

Scoping of the Socio-Economic and Political Impacts of AI across Africa

Africa in the Global AI Ecosystem  
Impact Policy Brief

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# DIGITAL SOVEREIGNTY OR DATA COLONY?

## AI and Africa's Place in the Global Economy



### An Extractive Architecture

The global Artificial Intelligence (AI) economy is projected to contribute up to \$15.7 trillion to global Gross Domestic Product (GDP) by 2030<sup>1</sup>. However, current projections estimate that 85% of these economic gains will accrue solely to North America, China, and Europe, leaving Africa, Oceania, and other Asian markets to share a mere remnant<sup>2</sup>.

**Why this disparity? Because the current global AI architecture risks entrenching a model of AI Colonialism.** In this model, Africa serves as a reservoir of raw material, data, and a consumer of finished AI products, while the high-value wealth generation remains elsewhere. Global technology firms harvest data from African users to train models that are then sold back to African governments and businesses as licensed services.

This mirrors historical patterns of extracting raw commodities and importing finished goods, trapping the continent in the lower rungs of the value chain.

**This trajectory is not inevitable, but it is the default if we do not intervene.** If Africa remains a net importer of AI tools, we risk permanent trade deficits in the digital economy, loss of agency through reliance on 'black box' algorithms trained on Western norms, and economic leakage as wealth generated by African data flows directly to Silicon Valley or Shenzhen rather than Nairobi, Lagos or Johannesburg.

<sup>1</sup> World Bank (2024). Pathways out of Poverty. Available [Here](#).  
<sup>2</sup> Ibid





## Flying Blind

Despite the scale and urgency of these dynamics, African stakeholders are currently negotiating trade deals and digital partnerships without a clear map of the AI value chain. We lack the empirical data to answer a simple but critical question: How much economic value generated by African data is currently leaving the continent?

To define a clear path forward, we consulted key stakeholders and experts across policy, academia, and civil society. In the process, the following priority research questions were uncovered:

1. What is the net economic impact of current data ownership models, and what is the monetary value of data flows from African users to global tech giants?
2. What is the current market share of locally developed AI solutions versus imported ones across key sectors like finance, agriculture, and healthcare?
3. How can data governance frameworks be designed to ensure fair value distribution while enabling innovation?
4. What policy levers can African governments use to nurture local AI champions and break monopolistic dependencies?



## From Evidence to Leverage

Right now, many African policymakers are reacting to global AI trends. Answering these questions flips the dynamic, giving us the agency to proactively shape the outcome. The evidence can serve as critical inputs for key shifts, including but not limited to:



### Informed Trade Negotiations

Currently, African nations are signing digital trade agreements without a clear understanding of what they are giving away. A rigorous 'Value Extraction Estimate' would provide trade negotiators with a hard number to put on the table during negotiations. Evidence on data flows enables the African Union to negotiate the African Continental Free Trade Area digital protocol with teeth, implementing fair market rates for access to African datasets.



### Strategic Industrial Policy

Investment agencies and competition commissions need evidence to know where local AI firms are losing market share and where they can compete. A 'State of the African AI Industry' analysis would guide policies that protect and nurture homegrown innovation rather than relying on generic technology transfer.



### Reframing the Narrative

For civil society, shifting the advocacy narrative from privacy (individual rights) to economic justice (collective wealth) reframes data extraction as a resource issue. This research provides the evidence needed to demand that the digital economy works for Africa, not just in Africa.



## How to Participate

We are soon to announce the researchers who will be tasked with solving these puzzles. These researchers will be building the evidence base Africa needs.

### Follow the launch:

#### Explore the Research Agenda

Review the full report by Genesis Analytics for a detailed methodology, the underlying research, and an expanded view of our thematic focus for the call for research.

#### Stay Tuned

The awards announcement is imminent. Visit the [Genesis Analytics LinkedIn page](#) and the [IDRC website](#) for more information about the call for research.

#### Follow Along

Look out for similar briefs on our other research themes:

- ▶ Productivity and Economic Transformation
- ▶ Poverty and Inequality
- ▶ Global Inequality and AI Colonialism

#### Engage

As these projects launch, we encourage the private sector and civil society to participate in data sharing and interviews to ensure this research reflects the ground reality.

## Closing the Knowledge Gaps

To close these critical knowledge gaps, the [International Development Research Centre \(IDRC\)](#) and the UK's [Foreign, Commonwealth and Development Office \(FCDO\)](#), through the Artificial Intelligence for Development (AI4D) programme, have launched a research initiative designed to produce actionable, localised evidence. This initiative is supported by diagnostic research from [Genesis Analytics](#).

We have designed a specific research agenda across four thematic focus areas, of which [global inequality and AI colonialism](#), the focus of this brief, is one. This initiative will empower African researchers to answer the questions that will define the continent's position in the global digital economy. We cannot afford to wait. The window to set the rules for the AI economy is closing. Let us ensure Africa holds the pen, not just the paper.