



PIDA WEEK

DEVELOPING AFRICAN DIGITAL ECONOMY (DADE) 😊

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Introduction

- All the humans' social organizations, frameworks and policies were leading toward production of goods.
- Until now it has been always about **PHYSICAL and TANGIBLE GOODS!**
 - In a very firm based- centralized way
- The digital revolution has changed it all!!
- The formal frameworks used to design and structure firms/organizations, lead, govern, and value them are becoming obsolete.
- The driving force behind this accelerating change is:
 - a shift from **tangible** to **intangible**,
 - from **physical** to **digital**,
 - and from **firm-based** to **network-based** business models.



New business Model

- **Network-centric Organizations-** creating economic returns by capitalizing on network advantages, such as:
 - co-creation with their customers (**Facebook**);
 - digital platforms (**Amazon**);
 - shared assets (**Uber and Airbnb**);
 - big data insights (**Netflix and Google**).
- The future of the industry is based on **intangibles** and **networks.**



Network Firm vs Traditional Firm

Network Firm	Market Value	Traditional Firm	Market Value
UBER	\$70 Billions No cars, more than a Million Drivers	HERTZ	\$7 Billions a 350 Thousands cars
Airbnb	\$24 Billions 1.5 Million Homes for rent- NONE OWNED	STARWOOD	\$12 Billion 1,270+ Hotels
WeChat	\$84 Billions, 650 Million users, 0 miles of infrastructure build/own	AT&T	\$207 Billion Market Cap 122 Millions Phone subscribers 11 Millions of Network Fiber
Alibaba	\$200 Billion market zero retail locations	Walmart	\$190 Market cap 11,000 Retail Locations



THE DIGITAL REVOLUTION

- The advent of digital Information and Communication Technologies (ICTs) has changed the lives of all people around the globe.
- ICTs have become the driving force of human progress.
- The acceleration and reliability of networks have changed the way we communicate, study, explore and shop; the way to inform, to entertain to organize, to develop and work.
- **The economy is more and more based on digital computing technologies**



The Digital Economy or Collaborative economy

- A human activity that seeks to generate public value and is based on new forms of organization of work.
- It is based on a more horizontal than vertical way of organization:
 - sharing of goods, spaces and tools (usage rather than ownership),
 - the organization of citizens into “network” or communities
 - and generally intermediation through internet platforms.
- Digital economy includes:
 - Collaborative consumption (couchsurfing, carpooling etc.)
 - Collaborative lifestyles (coworking, colocation, collective housing)
 - Collaborative finance (crowdfunding, peer to peer lending money, alternative currencies)
 - Contributory production -PRODUCTION COLLABORATIVE- (digital manufacturing, DIY, Fablabs, 3D printing, Maker space-online makers)



Renewable Energy and Manufacturing

- **The local renewable energy**
 - Several companies (Apple, IKEA) are making of them their primary source.
 - In Denmark and Germany, local communities, supported by cooperative banks are adopting cooperatives that produce energy locally.
 - Citizens are then involved in the decisions and are benefiting from lowest prices.
- **3 D printing**
 - Three D printers, replicate objects in the same way a photocopier replicates a two-dimensional image.
 - They copy of objects various size.
 - Used in jewelry, in the aerospace industry. Soon for building houses.
 - 3D printers allow the relocation of production.
 - Transport costs are removed.
 - The materials required for the manufacture can be found locally.
 - The energy used can also be a local renewable energy produced in collaborative economy at the lowest cost.



Funding and Uberization

- **Funding**

- CROWDFUNDING, peer to peer social lending. To date the peer to peer social lending accounted for \$ 1.8 billion
- Customers /Internet users provide necessary funding for the project posted online .
- ULULE (France), funded 8540 creative, supportive and innovative projects. Its success rate is 67% in 2015.
- ZOPA (UK)-peer to peer loan site in Britain provided in 2012 more than 414 million pounds of loans.
- Lending Club in the USA in 2014 has collected \$6.5 billion

- **Sharing economy or UBERIZATION**

- Carpooling would reduce by 80% the number of vehicles in circulation.
- Housing: 99% of members stated their positive experience from Airbnb and CouchSurfing,



Knowledge, skills, coproduction, tools

- **Knowledge sharing**
 - PatientsLikeMe -is driven by patients.
 - MOOCs, Coursera and Khan Academy- offer free or for a subscription to track online courses on various topics and open to all.
- **Skills**
 - Skills sharing sites are becoming more numerous on the internet.
 - Collaborative platforms such as Kang, allow companies and / or individuals to call/request professionals in fields of activity diverse and varied.
- **Coproduction**
 - People are more and more sharing their knowledge and skills to implement a project. This is the case for example in the automotive industry where the prototype of a car has been completely created through co-production.
- **Tools**
 - The pooling of tools or machines can take a lucrative form or providing peer communities.
 - It is widely practiced in the use of 3D printers.
 - The fablabs collective workshops are equipped with 3D printers.



Networked economy and leadership

- All is about leadership and visionaries
 - Traditional leaders ask what their organization can provide- BUT Network leaders ask what value their costumers/their people and other networks have to offer
 - Traditional leader think they are operating at full capacity- BUT Network leaders see the world differently and full of additional potential



Internet Trends in Africa

- ICTs have empowered many African Citizens
- Businesses of all socio-economic development sectors in Africa are now much more productive and efficient by harnessing new technology.
- They have gain access to a global marketplace of billions of people and millions of companies,
- With ICTs African Citizen can catch up with the rest of the world in all socio- Economic sectors: Education, Health, Agriculture, Banking etc...
- They also have access to new job opportunities, both nationally and internationally
- The Overall, Internet access is growing in Africa, and availability is significantly more advanced based on mobile broadband.



Digital Platforms in Africa

- There is the emergence of innovative platforms, which in turn are helping innovative new services and applications to emerge.
- Digital platforms as the foundation of Digital Economy are beginning to emerge in Africa
- A number of B2C services have emerged in Africa, serving local needs.
- New B2B services are emerging in Africa;
- E-government
 - They help to deliver services, and they promote demand in vital ways.



African Digital Platforms (1)

- ***Mobile money.***
 - M-Pesa, a mobile money service launched in
- ***Employment platforms.***
 - Local platforms are emerging to help match employees with employers for both full time and freelance work.
- ***ICT platforms.***
 - At the content level, Kooba, in Kenya, is a new carrier-neutral data center to host and deliver content locally.
 - The MTN Group offers the MTNPlay app store in 22 countries to help provide and monetize content.
 - Instabug (Egypt): Manages bug bounty programs for 26 of the Fortune 100;
 - Mi-Fone is a mobile device developer and manufacturer based in Mauritius.



African Digital Platforms (2)

- ***Emerging platforms.***

- **CowTribe (Ghana):** On-demand veterinary service that allows farmers to hail help for sick cows, sheep, and goats through an app.
- **Flare (Kenya):** Calls itself “Uber for ambulances and emergency care”
- **Okhtub (Egypt):** A matchmaking platform that provides life partner recommendations and marriage counseling services, designed to be accepted by local cultures.
- **BuyPower (Nigeria):** Allows consumers to purchase small units of electricity through an app, rather than having to queue at a kiosk.
- **Kangpe (Nigeria):** Connecting Francophone Africans with doctors to obtain medical advice through webcam.
- **AdsBrook in Ghana** is an African-focused digital advertising network to pair advertisers with relevant websites and mobile apps.



African Digital Platforms (3)

- ***E-learning platforms.***

- **Nigerian tool Tutor.ng**, which teaches adults skills such as reading, spelling, history, science, and the creative arts.
- **The South African platform Obami**, describes itself as a “digital learning intervention”, harnessing the power of algorithms to tailor online course content in everything from child care to positive mindfulness and the rules of Creative Commons licenses, so to best fit the needs of the learner.
- **Rekindle Learning (South Africa)** is an adaptive learning tool built on a mobile platform, whose founder, Rapelang Rabana, has been recognized as a top young entrepreneur in Africa



African Digital Platforms (4)

- ***Fin-tech Platforms:***

- **Aella (Nigeria):** Aims to bring faster access to loans to the 435 million Africans with limited credit resources. Its algorithm for identifying creditworthy borrowers has attracted significant interest from financial institutions in the US and Europe. In the Fintech community this is a very hot startup.
- **Asaak (Uganda):** Seeks to expand access to financial services and insurance in East Africa to those with little access to capital. Borrowers who have repaid multiple micro-loans are able to step in as guarantors to new users, potentially



Challenges of the Digital Economy (1)

- The Digital Economy has brought with it new challenges.
 - Aligning new economic models with existing regulation on:
 - consumer protection,
 - taxation, definition/licensing,
 - health and safety norms, social security,
 - employment protection
 - Cybersecurity
 - Personal Data protection. .

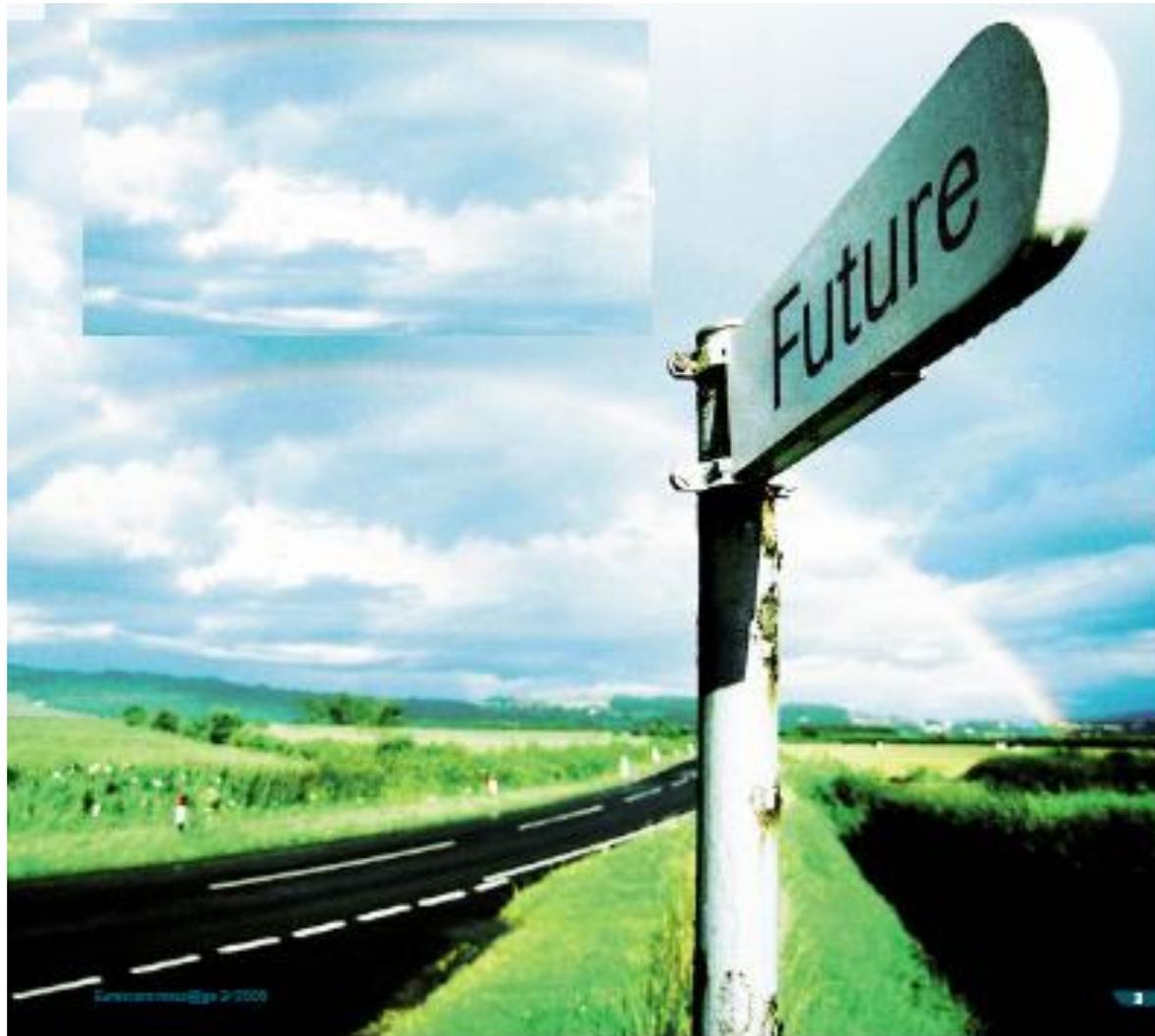


Challenges of the Digital Economy (2)

- The major obstacles that can hamper the collaborative economy include the following:
 - Illiteracy among youth;
 - Lack of financing institutions;
 - Language barriers that scare away a good population from the benefits that comes with free trade;
 - Poor health care and disease prevalence in Africa has which scares the other nations from allowing free trade with other nations.
- Three gaps need to be addressed to favor the digital economy in Africa:
 - **Gap 1 – Availability:**
 - *Where there is mobile cellular coverage, but the infrastructure has not been upgraded to distribute mobile broadband.*
 - **Gap 2 – Adoption:**
 - *Where there are potential users who have access to broadband, but have not yet chosen to adopt it. This is a demand-side issue that can be addressed by making access more affordable and attractive.*
 - **Gap 3 – Usage:**
 - *Quality access to the Internet is essential for the Internet to be used.*



Peek into the





How will be our life in 20 years ***(The new 100 years!!)***

- It's highly likely that our lifestyle will be changed by technology
 - Everyone in the planet will be networked
 - Homes, cars, businesses, and OUR BODIES will be instrumented and monitored
- Some speculate that:
 - We will email tangible object – not ship them
 - Use DNA to sign digital fingerprints as privacy safeguard
 - Meet people using holograms
 - All be “SUPERCOMPUTER” without controlled mechanism enabling us to sear the web inside our brains



The future is here

“It’s just not evenly distributed yet”.

- The future is happening faster and faster.
- Technology is the great leveler, the great unifier, the great creator of new and destroyer of old.
- **The greatest shift since the dawn of humankind**
 - Technology is taking over every part of our lives;
 - every part of society;
 - every waking moment of every day.
 - Increasingly pervasive data networks and connected devices are causing rapid information flows from the source to the masses – and down the economic ladders
 - from the developed societies to the poorest.
 - From biology to energy
 - to media to politics
 - to food to transportation,
- we are witnessing unprecedented shifts that are redefining our future.



Recommendations

- **Access infrastructure:**
 - Ensure that broadband is available, affordable, and there is sufficient bandwidth for new services.
- **Content infrastructure:**
 - Data centers can benefit from a number of factors similar to access infrastructure, such as access to affordable and reliable sources of power, lowered import taxes, and favorable investment policies.
- **Business Environment:**
 - The government must focus on the areas of the World Bank's *Doing Business* report that create a platform for an Internet economy, such as the ease of starting a business, enforcing a contract, getting credit, and getting connected to the electricity grid.
- **Online Business:**
- **Online startups:**



Thank You

