Chapter 27

The African Union's Strategy for Digital Transformation in Africa: Maximising Opportunities and Overcoming Challenges

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Introduction

Scholars and practitioners of African politics and African Union (AU) studies have been bedevilled by intersecting crises in the 2020s, including faltering democratisation (Fomunyoh 2020; Xolani, Nkosingiphile & Muzi 2022), growing insecurity (Obadare 2023; Siaplay & Werker 2023), and lopsided economic development patterns that originated during colonialism and further deepened during the Cold War (Cogneau, Dupraz & Mesplé-Somps 2018; Cramer, Sender & Oqubay 2020). Despite the efforts of national and regional actors to redress the dwindling economic performance of African states and rising insecurity as well as political instability, the failure to sprint towards continental integration has circumvented the ability to effect change, amidst the prospects for digital transformation.

The impetus towards digital transformation offers both opportunities and challenges for all stakeholders. However, the risk-to-benefit ratio is exceptionally high on a continent with a young population and an essentially green market still burdened by poor infrastructure, struggling economies, and a lack of effective co-ordinating mechanisms to bolster the digital economy. By 2030, it is estimated that more than 42% of the global youth will be African (El Habiti 2022). These numbers present an opportunity and a possible crisis if African leaders fail

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to appropriately plan (and implement the plans) to harness the demographic shift. Africa's young population and potential for innovation and commercial success have made it an attractive destination for investors. This is evidenced by the exponential multinational investments in information and communication technology (ICT) projects across the continent between 2003 and 2020, and the success of approximately 624 FinTech[1] companies (Tafese 2022; Kiyondou 2023). However, the continent still faces challenges, such as a high commercial failure rate and weak infrastructure (Liu 2019). Moreover, digital transformation in Africa has been hindered by a lack of material infrastructure and affordability constraints (Sumatra & Lanvin 2020).

The introduction of the African Union's Digital Transformation Strategy (AU's DTS) of 2020 provides an opportunity for the continent to reverse its fortunes and integrate itself with the global economy, which is being pivoted towards digital technologies. The DTS promises to provide inclusive and sustainable development across the African continent. Still, its success hinges on many factors, which include being able to harness its relationships with the private sector and other external partners, as well as enhancing intra-regional collaborations.

This chapter examines the AU's DTS and suggests ways to maximise the available opportunities and overcome some of the endemic challenges to digital transformation on the continent. The discussion proceeds in the following steps: first, the chapter engages the features of the AU digital transformation strategy; second, it highlights the current state of digital transformation on the continent, including an examination of the policy environment; third and fourth, it assesses the risks and opportunities available, such as the ability to tap into geopolitical contestation between the current technology standard bearers like the United States (US), the European Union (EU), and China, for Africa's benefit; and, the fifth step, which is the concluding section, reflects on how to ensure that Africa's vision for a digitally transformed society comes to fruition.

1 FinTech is the word combination, or portmanteau, of 'Financial Technology'. It refers to the use of digital technologies to offer financial services.

The African Union Digital Transformation Strategy

In the evolving global digital economy, the lexicon grows in tandem. While often used interchangeably, terms such as digitisation, digital transformation, and digitalisation carry distinct connotations. Digitisation refers to converting analogue items (like documents) or processes into a digital format. Digitalisation, however, involves modifying existing processes or developing new ones. Digital transformation is a broader concept that includes altering processes and systems through digital technologies. It's a comprehensive approach to conducting government business, influencing everything from future work trends to public service administration.

Digitalisation efforts in Africa have long fallen behind the rest of the world for several reasons, including politics and history. With the global economy becoming increasingly digitalised and the rising importance of digital trade, it is essential that African countries are no longer behind the curve. Africa's digital transformation is supported by strategic plans such as Agenda 2063, connectivity targets within the sustainable development goals (SDGs), the EU project, the International Telecommunications Union (ITU), and UNICEF's Giga Project. The AU Commission (AUC) developed the DTS for 2020-2030 to harmonise continental and international efforts to close the digital divide. The continental frameworks were anchored on the Policy and Regulatory Initiative for Africa (PRIDA), the Programme for Infrastructure Development in Africa (PIDA), the African Continental Free Trade Area (AfCFTA), the Single African Air Transport Market (SAATM), and the Free Movement of Persons (FMP).

The DTS is the result of regular consultations with several internal and external stakeholders, including the EU, the UN Economic Commission for Africa (UNECA), Smart Africa, the African Union Development Agency's New Partnership for Africa's Development (AUDA-NEPAD), the various regional economic communities (RECs), the African Development Bank (AfDB), African Telecommunications Union (ATU), Africa Capacity Building Foundation, International Telecommunication Union

(ITU) and the World Bank. The foundational pillars of the DTS are the availability of an enabling environment, policy and regulation, digital infrastructure, digital skills and entrepreneurship, innovation, and research.

Yet, despite developing a comprehensive multistakeholder plan, the AU is still struggling with ratifying and implementing crucial policy pieces. The late ratification of the Malabo Convention on Cyber Security illustrates the gap that bogs the AU's best-laid plans (see Table 13). The convention is a legal framework developed by the AU to provide general rules and principles on three broad themes: personal data protection, cybersecurity, and electronic transactions. It took nine years for the convention to come into force after it was signed in Malabo, Equatorial Guinea in 2014. It was supposed to be operational in 2020 but only came into force in June 2023 after Mauritania became the 15th state to ratify the convention in May 2023. Similarly, the AU developed a digital technology and ICT framework to support digitisation on a continental level, but it risks suffering the same fate as the Malabo Convention.

One of the DTS aims is to develop an African Single Digital Market (SDM). Its potential rests on the assumption that the continent's digitalisation can move steadily enough to support its development. Yet, the basic building blocks for this to happen, basic infrastructure such as electricity, is not widely available. For example, Central and West Africa are the regions in Africa with the lowest levels of electrification, with only 30% and 47% of their respective populations having access to electricity. In contrast, East and Southern Africa have slightly higher levels of electrification, with 53% and 51% of their populations having access to electricity. North Africa stands out as the region with the highest level of electrification, with a remarkable 98% of its population having access to electricity (Statista 2023). Moreover, the slow progress in negotiating and implementing an AfCFTA protocol on e-commerce also jeopardises the feasibility of an SDM.

Table 27.1: List of Countries that have Ratified the Malabo Convention

Country	Date of Ratification
Senegal	16 August 2016
Mauritius	14 March 2018
Guinea	16 October 2018
Namibia	1 February 2019
Ghana	3 June 2019
Rwanda	21 November 2019
Angola	11 May 2020
Mozambique	21 January 2020
Congo	23 October 2020
Zambia	24 March 2021
Cape Verde	5 February 2022
Niger	16 March 2022
Togo	19 October 2021
Côte d'Ivoire	3 April 2023
Mauritania	9 May 2023

Source: Adapted from African Union, 2023

Out of 55 African countries, only 15 were needed to ratify the Malabo Convention to come into force as per the stipulation of Article 36 of the convention, but even that took many years. This speaks to the disconnect between the stated vision and objectives of the AU, specifically the AUC, and its ability to get buy-in from individual member states. The reasons for the convention's delayed entry into force can be attributed to several factors. Moctar Yedaly, former head of the Information Society for the AUC and Mauritania's minister of digital transformation, innovation and modernisation, and Abdul-Hakeem Ajijola, Chair of the African Union Cybersecurity Experts Group (AUCSEG), have highlighted the difficulties encountered in the process of adoption and ratification by member states (Carnegie Endowment 2023). Through informal engagements with member states and other

stakeholders, the AUCSEG discovered significant challenges, such as a lack of awareness of the convention's significance and misunderstandings of its implications for local decisionmaking. For instance, many government representatives were unaware of the opt-out clauses available where sovereignty concerns arose. As the convention's text aged, calls emerged to abandon it and draft a new one (Carnegie Endowment 2023). In other words, the AU and country-level bureaucracies have prolonged this journey.

It is important to note that this phenomenon is not unique to the African context. Ajijola pointed out that the Budapest Convention (The Convention on Cybercrime) was initially conceived in the 1990s, adopted in 2001, and only went into effect in 2004. This underscores the complexity of adopting and implementing international conventions (Carnegie Endowment 2023).

What Are the Challenges?

A challenge for digitalisation and digital transformation in Africa is that much of the process is externally driven, which can often counter development mandates. The profit-driven private sector often owns the hard infrastructure, and the continent's regulatory framework is ill-equipped to support the digitisation process. Additionally, Kathure (2021) points out that too many bilateral and multilateral agreements work outside the ambit of a Pan-African strategy and notes a lack of a concluded e-commerce protocol. Yet, as Pawalk (2022) underscores, the overall dynamics brought forward by the digital age mean that African countries and the AU must reconsider their positionality concerning their participation in the digital ecosystem. Africans are not simply recipients of technology; there is a broader dynamic at play, which includes geopolitical competition and the battle for who sets the standards for the global digital future concerning infrastructure, systems, and overall governance of the digital ecosystem.

The EU, the US, and China are currently competing standard-bearers for the global digital ecosystem and competitors for broader control of the global digital economy. Their battles for dominance affect everything from the rules on data protection

to contestation over whose infrastructure should be the gold standard. Their level of competition is rooted in the geopolitical desire for dominance and ideological differences in how the future global economy should be run. The US approach is liberal and gives a lot of power to corporate entities, compared to the EU, which is more co-ordinated in its approach but keeps its citizens' privacy central to its concerns. As crystallised in its Digital Silk Road (DSR) strategy, the Chinese approach revolves around deploying infrastructure, such as data centres, sub-sea cables, etc., in line with its Belt and Road Initiative (BRI).

Like the US, the EU has been forced to re-evaluate its engagement with Africa in response to China's growing influence. Despite China's dominance in the global ICT hardware market, with companies such as Huawei operating in 170 countries, the EU is attempting to counter this by strengthening its soft infrastructure. This includes the development of data protection standards such as the General Data Protection Regulation (GDPR)[2] and advancements in 5G and 6G technologies. At the same time, the EU and the US have strengthened their partnership around the digital economy and digitalisation. Establishing the EU-US transatlantic partnership and the EU-US Trade and Technology Council (TTC) in June 2021 demonstrates a commitment to curbing Chinese influence. At its inaugural meeting in September 2021, the TTC agreed to collaborate on regulating global semiconductor supply chains and adopting a unified approach to technology standards while respecting each other's regulatory autonomy.

These developments have significant implications for African countries, increasingly forced to choose sides in the battle between the EU, the US, and China. At the same time, relations between the EU and Africa are evolving, shifting from development co-operation to partnerships. However, this is complicated because the EU has multiple bilateral relationships with AU member states and regional economic communities (RECs).

2 EU regulation aims to protect the privacy and personal data of individuals within the EU.

Moreover, the EU's regulatory power has already had a significant impact on Africa's digital infrastructure landscape, and this is set to continue as Africa's planned SDM interfaces with the EU's SDM (which largely informs its closer push towards Africa). It is impossible to view geopolitical partnerships, as well as the ensuing competition, outside of existing frameworks. For instance, with regards to the EU, there was already a European neighbourhood policy for North Africa and the ACP-EU Cotonou Agreement for Sub-Saharan Africa that informed the engagement on EU-Africa relations, including digital concerns. The EU proposes that Africa model its digital environment on the EU model, using its dominance in the regulatory environment and tight development partnerships to shape Africa's digital ecosystem.

However, there are concerns about the potential dangers of mimicking the EU model, given that Africa's digital development is at a different stage. Georgieva (2021) suggests that a simultaneous adoption of protectionist telecommunications and digital regulation might be a step in the right direction for Africa's development. The pressure for liberal market conditions from the Global North will continue to be an issue as Africa seeks workable solutions.

Pawlak (2022:53) puts forward an interesting query: "The question that African countries need to confront is no longer how to close the digital divide and provide access for their citizens but, more importantly, which vision of the digital space they wish to pursue". Ultimately, the hope for Africa is to develop and implement a comprehensive digital transformation framework that considers contextual challenges. To address these challenges, the AU must confront several gaps, particularly concerning infrastructure and addressing the deficiencies in its policy environment.

The Infrastructure Conundrum

Closing the digital divide means that AU member states must seriously provide soft and hard infrastructures. But taking such steps does not only mean that countries would individually and

collectively take innovation more seriously; it would also address what digital future they want to embody. Yet, there is a disconnect between what future AU member states profess and what they individually pursue. In real-world terms, this means that the digital transformation will continue to be shaped by an external (often commercial) impetus rather than internal needs. Moreover, the asymmetry of infrastructure deployment, particularly regarding broadband and under-sea cables, even down to the sophistication of available mobile phones, will continue and perhaps even intensify.

In the 21st century, South Africa, Nigeria, Egypt, Rwanda, and Kenya are outliers on the continent concerning their focus on the digital future. South Africa has continued to be ahead of other African countries on the Global Innovation Index (GII)[3] – despite its internal challenges in 2022 (Global Innovation Index 2022:19).

China has become a dependable partner for Africa in the last two decades, particularly in the technology sector. A considerable portion of Africa's digital infrastructure comprises Chinese components, with Chinese giant Huawei's components making up as much as 70% of Africa's 4G network (Feldstein 2020; Ehl 2022). In response, in 2023, the US House of Representatives launched a resolution (H.Res.145) calling for a review of its relations with South Africa due to the country's use of Chinese technology and its close ties with China, which included joint naval exercises between China, Russia, and South Africa (United States Congress 2023). Some members of the US administration have been advocating for the Biden administration to apply pressure on South Africa to comply with their demands. At the time of writing, the House Committee on Foreign Affairs was reviewing the resolution (US Congress Bill Tracker 2023). This is not an isolated incident, as the US and EU have previously attempted to limit China's influence in Africa's developing digital ecosystem.

However, it may be too late for the US to significantly change its relationship with Africa regarding technology. To

3 The Global Innovation Index (GII) is a yearly assessment that ranks countries based on their innovation capabilities and the performance of their innovation ecosystems. This index is published by the World Intellectual Property Organization (WIPO).

counter China's investment in Africa's digital ecosystem, the Biden-Harris administration launched the Digital Transformation in Africa (DTA) initiative to improve digital access and literacy on the continent. Nonetheless, this initiative and Prosper Africa[4] still fall short of the level of investment and influence China already established on the continent. It is instructive to note that external stakeholders cannot solely address Africa's infrastructure issues, which is a call to the AU to be more proactive as an institution and become more involved in the technology race. In other words, it needs to 'put its money where its mouth is' about bringing the DTS to life.

Strong public institutions are essential for building regional and world-scale infrastructures. As Edwards (2003:200) explains, "building regional to world-scale infrastructures requires large institutions with long lifespans, enormous political, economic, and social power, and (on the private-sector side) great wealth". In the African context, this means that regional institutions such as the AU and the RECs must ensure that the building blocks for an SDM are in place, as they continue to reform and adapt to implement AfCFTA.

Weak Co-ordination and Harmonisation

The lack of harmonisation and coordination between the AU and the RECs hampers the successful implementation of the DTS. This has implications for successfully integrating the continent's digital ecosystem. The long delay in ratifying the Malabo Convention illustrates the failure to galvanise member states to enact necessary legislation. Arguably, the ultimate success of the DTS hinges on creating an attractive regulatory environment that is developmentally responsive and not just market driven. While private investment is necessary to build infrastructure and distribution capabilities, the regulatory and policy framework must be driven towards enhancing the developmental aspirations of the AU and its member states. Otherwise, the digital divide

4 This is a US government initiative to connect US and African businesses in order to facilitate two-way trade.

will deepen, as poorer people cannot access or benefit from increased connectivity.

The overall purpose of the DTS is to buttress the policies of the existing RECs and African states. However, there is a disconnect between the various RECs concerning developing an appropriate policy and regulatory environment. For instance, as Jan Hofmeyr, Ndeapo Wolf and Deon Cloete highlight, the existing laws that govern digital spaces in the SADC region are often marked by constitutional clauses that are both wide-ranging and shallow, such as the right to privacy for citizens (Hofmeyr, Wolf & Cloete 2023). They argue that policymakers must focus on incorporating 'privacy-by-design' and human rights principles into digital governance policies. Additionally, they emphasise the urgent need to strengthen regulatory competencies in this area. Regional harmonisation and co-ordination are necessary to ensure interoperability and shore up the sectoral components of the DTS, particularly the digital economy, including digital trade, financial services, digital governance and digital education, health and agriculture. However, not all RECs have a regional framework around any part of the digital ecosystem – from privacy protection to e-commerce.

There have been various approaches to legislation and regulation of the digital economy across Africa. According to UNCTAD (2021), only 61% of African states have legislation that deals with electronic transactions. Table 2 presents the state of e-commerce legislation in e-transactions, consumer protection, data protection/privacy, and cybercrime adoption among the 54 African member states of the United Nations Conference on Trade and Development (UNCTAD).

Table 27.2: Adoption of e-Commerce Legislation in Africa

Type of Legislation	Percentage
Privacy and data protection	28 (52%)
Cybercrime	39 (72%)
Electronic transactions	33 (61%)
Consumer protections	28 (52%)

Source: UNCTAD (2021b) Summary of Adoption of E-Commerce Legislation Worldwide – adapted by author.

The PRIDA, one of the building blocks of Africa's DTS, aims to improve affordability and access to the digital economy. A joint initiative of the AU, the EU, and the ITU, one of PRIDA's three tracks focuses on harmonising spectrum utilisation and regulation. However, achieving regulatory harmonisation remains challenging, as individual states have different approaches to the digital economy and telecommunications infrastructure. The concept of regulation is contentious due to fears that it may stifle innovation and growth. Andile Ngcaba, South Africa's former director-general of communications, warns: "We need to move away from regulation to enabling growth and the future. Regulating too early may stunt the development of digital economies, especially in Africa. We need to rather think of models and systems to enable innovation and investment" (Resha 2021:6).

Table 27.3: Regional Digital Policies/Frameworks

REC	Digital Strategy/ Policy
East African Community (EAC)	Eastern Africa Regional Digital Integration Project (EARDIP) – developed to support a regional SDM, including digital identity management and digital financial services Digital Regional East African Community Health (REACH) Initiative - integrating ICTs to improve health services, including disease surveillance
Common Market for Eastern and Southern Africa (COMESA)	Developed Digital Free Trade Area which has several implementing mechanisms to ensure digital trade, including e-certificate of origin Draft Model Policy for The Digital Payments Platform for MSMEs in COMESA and the Digital Financial Inclusion Programme COMESA has an €8m regional ICT programme aimed at enhancing the governance and enabling environment in the ICT sector in Eastern Africa, Southern Africa, and the Indian Ocean region
Community of Sahel–Saharan States (CEN–SAD)	No regional strategy
Arab Maghreb Union (UMA)	No regional strategy

REC	Digital Strategy/ Policy
Intergovernmental Authority on Development (IGAD)	Regional Strategy (2021-2025)
Southern African Development Community (SADC)	Plans for 'Digital SADC' fall under the Regional Infrastructure Master plan SADC Model Law on Electronic Transactions e-commerce strategy
Economic Community of West African States (ECOWAS)	Developing e-commerce strategy
Economic Community of Central African States (ECCAS)	No regional strategy

Source: Authors Compilation

Further illustrating the lack of continental and regional co-operation and harmonisation between individual member states, the AUC and the Organisation for Economic Co-operation and Development (OECD) report that,

> [m]ost national strategies aim at turning a country into a 'regional digital hub' but do not prioritise regional and continental co-operation. National regulatory agencies cannot deal with technology-related challenges in isolation. Suppose governments do not fix the issues at the regional and continental levels. In that case, they may not be able to realise the full potential of digital transformation for African firms and job creation (AUC/OECD 2021:30).

Successful policy harmonisation and interoperability are essential to successful digital transformation and plug potential vulnerabilities on various issues from intellectual property (IP) protection to data protection and cybersecurity. For instance, if a country like Nigeria does not have adequate digital policy harmonisation in ECOWAS, how would regional digital trade be

possible? Moreover, poor harmonisation hampers the negotiating power with external powers such as the EU and the US.

What are Some of the Pathways to Successful Digital Transformation?

The DTS is one of the most significant strategies developed by the AUC. In the 21st century, digital transformation represents a chance for significant and sustainable socio-economic development outcomes for the African continent. The continent still lags behind other regions concerning internet access – a fundamental component of the digital ecosystem. In 2022, the internet penetration rate on the continent sat at approximately 43% compared to the global average of approximately 67% (Internet World Statistics 2023). Moreover, there is still a significant digital divide between African countries. For instance, Morocco has the highest penetration rate, at approximately 88%, with the Central African Republic sitting at barely 10%; worse still are countries like Burundi and South Sudan, not even reaching the 10% penetration rate (Statista 2024; Meltwater 2023). To bridge these gaps at a continental, regional, and national level, concerted efforts must be made.

It is important to note that the leading digital powers are broadly battling to shape the global digital future. This global struggle encompasses everything from discussions on the future of the internet to standard-setting, as seen with the recent debates around 5G and infrastructure deployment. Right in the middle of these battles are African countries still playing catch-up with the rest of the world. The COVID-19 pandemic underscored the importance of ramping up investments in digital transformation worldwide, particularly in Africa.

One of the most significant efforts to harmonise the efforts of the public and private sectors at a continental level is the AU Data Policy Framework, published in June 2022, to bolster the DTS and set a comprehensive agenda for accomplishing its goals. The competing agendas, particularly amongst the leading powers, necessitate that the AU reflect on what the various digital partners are offering, and whether what is being offered progresses

Africa's vision for itself. The policy framework, particularly around sovereignty, is arguably more inward-focused, stating that, "Member States, AUC, RECs, African Institutions and International Organisations shall cooperate to create capacity to enable African countries to self-manage their data, take advantage of data flows and govern data appropriately" (AUC 2022:19).

However, the framework does not offer a set definition of data, leaving this to the various data protection authorities on the continent. Arguably, this is a double-edged sword; on the one side, it gives the authorities a lot of flexibility, and on the other side, it offers room for external parties to offer up a definition where there is none. The major challenge is that it offers room for African interests to be further shaped by external concerns.

Indeed, digital transformation is an economic and political exercise with high-stakes geopolitical implications. Put simply, the market opportunities presented by the continent are immense, with billions of dollars at stake. However, digital and frontier technologies are the lynchpins of the future global system, affecting everything from health to the economy to governance. Being able to shape the world's digital future is highly attractive and leads to competition between the current digital powers on every issue, from the regulatory environment to the infrastructure.

Relations with China

The DSR is an interesting concept because it is not a clear policy, but a relatively nebulous one. As Cheng and Zeng (2022) point out, the DSR did not initially have an implementation plan. Rather, its "meaning and substance happened in an incremental and subsequent manner, one that was not only driven by competing interests among Chinese state actors but also in a way that allowed considerable room for Chinese digital – often private – companies to shape the meaning of the Digital Silk Road for their own corporate agendas" (Cheng & Zeng 2022:3). Indeed, the DSR appears to be more of a public relations mechanism or 'slogan'

that domestic actors jumped on the bandwagon to put forward their commercial agenda (Cheng & Zeng 2022).

Moreover, as Tugendhat and Voo (2021:2) reveal, even on the part of the Chinese government, funding for technology projects was greater before the launch of the DSR in 2015. The more profound question then should be: What is the real purpose of the DSR, if it is not a clearly defined policy and does not have the financial muscle as is portrayed? It has galvanised its geopolitical competitors, and it is undeniable that Chinese involvement in the continent has intensified. One of the critical areas of involvement is in telecommunications infrastructure, which was part of the original conception of the BRI, which by 2021 had the AUC and the 46 countries as signatories (Impiombato 2022:49). Importantly, and as dreaded by the EU and the US, this degree of dominance allows for "data and intelligence gathering" (Impiombato 2022; Greene & Trollo 2020). Moreover,

> financing channels create a closed loop between China's technology companies and government investment. Chinese companies in the telecommunications sector are fundamentally different from their Western competitors. In particular, they are subject to Chinese laws on national security, including cybersecurity, intelligence, and counterespionage (Greene & Trollo 2020:51).

Ultimately, China's DSR facilitates Chinese companies' investments in ICTs; many African countries' telecommunications ecosystems have significantly benefited from DSR-linked investments (Agbebi 2022), one of the significant beneficiaries being Huawei rather than Chinese state-owned enterprises (SOEs) (Tugendhat & Voo 2021:2).

Relations with the US

Managing these relationships is paramount for Africa, which is still shaping the normative principles and regulatory frameworks concerning data governance, digital sovereignty, and cybersecurity. However, African countries (individually and regionally) should not be compelled to adopt strategies that fail

to address their needs regarding infrastructure development and financial support. It is crucial to ensure that any adopted measures align with the unique socio-economic contexts of each country. It is also critical to remember that Africa's digital transformation offers an unbeatable opportunity because there is still so much room for growth and a young population.

For instance, even though US investment in the continent has declined over the last few decades for many reasons (Meltzer 2016), the continent's opportunities have reawakened. The US-Africa Leaders' Summit in 2022 was a critical turning point when President Joe Biden's administration launched the US$800 million DTA initiative. The DTA was born partly because of concern about China's growing influence on the continent and awareness of the continent's digital transformation opportunities. It rests on three pillars: digital economy and infrastructure, human capital development, and building a digitally enabling environment (The White House 2022).

For the US and its private sector, there is plenty of scope to leverage its investments in support of the DTS and other existing initiatives on the continent. A key area for investment and partnership can easily be around tech start-ups in Africa (Boa-Guehe 2023:2-3). In 2022, there were 3 360 start-ups on the continent, mainly in Nigeria, Egypt, South Africa, and Kenya (Fintech Times 2022; Omoniyi 2023). This illustrates the sector's vibrancy; however, many of these start-ups still struggle, including a lack of access to appropriate financing, a lack of infrastructure, and a rigid domestic regulatory environment (Quadri 2022; Okoye 2020). Boa-Guehe (2023:4) argues that the US could engage with African policy "to usher African policy options necessary to fully integrate technology into the economy, encourage innovation, and support start-ups to thrive". Such a partnership would undoubtedly benefit African states, provided it adheres to the frameworks established by the African Union. Allowing external partners without these safeguards risks exposing Africans to the exploitative practices of the private sector.

Relations with the EU

The partnership with the EU is a logical extension of previous initiatives. However, the AU and its member states must evaluate whether such collaborations align with the broader needs of the continent. As highlighted by Bhorat *et al* (2023:4), it is crucial to comprehend the concept of digitalisation and digital economies within the larger framework of structural economic transformation. Despite the EU's stated ambitions, the regional body is not a leading digital power (Erforth & Fritzsche 2022:5). Nevertheless, its infrastructure drive in Africa, particularly its push to solidify its digital partnership on the continent, for the most part, has been galvanised by the inroads made by China. The EU's infrastructure investment falls under its Global Gateway strategy, closely aligned with the PIDA.

Moreover, the EU has instituted several initiatives to align Africa's digital future with the EU. One of these is its Digital4Development (D4D) approach. Thus,

> D4D rests on the idea that the key principles of the European Digital Single Market strategy can be translated and applied to other regions of the world. From early on, the EU focussed on Africa as a priority region and was quick to link the benefits expected from digital growth with the European Agenda on Migration. As an enabler of the Sustainable Development Goals and economic growth broadly speaking, D4D was also framed as a European answer to the "Global Connect Initiative" launched by the U.S. Department of State in 2016 (Erforth & Frtizche 2022:8).

Unlike the industrialised countries that have primarily pursued a manufacturing-led growth trajectory, developing countries have not been able to attain comparable levels of growth. Consequently, Bhorat *et al* (2023) argue that digitalisation and digital transformation present a unique opportunity for these countries to experience new economic growth. This could potentially enable them to 'leapfrog' stages of development, thereby fostering structural changes that lead to job creation and improved living

standards (Bhorat *et al* 2023:5). Considering this perspective, it would be strategically sound to capitalise on existing geopolitical tensions to drive positive economic outcomes. What is clear, however, is that all the key players have a digital transformation plan for Africa. Through the AU, it is up to African countries to use whatever leverage is available to ensure that the digital transformation investments and partnerships are in Africa's best interests.

Conclusion

One of the defining features of the 21st century is the emergence of a digitalised global economy. This has meant the increasing importance of digitalising traditional trade and services in content or delivery. Moreover, the digital economy is data-driven, such as using big data and advanced analytics, and the effects have been seen everywhere, from traditional commerce to diplomacy (Ashbrook 2020; Kurbalija 2022). Yet, African countries have been on the periphery of the shift and, therefore, risk being left out of the new economy – or, even worse – being relegated to a source of data (arguably a commodity), minerals for components, or simply a secondary market.

A vital aspect of a digital economy is the ability of states, businesses, and citizens to connect on a granular level. This level of interaction requires mobility, interoperability, and a political will not to leave anyone behind. For African countries, it also requires concerted efforts to bridge the gaps in internet access, infrastructure, and financing. What has become clear is that rapid digital transformation enables the continent to achieve significant and lasting socio-economic development outcomes. Africa's ability to integrate into the digital economy requires harnessing external relations and collectively harmonising policies and efforts to benefit the continent ultimately.

The DTS and the Data Policy Framework are concrete steps in ensuring that the public and private sectors are harmonised at a continental level. Yet, it is crucial that more work be undertaken by national and regional actors to address issues around data governance, digital sovereignty, and cybersecurity in African

countries. The failure to harmonise, ratify, or implement critical protocols and conventions has impeded socio-economic and digital development in Africa. One such example is the delayed ratification of the Malabo Convention on cybersecurity. Another example is the unequal creation and implementation of legislation supporting digital transformation across the continent, which affects the ability of African countries' systems to interface, not to speak of the significant infrastructure gaps between countries.

Amid this, several players are baying to influence Africa's digital future. Apart from the private sector and intergovernmental organisations, Africa's digital transformation has also captured the attention of geopolitical powers. However, their interest is not altruistic; they are interested in shaping the global digital economy, which means that Africa is just a spoke in a larger wheel. African countries should leverage all these relations, under the auspices of the AU, to ensure that the best possible outcome is achieved. This will enable Africa to fully integrate into the digital economy and become a significant actor, not just a periphery player. While digitisation is promising in Africa, both from within the continent and from external actors, there are also significant challenges and gaps in its implementation. A more co-ordinated and continent-owned approach to digital transformation is necessary to ensure its success and its subjection to Africa's aspirations.

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