

# Digital Policy Studies

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# Using Blockchain Technology to Curb Voter Fraud in Nigeria

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Prospects and Challenges

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## Abstract

Blockchain is gradually changing the way in which data is stored, accessed and processed. Could this help Nigeria to achieve free, fair and credible elections? This study discusses how blockchain technology could be used in that country's electoral processes – specifically, how it could prevent electoral fraud by providing a secure and transparent way of storing and accessing voting data. It reviews existing literature on the subject, and analyses current and potential applications of blockchain technology in ensuring electoral integrity. The study does not focus on the computational aspects of blockchain, but on its potential to curb electoral fraud in Nigeria. It also discusses the potential benefits and challenges of implementing blockchain technology in electoral systems in Nigeria, examines the various policy considerations and potential solutions, provides actionable recommendations, and suggests areas where blockchain could be effectively integrated into Nigeria's current electoral system.

**Keywords:** Blockchain, voter fraud, blockchain voting, Nigeria, digital voting.

## Introduction

'A lack of transparency has plagued many elections around the world, but particularly in some African countries, where large sections of the electorate are often suspicious that incumbent parties or ethnic loyalties have been responsible for the manipulation of the results in favour of one candidate or another. These suspicions remain even when there is little evidence of manipulation. A more transparent system could help restore trust' (Kazeem, 2018).

This suggests that many Africans mistrust their electoral systems. A recent study of the feasibility of integrating blockchain into electoral systems in Africa found that the centralisation of elections are a key reason why voting processes can be manipulated, and suggested that decentralisation could be the answer to this problem (Alam et al., 2020).

The demand for and use of voting technology have increased due to the prevalence of electoral anomalies in many transitional democracies, particularly in Africa, in order to detect and curtail electoral fraud (Nwangwu et al., 2019).

Although officials of Nigeria's Independent National Electoral Commission (INEC) and pro-democracy activists have generally acknowledged that digital technology has helped to

achieve free, fair, and credible elections in Nigeria (Nwangwu et al., 2019), the integration of blockchain with electoral systems is just beginning to receive attention in the literature.

Blockchain technology has the potential to improve electoral integrity in Nigeria by providing a secure and transparent way to conduct elections. It uses a distributed ledger to record and verify transactions, making it difficult to tamper with or manipulate the data (Wright & De Filippi, 2015). It can therefore help to prevent electoral fraud, such as ballot stuffing and voter intimidation, and increase public confidence in the electoral process. A brief discussion of blockchain terms such as transactions, provenance, immutability and finality will help to position blockchain technology in the context of preserving electoral integrity.

In blockchain, a transaction invokes the predetermined rules for a contract. Votes cast, election outcomes, and birth dates are some examples of transactions that can take place in voting systems supported by blockchain technology (Pratt et al., 2019, cited in Ikuero et al., 2021).

Since the origin of blocks (transactions) and their current owner can be determined by all blockchain network users, past transactions can be evaluated, and their provenance established. In the case of an election, everyone in the network could check that their votes were tallied (Herian, 2020).

A security feature known as immutability ensures that once a transaction has been recorded in the blockchain, it cannot be altered in any way. In this case, it prevents the forging of records and the falsification of votes (Pathak et al., 2021), which has been a frequent complaint in past Nigerian elections (Sandner, 2019; Oladayo, 2021).

Once a transaction or block has been entered into the ledger, it cannot be changed or modified. Every single transaction must be unanimously accepted and verified by all participants across the blockchain network. As a result, the capacity of blockchain to achieve finality could assure the safety of transactions within it (Niranjanamurthy et al., 2019).

One of the key benefits of blockchain technology is its ability to provide secure and transparent record-keeping. This can be particularly useful in areas such as voting, where the integrity of the electoral process is vital. Since the start of the Fourth Republic in 1999, Nigeria has been plagued by electoral fraud and irregularities, leading to widespread public mistrust in the electoral process (Afrobarometer, 2022). However, this is not the exclusive preserve of the Fourth Republic, and earlier elections also recorded varying levels of voting fraud (Casimir, Omeh & Ike, 2013).

## An overview of Nigeria's electoral systems

INEC is responsible for organising elections in Nigeria. It was established by the Nigerian Constitution in 1998, following the end of military rule. The commission is independent, and its mandate is to conduct free, fair and transparent elections at all levels of government, from the presidency to local councils. This includes registering voters, issuing voter cards, organising elections, counting votes, and announcing results. INEC is also responsible for overseeing political parties and ensuring compliance with electoral laws.

Since its inception, INEC has organised numerous high-profile elections, including the presidential elections of 1999, 2003, 2007, 2011, 2015 and 2019. In addition, the commission has organised numerous state and local elections (gubernatorial and parliamentary).

INEC has faced various challenges, including logistical difficulties, security threats, and allegations of bias. Despite these, the commission has generally been considered to have improved the fairness and credibility of Nigeria's electoral process and has generally been seen as a credible and impartial body that has played a crucial role in consolidating Nigeria's transition to democracy (Bassey, 2022). It is a key institution in the country's electoral process, and a vital part of Nigeria's democratic system.

Nigeria primarily uses the Paper Voting System (PVS) for casting votes. This system was used before the advent of the Fourth Republic in 1999 after the transfer of power from the military to civilian rule. PVS in Nigeria has evolved from the Modified Open Ballot System to the Re-modified Open Secret Ballot System, Verification and Accreditation Systems (VAS), helped by Electronics Card Readers (ECR) (Ikuero et al., 2021) and most recently, the Bi-Modal Voter Accreditation System (BVAS) although some scholars have argued that the Nigerian's voting system is still prone to irregularities (Ajayi, 2006).

The problems that bedevil Nigeria's electoral system can be broadly categorised as follows: accurate voter registration; free, fair and credible elections at every voting centre; and the timely announcement of results that accurately reflect the will of the people (Ugwuede, 2018).

One of Nigeria's key challenges in preventing electoral fraud is the lack of transparency and trust in the voting process, and challenges of rigging are not peculiar to Nigeria alone; other African countries also have a history of election rigging, ballot stuffing, and other forms of fraud, which undermine the legitimacy of the electoral process. Blockchain technology offers a potential solution to this problem by providing a secure and immutable voting data record beyond officials' reach and manipulation. In recent years, several African countries have explored the use of blockchain for electoral purposes.

## Selected cases studies

During the presidential elections in Sierra Leone on 7 March 2018, blockchain technology was deployed for the first time. The election results for the West District were recorded on a blockchain developed by Agora, a Swiss company certified as an official foreign observer. The results were recorded on an immutable blockchain ledger, which allowed Agora to announce the result much earlier than a human count would have allowed. This safeguarded the election data against tampering, and ensured that it could be independently confirmed. This makes Sierra Leone the first country on record to include blockchain technology in its electoral process. However, blockchain was not adopted nationwide, but only in a pilot phase in the West District (Agora, 2018).

In another first in Africa, The blockchain developer community of the University of Jos in Central Nigeria developed a blockchain application for departmental elections that took place on 16 January 2020 (Anusionwu, 2020).

## Integrating blockchain into the existing electoral structure in Nigeria

A voter register is a vital part of any election, as it is used to identify eligible voters and prevent fraud. In Nigeria, as elsewhere, an accurate register is always a recurring issue. Most recently, in the build-up to the 2023 elections in Nigeria, INEC opened up the Preliminary National Register of Voters for the general public to scrutinise, and there were several reports

of under-age voters, deceased Nigerians, as well as non-Nigerians being found on the list (Ufuoma, 2022).

Ensuring a reliable voter register using blockchain would involve several key steps. First, a secure platform would need to be created using blockchain technology. This platform would store and manage the voter register and could be accessed by authorised individuals such as election officials and voters.

Next, the voter register should be populated with accurate and up-to-date information about eligible voters. This could be done in various ways, such as importing data from existing voter databases or requiring individuals to register in person at designated polling stations.

Once the voter register has been populated, it would need to be maintained in a secure and transparent way. This could be achieved by using cryptographic techniques to ensure the integrity of the register and prevent tampering. Any changes to the register, such as the additions or deletions of voters, would need to be recorded on the blockchain and made visible to authorised individuals.

Additionally, measures would need to be put in place to ensure the security and privacy of voter information. This could include using encryption to protect personal data, as well as implementing strict access controls to prevent unauthorised individuals from accessing the voter register.

Overall, ensuring a reliable voter register using blockchain would require the creation of a secure and transparent platform, the maintenance of accurate and up-to-date voter information, and the implementation of measures to protect the security and privacy of voter data.

## Prospects

Besides preventing electoral fraud, blockchain technology could also help to make the electoral process more efficient and accessible. By using a distributed ledger, voters could cast their ballots electronically without needing paper ballots or polling stations. This can make it easier for citizens – particularly those who live in remote or difficult-to-reach areas – to participate in elections. It can also reduce the cost and logistical challenges of conducting elections, making the process more efficient and cost-effective.

One of the key benefits of using blockchain is its ability to provide a tamper-evident record of the electoral process. Because each transaction on the blockchain is recorded and verified by multiple nodes, it would be virtually impossible to alter the voting data without being detected. This would provide a high level of trust and confidence in the electoral process, as stakeholders would be able to verify the accuracy of the voting data independently.

Additionally, using blockchain for voting would enable real-time reporting and monitoring of the election results. Because the data is stored on a distributed ledger, it would be immediately available to all stakeholders, allowing them to track the progress of the election in real time. This could help prevent incidents of electoral fraud, such as ballot stuffing, by providing early warning and enabling timely intervention. In Nigerian elections, it sometimes takes days or even weeks before the results are announced, and there are recorded cases of the alteration of result sheets before announcements. An immutable system would effectively end issues like this.



As part of its commitment to improving the integrity of elections in Nigeria, INEC has implemented biometric voter verification to prevent multiple voting, and deployed security personnel at polling stations to prevent violence and intimidation. However, the latter has not been very successful because they are not neutral, but sometimes facilitate electoral malpractices themselves. These existing measures and the use of blockchain technology can help create a more secure and transparent electoral process in Nigeria, and solidify the principle of one person, one vote.

One of the causes of post-electoral violence in Nigeria is the real or imagined manipulation of the electoral processes, and therefore the results. The basis of anger is usually an electoral process that is not free, fair or credible (Tunmibi & Olatokun, 2022). Therefore, implementing blockchain technology will help ease fears about the credibility and reliability of the process, thus reducing the incidences of post-electoral violence.

Another good spin-off would be the reduction of legal disputes about the credibility of elections, and if all the contestants were to be assured that the elections are credible and truly reflect the will of the people, they will have fewer incentives to challenge results at the election tribunals.

## Challenges

Despite the potential benefits of blockchain technology, there are also some challenges and limitations to consider. One major challenge is the need for strong institutional support and political will. For blockchain to be effective, it must be integrated into the existing electoral infrastructure and processes, which requires the support of governments and election authorities. Politicians may not always be eager to adopt new technologies by electoral management boards, especially when this does not serve their best interests. For example, in Nigeria, when the BVAS was introduced in 2022, several politicians voiced their opposition (see Ajayi, 2022; Oloja, 2022).

There are also concerns about the scalability and sustainability of blockchain systems, and the potential for their misuse. Additionally, there are policy considerations around privacy, cybersecurity, and the regulation of blockchain-based systems. This could be a particular challenge in African countries, where infrastructure and technological capabilities may be limited. Additionally, there are concerns about the sustainability of blockchain systems, as the network of nodes require a lot of energy to maintain.

Another challenge is the need for technical expertise and infrastructure. Blockchain technology can be complex, and requires specialised skills and knowledge to implement and manage. Moreover, it requires robust digital infrastructure, including reliable internet connectivity and secure servers, to support the transmission and storage of data.

Because the technology is decentralised and largely unregulated, another challenge is the potential for the misuse of blockchain technology in the electoral process. Malicious actors could exploit it to manipulate the voting data or disrupt the network, and this could undermine the integrity of the electoral process and compromise the trust of stakeholders.

Given that some 38 per cent of Nigerians are illiterate (Onyedinefu, 2022), the apparent complexity of the process and issues of internet connectivity poses challenges of accessibility.

Despite these challenges, blockchain could improve the integrity and efficiency of the electoral process. It could help prevent electoral fraud and increase public trust in elections by providing a secure and transparent way to conduct elections. As such, it represents a promising technology for enhancing electoral integrity in Nigeria and delivering free, fair and credible elections.

## Recommendations

To address these challenges and ensure the effective use of blockchain technology in preventing electoral fraud in Nigeria, the following steps are recommended:

- Conduct research and pilot projects to better understand the use of blockchain technology in electoral processes.
- Develop clear and consistent regulations around the use of blockchain technology, including measures to protect privacy and prevent misuse.
- Invest in infrastructure and capacity-building to support the implementation of blockchain-based systems for voting.
- Explore the use of cell phone messages to facilitate the process to cater for places with low or zero internet connectivity.
- Engage with stakeholders, including the public, election officials, and other government agencies to ensure that blockchain technology is developed and used in a transparent, accountable way that will benefit the Nigerian electorate.

## Conclusion

Blockchain technology has the potential to reduce or even eliminate electoral fraud. Because of its decentralised and transparent nature, blockchain can provide a secure and tamper-proof platform for storing and verifying voter information and voting results. Additionally, using smart contracts can automate the verification and tallying process, reducing the potential for human error or manipulation. While there are challenges and risks associated with this approach, careful planning and implementation can help overcome these challenges and ensure that blockchain technology is used effectively in the electoral process. Blockchain can help to ensure that every vote by a Nigerian citizen is counted accurately, and therefore that the will of the people is accurately reflected in the results, thereby helping to consolidate democracy in Nigeria, and improve democratic governance.

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# The Finance Money Crisis and Cryptocurrencies

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Is the US Dollar Hegemony in an Interregnum?

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## Abstract

The speculative financial services sector and the systemic failures of financial globalisation have prompted a growing call for delinking from the hegemony of the US dollar. These systemic failures have been illustrated by financial mismanagement and the financial crisis of 2007-8. This event paints a dire picture of the consequences associated with poor regulation of the financial sector. This study seeks to interpret these events in terms of Gramsci's *Prison Notebooks* and his concept of the 'morbid symptoms of the interregnum'. According to Babic (2020), these occur when a hegemony and its institutions are 'dying', thereby hampering their power. This notion also highlights that the future remains murky, despite public calls for change. Gramsci calls this the 'new that cannot be born'.

This study seeks to extend this framework to the current state of the dollar hegemony. The 'morbid symptoms' we will examine include the call to delink from the speculative high-risk US economy, the emergence of cryptocurrencies, and the politics surrounding fiat money. Some have argued that the emergence of cryptocurrencies could be the 'new'. However, this study argues that the negative characteristics associated with cryptocurrencies such as cybersecurity concerns and price volatility create ambiguity about whether cryptocurrency is the ideal trajectory. Therefore, it argues that ambiguity and calls for change qualify our current monetary situation to be classified as a Gramscian interregnum.

It also examines the current fiat money discourse by highlighting how the dollar hegemony may be succeeded by another fiat currency. However, it argues that the inflationary shortfalls of fiat money make this a fallible option, thereby perpetuating the ambiguities within the Gramscian interregnum.

## Introduction

The 2007-8 financial crisis fractured the world's public perception of and trust in the United States, particularly by highlighting its failure to regulate the financial sector. The phenomenon that led to the financial crisis is best described as financialisation. Lapavistas (2009) defines this as a decreased focus on production due to a loss of productive capacity, offset by an increased focus on profitable financial practices. This subsequent focus on finance encompasses engineered financial loopholes that can be used to generate a profit, or even to evade taxes. According to Harvey (2016), the emergence of such practices is an illustration

of the crisis of capitalism. This alternative approach to business has led to an increase in financial engineering, such as those that caused the 2007-8 financial crisis (Harvey, 2016). The Bitcoin 'founder' Satoshi Nakamoto (2008), Taskinsoy (2019b) and Harvey (2016) have evaluated this dangerous climate, and positioned themselves against these risky institutions.

The public call for decentralisation and delinking inspired Nakamoto's famous paper and his creation of Bitcoin. His paper can be used to argue that there is a growing social movement reflected in the growth in cryptocurrencies. However, the volatility surrounding cryptocurrencies may disqualify it from being a suitable alternative to fiat money. The 2022 cryptocurrency crash, which witnessed the erasure of \$2 Trillion (Sigalos, 2022) and the crash of Terra Luna, has made crypto adoption a risky policy direction (Morrow, 2022).

This study examines these trends in terms of Gramsci's notion of the 'morbid symptoms of the interregnum', which is used to explain the crisis of the state's waning power and influence. Gramsci describes this crisis of power as the appearance of 'morbid symptoms' in the form of mass disconnects, radical ideological shifts, and a 'depletion of once strong institutions' (Babic, 2020). This study argues that the global calls to delink stemming from the 2007-8 financial crisis constitute 'morbid symptoms', signalling the existence of an 'interregnum' in turn.

The 2007-8 financial crisis led to calls for decentralisation stemming from the state's failure to regulate the financialised economy. This crisis and the subsequent emergence of viable alternatives, such as blockchain-based currencies, have emerged as a radical alternative to the once-great dollar hegemony. The dollar is the reserve currency of the world, and therefore the glue that ties the world together through financial globalisation. However, events such as the 2007-8 financial crisis have inspired a growing call to delink from the dollar-based system.

The dollar hegemony emerged after World War Two when the world needed a reserve currency to act as the standard for international trade. This tied the world economy to a fiat currency -- one that was not backed by gold (Brown & Simonnot, 2020). The transition towards fiat money can be traced to the founding of the USA, the 1929 stock market crash, and the subsequent Great Depression (Brown and Simonnot, 2020).

According to the Federal Reserve (1933, cited in Wigmore, 1987), the Great Depression contributed to a loss of consumer confidence. This was worsened by the mismanagement of the Federal Reserve, which contributed to market volatility and rising prices (Wigmore, 1987). The 1933 run on the bank followed, during which members of the public exercised their right to demand their gold from the bank (Engemann, 2013). This sparked a nationwide process in which citizens collected their gold from the banks. In order to mitigate the strain on the banks, the Federal Reserve created a banking holiday to try and reduce the rate of withdrawals. Citizens wanted to hold onto their gold instead of their paper receipts, namely fiat money (Taskinsoy, 2019b). This exchangeability of paper for gold threatened the US economy because individuals, due to depleted trust, wanted to hold on to their gold (Wigmore, 1987).

However, if this was allowed to persist, the US economy would have collapsed even further because it would not have had enough gold in its reserves to validate the currency (Engemann, 2013). The dollar would then have become worthless. The Emergency Banking Act of 1933 was thus adopted to prevent the depletion of gold from the reserves. This law mitigated this economic concern because it barred individuals from retrieving their gold. This meant that citizens could no longer validate whether the gold backing the value of their fiat money (dollars) was indeed in the gold reserves.



The adoption of the US dollar as the world reserve currency in 1944 and US President Richard Nixon's decision to delink the dollar from gold in 1971 meant that the world economy became tied to this now worthless piece of paper, which no longer had the backing of gold to validate its value (Taskinsoy, 2019b). This type of currency is called fiat currency (Chen & Anderson, 2019).

Chen and Anderson (2019) note how fiat money is inflationary, and requires governance institutes to help mitigate these woes. Unfortunately, these institutions are not infallible because they are susceptible to the shortfalls of financialisation.

This paper seeks to establish whether the historical financial volatility within the US has helped to create an interregnum that threatens the dollar hegemony. To this end, it will attempt to identify 'morbid symptoms', which Gramsci used to explain the period of hegemonic ambiguity during which change is imminent, but remains uncertain.

The first section outlines the financial climate in which the US dollar operates. It argues that the US dollar exists in a volatile and speculative economic and financial environment. It uses the 2007-8 financial crisis to illustrate how dangerous market volatility and inadequate regulations can be for a country's economy. It argues that volatility and risk are negative traits that have contributed to growing disinterest in the US economy and its dollar hegemony.

The second section discusses the emergence of the dollar hegemony. It highlights numerous debates about how and why the dollar became the world reserve currency. It notes the historical considerations that illustrate why the US dollar transitioned away from commodity-backed currencies towards a worthless piece of paper.

The third section addresses the issues surrounding the dollar hegemony, and examines scholarly critiques that have prompted calls for a delink from the sovereignty of the US dollar.

The third section discusses the role of the Federal Reserve. It plays devil's advocate by illustrating how the Federal Reserve exists to mitigate the issues associated with the dollar hegemony.

Next, the paper unpacks the discourse surrounding cryptocurrencies, making the argument that cryptocurrencies currently encompass numerous issues such as volatility, security and tax considerations, which may deter cryptocurrency adoption. This argument is used to assess whether cryptocurrency threatens the US dollar hegemony. It also examines the possibility that the US dollar hegemony may be overtaken by another fiat currency.

The paper concludes by arguing that, given the foregoing, the dollar hegemony is indeed in an interregnum, and commenting on the implications.

## Contextualising the financialisation climate

Since the 1970s, traditional capitalist accumulation has slowed down significantly (Lapavistas, 2009). This has created a crisis of profit in which reduced productive capacity has contributed to the exploration of alternative means of profit generation (Harvey, 2016). This has led to financialised capitalism, in which financial manipulation or financial engineering has emerged to become a source of revenue.

This can also be described as the commodification of debt – a term widely used in Marxist scholarship, based on Marx’s own description of how capitalists began to borrow money in order to generate a profit (Marx, 1867).

Today, the use of credit to generate a profit is omnipresent. One example is securitisation. This has numerous definitions (Lipson, 2011), but in the case of the 2007-8 crash it was manifested in the commodification of debt in the form of CDS (Credit Default Swaps), CDOs (Collateralised Debt Obligations), mortgage-backed securities (MBS), and more (Lipson, 2011). These financial instruments treated debt as tradable commodities or assets, which was done by agglomerating the debt into tradable securities (Lapavitsas, 2009). The intention was to securitise assets that people were still paying for, such as their homes and cars, in order to make profits, or mitigate the risk of defaults.

Securitising debt was an insurance plan for large corporations, namely a way of mitigating losses of revenue in the event of the liquidation or sequestration of a given venture or investment. This differed from normal borrowing, because the securities gave investors greater confidence, since the borrowing was tied to physical assets. These houses, according to Baker, were considered high-value commodities, since the prices of houses had remained stable and increased in value for 10 years since 1995. This, compounded by the 30% price increase in house prices in 2002, contributed to a sense of stability in the housing market (Baker, 2008).

Therefore, awarding home loans in this context appeared low risk because the bank could merely sequester the property and sell or keep it as compensation for loan if the borrower defaulted. The problem was not with this practice per se, but with corporate greed and exploitation by the poorly regulated financial services sector, which contributed to the emergence of CDOs (Baker, 2008).

According to Baker (2008), CDOs had grown to a total value of \$45 trillion by June 2007. They included bundled subprime mortgages, which were risky loans likely to default. Banks had granted these home loans despite the fact that most or all of the beneficiaries could not afford them. These CDOs seemed safe because they were backed by mortgages, and therefore the underlying values of the houses themselves. This, however, rested on the assumption that house prices would remain stable, or continue to increase.

As Baker notes, this is not the case when supply exceeds demand as well as the boundaries of affordability (Baker, 2008). House prices flattened off, which meant that the housing market had entered a bubble (Baker, 2008). When the bubble burst, the housing market plummeted by 32% (Taskinsoy, 2020). This meant that, in the case of defaults, the banks could not recover the full amounts of the home loans. Among other things, the drop in the housing market was caused by the poor economic climate, notably increased unemployment.

Credit default swaps were another commodified debt mechanism that led to massive losses (Lapavitsas, 2009). A credit default swap (CDS) is a financial derivative that allows investors to swap or offset their credit risk with that of another investor. To swap the risk of default, the lender buys a CDS from another investor who agrees to reimburse them if the borrower defaults. Most CDS contracts are maintained via an ongoing premium payment similar to the regular premiums due on an insurance policy. A lender who is worried about a borrower defaulting on a loan often uses a CDS to offset or swap that risk (Investopedia, 2023). Therefore CDSs can play a useful role in hedging risk in a stable market. However, once again,



the unstable housing market and high-risk mortgages turned this into a highly explosive financial instrument.

This was further exacerbated by financial incompetence in the form of the ‘negatively amortising adjustable-rate subprime mortgage’. These mortgages were highly problematic because they did not require a monthly loan repayment; instead, they allowed the borrowers to pay off the loan in their own time (Pennington-Cross & Ho, 2010). This significantly increased the risk and likelihood of defaults, because it allowed individuals with no income to borrow large amounts of money. This debt was lumped into a diversified agglomerated collection of similarly risky mortgage securities, which created a financial bubble. Mortgage-Backed Securities became highly volatile, but this was disguised by the façade of the assumed safety of housing assets, and the assumption that housing prices would continue to increase. The 2007–8 crisis debunked these naïve assumptions.

Given the crisis and its global fall-out, leading to poor growth and large-scale unemployment, one can begin to understand the global call to delink from the dollar hegemony. Reckless financial practices within the US have contributed to various crises, but speculative financial capitalism (financialisation) has remained poorly regulated.

## The emergence of the dollar hegemony

According to Taskinsoy (2019b), the 1945 Bretton Woods conference was the genesis of the dollar hegemony. The post World War Two world required a universal currency. Lim (2019) argues that the adoption of the US dollar in the period was beneficial for a devastated Europe, and contributed to its universalisation as the world reserve currency. However, John Maynard Keynes argued for the inception of another gold-based currency, namely the Bancor (Alessandrini, 2013). I have not come across justification for this in the literature. Nonetheless, I disagree with the adoption of the dollar over the Bancor due to the dollar’s lack of intrinsic value.

Despite the US abandoning the gold standard, the dollar became an internationally exchangeable commodity (Cerny, 1993). The emergence of the US dollar as the reserve currency provided a standard for valuing all other currencies, and cemented its hegemony (Gilpin, 2016). This would imply that the US dollar was universally accepted, independent of any political influence, but Lim (2019) argues that it was politically induced. Some scholars have even noted how the US military presence in Europe contributed to the US dollar becoming the world’s reserve currency (Zimmermann, 2002), which could be regarded as coercive. However, according to Lim (2019), this negates the ‘beneficial’ role of the US dollar in financial globalisation.

The US dollar did play a constructive role in helping to rebuild Europe. In that same period, the US also played a security role in Europe through its deployment of the army. The army presence and security benefits form a single narrative that is argued to have played a role in influencing the universalism of the US dollar. However, this security role negates the role of financial globalisation in incentivising the adoption of the US dollar as the world reserve currency (Lim, 2019). Therefore, Europe’s adoption of the US dollar played a key role in the emergence of the US dollar hegemony. This adoption was beneficial for the reconstruction of Europe because this required a stable, exchangeable medium of exchange.

These arguments do not answer a key question: why was the gold standard replaced by the US dollar, despite it not having any intrinsic value? This lack of value and the preference for fiat money universalism seems unjustified. The dollar is universally accepted because people believe it has value and not because it *has* any value (Chen & Anderson, 2019). This is underpinned by the belief that the US hegemon will not dissipate. However, confidence in the US economy is fading, and the US is under serious economic threat, which has contributed to disillusionment with the dollar hegemony. This has largely been influenced by the antecedents and shortfalls of financial globalisation, such as the housing bubble-induced recession. Furthermore, the adoption of this inflationary currency over the stable gold standard was a strange decision.

Having all your eggs in one basket is an error often taught in business. If the basket breaks, all the eggs will be destroyed. This metaphor illustrates the dangers of failing to diversify risk. In contemporary society, the basket that holds the eggs is financial globalisation, and the eggs represent the world economy. It is risky for the world economy to be tied to the US dollar because that country's irresponsible fiscal policies have historically contributed to holes in the basket. This is despite the development of the regulatory US Federal Reserve. It is important to discuss its role because this institution is crucial to ensuring that financial institutions in the US act in a non-destructive way that won't damage the US and the world economy.

## The role of the US Federal Reserve

According to Taskinsoy (2020), the US Federal Reserve is America's central bank. It has five key functions, aimed at promoting financial stability, both globally and locally. They are (a) fostering a safe system of payment for US dollar transactions; (b) ensuring the safety and efficiency of financial institutions by monitoring their systemic impact; (c) resilience appraisal of the US monetary system to help establish measures to mitigate the risk of systemic crisis; and (d) the use of monetary policies to help regulate prices and maintain sensible interest rates (Taskinsoy, 2020). These five functions are institutionalised fiscal crisis mitigation tools that are being used to mitigate the woes of poor regulation, including hyperinflation and economic collapse.

However, the regulatory functions of the US Federal Reserve are not historically covered in glory. The world has faced the full force of its incompetence through financial crises. According to Brown and Simonnot (2020), numerous economists argue that these crises were caused by the fiscal policies adopted by the Federal Reserve – among them its stringent economic policies during the Great Depression. Many theorise that these fiscal policies contributed to the economic collapse of the Great Depression, a position also held by Ben Bernanke, 14<sup>th</sup> chairman of the Federal Reserve, including the period of the 2007-8 financial crisis (Brown & Simonnot, 2020). However, these errors were repeated again during this crisis, caused by the housing bubble (Harvey, 2016; Taskinsoy, 2020).

The housing bubble began in 2006 when there was an increased rate of foreclosures in African American and Hispanic communities (Harvey, 2016). They were the consequence of the greed of large banks that granted home loans to individuals who could not afford them. They were called subprime mortgages (Van Hemert et al., 2011). The deterioration of these mortgages was apparent six years before the economic collapse, and securitisers were aware of this trend (Van Hemert et al., 2011). Securitisers include financial institutions, governments and corporations. Given its mandate, the Federal Reserve should have alerted them to these practices, and prevented the securitisation of worthless assets.

The social impact of the crisis included the loss of more than eight million jobs and more than eight million foreclosures, while house prices declined by 32%, and retirement assets declined by \$2.8 Trillion (Taskinsoy, 2020). Despite these social impacts, the perpetrators (financial institutions) received government bailouts, funded with taxpayer's money. This feeds into the narrative of how financial institutions are 'too systemically important to fail' (Gynn, 2012). This is not fair, because instead of these financial institutions facing justice, they were rewarded for their bad behaviour. The implementation of fair sanctions is a necessary deterrent of malpractice, and without sanctions, these financial institutions will not be incentivised to reform. Financial globalisation means that these unintended impacts of fiscal policy have worldwide ramifications -- hence the call to delink from financial globalisation.

## The interregnum of the dollar hegemony?

In a 2011 paper titled 'Is the reign of the US dollar coming to an end?' Wessels investigated whether or not the dollar's six-decade reign as the world's reserve currency was under threat. He noted a few issues, such as US fiscal policy's potential implications for the rest of the world. Furthermore, he argued that the dollar hegemony was peaking, and that another currency might displace it. He also cited the perception of the global financial community that the dollar was under threat. Wessels disregarded the emergence of blockchain cryptocurrency and stated His belief that the US dollar would be replaced by another fiat currency.

Some scholars have looked at cryptocurrencies as an alternative that could displace the dollar hegemony and its usage of fiat money (Taskinsoy, 2019b). Fiat money encompasses numerous issues, such as its inflationary potential and the need for constant government oversight to help regulate inflation. However, the abovementioned crises highlight why these institutions are imperfect. This imperfection motivated the creation of Bitcoin in 2008-9 (Nakamoto, 2008). The creation of Bitcoin is a prominent example of insurgency against the dollar's hegemonic power. This is not without merit, because poor fiscal regulations have contributed to the distrust of the dollar. The value of Bitcoin has grown astronomically, from buying two pizzas to buying a reasonably sized townhouse (Barna, 2022). While volatile, this growth illustrates the public approval and recognition of Bitcoin as a viable alternative to the US dollar.

## Blockchain technology and the fiat money problem

Blockchain has emerged as a disruptive technology capable of shaping the way in which transactions are conducted. Some scholars have enquired whether blockchain technology has the potential to disrupt the already established institutionalised role of central banks and fiat money (Wachira & Wachira, 2021). For blockchain to be regarded as an alternative, the status quo, fiat money, has to be a problem. Fiat money is seen as problematic because it is inflationary, potentially hyper-inflationary, and has no actual value (Chen & Anderson, 2019; Nicolini, 2010). Indeed, some analysts emphasise that fiat money is 'worthless paper' (Chen & Anderson, 2019). However, the role of central banks is to ensure that fiat money is regulated through the adjustments of interest rates and the management of inflation.

Dupont (2014) argues that cryptocurrencies are also fiat money because they are also essentially worthless, and rely on public perception of their value. However, other scholars do not classify Bitcoin as fiat money, but as an investment asset (Ceruleo, 2014). Many scholars also argue that Bitcoin does not qualify as money because it doesn't fit the definition of

money. This definition considers money to be an object that has a unit of account, store of value, and medium of exchange (Ceruleo, 2014).

According to Avogouleas and Blair (2020), cryptocurrencies are volatile, which disqualifies them from being a store of value and a unit of account. However, the same critique is seldom extended to fiat money. Moreover, fiat money is prone to limitations such as hyperinflation. Shortfalls of fiat money can be mitigated through regulation by central banks (Alvarez et al., 2001), but fiat money is also potentially volatile. If public officials fail to discharge their responsibilities and mismanage fiscal policy, the hyper-inflation in Zimbabwe and Venezuela, for example, could be repeated in other countries (Heng, 2018; Reilly, 2020).

Cryptocurrencies are not infallible, and can be highly problematic because their volatile characteristics seem to mimic internet trends, and fluctuate based on public perception. This means that the value of cryptocurrency can be determined by popularity (Ceruleo, 2014). Ante (2022) has explored this phenomenon by analysing how Elon Musk's tweets have shaped the prices of two prominent cryptocurrencies, Doge Coin and Bitcoin, and found that 47 tweets had contributed to abnormal trade volumes of cryptocurrencies. In one instance, the value of Bitcoin rose from about \$32,000 to over \$38,000 in a matter of hours (Ante, 2022).

The power that celebrities and public figures have in shaping and influencing stock prices is a threat to cryptocurrencies, because these celebrities have the power to either increase the value of and demand for certain cryptocurrencies or to contribute to their decline. One tweet from Musk pertained to his suspension of the use of Bitcoin on his Tesla platform, which he sought to justify due to the carbon generated by the crypto mining process (Ante, 2022). This has illustrated two concerns surrounding cryptocurrencies, namely ecological considerations, and trend-induced volatility. Musk raised the ecological concern by stating that this was an area that needed to be fixed for him to regard Bitcoin as a medium of exchange on his Tesla platform. In this way, he is essentially acting as a gatekeeper who has the power to grant Bitcoin popularity.

Popularity has already been established as a determinant of value, but the popularity of Bitcoin is written in another form by some economists. It is linked to demand in the economic concept of supply and demand. These are age-old economic concepts that have been used in the literature to illustrate how demand determines the value of cryptocurrencies (Ceruleo, 2014). The consensus in supply and demand theory is, the higher the demand, the higher the value (Whitacre, 2010).

This speculative popularity-induced and volatile trait of cryptocurrency mimics the speculative stock markets, and lacks the stability associated with an adequately regulated fiat currency. This instability disqualifies Bitcoin as a reliable medium of exchange. This is not a death sentence, but merely an illustration of a problem that cryptocurrencies need to overcome to attain legitimacy. This volatility and speculation have been used as grounds to ban Bitcoin in numerous countries, such as Kyrgyzstan and Bangladesh (Pandya et al, 2019).

A stablecoin is a type of cryptocurrency that looks to offset the volatility of cryptocurrencies by pegging it to a stable fiat currency (Barna, 2022). Ideally, a stablecoin would have a 1:1 ratio with a fiat currency. However, the equilateral ratio could still fluctuate if the market is manipulated, whether for speculative or malicious purposes, or by random trends. Recently, Terra Luna, a stablecoin, debunked the myth of stability associated with stablecoins when it suffered a loss of \$60 billion dollars (Carbonaro, 2022). This collapse has been tied to a high level of malicious manipulation. It comprised the dumping of large amounts of Tera Luna

stock at once, which caused investors to panic. Panic in the speculative market can accelerate the rapid decline of any tradable entity's value.

This next section will unpack some additional issues that need to be avoided for cryptocurrency to be regarded as a viable alternative to the dollar and its hegemony.

## The criminal uses of cryptocurrencies

According to Barna (2022), cryptocurrencies can be utilised for nefarious purposes such as tax evasion, terrorist funding and money laundering. For this reason, crypto currencies have been banned in numerous countries, including Bolivia, Pakistan and Nepal (Barna, 2022). However, these criminal trends should not be used to hamper the adoption of cryptocurrency, because this naively disregards the fact that paper money is just as difficult -- and even more difficult -- to trace (Foo, 2020). Blockchain applications encompass numerous advantages such as trackability and transparency. If crypto exchanges were linked to government ID databases, it could be possible to track the flow of funds, and eliminate or reduce criminal risks. Similarly, Zamani et al. (2020) assert that users need to be identified to avert the anonymity incentive associated with cryptocurrencies. However, the use of the Tor browser still poses a risk because it enables criminals to use cryptocurrencies on the dark web (Macrina & Phetteplace, 2015). If this criminal risk is averted, countries would be incentivised to utilise cryptocurrencies, which may subsequently threaten the dollar hegemony.

Another criminal use of cryptocurrencies is tax evasion. Cryptocurrencies are advantageous for developing countries partly because they are useful for circumventing corrupt political regimes and inadequate financial systems (Barna, 2022). However, these advantages come with the polarising disadvantage of the loss of tax revenues. This can be disastrous for countries that rely on state service provision. It can contribute to inequalities in developing countries, and is therefore an issue that needs to be resolved in order to motivate policy-makers and planners. But fiat money is also used to avert taxes, so it is perhaps unfair to claim that fiat money is the best option in this context.

The risk of being hacked is a cybersecurity concern that illustrates governments' need to invest in cybersecurity infrastructure and cybersecurity capacity-building. Cryptocurrencies are secure assets that are cryptographically secured, but the places where these cryptocurrencies are stored are not as secure (Malik & Bandyopadhyay, 2021). These authors have noted how a Japanese stock exchange was hacked, and \$531 million were stolen. The hackers were difficult to trace because they had laundered their money through the dark web. This risk may be regarded as a deterrent for cryptocurrency adoption. However, they argue that if proper cybersecurity measures are utilised, the hacking risk can be mitigated. This emphasises the need for effective cybersecurity.

Therefore, cryptocurrencies display numerous deficiencies that need to be addressed in order for them to be regarded as a threat to the dollar hegemony. Volatility, cyber-hacking, and tax evasion are among the issues that need to be addressed in order to gain the confidence of governments and other role players. If this is not done, paper money may remain dominant for the foreseeable future. This may not necessarily be the dollar, but could be any fiat currency. Therefore, if the dollar falls, it may not be the end of fiat money per se, but could merely transfer the baton in this hegemonic financial relay. What this signifies is that, unless cryptocurrency deficiencies are offset, the current hyperinflationary nature of fiat money



and its dollar hegemony may continue. This, alongside the risky fiscal mismanagement in financialised US, could lead to crises similar to 1929-33 and 2006-8.

## Is the dollar hegemony in an interregnum?

In a 2020 paper, Babic proposed a framework for analysing societal crisis and hegemonic relations. Inspired by Gramsci's *Prison Notebooks*, he argued that crisis manifested itself in three dimensions, namely (i) society (morbidity); (ii) states (organicity); and (iii) the geopolitical economy (processuality). He argued that this stratified hegemonic analysis contributed to changing power dynamics at different levels of society.

Crises of processuality were not abrupt occurrences, but the culmination of detrimental contradictions. One such contradiction is noted by Taggart (2020), who used this framework to argue how the US military and the dollar hegemony act as contradictions. Society consists of critical thinkers, and these contradictions could contribute to diminishing support. When these thinkers begin to critique the status quo, hegemonic authorities are compromised.

Gramsci's theory of hegemony speaks of rule through consent, in what Koch (2022) describes as the use of ideological mechanisms and the enforcement of ideological hegemony, through the influence of consciousness. Gramsci utilised this analysis in the context of proletarian subjugation within the capitalist system (Koch, 2022). However, the logic of authority based on consent remains relevant, because the world consists of varying ideological determinants that influence world views. Therefore, being ruled by consent implies that a population group can actively decide to comply with hegemonic authority, or actively deny participation. If the public finds the current hegemonic authority to be contradictory, this could be used to argue for change.

The historical crises that have manifested themselves in the US stock market crash and the global advocacy of delinking from the dollar could be used to argue for a paradigm shift. According to Babic (2020, 2021), this paradigm shift could be viewed through the lens of 'morbid symptoms'.

Using this argument, in order to determine whether or not the dollar is in an interregnum at the global level, 'morbid symptoms' have to be discernible which challenge the global hegemony. The call to delink from the dollar noted by Amin (2014), and the financial globalisation stemming from gross historical malpractice are emphasised as threats to the dollar's hegemonic status.

Further evidence of 'morbid symptoms' is offered by Tsui et al. (2020), who refer to the current race for post-dollar hegemony. They also note that the future is ambiguous because it is unclear which currency will displace the dollar hegemony. This means that this race has no clear outcome.

They briefly mention cryptocurrencies, but argue that cryptocurrency is a fad that does not solve many of the world's money problems, such as cost, credibility and decentralisation. However, they add that cryptocurrencies could disrupt the dollar hegemony, among others due to their adoption by large companies and financial institutions. Companies such as Facebook have the potential to generate a huge market share from their users, and the Facebook Libra stablecoin could be an example of one such disruptive technology. Thus far, however, cryptocurrencies have significantly underperformed in this context (Taskinsoy, 2019b).

Tsui et al, (2020) argued that the dollar and crypto could be amalgamated into a crypto dollar, which could establish a new hegemony. But they seem to ignore the fact that there is already a crypto dollar in the form of a stablecoin called Luna (Lipton et al., 2020). Luna was pegged to the US dollar and gold (UST) (Morrow, 2022). Although not endorsed by the Federal Reserve, this was a crypto dollar. However, it was still susceptible to misuse by the speculators, which subsequently contributed to its decline. Cryptocurrency volatility is its greatest impediment, but if demand remains constant, or continues to increase, these extreme price fluctuations and crashes may reduce in intensity. Therefore, this shortfall in financial stability could contribute to public and state hesitancy regarding cryptocurrency adoption. This means that cryptocurrency, in its current form, is not a clear successor to the dollar hegemony. It is this uncertainty about the future that defines the period of the interregnum.

The second dimension proposed by Babic is that of the state. The state is informed by the geopolitical context of the dollar hegemony. This is typified by Taskinsoy's depiction of the emergence of the dollar hegemony, which tends to induce crises.

The third dimension, namely morbidity, derives from Gramsci's famous statement about a 'crisis of authority': 'The crisis consists precisely in the fact that the old is dying, but the new cannot be born; in this interregnum, a great variety of morbid symptoms appear' (quoted in Achcar, 2022). Additionally, Babic (2020) further reads Gramsci by citing how these morbid symptoms cause a depletion of 'once great institutions'. A similar trend to Gramsci's analysis can be seen at the local level. Based on this logic, this study argues that the emergence of blockchain technology is an example of the 'morbid symptoms' exhibited by the great institution of the dollar hegemony and its sub-institutions, such as the Federal Reserve.

Scholars have also used Gramsci's morbid symptoms logic to explain changing global hegemonic relations (Babić, 2021; Taggart, 2020). Taggart argued that the liberal order had entered an interregnum due to the crisis-induced public pessimism. In this paper, this systemic approach is extended to discussions about the dollar hegemony.

Given the above, the answer to whether the dollar is in an interregnum is 'yes'. This is due to the prevalence of public and global pessimism and scepticism, flowing from the shortfalls associated with the dollar hegemony. This is compounded by other characteristics of the interregnum, such as the collapse of 'once great institutions'. This, in conjunction with the ambiguity surrounding the 'new that cannot be born', implies that US dollar hegemony is in an interregnum. Therefore, it seems clear that the dollar's days are numbered. This is a literary characterisation, based on the current state of the dollar hegemony. This pessimistic narrative has been induced by the risks associated with the speculative US financial sector and the historical economic crises that have contributed to global scepticism about the reliability of the dollar hegemony.

## Conclusion

This paper has argued that poor regulation of the financial sector, which has historically manifested itself in various financial crises, has led to growing calls to delink from the dollar hegemony. It has revisited the antecedents of the dollar hegemony, and established that the US has been historically irresponsible. It argues that this is linked to a poorly regulated financial services sector. The paper then sought to establish whether this call to delink, and the ambiguous future associated with it, could qualify to be classified as a Gramscian interregnum.

Following Babic, the paper accepts that a Gramscian interregnum is characterised by morbid symptoms, and goes on to argue that, due to a display of various morbid symptoms, the global economy and financial system is indeed in such a interregnum. To reach this judgment, it was important to establish whether the dollar hegemony was problematic. The paper has answered this query by citing historical crises and contradictions that have prompted calls for delinking from the dollar hegemony.

The paper has also examined the emergence of cryptocurrencies, and argued that they remain fallible. This same fallibility has created ambiguity surrounding the succession to the dollar hegemony, which has been found to constitute a morbid symptom of the Gramscian interregnum.

The paper has also argued that the emergence of cryptocurrencies is not the only 'new' that is threatening the dollar hegemony. The alternative 'new' includes alternative fiat money as well as stablecoins. Therefore, while the dollar is arguably in an interregnum, the future remains murky. It could involve a transition to another fiat currency, or a cryptocurrency. Cryptocurrencies and alternate fiat money may both threaten the current dollar hegemony, but the future remains unclear.

This research is significant for countries like Venezuela and Zimbabwe, which have been crippled by fiat money hyperinflation (Chen & Anderson, 2019) and the dollar hegemony. Moreover, the US currency monopoly is extremely powerful, and capable of damaging a country's economy through economic sanctions (Taskinsoy, 2019b). These dangers need to be noted, thus allowing political opponents of the US hegemony and the victims of hyperinflation to generate alternative solutions. The way forward depends on whether the risky, volatile nature of cryptocurrency can be accepted, mitigated and incorporated in countries that have been economically destabilised by the fiat money system and the dollar hegemony. My preliminary analysis is that if cryptocurrencies are to be incorporated, this has to happen gradually, to ensure that supporting infrastructure and mechanisms are enforced to mitigate issues such as transparency, hackability and more.

The Terra stablecoin could constitute a hybrid solution, but readers need to ponder or research this further. Another option would be for the gold standard to be revisited. But again, this issue would need to be considered in further research.

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# Information Disorders and Civil Unrest

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An Analysis of the July 2021 Unrest in South Africa

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## Abstract

Various scholars in the global north have explored information disorders and have been able to present findings on them and their implications on various sectors; unfortunately, this has not always been the case for the global South. This desktop study explores information disorders in South Africa during the July 2021 unrest in Gauteng and KwaZulu Natal between the 7-19 July. This paper demonstrates that information disorders on social media have been used as a catalyst for unrest; they are used to mobilize both those online and offline. This work shows how politicians and influential individuals used these disorders to facilitate and instigate civil unrest during July 2021. This work argues that people in political office and influential individuals should be aware of the responsibility of being influential and the consequences of their social media posts. The work further argues that despite various ways to counter these information disorders, the digital divide and literacy rate in South Africa make this challenging.

## Introduction

In the past few years, there has been an increase of scholarly work looking at fake news on social media and its implications on various sectors, including politics, entertainment, healthcare, education and others. It has also been evident that it is not always easy to distinguish fake and real news, this being due to various reasons, including the quality of the news, the source and literacy, amongst other factors. This all has created a conducive environment for Fake news to thrive. Scholars with a keen interest in this field decided that the term fake news did not do justice to the implications of the news and hence came up with the concept of information disorder. This concept examines disinformation, misinformation and malinformation as information disorders that intentionally or unintentionally deceive or spark a certain reaction. While these have been studied quite extensively, the studies have taken place in the global north, and there is very little information of these in the global South, hence the need for this specific work.

This work then explores information disorders triggered by social media during civil unrest in South Africa. South Africa was chosen for this study for various reasons; firstly, despite only 62.8% of the population having internet access, it is amongst the top three countries with the highest levels of internet penetration in Africa (Oluwole, 2022). Secondly, South Africa suffers from a digital divide that is due to the level of inequality in the country, which is said to be the highest in the world (Stoddard, 2012). Finally, the July 2021 unrest in South Africa is said to have resulted from social media mobilization, characterised by various information disorders.

Considering the above, this study will demonstrate how there are various stumbling blocks towards South Africa in fighting information disorders.

## Information disorders

The term information disorder has become popular over the years. This word gained popularity as policymakers and researchers have tried to understand and account for how the information ecosystem has been polluted (Wardle & Derakhshan, 2017). It is important to note that most of the early information on information disorders is from Wardle and Derakhshan (2017), as they are the ones who pioneered the concept and wrote about it. In their framing of information disorders, they argue that the crisis is more complex than just being fake news, hence the need to give it adequate attention (Wardle, 2020). Information disorders are often in the form of propaganda, lies, conspiracies, rumours, hoaxes, hyper-partisan content, falsehoods or manipulated media, which is then grouped into the three categories of mis/dis/mal information (Wardle & Derakhshan, 2017).

In a handbook on information disorders published for UNESCO, Wardle and Derakhshan (2018) argue that the key to understanding information disorders is thinking of who is creating this type of content and the motive behind it. And how does the audience perceive it? Furthermore, Bontcheva and Posetti (2020) problematize this topology by arguing that it is highly dependent on the ability to identify the sender's intention, which is not always possible as motives are diverse, contradictory and often unclear. Despite this concern, this work will use the above topology to frame different mis/dis/mal information types in this study.

Wasserman (2022) criticizes the discourse around information disorder, arguing that despite it being a problem that faced by the entire world, the studies on this phenomenon continue to be based and centred on the global north. Seeing the consequences and the dire information disorder is, attention should be given to attempts to understand how it operates in the global South. This is particularly because concerns about false and misleading information on social media and messaging platforms keep growing (Newman, 2021). In South Africa, it is estimated that the average time individuals spend on the internet a year equates to 154 days, of which 36 days are spent on social media (Jimenez, 2022). With social media being a catalyst for the spread of information disorders, together with it being country in the global South, that has citizens spending so much time on the internet, it is no doubt then that there should attention paid to the global South. Information disorders in the global South should be given attention as there is a need to sustain ethical independent, and trustworthy news to fight state propaganda and authoritarian states who hinder the free flow of information (Wasserman, 2022).

*Misinformation* is a term that has become quite popular when it comes to elections, political instability and, in some cases, healthcare. By definition, misinformation involves sharing false information without any intention to cause harm (Wardle & Derakhshan, 2017). The rise and use of social media is considered a catalyst in the creation and spread of misinformation (Hemsley, 2019; Petrova et al., 2020). The widespread misinformation has been shown to significantly impact society, elections, financial markets, environmental protection and violent uprisings, amongst other issues, hence making it a point of concern (Kim et al., 2019 and; Laser et al., 2018).

What is probably most dangerous about misinformation is that it doesn't necessarily equate to bad intentions; it could result from trusting information sources and using the information from these sources to inform others, not knowing it is not true. The danger with misinformation

is that when it comes to information and social media, people's first instinct is not to assume that the information is fake or need to verify it. People act on an invisible social contract that assumes that whatever one would share is accurate and hence never feel the need to verify this. In any case, it has been noted that some misinformation is even hard to detect or pass as fake news. Research has also shown that while media users in Africa might suspect or know that a piece of information is false, they feel that they are obliged to share it due to socio-cultural reasons like community orientation. Hence showing that one of the best ways to deal with this misinformation is eradicating it completely (Madrid Morales et al., 2021).

While misinformation means sharing information without intent to cause any harm, disinformation refers to the opposite of this, the intentional sharing of information that is not accurate to mislead, confuse or deceive (Fetzer, 2003). Fallis(2009) adds onto this, arguing that for it to be considered disinformation, the work's intention must be to deceive. Despite its existence for many years, it became of public and scholarly concern in 2016 after Brexit and Trump's presidential victory (Kreiss, 2021). Disinformation is closely associated with technology and social media. It is considered a tool that pollutes healthy information ecosystems (Kuo & Marwick,2021). Schools of thought argue that the rise of the internet in the 20th century and social media in the 21st century definitely multiplied the risk of disinformation ( Posetti & Matthews,2018). It is important to note that despite its close association with technology, disinformation can be dated back to the First world war around 1917. Disinformation is said to have caused the reports of Nazi atrocities to be doubted when they first emerged (Neander & Marlin,2010).

The damage caused by disinformation varies in degrees, while in some cases, it could just pass as a small "lie" that doesn't have much impact. In other cases, like COVID-19 it could potentially cause great damage. The Trump administration's labelling of COVID-19 as a Chinese Virus, or Kung Flu, is a good example of what a harmful tool disinformation is. Here it proved itself to be a harmful tool that caused xenophobia, perpetuated racism in public health discourse, and strategically excluded Asians by portraying them as unfit, unwelcome and undesirable (Shah, 2001; Noel, 2020). Phillips & Milner( 2021) and Polletta & Callahan( 2017) note that it is important to be aware of the repetition of particular narratives and stereotypes in disinformation as they always show pre-existing racism, misogynistic, xenophobic and transphobic tropes.

The last information disorder is known as malinformation. It refers to information that is correct but is used in a context that is meant to cause harm or chaos (Wardle & Derakhshan,2018). This can be seen as repurposing the truth for deceptive purposes (Baines & Elliot,2020). McLane (2021) warns that this information disorder is a political tool more than anything. A common example of which this takes place is what is known as Phishing. This refers to the misuse of an individual's personal and confidential information, this often done to tarnish a reputation (Baskaran,2019). An example of this in South Africa is the hacking and leaking of President Cyril Ramaphosa's private email account in 2017 (Savides,2017).

## Digital divide, illiteracy and South Africa's inequality

While it seems as though we currently live in a digital world where everyone has access to the internet, the reality is that only 60% of the world is online, and this is mostly in the developed world (Data Reportal,2023). This becomes as a cause of concern as the education, work, public services and other sectors have become reliant on access to the digital world. Hence the lack of it impedes on these people's access to everyday activities; the lack of connectivity



is a growing impediment on human development (Opp,2021 and Milner, 2006). The digital divide, as a phenomenon then, concerns the division of people who have access to and use the digital world and those who do not (Van Dijk, 2020). Taylor (2022) argues that the digital divide is not limited to the technical aspects only but speaks to the financial means to be able to utilize available technology, alongside the access, or lack thereof, to the internet. As this gap between those who can afford to be digitally connected and those who cannot grows, a new spectrum of inequality, known as digital inequality, begins to unveil itself (Hargittai,2003). Those who can afford to be digitally connected can advance themselves, while those who can't remain largely disadvantaged.

While the digital divide differs based on the region and other geopolitical factors. South Africa is largely affected by the digital divide due to the country's inequality level. About 46% of the population in the country is connected to the internet (Statista,2023), which means that 54% of the people in South Africa do not have access to the internet; South Africa is still ranked above other countries in terms of digital access. In South Africa, it is argued that poverty is the main barrier towards people's ability to be online (Mothobi & Gillwald,2018). In a world where even the media outlets have gone online, and the internet has become one of the main sources of information, this means that these people are excluded from information and also that they are likely to be victims of information disorders. This works on two folds. Firstly, they are excluded because they do not have internet access to information. Secondly, they cannot access the internet to verify news that they might hear. Hence putting them at the highest danger.

A study by Madrid-Morales (2021 ) found that during COVID-19, South Africans are said to have trusted their families more than the government regarding vaccine information. A result of this was a hesitancy to vaccinate, which led to the country not being able to meet their vaccination targets. Steenberg (2023) argues in his work that with the spread of misinformation, people became more anxious, hateful and hesitant about getting vaccinated. This shows how complex and challenging information disorders are in relation to digital literacy. That in a country where 54% do not have access to information tools, information disorders were able to affect people's thoughts on the vaccine. Hence we see that the digital divide is really a double-edged sword in this case; it can either allow misinformation to spread or prevent people from being able to fact-check.

Researchers and policymakers have been quick to say that media literacy could be a solution to information disorders in the country. However, this is problematic on various levels. Firstly, as discussed above, inequality and poverty in this country has meant that a larger part of the population cannot access the internet. Hence, where are they expected to practice and use the media literacy when they did not have access to these platforms? Furthermore, a study on the introduction of media literacy in South African schools found that there were stumbling blocks toward introducing this subject; these included inequality, poor training of educators in schools and bureaucratic processes regarding the change of curriculum (The Conversation, 2023).

The literacy rate in South Africa acts as a stumbling block towards fighting the digital divide as well as information disorders. A report from the 2030 reading panel found that most children in South Africa leave grade one without knowing the alphabet and that 82% of grade 4 children in South Africa cannot read for meaning (2030 Reading Panel,2023). Furthermore, adult literacy statistics have demonstrated that one-third of the adults in the country cannot read or write and that literacy amongst black South Africans is lower than 55% (Greater Good South Africa,2022). This raises alarming questions; it asks how a population of people

struggling to read and write could be expected to be trained in media literacy or distinguish from fake and inaccurate news. This is even more terrible as despite the disheartening statistics. It has been reported that there is no national reading plan or proper budget on this, and there is also no accurate reporting and progress on implementing vital interventions for this crisis (2030 Reading Plan). This is problematic as the fighting this literacy problem in South Africa is dependent on government intervention and initiative; also, fighting this could assist in the fight against information disorders in various ways. It means then that the longer it takes for South Africa to fight illiteracy, the longer the battle against information disorders. Hence, the need to understand that the information disorders and digital divide are not isolated issues, they are characterized by other socioeconomic issues that include education and inequality. Hence, the fight against them includes fighting all components.

## The Durban Unrest 2021

The period between 7 July and 17 July 2021 has become a period marked in the history of South Africa; during this period, the country experienced unrest within the Kwazulu Natal Region and some parts of Gauteng (Elumalai et al.,2022). These protests initially started as “Free Jacob Zuma” after the former president handed himself to the Escort correctional services to serve his 15-month sentence (Vhumbunu,2023). The looting, destruction and burning of property is said to have cost the country R50 billion in damages, 354 lives and 150 000 jobs (Karrim,2022). Despite the protest initially having begun due to the arrest of former President Zuma, other causing factors have been identified. Vhumbunu (2023) argues that the looting during the protest demonstrated that the protest was also a cry due to the country’s poverty, unemployment and inequality. Social media mobilization led to this week of looting, property destruction, economic activity disruption, and unrest in Gauteng and Kwazulu Natal (Patel & Everrat,2021).

Unfortunately, these protests also sparked racial and community violence in Phoenix, Durban, leading to what would be known as the Phoenix massacre. It is alleged that 36 people died in Phoenix. This death was said to result from racial profiling and racial targeting from the Indian community towards Black people who were from local surrounding communities ( Africa News,2021). Emarus and Hlangu (2021) do highlight in their work that vigilante groups took a criminal approach to protect their communities from looters and, as a result, committed brutal acts of violence. It is argued that an executive of the National Funeral Practitioners Association of South Africa was quoted saying 500 bodies were piled at the Phoenix state morgue; the KZN health department quickly dismissed these claims arguing that not all these bodies were linked to the unrest taking place in KZN (Singh,2021). Without evidence, a connection was made by uninformed members of the public and social media that the hundreds of bodies were a result of the “Phoenix Massacre” (Africa News, 2021). A social media storm under the hashtag #PhoenixMassacre trended after this unrest; some analysts have even argued that old and decontextualized videos were used to inflame the situation on the ground (Bateman, 2021).

Even with the initial protest, it is argued that the unrest was fuelled via Whatsapp. Many prominent South African figures cheered on the unrest from their Twitter and Instagram, with some spreading fake news knowingly and unknowingly (Lapping,2021). Sey et al. (2022) analyse this in their engagements of information disorders in the Global South. They argue that information disorders in the global South have escalated as a result of people’s reliance to social media for news and that the spread of false information is driven by fear, prejudice and a poor understanding of issues Sey et al. (2022) . This is exactly what is seen with the July

unrest and Durban Massacre. It also does demonstrate that part of the cause for information disorders in South Africa is the relationship that the citizens have with social media and influential individuals.

In an attempt to comprehend information disorders, in a country like ours, the questions that should be asked are on the sources of information and the citizens' relationship with them. From information gathered, former President Jacob Zuma's daughter Duduzile Zuma-Sambudla is said to have acted as a source on Twitter, which steered political violence. There are tweets which include her saying, "we see you" or "*Oksalayo*, we are not going back" which are said to have stirred up and instigated violence (Nair,2021). Twitter even reported that a picture she shared on 9 July 2021, at the peak of the violence, was out of context as the image was from 2020 (African Insider,2021). This is reckless on her side, considering that as the daughter of the former president-who, the violence was about people who were likely to believe the posts without a need to fact-check. Her positionality placed her as a reliable source. However, she used this to spread disinformation. Duduzile was very aware that Zuma loyalists would react to the videos and that the people who were protesting did not have time to fact-check but would react.

The Institute for Security Studies argues that people need to be aware of the responsibility and consequences of their behaviour online, that despite the presence of freedom of expression, there are consequences in the real world (Institute for Security Studies,2023). This shows the complex relationship between information consumers and their sources; it dates back to Wasserman's (2022) argument that people were likely to believe someone they "trust", over official government news. This making it harder to fight these information disorders during times of civil unrest that is politically motivated. Scholars like Ascott (2020) prescribe media literacy as a way to mitigate the spread of fake news and its implications. However, as stated above in this work, media literacy as a solution is a challenge for a country struggling with literacy and a digital divide. Hence it becomes influential that individuals need to understand the role the information they share plays with regard to information disorders. However, this work has shown that for political reasons and influential individuals, the spread of disinformation allows them to get what they want, in this case, to successfully instigate civil unrest. Research at the Berkman Klein Center substantiates this finding in their argument that political leaders use disinformation as part of their calculated strategy (Ly,2023).

According to an article in My Broadband (2021), a WhatsApp group called "ETHEKWINI SHUTDOWN" is part of the platforms that were used to mobilize individuals and wards for the protest. One notes from this that the instant messaging platform was chosen for this task, as it was a quick way to mobilize the protest and, secondly, a discreet way of communication. Unless someone in the group had leaked the communication, there is no way that law enforcement could have been prepared for what was to happen. This shows how complex the fight against this would have been. Furthermore, one notes that the use of words like "revolution", "cadre", "leadership", and "*amabran*ch" suggests the political nature of this unrest.

This alludes to the idea that the protests were due to tensions and factionalism within the governing African National Congress (ANC) and stereotypical Zulu nationalism (Patel and Everatt (2021). The use of social media in political issues is very strategic as it easily mobilizes loyalists. This was strategic because there were individuals from various branches in these groups who could report back to others not in the group and mobilize them. Hence showing how strategic and quick information disorders can stir civil unrest. The messages on the group are dated 8 July 2021, at around 1:05 pm (My Broadband News,2021). This is exactly on the first day that an unrest that would cost this country R50 billion would



emerge (Makonye, 2022). Therefore once again, showing how social media works perpetuates information disorders in South Africa and that civil unrest has resulted from this.

## Conclusion

This paper engaged information disorders in the global South using the popular July 2021 unrest in South Africa to carry this discussion. This work showed that information disorders threaten the whole world; however, they remain understudied in the context of the global South. Which is a problem considering how much time people in the global South, particularly South Africa, spend on social media, and also how much they rely on social media for information. Moreso, this work demonstrated that information disorders do not exist online only; they can affect those offline who do not consume social media or internet content at all. Unfortunately, information disorders in South Africa are not isolated. However, the inequality in South Africa continues to reveal itself through the digital divide and poor illiteracy rate, which make fighting information disorders a challenge. Having said all of this, this work demonstrated that the conditions in South Africa allow politicians and influential individuals to strategically use information disorders for their own political benefit, which in this study was inciting violence and leading to enormous damages in the country.

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# Digitalising Public Administration for Sustainable Development

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The Nigerian Experience

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## Abstract

Since their independence from colonial rules in the late 1950s and early 1960s, most countries in African continent have been sleepwalking in developmental realm due to a myriad of human security threats including internal conflicts, military dictatorships, public sector corruption and generational poverty among others. Consequently, the continent, in sharp contrast to others, failed to achieve some of the eight Millennium Development Goals (MDGs) set by the comity of nations at the turn of the 21<sup>st</sup> century. As all the African states pledged unwavering commitment to achieving other sets of global goals—the Sustainable Development Goals (SDGs) set in 2015, —concerns over their actual capacity to achieve them by the target year (2030) are being raised. This is because they not only epitomise most of the challenges being confronted but also lag far behind in the global race for digitalisation, precipitated by 21<sup>st</sup> century digital revolution and widely regarded as an essential driver in governments efforts towards achieving national objectives. Using desk review of secondary data, this paper examines the instrumentality of digital technologies to the achievement of sustainable development in Africa, with specific reference to Nigeria. The SDGs serve as the basis for the analysis while system theory, emancipatory realism and Digital Era Governance model among other scholarly and expert perspectives provide reasoned lines of explanation. The paper concludes that digital technology is an indispensable mechanism to the achievement of sustainable development. It recommends that while curbing corruption and insecurity are considered Nigeria's developmental priority, digital technologies should be used to accelerate their achievement and other lofty ideals.

**Key Words:** Digital, technology, public administration, development, SDG, Nigeria, Africa

## Introduction

At the turn of the 21<sup>st</sup> century, hunger, poverty, diseases and conflicts are among the threats to human security that necessitated the setting up of global Millennium Development Goals (MDGs). Most of these challenges are most prevalent in African continent. Though the digital revolution of the 21<sup>st</sup> century has paved way for paradigm shift to digital governance

model and facilitated the achievement of the MDGs in several countries, African continent has failed in that regard. It was, for example, the only continent that failed to halve poverty by the target year (2015). It was against this backdrop that in 2015, members of the United Nations (UN) set other sets of global goals—the Sustainable Development Goals (SDGs)—with more ambitious objectives.

Halfway to 2030, the target year for the SDGs, there is no indication the African countries have actual capacity to achieve them, notwithstanding the unwavering commitment they pledged to the course and some progress made. They remain the least developed countries in the world, despite being home to 30% of the world's natural resources such as fossil fuel and minerals (Irrum, 2023). In the 2022 Human Development index of the United Nations Development Programme (UNDP), all but four of the 31 countries with 'low development' are African, and none of the 66 with 'very high development' is African. This is not helped by the endemic public sector corruption and leadership failure that birthed and continuously compound the unending internal conflicts, diseases, poverty and other developmental challenges prevalent in many of the African states.

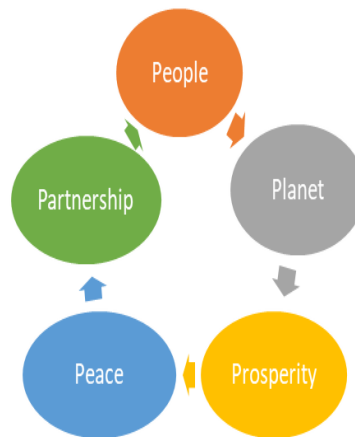
Given that digital technology has permeated all aspects of human endeavour in the 21<sup>st</sup> century, this paper explores the instrumentality of digital public administration to combating these challenges towards achieving sustainable development in Africa. The specific country of reference in the discourse is Nigeria—the most populous and largest economy in the African continent. It has over 200 million inhabitants and US\$1,645 Gross Domestic Product (GDP) per capita (UN System in Nigeria, 2017; World Population Review, 2023). The country's developmental failure, despite having such enormous human and material resources makes it a quintessence of the African continent. Though it is on course for digital public administration with numerous digital initiatives being implemented, it is also being pegged back by the aforementioned developmental challenges. Consequently, it is—like Africa as a continent—far off track for the SDGs as subsequently analysed.

## The Sustainable Development Goals (SDGs)

The concept of sustainability emphasised the notion of cross-generational equity (Mensah & Enu-Kwesi, 2018). Sustainable development is thus a development paradigm that advocates preserving the earth's ecosystems for future generations while improving the living standards of the people in the present generation (Browning & Rigolon, 2019). It rests on three conceptual pillars—economic, social and environmental sustainability—geared towards economic growth, social equality and environmental protection (Mensah, 2019; Taylor, 2016). In this vein, the SDGs are, as shown in figure 1, “a shared blueprint for peace and prosperity, for people and the planet, now and into the future” (Halderen et al., 2019, p. 1).

There are a total of 17 SDGs as follows: No poverty; Zero hunger; Good health and well-being; Quality education; Gender equality; Clean water and sanitation; Affordable and clean energy; Decent work and economic growth; Industry, innovation and infrastructure; Reduced inequalities; Sustainable cities and communities; Responsible consumption and production; Climate action; Life below water; Life on land; Peace, justice and strong institutions; and Partnership for the Goals. In order to monitor progress towards their achievement, a cumulative 169 targets and 244 indicators are set. And, as it was with the SDGs, stakeholders—like the UN's Broadband Commission for Sustainable Development—have emphasised the relevance of digital technologies to this course.





**Figure 1: The Dimensions of Sustainable Development (Five Ps).**

**Source:** Adapted from United Nations, cited in Ansari et al. (2021, p. 3).

## Methodology

The paper utilises desk review of secondary data. The documents reviewed were selected on grounds of quality, relevance to the subject matter—digital technology and Sustainable development—and recentness. Accordingly, only peer reviewed publications and reports of governmental, reputable non-governmental and international organisations on the subject matter were selected and reviewed. And except for necessary reference to the past, only documents published between 2015 and 2023 were selected, given that the SDGs took off in 2015 and the digital landscape is a fast evolving one.

## Theoretical Linkage of SDGs and Digitalization

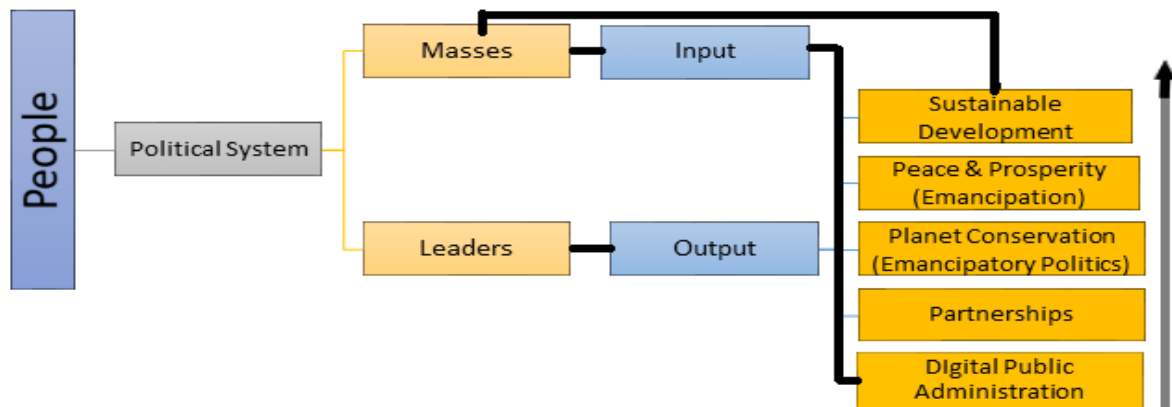
System theory, Essentially Digital Governance (EDGE) model and emancipatory realism provide basis for logically integrated relationship among the five Ps on which the SDGs traversed. The system theory, rooted in the works of Emile Durkheim and other scholars, postulated that the effective functioning of any social system in the earth planet relies on partnerships among its various components. Easton (1953) had described such in a political system as a conglomeration of inputs and outputs. While inputs come from the people in the form of agitation for adequate security and essential services towards prosperity and peace, they precipitate such outputs from public administrators, who necessarily develop effective partnerships with relevant stakeholders and effectively utilise resources in the planet.

Genuine efforts towards maximum output is referred to as “emancipatory politics” by Ken Booth and Richard Wyn Jones—the proponents of “emancipatory realism” or ‘critical security theory. The realisation of such is emancipation, which implies meeting people’s needs while tackling practical challenges like poverty and other threats to human freedom, peace and prosperity (Booth, 2005). In this vein, Booth referred to emancipatory realism as:

both a theoretical commitment and a political orientation. As a theoretical commitment, it embraces a set of ideas engaging in a critical and permanent exploration of the ontology, epistemology, and praxis of security, community, and emancipations in world politics. As a political orientation, it is informed by the aim of enhancing security through

emancipatory politics and networks of community at all levels, including the potential community of communities—common humanity (p. 268).

Consequent upon digital revolution in the 21<sup>st</sup> century, digital public administration emerged to facilitate the supply of outputs towards emancipation as expounded by Dunleavy & Margetts (2015) who put forward the Essentially Digital model of Governance (EDGE). This facilitates the achievement of sustainable development as depicted in figure 2.



**Figure 2: Social system, Digital Public Administration and Sustainable Development**

Source: The author

The EDGE is, according to Dunleavy & Margetts, “a model of governance to navigate this changed world, a model of bureaucracy where finally digital technologies take centre stage in government organization (p.2).” Digital governance rest fundamentally on partnership or networks of community at all the levels of a political system. Accordingly, it constitutes “digital public technologies (DPTs)—meaning digital assets that create a level playing field for broad access or use by virtue of being publicly owned, publicly regulated, or open source” (Ingram et al. 2022, P. 6). They cut across the three broad layers of digital ecosystem revealed in Table 1.

**Table 1: The Layers of Digital Ecosystem**

Layer	Components
Physical Infrastructure	Broadband Mobile connections Devices Electricity Data centers
Platform (Infrastructure)	Registries for the unique ID of people/buildings/vehicles etc. Payments infrastructure Knowledge infrastructure Data exchange infrastructure Mapping infrastructure
Apps-level Products	Farmer information solutions e-commerce Telehealth Much, much more

Source: Adapted from Organization for Economic Cooperation and Development (OECD, 2021, p.).

Ingram et al. have identified the crucial roles of the foregoing layers in accelerating the SDGs—being one of the global frameworks for emancipatory politics. For example, they assert that “in fighting diseases, mapping technology can interface with health information systems and even citizen-level mobile data reporting to track outbreaks in real time (SDG 3.3, 3.8, 3.d), as Sri Lanka did in the early days of the COVID-19 pandemic” (p. 18). On the other hand, the SDGs 9 aim to accelerate digital inclusion. Target 9.1, for example, aim to “develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.”

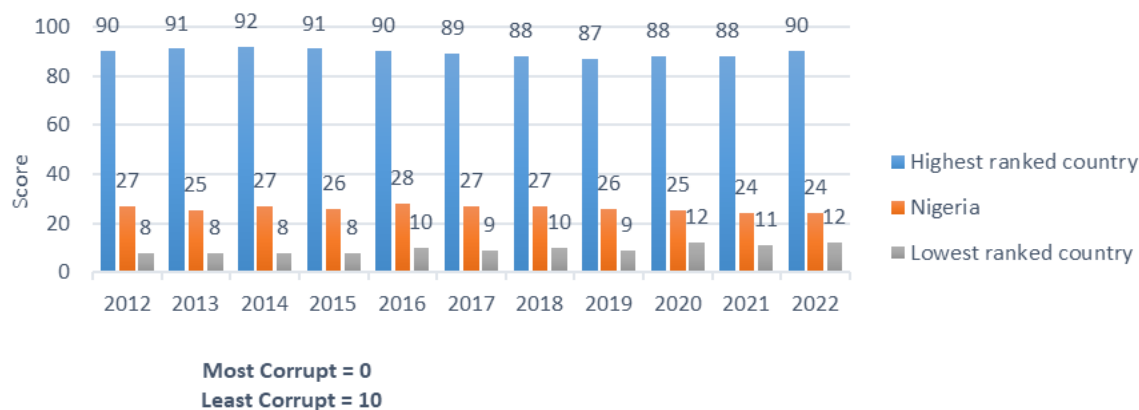
### Shortfall of the SDGs in Nigeria

Halfway to 2030, most developing countries, including Nigeria, are severely off track for the 17 SDGs. In the UN’s 2022 world’s SDG index, Nigeria is globally ranked 139<sup>th</sup> of the 163 countries ranked (Sachs et al. 2022). It is thus much closer to the worst than the best performing country in Africa and the world. With 54.2 score on a scale of 1 (worst) to 100 (best), the country is just 15 points better than South Sudan, the 163<sup>rd</sup> (with 39.0 score); and 31 points off Finland, the 1<sup>st</sup> (with 86.3 score). The best performing country in Africa (Algeria) is globally ranked 64<sup>th</sup> with 71.5 score, 17 points better than Nigeria.

In the 2020 Voluntary National Review (VNR) of the SDGs, the former president of Nigeria (Muhammadu Buhari), who oversaw the first half of the SDGs implementation (2015 – 2023) had confessed that “progress on the SDGs is mixed. While modest progress has been achieved across the goals and indicators, challenges remain in the achievement of many of the goals” (p. v). Though he had attributed this to the impact of Covid-19 pandemic, the country has since inception been faced with numerous challenges militating against any quest for development. These include insecurity (human and national), exclusion (educational, digital and financial), and instability (political, economic and social). And these have been nourished by endemic public sector corruption that has since the country’s independence in 1960, grows “enormously in variety, magnitude and brazenness” (Achebe, 1983, p. 41).

In fact, the country was ranked world’s most corrupt in the 1995, 1996, 1997 and 2000 Corruption Perception Index (CPI) of Transparency International. According to the Nigerian anti-graft agency, the Economic and Financial Crimes Commission (EFCC), an estimated \$20 trillion has been stolen from the country’s public treasury between 1960 and 2005 (Ajayi & Ifegbayi, 2015). And as president Buhari decried in his inaugural speech, “no society can achieve anything near its full potential if it allows corruption to become the full-blown cancer it has become in Nigeria” (Akinwale, 2017, para. 12). It was upon this realisation that he set economic development, security and anticorruption as the cardinal objectives of his administration. However, as figure 3 reveals, his anticorruption crusade did not yield the desired result.





**Figure 3: Nigeria's Relative Position in Corruption Perception Index (2012 – 2022)**

**Source:** Adapted from Egwu and Mshelia (2023), based on data from the 'Corruption Perception Index' of Transparency International—<https://www.transparency.org/en/cpi/>.

The apparent lack of success in the anticorruption crusade of the Buhari regime, the nearly 50% oil price decline in 2014/15, and the rising incidents of insecurity—crimes, terrorism, banditry and insurgency among others—have plunged the country into macroeconomic crisis before the Covid-19 pandemic exacerbated it. This made the prospect of achieving the 17 SDGs elusive, resulting in the country's development priorities narrowed down to the following SDGs as revealed in the 2020 VNR.

1. Poverty (SDG-1) and an inclusive economy (SDG-8);
2. Health and well-being (SDG-3);
3. Education (SDG-4) and gender equality (SDG-5);
4. Enabling environment of peace and security (SDG-16)
5. Partnerships (SDG-17).

## Nigeria's Developmental Challenges, Digital Governance initiatives and SDGs acceleration

In 2019, the government launched Nigeria e-Government Master Plan 2020. This, as the country's information minister reportedly said, is to "utilise ICT to drive transparency in governance and improve the quality and cost effectiveness of public service delivery in Nigeria" (Okoro, 2019, para. 7). Prior to this, however, numerous digital initiatives have been implemented by the government for same purpose. In addition,

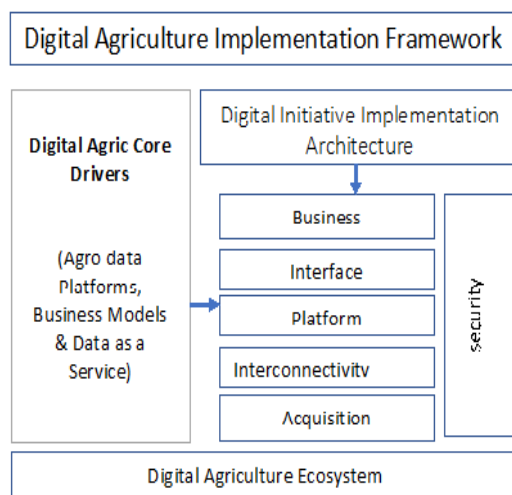
relevant institutional frameworks, such as the Nigeria Integrated Sustainable Development Goals (iSDG) Model and the re-alignment of the National Statistical System (NSS) with the requirements of the SDGs have been put in place to guide effective implementation of the SDGs in Nigeria (VNR, 2020, p. v).

Navigating through the aforementioned development priorities of the Nigerian government, the following sub-sections will examine the country's developmental challenges and various digital initiatives towards digital governance and Sustainable Development.

### 5.1 Poverty (SDG-1) and an inclusive economy (SDG-8)

In the third year (2018) of the SDGs journey, Nigeria overtook India to account for the largest number of people living in extreme poverty, with 87 million people living on less than US\$1.90 per day (Adebayo, 2018). To this figure, World Bank (2019) projected more than 30 million increase by 2030, which would account for about 25% of the world’s extremely poor people. Having realised the indispensability of digital technology to achieving economic diversification and building an inclusive economy towards reversing this unfortunate trend, the Federal Ministry of Communications and Digital Economy (FMCDE, 2019) launched a comprehensive framework for digitalising the economy—the National Digital Economy Policy and Strategy (NDEPS). It is anchored on seven fundamental pillars across the layers of the digital ecosystem. The last of pillar particularly aims to “map the development of the digital economy to the attainment of 7 of the SDGs (SDGs 1, 3, 4, 8, 9, 10 and 11) that are most relevant to the digital economy” (p. 35).

And in 2020, the government launched the Nigeria Digital Agriculture Strategy (NDAS) to “improve the efficiency of the Nigeria agriculture sector through the use of digital technologies both in the rural and urban area” (National Information Technology Development Agency (NITDA, 2020, p. v). It was built upon Agricultural Promotion Policy (APP) and Economic Growth and Recovery Plan (EGRP) launched in 2015 and 2017 respectively, as strategic response to the 2014/15 oil price decline and economic recession. As shown in Figure 4, its implementation framework is holistic, such that the prospect of digital Agric solutions being used in Nigeria (such as Zenvus, Hello Tractor, and Agricore) will be enhanced. The government aimed “to link its industrial policy to a digital-led strategy for growth”, with the Smart Nigeria Digital Economy project as implementation framework (VNR, 2020, p. 21). The ultimate aim is reducing overreliance on oil and economic diversification through agriculture—which, despite contributing about 70% of the country’s workforce, generates just over 20% of its GDP (NDAS, 2020).



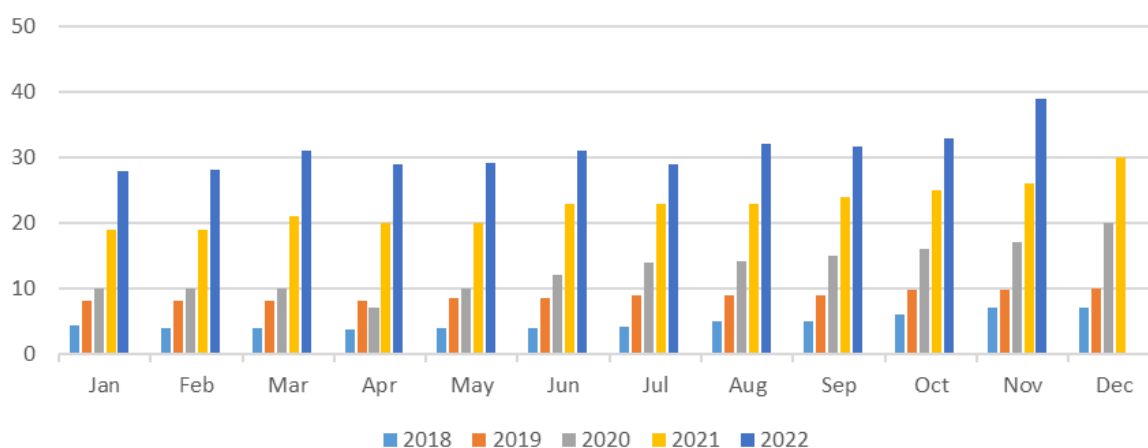
**Figure 4: The Nigerian Digital Agriculture Implementation Framework**

Source: NITDA (2020, p. 25).

To strengthen e-administration for effective e-service delivery, other digital initiatives like the Treasury Single Account (TSA) and the Integrated Payroll and Personnel Information System (IPPIS) were introduced and implemented. President Buhari was quoted as saying

these have enabled the government “to save cost and fight corruption” (FMCDE, 2019, p. 9). What prepared the ground for these, however, was the bank reform of 2004 which paved way for consolidation, uniform account number, e-banking, agent banking, and the biometric database of all bank customers in the country—the Bank Verification Number (BVN) launched in 2014.

The BVN, coupled with the digital National Identification Number (NIN) of a new computerized national identity card (also launched in 2014), enhanced financial inclusion in the country with each having over 54 and 80 million enrolments respectively (Nigeria Inter Bank Settlement System, NIBSS, 2022a; National Identity Management Commission, NIMC 2022). As Thales (n.d.) opined, the latter signals “the broadest financial inclusion program on the continent” which “offer millions of Nigerians—most of whom have never had access to a banking service—the security, convenience, and reliability of electronic payments with 13 applications”. Also, the e-banking service continuously enhance drive towards cashless economy. For example, the total volume of electronic transactions through the NIBSS Instant Payment platform (NIP) had reached 319.9 million in 2021 (January – November), while 492.2 million of such transactions were recorded in 2022 (January – November), implying 53.8% increase over the previous year’s volume (NIBSS, 2022b). The total value of the 2022 transactions was an impressive N345 trillion, the highest ever recorded as figure 5 reveals.



**Figure 5: Values of NIP Transactions (NGN Billions)**

**Source:** Adapted from NIBSS (2022b).

Furthermore, the e-banking service played a key role in reducing poverty through the agent banking scheme and National Social Investment Programme (NSIP) launched in 2016. While the agent banking service created more millions of jobs, over 22.5 million people, majority of whom are women, have reportedly been economically empowered through the components of the NSIP—Conditional Cash Transfers; Home-Grown School Feeding Programme; GEEP, and N-Power (VNR, 2020, p. 52). According to the NDEPS document, the whole ICT sector contributed 13.85% to the country’s GDP (p. 9).

However, the country is nowhere near achieving SDG 1. A recent survey of the National Bureau of Statistics (NBC) found that 133 million (63%) of the Nigerian people are multi-dimensionally poor (Ichedi, 2022). This is being exacerbated by wanton unemployment and inflation the rates of which hit 33% and 20.77% respectively (Nigerian News Direct, 2022).

## 5.2 Health and well-being (SDG-3);

In 2018, evidences abound, with regards to a continuous deterioration of Nigerians' health conditions. One of such was the very high maternal mortality rate which stood at 512 per 100,000 having dropped from 276 in 2016, and the under-five mortality rate which increased from 128 deaths per 1000 in 2017 to 132 in 2018 (VNR, 2020, p. 32 – 35). Though the government has been implementing various healthcare programmes—including the National Health Insurance Scheme (NHIS), National Immunization Coverage Scheme (NICS), Midwives Service Scheme (MSS), and Nigerian Pay for Performance Scheme (P4P), the healthcare challenges have remained. However, only about 5% of the people are covered under the NHIS as the rest, including an estimated 3.4 million people living with HIV—the world's second highest HIV burden—have limited access to health services (UN System in Nigeria, 2017, p. 13). This necessitated the development of the second National Strategic Health Development Plan (NSHDP) as a framework to guide the implementation of SDG 3 (Federal Government of Nigeria, n. d.).

However, in the face of the Covid-19 pandemic which escalated Nigeria's deteriorating health services as the 2020 VNR reiterated, the country's gross inadequacy for health service experts also got exposed. The doctor to population ratio registered as of 2018 was 1:2753 or 36:100,000. This implies the country is over 400,000 doctors short of the WHO recommended ratio of 1:600. Similarly, there was then 88: 100,000 nurse-population ratio and 58.9: 100,000 midwives-population ratio. This underscores the need to improve healthcare service coverage through digital technologies for the country to achieve Universal Health Coverage (UHC, target 3.8) among other targets of SDG 3.

The major pillars of the UHC are health care equity and financial protection for all. To this end, “the global health community has recognized the value of digital technology as a transformational tool to accelerate progress in improving global health outcomes” owing to its speed and reach (National Academies of Sciences, Engineering, and Medicine, 2018, p. 1). This prospect has since birthed digital health which encompasses all the activities at the intersection of health and ICT geared towards the effective delivery of health information and services (p. 2). Few components of this are telehealth and telemedicine. As Babatunde et al. (2021) reiterated, “incorporating appropriate technologies in form of mobile health into healthcare services has the potential of increasing healthcare services coverage and impacts” (p.1). In the words of WHO (2021), “digital health should be an integral part of health priorities and benefit people in a way that is ethical, safe, secure, reliable, equitable and sustainable” (p. 8).

In Nigeria, there have been some digital initiatives in the provision of health care services, notwithstanding their inadequacies. For example, in 2010, the National Agency for Food Drug Administration and Control (NAFDAC) introduced an mHealth initiative—the Mobile Authentication Service (MAS)—in an effort to curb the sale and consumption of fake medicine. The MAS scheme enables buyers to instantly verify the genuineness of medicine using scratch code and SMS (NAFDAC, 2017).

Digital technology also played a key role in the federal government's fight against polio which culminated in WHO's declaration of the country as polio free in 2020. In the course of the universal vaccination effort, Geographic Information System (GIS) technology introduced by eHealth Africa was particularly “implemented as a solution to locate missed settlements, improve vaccination coverage, and guide ward Focal Persons on appropriate micro planning” leading to the identification of about 3 million children in over 5000 missed settlements

across the 32 states it was used (FMC Jalingo, 2020). FMC Jalingo added that an SMS-based software—Auto-visual AFP Detection and Reporting (AVADAR)—was used in 11 states to engage over 6000 stakeholders for active surveillance.

Furthermore, Akintunde et al., (2019) opined that telemedicine has been used at different points in time to provide healthcare services to the patients of Ebola and hypertension among other diseases in Nigeria. However, while “the COVID-19 pandemic accelerated the use of telemedicine and uncovered its opportunities in providing prompt clinical care, education, and healthcare at a low cost and extensive coverage”, it is still being underutilised in Nigeria, thus remaining at infancy stage with no legal framework (Egbewande et al., 2023, p. 2).

### 5.3 Education (SDG-4) and Gender Equality (SDG-5);

With regards to SDG 2 also, the first half of the SDGs journey is not without a course for worry to the Nigerian government. The number of out-of-school children in the country has grown to approximately 20 million according to UNESCO Global Education Monitoring Report (2022). This represents over 8% of the global total of 244 million, and about a double increase in Nigeria in less than a decade. Also, dropout rate was high with the average years of school attendance among Nigerian children being 6.5 years, against the expected 10 years. The quality of education being offered has also been disappointing as the learning outcome of pupils in literacy, numeracy and basic life skills averagely range from 30 – 52% scores (Abul, et al. 2017; Federal Ministry of Education 2018).

This trend is appalling, given it is more than two decades since the launching of the Universal Basic Education (UBE) Programme in 1999, which sought to address the challenges of accessibility, equity, quality and affordability of basic education by 2015. Having been strengthened by the UBE Act of 2004, it makes basic education free and compulsory for all Nigerian children, thereby providing a framework for the implementation of MDG 2 and addressing the issues of education for disadvantaged children like the girl-child and internally displaced children. Failure to achieve that and the renewed commitment to the SDGs necessitated the formulation of National Inclusive Education Policy (NIEP) in 2017, in order to address the policy gap relating to the enrolment of children with disabilities.

And the government did not take for granted the indispensability of digital technologies if the tides of out of school children and the low quality of education were to be stemmed. In 2019, the government launched the National Policy on Information and Communication Technologies in Education (NPICTIE) and the National Implementation Guidelines for ICT in Education (NIGICTIE). The former:

“identifies the critical role of ICT towards the attainment of the National Vision within the context of the Constitution of the Federal Republic of Nigeria, the National Policy on Education, Ministerial Strategic Plan: Education for Change and Sustainable Development Goals (Federal Ministry of Education, FME, 2019, p. v).

And on the back of the foregoing, the government launched the Nigeria Education Sector Covid-19 Response Strategy to mitigate the stagnation of learning caused by the closure of all schools in the country, which affected close to 46 million learners Dele-Ajayi and Taddese (2020, p. 18). The FME oversaw the development of Learn at Home Programme (LHP) through radio, Television and mobile classrooms (Federal Ministry of Education, 2020). However, as Dele-Ajayi and Taddese further examined, the autonomy of state governments



on education means various state governments have to develop their own digital initiatives—some which were identified.

Though the implementation of SDG 4 in Nigeria is limited to the basic education (primary and junior secondary Schools), the utilisation of digital technologies in the country's education sector transcends secondary schools. For example, in 2014, the Joint Admission and Matriculation Board (JAMB) had upgraded the pen-on-paper University Matriculation Examination (UME) for prospective undergraduates to a computer based United Tertiary Matriculation Examination (UTME). There is the Nigerian Universities Electronic Teaching and Learning (NUETAL) platform established in 12 Universities across the country (FME, 2019, p. 5). And universities each at their own pace partnered with different organisations to develop digital platforms for knowledge delivery, evaluation and payment with the Covid-19 pandemic accelerating the prospect.

Gender imbalance in the education sector, especially the basic education level is among the roots of gender inequality across different sectors in Nigeria. In pursuance of the SDG 4 among others, the country has deployed the Gender Equality Package (GEP) developed by UNICEF in its Learning Passport (LP) Platform. While the LP is “an online, mobile, and offline platform that enables continuous access to quality education”, the GEP is an initiative that ensures the LP platform is “gender-responsive and girl-focused” as it “covers five themes: gender equality, STEM, economic empowerment and entrepreneurship, GBV prevention, and comprehensive sexuality education” (UNICEF, 2021, p. 3).

With such digitally enabled educational empowerment of the girl child, gender inequality in different sectors will be significantly reduced in the nearest future. At the moment, however, Nigerian quest for SDG 5 is off track due to women's significant exclusion in several developmental indicators. For example, the financial exclusion in the country stands at 36% for women against 24% for men (Central Bank of Nigeria & Enhancing Financial Innovation & Access, 2019). And as several economic empowerment programmes leverage on digital database such as the BVN and NIN, only 35 out of the 80 million of those who enrolled in the NIN scheme are women (NIMC, 2022).

Indeed, a survey found that in low-income countries, women constitute 44% of those without their country's national ID or similar foundational document against 28% for men (World Bank, 2021, p. 21). This is not helping the wide gender gap in the world. The Global Gender Gap Report (2023) revealed that globally, just 68.4% distance towards parity is closed, and at the current rate, it would take many decades to achieve parity in many sectors (World Economic Forum, 2023). In Nigeria, there has been continuous disapproval against women seeking leadership positions and unfavourable electoral rules leading to wide gender gap in the political spectrum (Umar & Kari 2018).

The problem of using digital technologies to enhance substantive gender equality is the gender imbalance in the technological world. The statistics of mobile internet users in 2019 has only 38% adult females compared to 54% adult males (GSMA, 2020). The Nigeria Demographic and Health Survey 2018 found that mobile phone ownership stood at 55% for women and 81% for men (National Population Commission & ICF, 2019, p. 382). As UNICEF (2021) revealed, globally, women are 7% less likely than men to own mobile phone; and in low-and middle-income countries, they are 15% less likely to use mobile internet (p. 1).



#### 5.4 Enabling environment of peace and security (SDG-16)

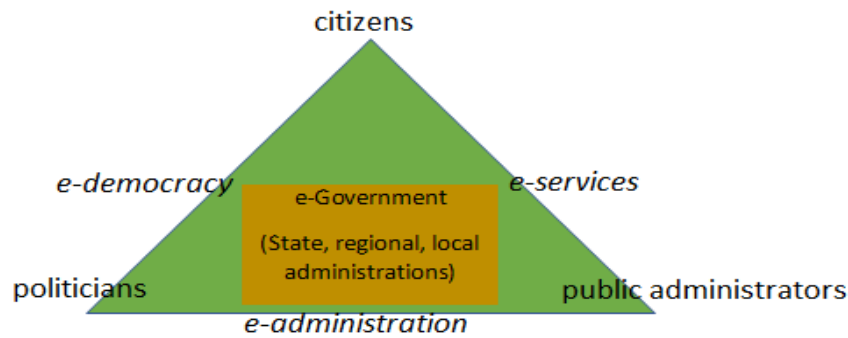
The first eight years of the SDGs journey have apparently been the most threatening to Nigerian statehood since its 30 months civil war. This is caused by spiralling crimes, ethno-religious conflicts, resurgence of armed rebellion in the Niger Delta, armed banditry in the northwest, insurgency in the southeast and terrorism in the northeast. These have earned the country an unenviable rank in Global Terrorism Index (Institute for Economics and Peace, 2021).

The age long secessionist agitation in the south east that led to the civil war assumed similar dimension. The now proscribed terrorist group, the Independent People of Biafra (IPOB) renewed confrontation with government forces leading to the death of many people and the burning of many police stations among other consequences (Home Office, 2022). In the oil rich Niger Delta, the Niger Delta Avengers among other new violent groups emerged to renew hostility with federal government forces. The Boko Haram terrorists ravaging the country since 2009 transcended the northeast, reportedly taking over 500 communities in Niger state (north central) in 2021 (Ahmad, 2021). According to UN System in Nigeria (2017, p. 17), the 2016 Humanitarian Needs Overview (HNO) put the number of people affected by the insurgency at 14.8 million. In the same vein, between January and July 2019 only, there were about 330 attacks by armed bandits which resulted in over 1,460 deaths (Abdullahi, 2019).

The government has considered digital technology an indispensable mechanism in its efforts to tackle insecurity towards achieving national objectives and the SDGs. Therefore, the government deemed it imperative to make the country a fertile ground for digital governance by implementing the numerous digital initiatives geared towards fighting poverty and illiteracy among other harbingers of insecurity. While digital exclusion in the country negated this effort and aided insecurity, there has continuously been efforts to reverse that. There was, for instance, a significant increase in the number of active GSM users in the country as the number of active lines reached 208.6 million in July 2022 (Adepetun, 2022). There was also a significant telecom access gaps reduction from 207 clusters in 2013 to 97 in 2022—representing 53% reduction (Premium Times, 2023). Furthermore, internet user penetration in the country has increased from 26% in 2018 to 38% in 2022 with 108 million internet users (Sasu, 2022).

Beyond facilitating the country's quest for digital governance, these provide an effective pathway for combating the security challenges prevalent in the country as expounded by Mshelia and Kari (2023). According to them, the government must navigate through the three core types of relationships that solidify e-governance as depicted in figure 6.

As digital technology provides an avenue (like social media) for direct interaction between the leaders and the led, it facilitates good governance responsive to the needs of the people. The leaders leverage on digital technology to facilitate administration among various levels and agencies of government (including security agencies), as well as other stakeholders towards effective service delivery (including security services). And as depicted in figure 7, digitally oriented government services empower the people economically and otherwise, thus providing an enabling environment of peace and security (SDG-16). Following the footpath of Lagos state, Nigerian public administrators need to ensure this by developing smart cities—a municipality in which inhabitants are digitally connected to qualitative social welfare services and the public administrators (TWI, n.d).



**Figure 6:** Three relationships in e-government

**Source:** Adapted from Wihlborg (2005) cited in Bernhard (2014, p.20-21).



**Figure 7:** The impact of e-governance on security

**Source:** Adapted from Mshelia and Kari (2023, p. 12).

### 5.5 Partnerships (SDG-17)

The numerous developmental challenges faced in Nigeria means the government must collaborate with different stakeholders locally and internationally to be able to steady the ship towards the first 16 SDGs all of which connote concrete areas of action and tangible investments. Fortunately, SDG 17 is set upon such realisation. It is thus a facilitator for the 16, making its evaluation more methodologically challenging with many analysts avoiding such (Potluka, 2020, p. 138). Aiming to “strengthen the means of implementation and revitalize the global partnership for sustainable development”, it covers finance, technology, capacity-building, trade, and systemic issues (von Schnurbein, 2020, pp. 2 – 5). And with 19 targets—12 of which mention “developing countries” or “Global South”—and 25 monitoring indicators, it seeks to ensure African nations faced with developmental challenges are, as partners, helped through the five focus areas while implementing the 16 SDGs. As von Schnurbein opined:

one of the major differences between the MDGs and the SGDs is the universal nature of the latter without differentiation and the full inclusion of all areas of society, including state, market, and civil society. From a theoretical perspective, the MDGs’ failure can be explained by a wrong, albeit unilateral, perception of partnership (p. 1).

In the UN's Partnerships for SDGs online platform where, even before the Covid-19 pandemic, more than 5000 partnership commitments are registered, 134 indicated implementations in Nigeria with focus on different SDGs (Enechi & Pattberg, 2020, p. 33). These include SDGs 5 (39 commitments), 4 (33 commitments), 3 (32 commitments) and 1 (31 commitments). In their survey on them, Enechi & Pattberg found that 45% and 55% of them are nationally and globally focused respectively, cutting across 43% NGOs, 26% business stakeholders, 19% nation-state agencies, 5% academics and 7% sub-national stakeholders.

As technology forms an integral part of the SDG 17, target 17.8 particularly targets ICT, and according to the UN SDG Progress Report (2023, p. 24), there is positive development in partnerships relating to access to technology. The increased number of internet and mobile phone users in Nigeria gives credence to this. The ministry of communication and digital technology, Nigerian Communications Commission (NCC), and the National Information Technology Development Agency (NITDA) are at the centre of Nigeria's partnerships leveraging on digital technologies nationally and internationally. The cardinal objectives of the Buhari administration (economic development, security and anti-corruption) provide the areas of focus.

For example, in October 2022, the country was recognised by the Open Government Partnership for pioneering Beneficial Ownership Registry to fight corruption (OGP, 2022). Similarly, the aforementioned agencies recently partnered with telecommunication companies to link all active GSM lines in the country to the NIN with a view to fighting insecurity. Regarding economic development, the country has, in addition to numerous local partnerships, been a major actor in Multi Stakeholder Partnerships (MSP) involving big businesses and non-governmental organisations. It thus benefited from official development assistance (ODA), other official flows (OOFs), private flows and foreign direct investment (FDI) among others.

One of these is the partnership with the UN System in Nigeria (2018 – 2022) which required US\$ 4.2 billion. It was the UN's collective support and response to the developmental initiatives of the Nigerian Government, with implementable interventions in development challenges (i.e misgovernance and insecurity), human needs, and the targets of the SDGs among other declarations (p. ix). Nigeria is also one of the countries added to the second phase of Feed the Future—United States government's global hunger and food security initiative (Howard & Simmons, 2019). It has, in fact, been among the major beneficiaries of huge financial flows from EU to developing countries the total volume of which amounted to EUR 111.3 billion in 2021 (Eurostat, 2023). However, as UN (2023) observe:

geopolitical tensions and the rise of nationalism in some parts of the world have made it more difficult to achieve international cooperation and coordination. Many developing countries (including Nigeria) are battling record inflation, rising interest rates and looming debt burdens, competing priorities, and limited fiscal space. A major surge in concerted action is needed to ensure developing countries have access to the financing and technologies needed to accelerate SDG implementation (p. 24)

## Conclusion

Nigeria's quest for the SDGs is off track. So much that their achievements now seem elusive. The country's numerous developmental plans across various sectors remain a little more than idealistic frameworks for the SDGs, notwithstanding some noticeable progress. The

country's public administrators have over the years not lived up to their expectations hence the failure of the MDG and other lofty ideals. In the words of Joseph (2019), "no one will describe Nigeria, in large part, as a well-governed country, or contend that the way in which many public institutions are administered—which is essentially what governance means—contributes positively to its development" (para. 1).

In order to achieve any meaningful developmental progress in the country, public sector corruption must first of all be curbed. Then the numerous security challenges that continuously threaten the country's sovereignty. As the former UN Secretary-General, Kofi Annan, is quoted as saying, "Africa must reject the ways of the past, and commit itself to building a future of democratic governance subject to the rule of law" (Cilliers 2004, p. 1). And leveraging on digital technologies towards digitalising the country's public administration is indispensable to the achievement of these and other lofty ideals. Therefore, the Nigerian government should:

1. Develop smart cities to strengthen e-governance, e-administration and e-services. This will enhance political, economic and social stability by narrowing exclusion and mitigating the insecurity challenges militating against the country's quest for sustainable development.
2. Establish special corruption tribunal to facilitate anti-corruption crusade. Though the prospect of effective e-governance, e-administration and e-services in well-developed smart cities will mitigate corruption, swift trial of those found guilty will virtually eliminate it.

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# On the Failed State, Artificial Arguments, and Artificial Intelligence

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A Non-Contribution

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## Introduction

The narrative of a failed South African state has gained currency among some prominent prophets of Armageddon as well as shadowy influencers who have penned an assortment of articles and editorials in this regard. The idea is propounded as a certainty at the high tea gatherings of lightly shaded Afro-pessimists, oppositionists, and patrons of local barber shops. Transitory moments and anecdotal realities are theatrically played out to fit a propensity towards tabloid absurdity. When violent crimes are televised live, when we witness extended hours of load-shedding, we as the elite pursue all avenues to avoid assuming responsibility for some of the current excesses of capitalism and governance failures. Instead, our common refrain is that the state has failed. There is another emergent plot point in this narrative which we do not address here, namely that of the national political scene moving from Ramaphoria to Ramaphobia (when I told a colleague four years ago that we should guard against sliding into Ramaphobia, she/he found this really objectionable).

A calm, reflective reader inevitably feels a sense of obfuscation and indignation when engaging with the subterranean pessimism embodied in the failed state narrative, no matter how it is communicated. The realities of transition and legitimate concerns are infantilised to fit a self-serving narrative. The rantings of the ‘Karens’<sup>1</sup> of South Africa are often replicated with superficial sophistication in submissions by academics, civil society activists and senior business leaders. To illustrate the growth in this phenomenon and the concomitant superficiality, it is necessary to refer to some of these in a more direct way by summarizing a selection of these articles and editorials. In the sequel to this non-contribution, we will draw extensively on narrative economics, a branch of economics that theorizes the correlation between popular narratives and economic behavior, decisions, and outcomes. There we will argue that the failed state narrative is influencing investment decisions and inhibiting the agency of state and non-state actors.

Before we summaries the articles by various commentators, we should refer to some basic definitions of failed or failing states from the metaverse, which serve to reinforce the superficiality of some of the current rants. Energetic and naïve outbursts often emanate from a type of robotic replication of data packaged as the truth by sane and reasoning non-machines. To take a step beyond disingenuousness, the approach that follows seeks to turn the tables in the discourse of the influencers by using Artificial Intelligence (AI) in a way that

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1 Karen is pejorative slang for an obnoxious, angry, entitled, and often racist middle-aged white woman who uses her privilege to get her way or to police other people's behaviour.

seeks to put back the imperatives of judgment as we engage data and information casually packaged as knowledge, otherwise what we refer to here as Artificial Arguments (AA - not the anonymous call line for addicts).

The definitions that appear to prevail from a deeper online search is from the political scientist Robert Rotberg, and the United States Agency for International Development (USAID). It is no coincidence that these are from the global North, which has been central in manufacturing consent about the idea of failed states, often used in turn to justify military and non-military interventions in order to secure its vested interests. According to Rotberg (2002), a failed state is 'a nation that can no longer claim legitimacy or perform the minimum functions of government, a condition that can result from civil war, international isolation, or domestic upheaval'. The Fund for Peace and *Foreign Policy Magazine* (2020) describes a failed state as 'a state that is failing to provide the basic functions and responsibilities of a sovereign government, including internal security, rule of law, and service delivery'.

For its part, USAID (2021) characterizes a failed state as one that is 'unable or unwilling to provide the basic functions necessary to meet the needs of its citizens, including security, health, education, and economic opportunity'. From these definitions, we can deduce that a failed state is a political entity that is unable or unwilling to provide the essential functions necessary to meet the needs of its citizens, such as internal security, rule of law, service delivery, health, education, and economic opportunity. States fail because of several factors, including civil war, domestic upheaval, and international isolation, contributing to the loss of legitimacy or the capacity needed to govern effectively.

Failed states endanger the safety and well-being of their citizens by failing to fulfil their essential responsibilities and obligations. The definitions outlined above underscore the importance of a government's ability and obligation to meet its citizens' needs and highlight the consequences of failing to do so. It is important to avoid the possible accusation of bias and conflict of interest, to offer a rejoinder, and to demonstrate the artificial characteristics of the emergent headlines that South Africa is already a failed state, or on the brink of becoming one. The approach used here is to disrupt this narrative by using AI to problematize the non-natural and often stylized state failure narrative. Readers should forgive the author for occasional lapses when he nails his own colors to the mast instead of only allowing artificial intelligence to answer back.

### Selected articles advancing the failed state narrative.

Twenty-one articles and editorials about South Africa as a failing or failed state are summarized below. The articles have been chosen to give wide editorial leeway to vent their opinions as intellectual intervention. Not all the articles affirm the narrative of a failed state; some provide a counter-narrative.

Claire Bissek, 'Let's face the facts, South Africa (SA) is already failing,' *Financial Mail*, 25 April 2023

Bissek argues that South Africa is in serious trouble, with low investment, slow growth, and depleted growth drivers and fiscal buffers. She believes the country's economic vulnerability, fiscal fragility, and political uncertainty make it difficult to see how it can pull itself out of its current situation. Although President Cyril Ramaphosa and business leaders are optimistic that 'practical joint action' in three areas - energy, logistics, and crime and corruption - will

turn the economy around, Bisseker views the damage in these areas as too deep and entwined with vested political interests for any big reversal. She believes a complete change of heart and reform in nearly every area of the economy is required to turn things around, which in her view, is unlikely given the track-record of the ruling ANC. Bisseker cites the decline in the education system, low fixed investment, and dysfunctional government departments as further evidence of the country's structural decline, which began in 2009 and had been gathering pace ever since. Bisseker does not explicitly cite state capture in this context. While she acknowledges that the private sector and civil society are taking up some of the slack left by the state, she argues that systemic change is needed, which she sees little hope of achieving in the current climate.

Prof Steven Friedman, 'The 'Failed State' Fiction', April 2023

Prof Friedman argues that the term 'failed state' is a prejudice imported by some South Africans who have a bias against states that Caucasians do not run. Friedman notes that while criminal violence and poor government performance are issues in South Africa, labelling it a 'failed state' is unhelpful and makes little sense. He argues there is no such thing as a failed state, and that academics and journalists popularised the term close to the US security establishment following the September 11th attacks to justify the US government's intervention in states perceived as not strong enough to curb anti-Western terrorism. Friedman contends that instead of labelling states as 'failed,' we should look at whom they are failing and for whom they are working, as all states have both successes and failures. He concludes that the 'failed state' prejudice is a colonial hangover that needs to be abandoned if we want to deal with our problems effectively.

*Business Day/BusinessLive*, Editorial, 2 May 2023

This editorial suggests that the ANC wants a puppet president who will follow their populist inclinations rather than a strong president who will make tough decisions in the nation's interests. According to this publication, President Cyril Ramaphosa is seen as someone who cannot manage conflict within the governing party and can only speak his mind to the extent that the ANC allows him. The failures of the ANC in government are attributed to its tendency to regard itself as wiser than the collective expertise gathered in state departments, and to ignore its own accountants. The poisoned political climate within the ANC and the sense of panic as the 2024 general election approaches is seen as the real source of mixed messaging on important matters. The editorial concludes that the ANC will not allow a strong Presidency and wants a puppet in that office to improve its electoral chances next year.

BusinessTech, Speech by Magda Wierzycka, 2 May 2023.

In the speech, business tycoon Magda Wierzycka exclaims that South Africa has already transitioned into a failed state, primarily due to municipalities' failure to provide essential services. Wierzycka highlights the constitutional responsibility of municipalities to ensure services such as electricity and water, emphasizing their influence in this domain. She points out that when municipalities fail to fulfil their obligations, it has severe repercussions for the entire nation, with water resources being particularly precarious. The speech cites the Institute of Risk Management South Africa's (IRMSA) warning about the country's lack of decisive, ethical, and courageous leadership. This leadership deficit poses a significant risk and could push SA further towards state failure. The IRMSA report stresses the need for initiative-taking measures to stimulate economic growth and address the nation's challenges. Wierzycka's draws attention to the urgent need to address the ineffective provision of



essential services by municipalities and emphasises the critical role of ethical leadership in mitigating the risk of state failure.

Busani Ngcaweni, 'Is South Africa (really) a failed state?' *City Press*, 27 February 2022

Ngcaweni examines multiple reports that South Africa is on the verge of becoming a failed state by institutions such as the World Bank, Eunomix and the World Economic Forum. In this article, he discusses the two narratives that arise from these reports, one of them being the 'official line' that these are just conservative interest groups reasserting the old storyline that Black governments cannot lead. He contends that the state is defined by its capacity to exercise power over a given territory - and that the failure of public infrastructure can cause the state to be viewed as illegitimate by its citizens and the international community. The article concludes by discussing the counter-narrative to that of South Africa being a failed state, calling for recognizing the complexities of the situation and moving beyond simplistic cultural and racial typecasting of current realities.

Richard Cookson, 'South Africa is on the road to becoming a failed state', *Bloomberg*, 29 March 2023

Richard Cookson reflects on the state of South Africa, observing pervasive issues such as corruption, crime and electricity blackouts that hold the country back. Cookson argues that these problems stem from deep-rooted themes of corruption and theft that have persisted since the post-apartheid era, even under President Ramaphosa's leadership, despite initial hopes for change following his election in 2018. He says South Africa faces an alarming risk of becoming a failed state, grappling with high unemployment rates, a struggling economy, and capital flight. The article sheds light on the country's poor ranking on Transparency International's Corruption Perceptions Index and its recent naval exercises with China and Russia, which are unlikely to instill confidence in potential investors. Looking ahead to the next general election scheduled for 2024, Cookson suggests that the African National Congress's vote share is expected to slip below 51%, making it unlikely for any other party to secure a majority. This scenario indicates that a coalition government is the most probable outcome.

Jason Musyoka, 'Is South Africa a failed state?' *City Press*, 20 September 2020:

Musyoka challenges the claims circulating in the media that South Africa is on the verge of becoming a failed state. Musyoka rejects the notion that South Africa can be compared to countries like Somalia, Afghanistan, or Sudan, which he characterizes as 'rubbish dumps'. Using the Weberian school of thought to define a failed state, Musyoka argues that South Africa needs to meet the criteria. According to this perspective, a failed state exhibits persistent political violence, deep conflict, and intense competition among warring factions. Musyoka asserts that while there are areas of discontent in South Africa, it is nowhere near the dire circumstances seen in Somalia or Afghanistan. Musyoka criticizes the Africa Report and the Eunomia Group for providing weak analyses and projections that fail to capture the complex realities of South Africa. He emphasises that black South Africans should not be portrayed as the 'wretched of the earth,' and issues such as slow service delivery, corruption, and law enforcement gaps should not be oversimplified or seen linearly. In conclusion, Musyoka calls for honest, critical, and historically informed debates regarding the state of South Africa. He encourages a nuanced understanding of the country's challenges and complexities rather than succumbing to sensationalized claims of imminent failure.



Eeben Barlow, 'SA's ability to function as a democracy is increasingly questionable', *The Citizen*, 3 May 2023

Eeben Barlow, chair of Executive Outcomes, raises serious concerns about South Africa's ability to function as a democracy, suggesting it is teetering on the brink of failing. Barlow points to various alarming factors, including the recent FATF (what does this represent?) grey listing, a deteriorating economy, a faltering political trajectory, inadequate provision of basic services by the government, rising voter anger, rampant crime and corruption, deliberate sabotage of critical infrastructure, increasing militancy, frequent kidnappings, and a perceived weak judiciary. As a result, both domestic and foreign investors are becoming increasingly apprehensive and withdrawing their support. To address these issues, the author emphasises the urgent need to eradicate corruption at all levels of government and society. Barlow calls for a solid commitment to transparency and accountability towards the electorate, advocating for an independent judiciary free from political interference. Additionally, creating an appealing economic climate that attracts foreign direct investment is crucial. Without the leadership's unwavering dedication to implementing these measures, the article warns that South Africa will become a failed or even a collapsed state, with devastating consequences for its future.

Richard Calland, 'South Africa: A nation struggling, yet not a failed state', *Mail & Guardian*, 1 June 2022

Calland challenges the application of the term 'failed state' to South Africa. Calland argues that a failed state should not be relative but absolute. He emphasises that South Africa's challenges should be compared not to developed nations like Australia but to countries experiencing severe instability. Calland contends that the South African government maintains a legitimate grip on the security apparatus despite manifold weaknesses, distinguishing the nation from the catastrophic failures seen in Yemen, Somalia, Syria, Chad, or the Central African Republic.

*University of Pretoria News*, 'Is South Africa a failing state?' 11 November 2022

This article captures the discussions by a panel hosted by the University of Pretoria. Experts debated whether South Africa could be considered a failing state under the theme: 'Evaluating South Africa's Statehood: Failing Government or Failing State?' Professor Sandy Africa, Professor Danny Bradlow, and former Director-General of National Treasury, Dondo Mogajane, called for nuanced debate and careful use of language in this conversation. While acknowledging the government's failure to meet all public service delivery expectations, the panelists agreed that South Africa is not a failed state. They singled out the country's functioning institutions, legitimate democratic processes, and comparative strengths in elections and freedom of speech. However, they cautioned that if warning signs are ignored and challenges go unaddressed, South Africa could face more significant societal fractures and citizen uprisings. The discussion also delved into the KwaZulu-Natal uprisings in July 2021, which exposed the state's limited ability to protect its citizens. Professor Africa emphasised the importance of sustainable development and a transformative political culture to avoid further conflict. The panel concluded that while the South African government may fail in service delivery, the state remains robust. By recognizing the country's strengths, addressing existing challenges, and fostering inclusive development, South Africa can navigate a path away from catastrophic consequences and strive for a more prosperous future.

Brutus Malada, 'Let's not beat about the bush — South Africa is a failed state, now let's all stand up and fix it,' *Daily Maverick*, 5 September 2022.

In this opinion piece, Brutus Malada boldly declares that South Africa has reached a state of failure. For him, failure stems from the concentration of power and wealth in the hands of a privileged few, leading to widespread poverty and destitution among most of the population. Malada urges a comprehensive examination of the underlying causes of this failure and the development of effective solutions. He writes about the erosion of accountability mechanisms, particularly within Parliament, and points to the pervasive influence of corrupt individuals in the country's governance. Despite the grim assessment, Malada maintains an optimistic outlook, emphasizing the importance of constructive public discourse to address the pressing challenges faced by South Africa. PS: we will not judge Malada by recent revelations that he made few millions for participating in an intellectual crime – the authoring of the 'unauthorized' biography where not only did the subject actively participate, but he also paid for the project.

*African Leadership Programme* [online], 'South Africa - a failed state?', February 2023

This article discusses the current state of South Africa and its potential to become a failed state. It contends that the government and state have failed due to the blurred lines between government, state, and party, allowing for poor service delivery, corruption, and the deployment of weak cadres. However, the author also presents counterarguments, such as government agencies successfully measuring and reporting on their performance, census-taking, and the judiciary system. It concludes that South Africa is an increasingly fragile state with weak capacity in many areas that have not delivered on the promises of democracy. The article suggests that the conflation of party, government, and state, with too few checks and balances, has allowed for rampant looting of the future of South Africa's children and the destruction of hope for all. The article ends with a call to action to address the issues facing South Africa and to recognize the impact of its colonial legacy.

Eunomix Business and Economics, South Africa risks becoming a failed state by 2030, cited by ENCA on 13 September 2020

According to a report by this Johannesburg-based political and economic risk consultancy, South Africa is on a trajectory towards a potential economic and political collapse by 2030 unless significant changes are made to the country's economic model and the implementation of growth-friendly policies. The report, cited by ENCA on 13 September 2020, attributes the elevated levels of inequality to apartheid-era laws and criticizes post-independence governments for their failure to generate sufficient job opportunities. Eunomix projects that by 2030, South Africa's security ranking will be near the bottom among more than 180 countries, while its prosperity levels will resemble those of Bangladesh or Côte d'Ivoire. The consultancy suggests that the government should pursue a 'dual track' strategy in response to these alarming predictions. This approach entails maintaining robust social support systems while adopting an aggressive special economic zone policy that promotes growth and employment, albeit potentially at lower wages. The report highlights the urgency for South Africa to address these issues and offers a potential path forward to avert the predicted collapse. By implementing growth-friendly policies and tackling economic inequality, the country may be able to redirect its trajectory towards a more prosperous and stable future.

Oscar van Heerden, 'Is South Africa a failing or failed state? Let us stop with the useless labels', *Daily Maverick*, 22 September 2020

van Heerden examines the criteria used to define these terms and questions their relevance in South Africa's unique historical trajectory, including colonialism and apartheid. He acknowledges that while South Africa faces significant challenges, it has also achieved notable milestones in its journey towards democracy. These accomplishments include the establishment of a progressive Constitution and Bill of Rights, an independent judiciary, and transparent government budget processes. van Heerden argues that these achievements should be considered when evaluating a country's progress. To further strengthen the young democracy, he proposes prioritizing addressing people skills, race issues, gender-based violence and cultural considerations. He mentions transparency and openness as vital characteristics of a prosperous state. He cites the democratic decision-making process in reopening public schools during the COVID-19 pandemic as an example of the country's commitment to transparency. He closes it by calling for a nuanced understanding of South Africa's complex realities, considering its challenges and achievements.

BusinessTech, 'South Africa is running out of time,' 2 April 2023

This article is based on an interview with the economist Prof Daniel Meyer. According to the article, he says there are growing concerns about the country's risk of becoming a failed state within the next seven years are discussed. He warns that the country's critical systems, such as service delivery, economic growth, and equal development, are delicate. If the situation does not improve, South Africa could quickly deteriorate into a failed state by 2030. Using his methodology based on the Fragile State Index, Meyer rates South Africa just under 5/10, indicating a middling situation with a negative outlook. The article cites experts who have expressed similar concerns about power cuts, service delivery failures, and the lack of decisive leadership. However, it emphasises that there is still an opportunity for the government and people of South Africa to change course by addressing corruption, promoting ethical leadership, and exercising their collective voice through informed voting.

Ebrahim Harvey, 'Why South Africa is a failed state: unveiling the socioeconomic crisis,' *News24*, 19 April 2023

In this article, Ebrahim Harvey forcefully avers that the country has become a failed state, citing the current socio-economic crisis as the worst in the country's history. Harvey challenges a previous article by Richard Calland, which disputed South Africa's failed state status, critiquing Calland's approach for relying on a top-down, bureaucratic, and legalistic perspective rather than considering the lived socio-economic conditions of the citizens. Harvey contends that the undeniable reality is that these conditions have been deteriorating, resulting in unprecedented levels of Black poverty, unemployment, and social inequalities, effectively positioning South Africa as the most unequal country globally.

Paul Hoffman, 'South Africa's downward trajectory: a struggle against failure,' *Daily Maverick*, 20 April 2022

Hoffman asserts that although South Africa is not yet a failed state, it is on a dangerous path towards that end state. He submits that the country is grappling with rampant corruption and a lack of trust in the government's ability to address pressing issues like poverty, unemployment, and inequality. Hoffman emphasises the urgency of combatting corruption and rebuilding public trust to prevent further deterioration. The article underscores the need

for effective measures and reforms to restore confidence, safeguarding South Africa from the brink of failure.

Max du Preez, 'Are we on a slippery slope to a failed state?' *Discovery South Africa Good News*, 2 December 2023

Du Preez argues that despite the prevailing challenges and widespread pessimism, the nation has the potential for positive transformation through effective leadership and active citizenry. He further highlights the need for a balanced assessment of strengths and weaknesses, urging against despair. Finally, he envisions a future where South Africa can regain its stability, optimism, and global reputation by addressing education, corruption, and economic policies.

Eugene Brink, 'SA may be a failed state, but it is not a failed society', *PoliticsWeb*, 24 April 2023

In a thought-provoking article, Brink presents a compelling argument that while South Africa teeters on the brink of becoming a failed state, its resilient people persistently step up to address the shortcomings of a deteriorating government. Brink acknowledges the presence of numerous instances that exemplify the state's failures, such as dysfunctional municipalities and collapsing public services. However, he also highlights notable exceptions that defy this narrative, including the Western Cape Provincial Government, Midvaal, and uMngeni Local Municipalities, which exhibit some functionality. Moreover, Brink emphasises that despite these failures, South Africans still possess agency and a diverse array of individuals and groups beyond the government who actively combat decay and strive to enhance their quality of life. These include community members who clean parks or streets, the private sector, farming communities, taxpayer associations, and community policing forums. These examples illustrate the resilience and determination of South African society to be effective and improve their immediate surroundings.

The article concludes that while the state may falter in several ways, South Africa as a society has not completely succumbed to failure. The actions of its people and the presence of functional entities demonstrate that the spirit of resilience and collective effort remain strong, providing hope for the future. By highlighting these examples, Brink encourages a more nuanced perspective that recognizes both the state's failures and the ongoing efforts of individuals and groups to create positive change in South Africa.

Sue Heystek, 'How to invest for the possibility of a failed state,' *BizNews*, 17 May 2023

Heystek discusses the increasing concerns surrounding the potential economic collapse of SA. She highlights a feature in the respected business journal *Financial Mail* by Claire Bisseker, titled 'SA's Doomsday Clock,' which has sparked significant attention within the investment community. The feature provides a detailed analysis of SA's economic and financial trends, with development economist Claude de Baissac warning of an impending debt crisis in 2025 and the potential for South Africa to become a failed state by 2030 if the current mismanagement persists. Heystek advises investors, particularly those unable or unwilling to leave South Africa, to protect their assets by diversifying internationally. She suggests selling properties (except in the Western Cape), considering rental options, investing in accessible tax-free options, buying gold, opening foreign bank accounts, utilizing offshore investment platforms, acquiring in-demand skills, exploring cryptocurrencies, and even exploring international residency. The article concludes by emphasizing the importance

of seeking professional advice and mentions Magnus Heystek, a director, and Investment Strategist at Brenthurst Wealth, as a contact for further information.

## Pitting AA Against AI

As these summaries demonstrate, regardless of perspective and persuasion, a growing number of public intellectuals and commentators are planting the idea of the country travelling along a trajectory towards a failed state, or at least highlighting a reality of episodic failure. Assessing these narratives is complex, given the multifaceted definitions and the identified features of failure. While some indicators of a failing state are flashing, based on the dominant definitions, which incorporate issues of corruption and poor service delivery, some factors suggest the country is not yet a failed state, such as its ability to hold free and fair elections, the presence of resilient and independent courts, a functional and thriving tax authority, and a robust business sector that survives regardless of what happens to the state. We have a vibrant fourth estate and active non-governmental organisations. Although many elect to downplay this, there is a state agency called the South African Social Security Agency that pays over fourteen million grants every month, without fail.

Whether South Africa is a failed state depends on one's definition and criteria. Therefore, it is essential to take a nuanced approach to this issue and to consider all the factors at play. Making use of the latest language learning model, ChatGPT, helps to avoid bias and to ensure a less emotive response. (Google's Bard was also used to answer the same questions listed below, and answers were consistent with ChatGPT). The chatbot's utility is that it has different ideas based on machine learnt definitions of the concept, which is contrasted with the facts amassed alongside writings about South Africa. In a way, technology is used to talk back, its claims to political neutrality notwithstanding.

We started by asking Change: Is South Africa a failed state? The response was, no, South Africa is not considered a failed state. We asked the platform to *elaborate*, and it responded as follows:

While the country faces numerous challenges such as elevated levels of crime, unemployment, poverty and inequality, it has a functioning government, an active civil society, and a strong and diverse economy. South Africa has a well-established democratic system and has held regular free and fair elections since the end of apartheid in 1994. It also has a free and independent media that is able to criticize and hold those in power accountable. Additionally, South Africa has a vibrant civil society that plays a key role in advocating for human rights, social justice and democracy. Furthermore, South Africa has a diversified economy that includes mining, manufacturing, agriculture, and services, and is one of the most industrialised countries in Africa. It is also a member of the G20 group of major economies and the BRICS association of emerging economies, which highlights its economic importance and global influence. However, South Africa still faces significant challenges such as elevated levels of inequality, unemployment and poverty, as well as social and political tensions. The country also faces challenges related to corruption, crime, and service delivery, particularly in some areas where basic services such as water, electricity, and healthcare are lacking. These challenges need to be addressed in order for South Africa to reach its full potential and become a more prosperous and inclusive society.



We then asked a slightly different question: Is South Africa *becoming* a failed state? The answer was:

It is difficult to predict the future of any country, but at present, South Africa is not considered a failed state. However, the country does face significant challenges that could potentially lead to increased instability and social unrest if they are not addressed effectively. Some of the major challenges facing South Africa include elevated levels of unemployment, poverty, and inequality, as well as persistent social and political tensions. In addition, the country has struggled with issues related to corruption, crime, and service delivery in some areas, which have eroded trust in the government and contributed to a sense of frustration among the population. However, South Africa also has many strengths, including a diverse and resilient economy, a well-established democratic system, and a strong civil society. The country has shown resilience in the face of past challenges, such as the transition from apartheid to democracy in the 1990s. The future of South Africa will depend on how well the government and society are able to address the challenges facing the country and work towards a more inclusive and prosperous future. While there are certainly risks and challenges ahead, it is important to recognize that South Africa has many strengths that could help it navigate these challenges and emerge as a stronger and more resilient society.

When asked whether there was hope for South Africa, the chatbot responded as follows:

The road to progress may not be easy, and it requires collective efforts from all sectors of society. However, South Africa has demonstrated the potential for positive change in the past, and with continued commitment, collaboration, and effective governance, there is hope for a brighter future.

Perhaps there is a meeting of minds between the machines and social actors, if we take a leaf from the very few proactive submissions cited above (most say the solution is a change of leadership, read as regime change), together with what ChatGPT or Google Bard commends South Africa should do to avoid becoming a failed state:

- **Strengthen governance and the rule of law:** South Africa should prioritize good governance, transparency, and accountability at all levels of government.
- **Promote economic stability and growth:** It is crucial to implement sound economic policies that promote stability and foster sustainable economic growth. South Africa should focus on attracting foreign investment, diversifying the economy, improving infrastructure, and creating an enabling environment for business development. Addressing high unemployment rates and promoting job creation should also be a priority.
- **Address social inequalities:** South Africa faces significant social inequalities, including income disparities, access to education, healthcare, and basic services. The government should implement policies that promote social inclusion, reduce poverty, and improve access to quality education and healthcare for all citizens. This can help alleviate tensions and foster a more equitable society.
- **Enhance education and skills development:** Investing in education and skills development is crucial for the long-term prosperity of South Africa. The government should prioritize improving the quality of education, especially in disadvantaged areas, and aligning the curriculum with the needs of the job market. This will empower the youth and enhance their employability.
- **Foster social cohesion and national reconciliation:** South Africa is a diverse country with a complex history. Promoting social cohesion, inclusivity, and national reconciliation is essential to



overcome divisions and build a united society. Encouraging dialogue, promoting cultural diversity, and addressing historical injustices can contribute to healing wounds and fostering a sense of national identity.

- **Ensure security and safety:** South Africa should prioritize the safety and security of its citizens. This involves addressing high crime rates, particularly violent crime, through effective law enforcement, community policing, and comprehensive crime prevention strategies. Enhancing border security and combating organized crime are also crucial for maintaining stability.
- **Strengthen institutions and civil society:** Building strong institutions, including an independent judiciary, robust civil society organizations, and a free press, is essential for a functioning democracy. South Africa should ensure the protection of human rights, freedom of expression, and the independence of media organizations to promote transparency and accountability.
- **Engage in regional cooperation:** South Africa should actively engage in regional cooperation initiatives and foster diplomatic relations with neighboring countries and international partners. Collaborating on issues such as trade, security, and migration can bring mutual benefits and contribute to regional stability.
- **Encourage citizen participation and civic engagement:** Active citizen participation and civic engagement are crucial for a vibrant democracy. The government should create mechanisms to involve citizens in decision-making processes, encourage public participation, and listen to the concerns and aspirations of the population.
- **Long-term vision and leadership:** South Africa needs visionary and ethical leadership that can inspire and guide the nation towards a prosperous and inclusive future. Leaders should prioritize the long-term interests of the country over short-term gains and work towards the common good.

It is ironic that this computer program, created in the global North where the failed state was invented to theorize its meddling in the affairs of post-colonial societies, can produce such nuanced results, and more seemingly relevant and straightforward recommendations than the mortal analysts in this country. We hardly need to state that the language learning model aggregates information from millions of sources on the internet. When asked the same questions about a country where data overwhelmingly points to failure, the chatbot responds in the same direction reminding us that stylized debates may trend in news headlines and social media even as the trendline suggests otherwise.

## Conclusion

Some analysts and others believe the South African state has already failed. For others, this failure is creeping up, or we (the elite) are creeping up on it. To yet another constituency, the notion of a failed state is an imposed construct that prevents us from building a post-apartheid society that can dislodge a destructive stain of a colonial and separation history. While ChatGPT may calm some of our insecurities, it does not possess the human attribute of hope or our agency to build the nation we can be (and to prove a chatbot right in the process). At a minimum, it is hoped that this non-response from a critical source of Artificial Intelligence would bring much-needed astuteness to those prone to employing mariculture to exorcise themselves of the responsibility to build South Africa we want and deserve to live in.

Finally, what is a state? And under what conditions can it be deemed to have failed? There are various ideological and politically laden definitions of the state, such as Marxist and liberalist ones, which are poles apart. But the most used characterization of the state, as embedded in our constitution, are the three arms of the state: the Executive, the Legislature, and the Judiciary. Has the function of each of these arms of the state failed, or is it failing? The failed state narrative focuses primarily on the role of the executive, specifically its ability to meet

the socio-economic needs of the populace. Against this backdrop, various arguments suggest that the masses will rise in discontent due to poor service delivery, as evidenced by several socio-economic development indicators.

However, this commentary ignores that the executive's failure can be periodically addressed through scheduled democratic elections. The state would be considered failed if it obstructed the masses from participating in the resolution of socio-economic problems through regular, free, and fair elections. Suppose South Africa maintains its status as a functional democracy, supported by regular democratic elections where the dominant party can be ousted, as demonstrated in the last two local government elections (without diminishing the significance of service delivery in the democratic polity). In that case, it provides a pathway to overcome the challenges typically associated with a failed state.

If this pen may borrow ink from Dumisani Hlophe-Tembe commenting in social media, 'I suspect we are not dealing with the failure of the African state, but the failure of the application of the European state in Africa.' ChatGPT agrees: '... Overall, this statement raises valid points about the role of historical legacies in African governance but should be interpreted in conjunction with a broader analysis of the complexities and diversity within African states to comment on this.'

In a way this article challenges political scientists to study closely artificial intelligence trends and uses, and the extent to which they can be harnessed or manipulated to advance agendas that cannot be evaluated or based on political theory and practice.

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# “Women, Gender, and Financial Inclusion”

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Policy Brief

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## Introduction

Much of the institutions that form part of governing structures in African countries reflect gendered perspectives of notions such as freedom and development, thus resulting in a skewed perspective on the development of a country. African women often play second fiddle in matters such as redress, redistribution, and financial inclusion. There is a need to ask why and how this can be remedied through policy transformation and implementation.

Between the 7- 8<sup>th</sup> of September 2022, the Institute for Pan African Thought and Conversation, University of Johannesburg, South Africa hosted a 2-day conference titled “Women, Gender and Financial Inclusion” at the Protea Hotel Wanderers, in Johannesburg South Africa, to debate the gender budgeting response from all African countries on inclusive finance for women within the continent. The conference aims to advance sustainable women’s economic empowerment in line with the Sustainable Development Goals and Agenda 2063. The conference brought together women from all across the African Continent. Women from Uganda, Kenya, Malawi, Cameroun, Botswana, Rwanda, Cote’de Voie, Senegal, Congo, Nigeria, Ghana, Zimbabwe, Mauritius, South Africa, Lesotho, amongst many including African women living in the diaspora. These delegates represented women from all spheres of life-academics, government representatives, policymakers, civil societies, women entrepreneurs’ organisations, financial institutions, women in diplomacy, and students. In total, 750 physical and virtual delegates attended the 2-day conference. The meeting deliberated on challenges and opportunities for women’s financial inclusion and economic empowerment. The exchange of experiences led to practical policy considerations on women’s financial inclusion in Africa. We appreciate that African and women’s institutions continue to advance women’s economic empowerment which is central to building sustainable development and society. The partners for the event are; Women Economic Assembly (WECONA) South Africa, Commonwealth Business Women Network Africa (CWBN), African Association of Political Science. (APPS), International Organisation for Migration (IOM), UN-Women, South Africa, Byomire Inclusive Development Foundation Ltd, Nigerian Institute of Social and Economic Research (NISER), Sivio Institute, Inkomoko and African Entrepreneurs Collective, African Network for Young Leaders for Peace and Sustainable Development, African Unit for the Study of the United States, University of Pretoria (ACSUS -UP), Leeds Beckett University, UK, Leeds Trinity University, UK.

The conference commenced with an opening remark led by Ms Boniswa Madikizela, from the UJ Council Member, University of Johannesburg. The conference was organised by the Pan African Women Studies Unit Head, Dr Tinuade Adekunbi Ojo and the Pan African Women Studies Unit team engaged several speakers in the course of the two-day conference, which included: Amb. Dr Josephine Ojiambo- Honorary President to CBW Kenya, Minister

Thoko Didiza- the Minister of Agriculture and Land Reform and Rural Development South Africa; Cllr Belinda Echeozonjoku- Member of the Mayoral Committee for Development Planning in the City of Johannesburg, Ms Lily Sanya- Chief of Mission to South Africa IOM UN Migration, Her Royal Highness Queen Violet Lupuwana- Exco and Chairperson at Transport & Logistics at WECONA, Dr Sophia Price- Head of Politics and International Relation, Leeds Beckett University United Kingdom, Ms Cynthia Chigwenya- African Union' Youth Ambassador for Southern Africa, amongst others.

The conference investigated the impact of gender-responsive budgeting on women's empowerment and gender equality in various African communities. The findings projected the analysis of the effectiveness of the countries' approaches. They shared lessons that different African economies, whether currently booming or struggling, can enhance or implement toward the financial inclusion and gender budgeting response at all structural levels.

### Financial Inclusion and Gender Budgeting Response for Women.

Financial Inclusion and Gender Budgeting Response are two multidimensional concepts that embrace all disciplines and are measurable and relevant to public policy. African governments and financial institutions have tried to effectively implement strategies or measures that facilitate the integration of women's access to finance and women's empowerment. Nevertheless, the efforts cannot be reconciled with the current status of women. Even after a decade of African women in different communities being rated and ranked amongst the least financially literate globally, in line with Visa's 2013 international barometer, the situation remains the same<sup>1</sup>. Women continue to be subjected to abject poverty, inequality, and insecurity within the gender spectrum, despite financial services and policies on women's empowerment. The reasons may lie in a sound analysis of financial inclusion as a tool for women's empowerment and how this has worked or not worked which hurts the society as a whole. As reiterated in the meeting, gender disparities continue negatively impacting the sociopolitical and economic arena; and where inequality exists, there cannot be true freedom or development. Hence, the gendered notions of financial inclusion ought to be remedied. Policies must be set further in place on financial inclusion to protect and preserve women's security especially the women migrants who have been misplaced and continue to be excluded from the communities where they are refugees or relocated. For a sustainable society, financial policies that protect and empower women must be developed.

Gender Budgeting Responses also play a crucial role. This strategy presents the political and economic factors influencing budget allocation to women-oriented programs and projects in African communities. It investigates the impact of gender-responsive budgeting on women's empowerment and gender equality. For instance, it has been established that women's exclusion is measured in high rates of inequality and poverty, 'class fortification' and disconnection of the ruling and economic elites.

Most governments have abdicated their role in shaping economic structures under the influence of a neoliberal macroeconomic policy framework. They have enabled each person to participate and are self-reliant in the financial system<sup>2</sup>. This notion has reinforced existing

1 Khumalo, K. (2017). *Financial Exclusion a Challenge for South Africa Women*, Saturday Star. Available at: <https://www.pressreader.com/south-africa/saturday-star/20170819/282260960577019>

2 Berry, C.P. (2015). 'Citizenship in a Financialised Society: Financial Inclusion and the State before and after the Crash'. *Policy and Politics*, 43(4), pp. 509–525.



disparities because inherently capitalist principles still govern the economic environment, and this means that African women, in particular, remain marginalised according to the hierarchy.

The importance of financial inclusion conversations were emphasized at the WGFI conference, and she further probed into the institutions that have been fallow ground for entrenching gender disparities and understanding the intricacies of financial inclusion. This assisted in unpacking the possible reason financial inclusion is perceived as a window-dressing tool, albeit it can bring significant change. The conference further responded to the transformation debates regarding gender budgeting responses and dialogues that can inspired substantive change within the institutions so that gender disparities are encouraged. Contextual backgrounds from various African countries were highlighted as a framework to develop an environment that allows gendered notions of development to thrive. These conversations enabled stakeholders, such as policymakers, representatives from various women's organisations, and academics, to engage in meaningful and informative debates that yielded a transformative outcome.

## The Role of Digital Finance in Global Economic Growth and the Gender Gap Challenge in African Countries

Digital finance has emerged as one of the fastest-growing financial services worldwide, primarily driven by the widespread adoption of mobile phones. This technological revolution has fostered an array of innovative digital tools, transactions, and services, contributing significantly to the GDP growth of numerous countries. The digitisation trend holds the potential to further augment the GDP of emerging markets by an estimated \$3.7 trillion in 2025, resulting in job creation, increased investments, and enhanced overall productivity through global e-commerce platforms. However, a noteworthy disparity in the accessibility of digital financial services, particularly for women residing in impoverished and marginalised communities in various African nations. This gender gap is attributed to the lack of ownership of digital assets, such as smartphones, limited internet access, and a deficiency in digital literacy and transaction skills. Digital financial inclusion allows women to access financial services digitally using digital technologies such as mobile phones. Digital financial inclusion requires adequate access to innovative mobile phones and the internet. This is different in Africa. Most women, especially rural women, are excluded digitally. As highlighted by one of the participants, when discussing issues of inclusion, part of the women population that lives in rural areas is financially and digitally excluded. On most of the significant issues, rural women are left out. Women in rural areas face problems of lack of digitisation because of the lack of internet in the rural areas, and the data price is too high for them to afford. They also need access to smartphones compared to men. If they own phones, most women are limited to WhatsApp and other social media pages and need to know how to navigate financial apps and services for their betterment.

Among the issues discussed during the conference was the need for digital financial literacy for women, especially women in rural areas. Women also face the challenges of digital financial literacy. Most women in rural areas need digital skills, which harbours fear and a lack of confidence in using digital finances. In most African societies, due to societal norms, technology is not for women but for men, hence women's withdrawal from using digital technologies. Addressing these norms is crucial, as failure to do so these norms will continue deepening the digital divide and economically excluding women. If women are not economically empowered

through digital finance, they are left behind in economic development at a personal level, and their contribution towards national economic development is undermined.

## Challenges, Drivers, and Pull Factors Influencing Financial Inclusion for Women

Financial inclusion is crucial in fostering inclusive economic growth and reducing gender disparities. However, women worldwide face numerous challenges that impede their access to and usage of financial services. Understanding these challenges, drivers, and pull factors is essential for formulating evidence-based policies and interventions to promote financial inclusion for women. The WGF conference examined the multifaceted landscape of financial inclusion for women, focusing on the challenges, drivers, and pull factors that shape their participation in financial systems. The conversations recognised the significance of empowering women economically and promoting gender equality. The key barriers identified reflected the limitations confining women's financial inclusion, the forces that propel their involvement, and the factors that attract them towards inclusive financial services. By delving into these aspects, all participants, policymakers, financial institutions, and other stakeholders shed insights into designing effective strategies that enhance women's financial inclusion and promote their socioeconomic advancement.

Challenges to Women's Financial Inclusion include the following many; the first challenge includes **socio-cultural and legal barriers** such as 'traditional gender norms', 'discriminatory practices', and 'legal frameworks' often restrict women's access to financial services. Inadequate property rights, limited mobility, and restricted decision-making authority contribute to the marginalisation of women in financial systems. Secondly, **more financial literacy and awareness about financial products and services** are needed to improve women's ability to make informed decisions and engage effectively with formal financial institutions. Thirdly, limited access to financial infrastructure, particularly for women in rural or underserved areas, often encounters challenges accessing physical branches, ATMs, or digital channels due to geographical constraints or lack of infrastructure. Furthermore, patriarchy in African communities still dominates in homes and institutions, hindering women's economic empowerment. Patriarchy defines women's roles, hindering them from being included in economic empowerment. Patriarchy hinders the empowerment of women through financial inclusion. Women are hindered from making financial decisions without the approval of their husbands. One of the participants encouraged the male counterparts need to be active in advancing the conversations surrounding women's rights, gender inequalities, and women's financial exclusion. This will bring greater insight into why women must be included in all economic and political development. In Africa, patriarchy poses a barrier for women to take up strategic roles in the public space due to the many household roles allocated to women and girls.

On the notion of drivers of financial inclusion, recognising the potential of women as economic agents, policies and programs that facilitate their financial inclusion can contribute to poverty reduction and overall economic growth. Promoting financial inclusion for women aligns with the broader objective of achieving gender equality and women's rights. In addition, the rapid expansion of digital technologies has opened new avenues for women's financial inclusion, hence the need for technological advancements and digital financial services.

The financial inclusion pull factors can range from tailored financial products and services in which several financial institutions may offer customised products and services designed specifically for women to attract participation. Reliance on peer influence and social networks is also essential pull factors significantly influencing women's financial decisions. Furthermore, encouraging collaboration and partnerships between financial service providers, civil society organisations, and governmental agencies can create synergies and address barriers more effectively. Financial inclusion for women is complex and multifaceted, requiring a comprehensive understanding of the challenges, drivers, and pull factors. Conversations at the conference highlight the need to address the sociocultural barriers, enhance financial literacy, to expand financial infrastructure.

## Gendered Perspectives on the Intersection of Finance and Agriculture

The intertwining domains of finance and agriculture significantly impact the livelihoods and well-being of individuals and communities worldwide. Within this nexus, women's participation in agricultural finance is crucial in achieving sustainable agricultural development and ensuring food security. However, women face unique challenges and disparities in accessing financial services, obtaining credit, and participating in agricultural value chains. The primary debate centred on the gendered aspects of women's engagement with finance in the agricultural sector and examined the implications for their empowerment and economic advancement. Most African women survive wholly on agriculture but are still excluded from sources of income, land, equipment and capital. Women experience many bottlenecks in accessing finances, such as loans from financial institutions. The playing field is only for some women. Women do not have title deeds of properties. Hence they do not have collateral security. Financial Institutions require collateral security, making it difficult for women to access bank loans to fund their agricultural activities. Most women are subjected to subsistence farming because commercial farming is believed to be mainly done by men. These are also some of the societal norms such as requiring husband's consent for a wife to access finance which need to be addressed to avoid deepening the gender divide and also allow women to produce on a vast commercial basis without being marginalised.

## The Gendered Impacts of Climate Change and Women's Vulnerability

Climate change poses an imminent and profound menace to African nations' societal fabric, ecological balance and economic stability<sup>3</sup>. This predicament imperils the advancements made in developmental endeavours, the pursuit of prosperity, and the aspirations outlined in Agenda 2063. Consequently, climate change has emerged as an exigent matter, necessitating daily attention from every African, albeit with varying degrees of impact. Therefore, a collective and resolute response is indispensable to confront the multifaceted challenges of climate change across diverse scales. Collaborative partnerships are pivotal in facilitating an effective African climate response, encompassing various governmental ministries, sectors, and public and private entities and transcending regional and national boundaries<sup>4</sup>. Hence, concerted efforts are imperative both within Africa and in collaboration with international counterparts

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3 Maino, R. and Emrullahu, D. 2022. Climate Change in Sub-Saharan Africa's Fragile States: Evidence from Panel Estimations. International Monetary Fund Working Paper/22/54.

4 Jafino, B., Walsh, B., Rozenberg, J., & Hallegatte, S. (2020). Revised Estimates of the Impact of Climate Change on Extreme Poverty by 2030. Policy Research Working Paper No. 9417. World Bank, Washington, DC.

to address the perils posed by climate change and capitalise on the opportunities offered by an equitable and inclusive transition towards a sustainable African green economy. The UN Environment noted that around 80% of people displaced by climate change are women, while the UN human rights commission adds that when women are replaced, they are at greater risk of violence, including sexual violence. Focus has often been placed on the devastating consequences of climate change on the environment and people as a whole, necessitating active measures towards its mitigation<sup>5</sup>. However, enough attention is not being placed on the effects of climate change on women and how it stunts efforts towards gender equality.

The impacts of Climate change on women were also part of the critical issues discussed during the conference. Climate change is the change in the usual weather found in a place, leading to extreme temperatures, drought, floods, and disasters.

Women are also the managers of natural resources, including water and land. These resources are affected in cases where there is high rainfall that translate into floods. When these resources are affected, they further threaten food security and increase the poverty levels of rural. Factors such as unequal access to financial resources, low levels of education, low social mobility, unequal access to opportunities and assets and also be excluded in the climate change decision-making processes make women vulnerable to the adverse effects of climate change.

## Policy Recommendations

The following Policy Recommendations emerged from the two-day policy dialogue on September 8<sup>th</sup> and 9<sup>th</sup>, 2022.

1. There are opportunities for policymakers to develop gender-smart stimulus packages designed and disbursed from a gender lens perspective to ensure that women-led businesses can and do benefit.
2. External collateral requirements can also be relaxed or no longer be mandated by financial institutions for women-led businesses. Still, African governments should also consider tax breaks for organisations that invest in women-led SMEs.
3. It is important for policymakers to reconsider the issues around the integration of women into technological advancement. African women are about 45% less likely to be online than men. This translates into fewer African women SME owners participating in e-commerce or being noticed by foreign investors.
4. There is an urgent need for adequate financing. Without this important intervention, women-owned businesses will continue struggling to survive, grow much slower, or remain in the informal economy. By limiting funds to male-dominated industries, the funding gap only widens.
5. The government is vital to achieving financial inclusion for women and must redress their negative perspectives on this issue. Regarding the SDGs and Agenda 2063, the African government needs clarity, vision and accountability in the constitution to protect society, especially women. Thus, the government should establish more platforms

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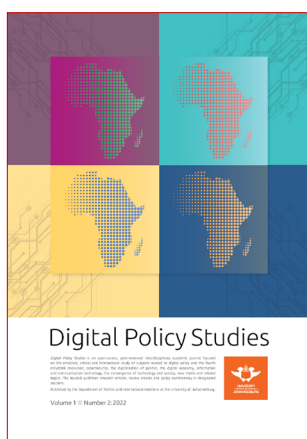
5 Ibid, Jafino et al., 2020.

and programmes for monitoring and facilitating female entrepreneurs for business sustainability.

6. Educational programs and initiatives targeting financial literacy can help bridge the knowledge gap on financial inclusion. Furthermore, aside from academia pushing for implementing women's inclusion policies from various stakeholders and institutions, conversations and dialogues should also be taken to the grassroots, communities and rural areas.
7. Developing women's banks to finance small to medium enterprises operated by women. These banks can also flex the requirements for women's access to finance by exempting collateral security and empowering women for financial freedom and economic development. Expanding the reach of financial infrastructure can enhance accessibility for women. Enhanced access to financial services enables women to engage in income-generating activities and build assets.
8. Women's challenges, needs, and contributions should be considered throughout the design and implementation phases of climate change policies and programs. Policies that ensure women's financial and economic independence, such as land ownership, access to credit, and education, are necessary to increase women's adaptive capacity in a dispensation characterized by climate change.



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