

Tabula Rasa: Agency in the Age of AI



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Editor's Note

By **Aparupa Chakravarti**

Are we in the Age of AI Anxiety?

Earlier this year, Pope Leo XIV's encyclical, *Magnifica Humanitas*, foregrounded a profoundly existential concern that "the pervasive technocratic paradigm in which we are immersed, and that is amplified by the digital revolution and AI, threatens to normalize an anti-human vision." More recently, some of AI's top CEOs launched a secular, but equally urgent rallying cry for an industry slowdown to not lose control of the technology that they themselves helped build and proliferate. Although skeptics believe this may be an attempt at regulatory capture, the underlying concern still stands.

It seems we are gripped by a collective anxiety about AI's trajectory and its consequences on humanity. Yet what is confounding is our tendency to treat AI and its consequences as inevitable. AI is not inevitable. It is the product of human decisions, guided by human interests, and circumscribed by political economy and market dynamics that shape all technologies of geopolitical significance. There is no predestination.

That said, it is undeniable that there is a disproportionate concentration of power surrounding the development and deployment of AI and related technologies and infrastructure. However, because there is no predestination, those of us who may not have direct influence do still have agency – to accept, to adapt, to amend, and, if necessary, to reject.

This issue of AB Intelligence explores the possibilities that exercising this agency can lead to in the African context. We look at how digital financial instruments can help the continent better harness the value of its existing assets through tokenisation. We surface five sites of strategic leverage for African governments and firms to expand control over the systems through which digital value is produced. And we demonstrate how data centers constitute the next frontier for regulatory arbitrage on the continent.

Underpinning these insights is an implicit but powerful assertion: there is no technological inevitability; we have agency and optionality in how AI and its foundations are – or are not – incorporated into our markets and societies. Now where do we go from here? ■

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Digging for Trust: Can Tokenised Gold Rewire Africa's Access to Capital?

By **Samallie Kiyingi**

Africa's financing challenge is a broken record we've heard before: a continent overflowing with resources, yet starved of capital. This mantra is repeated so often that its paradox no longer shocks. The continent is rich in assets but poor in the mechanisms that turn them into trusted, investable financial claims.

Even when capital is available, it often comes on expensive terms, in shallow markets, in currencies Africa does not control. A 2023 UNDP study found subjectivity in sovereign credit ratings alone has cost African governments an estimated \$75 billion including \$28 billion in excess interest, because African borrowers pay, on average, 1.5% more than peers with similar fundamentals.

The usual prescription is that Africa needs more capital. A more nuanced diagnosis is that Africa also needs more credible ways to leverage the value it already has.

The continent holds substantial mineral wealth, natural resources, productive businesses, land and future income streams. What it lacks, disproportionately, are the financial instruments through which that value can be divided, verified, transferred and financed at scale. Thin instruments produce thin markets; thin markets produce weak liquidity; weak liquidity reinforces the risk premium that started the cycle. New instruments, not new money may be the key to breaking the cycle.

The Mobile Money Lesson

Could tokenisation supply some of those instruments? Africa has answered a version of this question before. Mobile money succeeded not by digitising bank branches, but by building an entirely new entry point into the financial system, designed around how Africans actually hold and move value. In 2025, sub-Saharan Africa accounted for about two-thirds of the \$2 trillion transferred globally through mobile wallets and roughly three-quarters of all transactions. Capital markets are, however, more complex than payments. Securities and commodities raise questions of custody, insolvency and investor protection that a payments rail does not. Still, the insight endures: Africa need not wait for legacy markets to deepen before building new, regulated entry points for its own assets and investors.

What tokenisation actually changes

Tokenisation, in its simplest form, is the representation of rights in an asset on a shared digital ledger, often a blockchain. The token might represent ownership of the asset, a beneficial interest, a payment entitlement, or another claim.

Blockchain makes that record shared, tamper-resistant, and programmable. As a result, the claim can be divided, transferred and settled without the layers of intermediaries a paper-based system requires. In principle, this can lower minimum investment sizes, widen distribution, improve traceability, and accelerate settlement.

There is, however, an essential qualification: the token is not the asset. Its worth depends entirely on the legal and institutional scaffolding connecting the record to



something real. A blockchain can show that a token moved; it cannot prove that the underlying asset exists, is unencumbered or that it legally belongs to the holder. The real innovation is not just the token, but the combination of law, custody, verification, and market infrastructure.

Gold: a solid test case

Gold is a natural place to stress test this proposition. In Africa, gold is an export, a reserve asset, and a household store of value. Africa produced approximately 1,010 tonnes of gold in 2025, roughly 27.5% of global mine output. African central banks have accumulated reserves at a striking pace, too: holdings rose from 663 tonnes in 2022 to an estimated 738 tonnes in 2025, lifting gold from under 10% to roughly 17% of the continent's reserves, with Egypt, Ghana, Tanzania and Zimbabwe emerging as the most active buyers.

Yet "tokenised gold" can describe different types of assets with differing risk profiles. Gold that is still underground carries licensing and production risk. Future production gold tokens are closer to project finance. Gold that is refined, allocated bullion, graded, audited and held in a named vault is different again.

This taxonomy is critical. A token linked to future mine production should not be marketed with the simplicity of vaulted bullion. Nor should a sovereign instrument imply a gold guarantee unless investors have enforceable rights and a credible route to exercise them.

The proof exists, but so does the warning

Tokenised bullion already operates at scale. Each Pax Gold token represents one ounce of certified London Good Delivery gold, traceable to a specific bar. Tether Gold works similarly and, by the end of 2025, held over 519,000 ounces in Swiss vaults.

African initiatives are also emerging. Ghana's Gold Board is developing blockchain-based track-and-trace for bullion. A partnership involving mb.io, EON3 and Mavryk is tokenising Ghanaian gold held in Dubai, while Ubuntu Tribe's GIFT token enables fractional purchases backed by gold in audited vaults in Europe and Dubai.

These products demonstrate that bullion, custody, digital transfer and periodic assurance can be combined. They also highlight the sovereignty challenge. There is a real risk of a thriving African tokenised asset market becoming entirely dependent on foreign custodians, external stablecoins, non-African exchanges, overseas refineries and foreign governing law.

One could argue that this is no different to how much of international capital markets currently operate. One could also argue that this is not necessarily a flaw. Provided the transactions are well structured and prudently negotiated, African interests can still be protected while potentially eliminating the Africa premium that sometimes plagues some financings.

Either way, success should be measured by broader access to capital, lower financing costs, greater investor diversity, faster settlement, increased liquidity and, ultimately, deeper markets.

This debate, however, overlooks a bigger question. With on-chain real-world assets growing rapidly, tokenisation offers Africa an opportunity not merely to join the existing financial ecosystem, but to shape its next layer. On-chain value tripled in one year to over \$30 billion and Boston Consulting Group projects the market could reach \$16 trillion by 2030, about 10% of global GDP. Could tokenisation be an opportunity for Africa to reimagine its inclusion within the global financial architecture?

Mobile money showed that Africa can build financial entry points around its own needs. Tokenisation could test whether it can do the same for capital, provided of course that trust is engineered as carefully as the technology. ■

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Digital Sovereignty as Strategic Leverage: Building AI on African Terms

By **Dr. Bulelani Jili**

My previous article, *“Building AI on African Terms: Digital Sovereignty Beyond Localisation,”* argued that African digital sovereignty cannot be reduced to data localisation or the procurement of digital infrastructure. Data may be stored within national borders while cloud systems, computational infrastructure, cybersecurity tools, technical standards, and ownership structures remain externally controlled. Firms may build innovative AI applications while relying on models, chips, and platforms they neither own nor fully govern. African workers may help train global AI systems while the largest share of economic value is captured elsewhere.

This asymmetry, then, invites a harder question: what kind of agency is possible—and necessary—under conditions of dependency? Importantly, total digital independence

is not a credible aim; even technological leaders such as China and the United States cannot claim full autonomy across the digital stack. Interdependence is a foundational feature of computational technology under modern capitalism. The issue, then, is the terms of incorporation: how African governments, firms, workers, and consumers are integrated into the global digital economy and who controls the value generated through that unequal integration. This does not suggest that African governments, businesses, and institutions are powerless. Aligning agency with strategic leverage—the ability to negotiate better terms, shape digital markets, create workable local capabilities, and increase control over the systems that generate digital value and commerce—is the task at hand.

This piece foregrounds five key sites of strategic leverage for African governments and firms: procurement, the middle layers of the digital stack, data governance, labour, and scale. It illustrates how African countries and its corporate leaders can build feasible local capabilities and expand control over the systems through which digital value is produced.

Procurement as Strategic Leverage

Pursuing strategic leverage in the global digital economy begins with a sober recognition: Africa occupies an unequal position, often marked by limited value capture and digital infrastructural gaps, yet it remains indispensable to the economy through which value is engendered. As previously intimated, the continent does not operate outside the digital economy. African governments procure digital systems; telecom firms provide connectivity; entrepreneurs develop applications; workers clean, label, and moderate data; and citizens generate the social, linguistic, financial, and behavioral data on which digital platforms depend and algorithms are trained.

The issue, then, is the terms on which Africa is being incorporated into AI supply chains. Hence, the task is to ensure that African governments, firms, and workers are treated as actors capable of transforming the conditions under which digital value is produced, governed, and captured.



In turn, a principal site of strategic leverage is procurement. Digital dependency does not begin after systems are built; it often is entrenched when contracts are designed. Financing terms, tender requirements, interoperability standards, data access rules, ownership clauses, and maintenance obligations can determine whether a government builds durable public capacity or deepens long-term reliance on external vendors.

Too often, digital infrastructure is evaluated primarily through upfront cost. This predilection is understandable, given that governments face urgent pressures. Under such circumstances, technology that can be swiftly and adroitly deployed, is concessionary financed, and promises immediate structural change is attractive. However, the broader cost of digital infrastructure is rarely captured at the point of purchase. It emerges over the lifecycle of the system: software upgrades, licensing fees, cybersecurity requirements, spare parts, technical support, data migration, staff training, interoperability, and exit options.

Strategic leverage then requires adept procurement planning: the ability to evaluate not only what a system delivers immediately, but also how it shapes long-term dependency, domestic capability, institutional control, and value capture. Governments and their partners need technical teams capable of evaluating the full lifecycle consequences of digital infrastructure before contracts are signed. Every major procurement decision should be able to answer the following questions: Can the system interoperate with other platforms? Can government data be migrated if the vendor changes? Are source code access, audit rights, and cybersecurity testing available? Are local engineers trained to maintain and adapt the system? Are there clear rules governing data ownership, access, and storage? And are there local firms capable of operating or developing the system independently of foreign suppliers?

These questions are more than administrative inquiries. They are central to cultivating digital sovereignty itself. A government that cannot audit, repair, modify, expand, or exit a digital system does not control the capacity that system provides. Procurement, then, propels or delimits

the cascading effects of digital beneficiation: whether infrastructure merely imports functionality and maintains dependency, or also strengthens local skills, firms, knowledge systems, and future bargaining power.

Building the Middle Layers

What's more, strategic leverage lies in the middle layers of the digital stack. Much discussion of AI focuses either on frontier models at the top or raw data and labour at the bottom. But African digital prospects may emerge most realistically in the middle: cloud orchestration, sector-specific datasets, local language tools, payment systems, digital identity safeguards, cybersecurity services, data governance platforms, and AI applications tailored to local institutions.

African countries and firms do not need to replicate OpenAI, Google, Huawei, or Microsoft in order to build meaningful digital capacity. But they do need to avoid remaining only consumers of imported platforms or suppliers of raw data and semi-skilled labour. The strategic question is where African firms and institutions can capture value between global infrastructure and local use.

This is where telecom companies, universities, startups, banks, and public institutions become central. African telecom firms already control networks through which data and digital services circulate. They are therefore well positioned to invest in local cloud partnerships, edge computing, data-hosting services, mobile AI applications, and regional digital platforms. Banks and fintech firms possess valuable financial datasets and distribution channels. Leading universities and research institutions can support local language models, public-interest datasets, and applied AI research. Governments can anchor demand through health, education, agriculture, and tax systems.

The object should not be to build everything locally but rather to identify which layers are strategically salient enough to require greater African ownership, participation, or bargaining power. Local language infrastructure, public-sector data systems, cybersecurity capacity, digital identity architecture, health data



governance, and AI tools for agriculture and education are obvious candidates.

Governing Data for Value

Another critical site of leverage is data governance. The popular claim that data is “the new oil” has encouraged governments and commercial partners to treat data possession as equivalent to value. Yet data acquires commercial and strategic value only through how it is collected, cleaned, structured, processed, combined, interpreted, and applied. Rather than treating data localisation as the endpoint of digital sovereignty, governments and local partners should ask who is entitled to use data, under what conditions, for whose benefit, and with what forms of accountability. When citizens’ data is used to build AI systems by foreign firms, it should come with explicit conditions that support local capacity-building, including benefit-sharing rules, local research access, and restrictions on exploitative extraction. African languages, health records, agricultural data, mobility patterns, educational data, and public-service datasets should not be transferred through vague partnership agreements that allow foreign firms to train models without contributing to local ecosystems. Nor should the answer be rudderless localisation mandates or unreasonable restrictions. Governed openness—responsible data use that guarantees African institutions’ rights, visibility, and bargaining leverage over how their data generates commercial and public value—is the more strategic posture.

From Digital Jobs to Capability Formation

The fourth site of strategic leverage is labour. Africa’s participation in the AI economy cannot be measured simply by the number of jobs created in the ICT sector. Employment matters, especially amid perennial youth unemployment, but jobs concentrated in low-value segments of the digital economy can reproduce dependency rather than overcome it. Low-paid data labelling, content moderation, and platform support work often position African workers as the janitorial staff of AI: essential to the functioning of transnational systems, yet largely excluded from model ownership, infrastructure control, and the largest shares of profit. The challenge,

then, is to move from digital labour supply to digital capability formation. This means creating pathways for local workers to participate in higher-value technical roles, including data engineering, AI auditing, cybersecurity, model evaluation, software development, and sector-specific AI deployment.



This transformation necessitates broader education reform, but firms can also play a preeminent role. Companies that benefit from African digital labour have to invest in skills upgrading, certification, worker protection, and local research ecosystems. Such investment should not be viewed as altruistic. It can strengthen local markets by creating a more reliable pipeline of skilled workers,



improving service quality, and expanding the capacity of firms to operate in more sophisticated segments of the AI economy. Foreign firm engagement can then be evaluated not only by how many jobs they generate, but also by whether they transfer knowledge, strengthen domestic technological absorption capacity, and engender pathways for workers and firms to move into higher-value activities.

Scale as Collective Leverage

The final site of leverage is scale. African countries are often treated as fragmented digital markets, each negotiating separately with powerful foreign firms. This weakens bargaining power. A single country may struggle to demand better cloud terms, lower compute costs, stronger data protections, or local capacity-building commitments. But regional or continental coordination changes the equation.

African governments ought to aggregate digital demand where possible. Through institutions such as the African Continental Free Trade Area, states can coordinate standards, pool procurement, and create larger markets for cloud services, AI infrastructure, cybersecurity tools, and digital public goods.

Considering this, countries seeking AI compute capacity could negotiate as regional blocs rather than as isolated buyers. They could develop shared compute facilities, federated GPU access, regional data spaces, and common procurement principles. They could require vendors to meet interoperability standards, support local skills development, and provide transparent pricing. They could also coordinate on data governance rules so that firms do not exploit regulatory gaps between jurisdictions.

One practical example of this approach is the emergence of data embassies and shared sovereign data infrastructure. For countries that lack sufficient domestic cloud, cybersecurity, or compute capacity, regional data embassies could provide a way to store, process, and protect critical data through trusted shared infrastructure while preserving legal authority, access rights, and security guarantees. Properly governed, such arrangements would allow states to pool infrastructure without surrendering

sovereignty. They would also turn digital sovereignty from a purely national project into a Pan-African strategy for resilience, bargaining power, and technological capability.

Ultimately, scale matters because AI infrastructure is expensive. Compute, cloud, energy, cybersecurity, and technical expertise require levels of investment that many countries cannot sustain alone. Regional coordination would allow African states to share costs, build larger user bases, and foster markets large enough to attract better terms from global providers. African digital sovereignty, in this sense, might depend less on national self-sufficiency than on collective bargaining power.

Digital Sovereignty as Negotiated Power

The risk is that African digital sovereignty becomes reduced to visible but perfunctory indicators of success: a local data center or a national AI strategy. These may be significant, but none of them independently guarantee strategic leverage over the means of generating digital value.

Instead, their value hinges on whether they expand local capabilities, strengthen institutional control, improve bargaining power, and produce the cascading effects of planned digital beneficence.

To be sure, Africa's digital future will be built through institutions, contracts, infrastructure, skills, standards, and bargaining power. The goal is not to escape interdependence, but to negotiate it from a stronger position. That is what digital sovereignty should mean in practice: not the opiate of untethered digital sovereignty, but the capacity to rewire dependence. ■

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This massive discrepancy in resource consumption is igniting stricter data center regulations in the European Union (EU) and the US. However, just as the 1980s Comprehensive, Environmental Response, Compensation, and Liability Act (CERCLA) forced chemical firms to seek unregulated dump sites in Africa, the rise of such stricter regulations will likely drive similar reactions in tech firms. Rent-seeking firms will exploit regulatory arbitrage in Africa where they find lax systems, asymmetrical negotiations, and critical mineral export-driven economies, especially since African nations control 30 to 85% of global critical minerals needed to make chips and support power grids that run data centers and AI.

To prevent exploitation, Africa must strengthen and unify its regulatory capacity to govern the high resource demands, to keep pace with the continent's rapid IT infrastructure boom. Or else, we will risk resource depletion and predatory practices by opportunistic global firms.

High Resource Demand, Increased Opposition and Conflict

Although African nations collectively host 230 data centers, representing the smallest share (2 percent) of the 12,000 data centers globally, their limited presence has triggered opposition on a continent where over 400 million people lack access to safe water and over 600 million lack access to energy. Two prominent disputes concern power, water and land issues. The first is Microsoft and G42's recent (2026) payment and computing capacity guarantee conflict case in Kenya. The second case is local activists' recent (2026) legal challenge against Equinix over project transparency in South Africa.

Meanwhile, in the USA, which hosts over 5,000 data centers, 70 percent of residents oppose the construction of these facilities in their communities. Opponents filed 51 active US federal and state lawsuits against hyperscale data centers. They also delayed or blocked 75 major data center projects worth \$130 billion.

Regulatory Measures in US and EU

Such opposition has ignited stricter regulations in the USA and EU member nations. More than 100 local

Data Centers in Africa: The Next Frontier for Regulatory Arbitrage?

By Dr. Valentina Okaru-Bisant

The Need to Regulate Data Centers' Resource Appetite

The historic global data center surge is a double-edged sword. On the one hand, data centers power AI and cloud computing systems that can solve economic development problems. On the other hand, the surge is driving up costs and competition for resources, including critical minerals, power, water and land. Data centers compete directly with residential households and other industrial users. But their consumption levels are vastly higher.

A single large hyperscale data center consumes 20 Megawatts (MW) to over 100 MW of power at any given moment. This represents 1,000,000% to 10,000,000% of the 1 to 2 Kilowatt (KW) power consumed by a single household at any given moment. A single large-scale AI facility also consumes about 5 million gallons of water per day, equivalent to an entire township.



municipalities and two state regulators across the US imposed temporary bans on new data centers – particularly those that require 50 MW or more power – across 100 cities and 38 states. Ironically, this has occurred as 38 US states continue to provide them with market-based and legal incentives.

Meanwhile, 27 EU member nations are implementing data center binding regulatory systems through the Energy Efficiency Directive (EED), which requires data centers with IT power of over 500 KW to disclose power and water usage to a centralised database. This aims to conserve resources and reduce costs.

Regulatory Measures in Africa, Progress and Gaps

Africa is also making some progress in establishing sounder resource protection systems. Regionally, African Union (AU) member states are actively establishing roadmaps to domesticate the 2025 Africa Green Mineral Strategy and the 2024 Continental Artificial Intelligence Strategy. The two strategies converge on AU Agenda 2063's goal of driving structural shift by protecting resources and shifting away from critical mineral exports to local supply chain value addition and regional integration. They are non-binding, but have energised member states to be proactive. Some countries have banned critical mineral exports while a few have imposed strict quotas to encourage foreign investors to build locally.

However, there is still room for improvement. While more than 44 African nations have established sophisticated data privacy frameworks, discrete Data Center Acts governing resource use do not exist. Resource allocations and environmental compliance continue to be managed through a patchwork of fragmented legal and regulatory frameworks. This leaves the continent vulnerable to regulatory arbitrage and exploitation by global data centers.

Therefore, African countries must establish a unified regulatory system for managing data center resource use. Such a unified bloc (similar to OPEC for oil) will prevent foreign firms from negotiating rock bottom prices. It will also enable countries to manage cross-border energy

grids, ensuring that resource-heavy facilities are built where they are most sustainable.

AU member nations must learn from the US and EU. They must establish a transparent regulatory system to freeze or temporarily ban new data centers based on size and resource use. Without such regulations, Africa risks corporate exploitation.

Implications for African tech and mining companies

A harmonised regional data center regulatory system will level the playing field for both African and global firms. This, combined with a unified data market under the AfCFTA standards, will reduce the financial burden and transaction cost of navigating fragmented resource regulations.

Mandated local value addition will compel African mining companies to shift from raw material export. It will also redirect African tech companies to operate on a more equal footing as partners with global firms. The end result will be more local data handling and investment support for local specialised software to strengthen capacity.

At the upstream level, such a mandate can result in some temporary operational challenges for highly specialised software that is still mainly imported. However, such challenges create opportunities for global tech firms to invest in training African assembly line and maintenance firms.

Ultimately, what mechanisms are most effective for leveraging Africa's resource wealth and negotiating symmetrical deals with data centers? Without such levers, Africa will remain vulnerable to regulatory arbitrage and resource exploitation. ■

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