, 2023). Similarly, African diaspora inventors are instrumental in facilitating access to information, increased financial inclusion, and the penetration of digital technologies such as M-Pesa and Ushahidi crowdsourcing platforms across Africa and other countries in the world (Franc, 2023).

2. African Business Angel Network (ABAN)

The African Business Angel Network (ABAN) represent a pan-African network organisation providing cross-border investment opportunities for start-ups and early-stage investors in various sectors. The platform brings together African diasporas specifically investors with resources and a wealth of expertise to invest in promising ventures in the African entrepreneurial ecosystem. This includes financial and non-financial support such as equity or debt funding, access to business networks, and mentorship. There are over 3,000 diaspora investors who offer support to the African investment landscape and are geared towards fostering innovation and entrepreneurship (ABAN, 2024). An initiative of ABAN is the Africa Business Angel Investment Vehicle (ABAIV). This was recently launched to provide investment and collaborative opportunities for investors in the African region and diasporas (ABAN, 2024). They helped facilitate a partnership between the Nairobi Business Angel Network (NAIBAN) and the Dutch Good Growth Fund in mid-2023 which signifies a strategic move to enhance monitoring and evaluation capabilities and streamline deal structures for better cost efficiency for start-ups. By leveraging the resources and expertise of the Dutch Good Growth Fund, NAIBAN is positioning itself for sustainable growth and impact in the long run.

ABAN additionally provide professional management to support investors with comprehensive portfolios and high-quality investment opportunities for capital needs. The expertise provided helps businesses and investors manage risks and maximise returns on investment, ultimately contributing to investment success in the African ecosystem.

ABAN's Contribution to Economic Growth and structural transformation spans the provision of employment opportunities and policy engagement. For instance, Investment opportunities in mobile technologies and services contributed about $144 billion through 1.7 million direct jobs across sub-Saharan Africa in 2020 (Ndung'u, 2020). ABAN (2024) noted that in the first and second quarters of 2023, 408 applications across Africa received an estimated investment of $22.5m. The investment in mobile technology has been instrumental in shaping the financial and labour market outlook in the continent by increasing efficiency in the information sector. The body also engages policymakers across the continent to achieve an investment target of $100m for about 1,000 startups to create over 10,000 jobs annually (ABAN, 2024).

3. Africa Technology Foundation (ATF)

Africa Technology Foundation (ATF) provides technical support and resources for start-ups to build sustainable businesses through initiatives such as VenturePATH, African Connections, Lions@frica, and Why Africa. The Why Africa initiative is designed to promote the continent's potential as a technology hub to attract global partnerships for investment opportunities. The VenturePATH is designed to help develop viable venture plans, capital access, and market insight for start-ups to compete in the global innovation ecosystem (ATF, 2024). The resources and support provided allow start-ups to scale more quickly and increase their

technological capacity. The VenturePATH also offer mentorship and training avenues for technical and founders' businesses to enhance their ability to run a sustainable business.

With the access of ATF to a global network and partnership through the African Connections initiative, African start-ups are open to opportunities to expand their market reach across regional and internal markets and facilitate critical innovation and investment activities. This additionally includes boosting local economies by creating jobs and employment opportunities essential in minimising poverty levels across the continent. Its strong diaspora networks assist in advocating for Public-Private-People-Partnerships (PPPP) and local initiatives that seek to empower entrepreneurs (ABAN, 2024). This initiative aligns with the Endogenous growth theory which suggests an African-led initiative that encourages a homegrown approach to financial and technological gaps. This by implication allows the continent the opportunities to foster technological empowerment and self-reliance.

Economically, ATF has helped add value to tech companies in the continents to develop innovative solutions that various sectors have utilised to address critical challenges. For instance, diaspora-led initiatives such as Flutterwave and Paystack have a significant impact on revolutionising the digital economy landscape in Africa by enabling an innovative payment platform that improves financial accessibility for users. The financial infrastructure provided by the Flutterwave platform additionally allows small businesses and individuals to facilitate payments at cheaper transactions thereby helping in driving economic growth.

4. African Diaspora Network (ADN)

African Diaspora Network (ADN) was established in 2010 to promote entrepreneurship and economic development on the African continent and accelerate access to financial and intellectual resources (ADN, 2024). The ADN has piloted several initiatives to foster knowledge sharing, investment opportunities, and partnerships for African entrepreneurs. These initiatives include the African Diaspora Investment Symposium (ADIS), Builders of Africa's Future (BAF), Impact and Innovation Forums (IIF), and Accelerating Black Leadership and Entrepreneurship (ABLE) (ADN, 2024b). The main focus of ADIS is fostering African entrepreneurial and innovative potentials and offering opportunities to explore investment, human capital support, network with investors, and foster partnerships. The BAF connect entrepreneurs with technological innovation across the continent in areas such as renewable energy, financial inclusion, commerce, industrial development, and agriculture.

The IIF is aimed at sustaining strategic and consistent diaspora engagement to harness the knowledge, investment, entrepreneurship, innovation, and human capital resources of the African diaspora. The focus of ABLE is accelerating enterprise development across the continent by strengthening, energising, and supporting small businesses and start-ups in developing innovative solutions to address essential community needs and spur sustainable growth.

The impact of the above initiatives cut across many areas including the acceleration in the growth of African businesses, technological development, and overall economic growth. This also suggests the importance of ADN in providing expertise, capital, and networking opportunities to support the growth of African businesses and industries. Between 2016 and 2024, about 162 entrepreneurs were provided with enterprise training under the ABLE initiative (ADN, 2024). Similarly, the IIF offers opportunities for 73 countries with 1419 attendees to exchange ideas on driving investment and human capital investment to the region in 2022. The Start Your Social Enterprise offer human capital support that results in about 30 Catholic Sisters gaining entrepreneurial skills which are additionally shared with underserved communities facing poverty. (ADN, 2024). In 2021, the ABLE initiative supported 54 Black entrepreneurs and assisted in building over 68 partnership networks whose goals align with enabling entrepreneurs to gain access to resources for business growth and sustainability (ADN, 2024).

Conclusion

On the promising side, trade liberalisation has been envisioned to open opportunities for developing economies to boost productivity levels, access to new markets, and attract foreign investment by limiting or removing tariffs, quotas, and other trade restrictions. This paper examined the impact of trade liberalisation

on Africa's persistent economic crisis and the pivotal role of African diasporas in driving technological development and industrial scale-up. The study analyses the historical legacy of trade liberalisation and its impact on Africa's technological development and the expansion of industrial sectors, the role of the African diaspora in advancing Africa's industrial potential and identification of cases of diaspora-driven innovations, and policy recommendations on sustaining beneficial diaspora engagement in enhancing Africa's technological and industrial development. The study draws from relevant secondary data particularly published academic work, reports, and other relevant literature.

The paper established that the implementation of numerous trade agreements has not resulted in realising the share of international and intra-African trade. Perhaps, the high prioritisation of extractive industries and less emphasis on industrialisation is identified as an explanation for why African economies lack the comparative advantage in technological and industrial capacity and thereby shift valuable resources from sectors that have the potential to drive long-term growth. An important element in enhancing Africa's industrial potential with emerging manufacturing capabilities, technological innovation, and burgeoning population is its vast diasporas. However, without appropriate policy support for meaningful engagement with diaspora communities, realising these potentials could remain torpid.

Africa's industrial growth potential remains constrained without structured diaspora engagement policies. Effective frameworks are urgently needed to leverage diaspora contributions in technology transfer, investment, and skills development, as evidenced by successful models like China's Thousand Talents Plan. However, current efforts face significant challenges including poor coordination, inadequate data on diaspora networks, and weak institutional support systems. To address these gaps, African governments must prioritize three key interventions. First, they should systematically identify and connect with diaspora professionals while creating incentives like tax breaks to encourage investment and knowledge-sharing. Second, policy reforms should simplify work permits, allow dual citizenship, and offer fiscal incentives to facilitate diaspora participation in local industries. Finally, governments need to develop clear implementation roadmaps that align diaspora expertise with national industrial priorities. By adopting these measures, African nations can transform their diaspora communities into powerful drivers of technological advancement and sustainable economic growth, ultimately bridging critical development gaps across the continent. Strategic diaspora engagement offers a viable pathway to overcome persistent industrial challenges and unlock Africa's full economic potential.

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