

# Africa needs effective ICT policies to enhance competitiveness

It is crucial for African organisations and governments to understand the dynamic and significant role that information and communication technologies (ICT) play in enhancing competitiveness, especially in the context of the African Continental Free Trade Area (AfCFTA) implementation, a top Economic Commission for Africa (ECA) official said earlier this week.



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Speaking at the Innovation Africa Digital (IAD) Summit in Addis Ababa, Oliver Chinganya, director of the ECA's African Center for Statistics, said technology and innovation have been the backbone of African economic success over the last two decades but internet and internet-related penetration remained limited.

"This relatively low level of the ICT maturity is limiting the government's plans in many economic sectors, including its ability to deliver on the planned digitalisation of the public administration services like censuses, health and education," said Chinganya.

## The challenges in ICT maturity

He said many African countries face a number of challenges regarding national ICT maturity, including limited information technology infrastructure, inconsistent electricity delivery, great disparities in accessing the internet and mobile services, lack of appropriate legislation and excessive data costs.

“In an era marked by intense competition, globalisation, and increased importance of knowledge as an economic driver, it is important for organizations and governments to understand the dynamic and significant role that ICT plays in enhancing competitiveness in the context of AfCFTA implementation,” the ECA Director said.

“Therefore, there is a need for governments to establish and implement strategies and policies taking into consideration the effects of economic, social and technological factors on ICT maturity as well as the relationship between ICT maturity and global competitiveness.”

He said the continent is suffering from low mobile broadband connectivity (less than 30% of Africans have access to it, compared with 79% of Americans), and its impact on the development of digital economic and social sectors such as e-commerce, e-health, e-government was constrained by high transaction costs, spatial constraints, limited information exchanges, and lack of access to international markets.

### **Strategies and policies are needed for balance**

“Therefore, there is a need to balance infrastructure policies, making them more efficient and tackling the problems of marginal areas or groups and reaching the bottom millions to ensure inclusive information and knowledge societies,” added Chinganya, who’s also the acting director for the Technology, Climate Change and Natural Resource Management Division.

In this regard, he said, governments should make broadband not only accessible but also affordable to enable citizens to utilise digital technologies to access public services.

“To enhance global competitiveness, governments should encourage stronger adoption of the latest technologies, especially broadband technologies as well as to develop digital industrial capabilities including the innovative capacity of their companies,” said Chinganya.

He added that key areas of human capacity building challenges need to be addressed for the continent to benefit from digital technologies.

“Therefore, there is a need to increase efforts to achieve sustainable development by investing in technology parks and other IT infrastructures, boost knowledge sharing and technology transfer, among others,” he told delegates attending the summit.

### **ECA reacts to challenges**

As a response to challenges and opportunities presented by the information age, at ECA, through rigorous analytical and policy research, the commission has been scaling up assistance to member States in their efforts to adopt evidence-based ICT, science, technology and innovation policies to transform their economies, Chinganya noted.

ECA undertook also a series of policy research on cybersecurity, open government, broadband, fintech, blockchain technology in Africa, youth and innovation adoption and diffusion, and on new and emerging technologies capable of supporting the development of financial inclusion in the continent.

These policy researches helped the organisation to identify the level, quality, and method of ICT deployment in different organizations and countries enabling it to proffer recommendations on the way forward to member States.

The ECA has also established a Centre of Excellence for Digital Identity, Trade and Economy to support member countries to fully harness the potential, and to exploit the benefits of digitization for the continent’s development.

The Centre of Excellence is uniquely positioned to act as a convener and knowledge resource for countries considering the role of digital in the society. In this regard, the African Union Specialized Technical Committee on Trade and Industry held in January 2019 mandated the ECA, in collaboration with African Union Commission and other partners, to develop a comprehensive African strategy for Digital ID, Digital Trade and Digital Economy to enable member States to fully benefit from the 4th Industrial revolution and facilitate the AfCFTA implementation, and ultimately Africa's economic and structural transformation.

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