

Enhanced Investment in Digital Industrial Hubs

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There is an urgent need for African manufacturing to shift from a passive to an active approach towards digitalization. Little work has been undertaken to translate industrial growth and digitization into economic transformation in Africa. While industrial policy is having a renaissance and many countries are quickly adopting digital solutions, there are too few domestic technology service and digital firms integrating their offerings into the manufacturing value chain. Without this integration, information asymmetry will continue leading to missed opportunities. A domestic integration lens for digital industrial hubs will help connect local digital firms with industry to create economic partnerships leading to decent jobs.

Objectives/ Motivation and research questions



IDS, ACET and other partners propose to scope out the potential of digital industrial hubs in facilitating domestic integration of the manufacturing sector with local digital services providers for large-scale job creation in Africa. The following sub-research objectives will be undertaken. The first is mapping the current state of state of domestic integration between the manufacturing sector with the domestic technology sector. The second is identifying pathways for digital MSMEs and start-ups to integrate in manufacturing value chains. The third is identifying gaps in critical digital infrastructure development. The fourth is understanding what lessons the experiences of China, Thailand and Korea offer in setting up successful digital industrial hubs. And lastly, what is the role of regional blocs in supporting the design and implementation of digital industrial hubs in Africa.

Methods



The analysis will, in part, be based on a desk-review of secondary data collected from national and international sources and databases, and primary data collected from a survey of manufacturing firms in a particular sector and interviews.

Results



The results will be a research report, including policy recommendations, which would be coupled with a series of engagements with policymakers and stakeholders. With available funding, the research program would include country-level policy and ecosystem development.

Recommendations



The research will inform recommendations, but they will likely focus on public-private dialogue and ecosystem development, as well as incentivizing policy for both manufacturers and local tech. Likewise, recommendations may include improved digital policy (data, security, privacy, etc.) and investments in digital infrastructure and skills.