Post-Covid-19: A chance to leapfrog Africa's development through digitalisation

By Cristina Duarte
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Africa recorded remarkable economic growth in the first 15 years of the 21st century, largely because of positive trends in the export of primary commodities, among other factors. However, this narrative of "Africa Rising" was skewed from the onset, as it focused mostly on economic growth based on gross domestic product (GDP), which is overly one-dimensional.

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In fact, the economic growth did not generate social inclusion through employment creation, thus failing to derive benefits from the demographic dividend of Africa's youthful population. Coupled with this, since the 1970s, policy-making in most post-independence African states has equated managing poverty with development, as opposed to socioeconomic transformation.

The shift from industrialisation in the early post-independence period to the current focus on poverty reduction has been a major contributor to the continent's economic malaise.

To generate development-oriented economic growth, Africa must now shift its focus to retaining and creating wealth, better managing of its resources, fostering inclusiveness, moving up on the global value chains (GVCs), diversifying its economies, optimising the energy mix, and placing human capital at the centre of policy-making. For this to happen, African policy making needs a reboot that is driven by innovation.

Embrace digital technologies

To address the myriad challenges facing Africa in the areas of food security, education, health and energy, as well as bridge the digital divide, it is essential for African policy-makers to harness innovation and the potential brought by digital technologies. This will be crucial for the continent's recovery from the current Covid-19 pandemic.

Digital technologies have been at the forefront of fighting the health crisis by tracking the virus, as well as the socio-economic crisis by ensuring continuity in education, business, and family matters. Unfortunately, the digital divide has not

allowed Africa to fully benefit from this opportunity, with only [28% of the population](#) using the internet.

Besides internet connectivity, the basics such as access to electricity, literacy, food security, financial inclusion and the required regulatory frameworks are missing, resulting in the population's inability to use the available digital solutions.

The Covid-19 pandemic has accentuated prevailing inequalities beyond the digital divide. While millions of people in Africa are unable to connect to the internet, many more lack access to electricity, water, education and health services, among other basic needs. These millions are simply out because they have been left behind.

Unless African policy-makers assume the access to digital technologies as an important socio-economic inclusion tool, the adoption of digital solutions will reach only those with electricity and access to telecommunications, reinforcing the prevailing inequalities and widening the gap between the "haves and have-nots".

In addition, it is important to avoid a narrow approach when assessing the digital divide, as it goes beyond the measurement of internet access and includes aspects such as infrastructure, applications and services. Of equal importance are the benefits to the user, such as social connectivity and versatile working, among others.

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Grasping prospects brought by Covid-19 crisis

Grasping the opportunities that all crises very subtly conceal is extremely difficult. But the prospects brought by the Covid-19 crisis for Africa must be seized. In a normal situation and within a framework of routines, it would be almost impossible to generate disruptions as deep as those triggered by the current crisis.

According to [McKinsey and Company](#), the Covid-19 crisis "contains the seeds of a large-scale reimagination of Africa's economic structure, service delivery systems and social contract. The crisis is accelerating trends such as digitalisation, market consolidation and regional cooperation, and is creating important new opportunities - for example, the promotion of local industry, the formalisation of small businesses and the upgrading of urban infrastructure".

Addressing disruptions caused by the pandemic and the return to a better normality require that innovation, particularly digital technology, is perceived as a prerequisite for Africa to address its main development challenges, such as poverty, limited access to health services, food insecurity, climate change and governance. It is also essential for enhancing productivity, competitiveness and economic diversification.

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Innovative digital solutions

Riding on this calamity, young Africans are turning the Covid-19 crisis into an opportunity to find innovative digital solutions to the challenges posed by the pandemic.

Examples of such innovations include [mSafari](#), a mobility company that has introduced a contact-tracing application for travellers, created by FabLab, an information and communication technology (ICT) hub in Kenya; [Wiqaytna 6](#), an application created in Morocco that notifies people when someone they have been in contact with tests positive for Covid-

19; [Global Mamas in Ghana](#), which is producing reusable masks and designed automated, contact-free, solar-powered hand-washing stations using locally sourced materials.

Despite these good examples, some challenges remain. African countries must address the socio-economic gap that feeds the digital divide. Unless this link is broken, it will be difficult to unlock structural transformation. Further, to generate transformative growth in Africa, digitalisation needs to be scaled up.

The last five years have witnessed a wave of change emerging in Africa. Three African initiatives indicate that the continent might be approaching a qualitative leap in both economic growth and development:

- The creation of the African Continental Free Trade Area (AfCFTA) with the objective of creating a single market should generate a combined GDP of more than $3.4tn and benefit more than one billion people;
- The South African government's creation of a new Centre for the Fourth Industrial Revolution (C4IR) of the World Economic Forum (WEF), for dialogue and cooperation on the challenges and opportunities presented by advanced technologies; and
- The launch of the Africa Growth Platform, an initiative by the WEF that aims to help companies to grow and compete internationally, leveraging the fact that in Africa, entrepreneurial activity in its initial stage is 13% higher than the global average.

These initiatives, if successfully implemented, may be game changers that galvanise the results of the digital revolution in Africa.

The wave of change is supported by two dynamics. First, the bottom-up approach where the digital transformation engine is at the level of companies and communities; and second, the top-down approach which includes the intervention of public authorities in creating a conducive environment through policies and innovation ecosystems.

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Private sector, civil society driving change

Regarding the bottom-up approach, the wave of change has been essentially driven by the private sector and civil society. More than 400 technology hubs have emerged across the continent, driven by young people who, despite adversities, are realizing how self-employment is linked to innovation. Three of these hubs in Lagos, Nigeria; Nairobi, Kenya; and Cape Town, South Africa, have achieved international recognition.

On the top-down approach driven by policy-makers, the [WEF's *Readiness for the Future Production 2018* report](#) indicates that of 25 African countries that were analysed, 22 were classified as having a low level of readiness, reflecting the absence of public policies focused on creating an ecosystem for innovation.

In this context, it is time to recognise that investing in broad-based digitalisation, geographically and at sector level, has become a key success factor to address not only socio-economic challenges, but also those related to peace and security, to unlock development and economic growth.

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A [study by the International Telecommunication Union (ITU)](#) on the economic contribution of broadband, digitisation and ICT estimated that a 10% increase in mobile broadband penetration in Africa would generate an increase of 2.5% in GDP per capita.

Digital technologies, duly integrated in an ecosystem of innovation, have become crucial for the delivery of policy-making in Africa. This is a matter of urgency, and prioritisation must include well calibrated regulatory frameworks, investment in infrastructure, digital skills, and financial inclusion.

Complex socio-ethical issues

While the massive adoption of digital technologies is unavoidable when addressing the socio-economic challenges facing Africa, it still has some cons. Better ICT democratises crucial information to production and market agents, enhancing the efficiency of value chains and supplying more affordable products and services, that eventually reach the most vulnerable part of the population.

However, policy-makers should also be cognisant of the resultant complex socio-ethical issues, particularly in Africa where weak institutions might be ill equipped to manage privacy, data, endogenous control and tax evasion exacerbated by the intangible economy.

This is where the [sustainable development goal (SDG) 16](#), which focuses on promoting just, peaceful and inclusive societies, and the role of building strong institutions, emerges as a mitigant to address constraints on technology transfer associated with misuse of intellectual property rights.

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