

Unleashing the Power of AI in Entrepreneurial Practices in North-East Nigeria

Kabiru Abubakar Yahya¹ and Mohammed Usman Michika²

¹Department of Electrical/Electronic Engineering
Federal Polytechnic Kaltungo, Gombe State .Nigeria
kabiruayahya@gmail.com

²Department of Electrical/Electronic Engineering
Adamawa State Polytechnic Yola, Adamawa State .Nigeria
mmichika@yahoo.com

Abstract- In North-East Nigeria, the application of artificial intelligence (AI) is emerging as a critical tool in resolving significant challenges, including agricultural conflicts and the fight against Boko Haram insurgency. This region's focus on AI reflects a broader trend across Africa, where AI's integration into various sectors promises to propel economic development despite the current low adoption rates across the continent. The nascent AI landscape in Nigeria showcases a fusion of startups and established businesses venturing into AI solutions, highlighting a growing acknowledgment of AI's potential to revolutionize entrepreneurial practices. This article will explore the evolving role of AI in Nigeria, specifically focusing on its impact in North-East Nigeria's entrepreneurial sphere, the hurdles that impede its full-scale adoption, and the success stories that underscore its transformative potential. Special attention will be given to the strategic implementation of AI algorithms and the pivotal role of AI research centers in cultivating a fertile ground for AI's flourishing in the region.

Keywords- *Artificial Intelligence; Entrepreneur; power; practice*

1. Introduction

North-East Nigeria is an underdeveloped region that has suffered from long-term marginalization. The people of the region have endured a protracted conflict which has eroded its human capital and institutional capacity and has led to a reversal of development in many sectors. The crisis has led to a widespread phenomenon of vulnerability which has increased the potential for exploitation and further perpetuated the crisis. As the Nigerian state and its international development partners engage in post-conflict redevelopment, it is important that they seek to implement strategies which will help to break the historical cycle of underdevelopment and crisis. Such strategy can be termed developmental 'regime shift': a strategic reorientation of the structure and direction of the development process that can enhance the capabilities of the state and society and improve the potential for positive outcomes for the people of North-East Nigeria. Entrepreneurship is one potential accelerator for regime shift in North-East Nigeria. Entrepreneurial activity can act as a catalyst for development and is often a key component of development strategies, as it creates job opportunities, improved productivity, and a better use of resources. An entrepreneurial emphasis is likely to be a useful strategy direction for Nigeria, as the low level of formal employment in the country has led to a massive flight of human capital and a pervasive feeling of inequality. In moving towards a knowledge-based economy that focuses on learning, innovation, and information technology, Nigeria needs to break the current state of structural unemployment and create opportunities for its educated youth. Simulation modeling has suggested that developing human capital to

exploit the potential for knowledge-based 'new growth theory' development is the best strategy for North-East Nigeria, and entrepreneurship is a means to providing opportunity in an insecure and resource-poor environment.

2. The Evolution of AI in Africa

The trajectory of AI development in Africa is marked by a surge in technological capabilities and a burgeoning interest across various sectors. A study by EY Consulting LLC for Microsoft pinpointed South Africa as a focal point for AI adoption in the region, revealing that only 7% of companies see themselves as 'advanced' in deploying AI technologies, while 20% have initiated selected AI projects [5]. This reflects a broader trend where AI investment is escalating across diverse geographical locations and sectors, demonstrating the potential of AI to revolutionize products, services, and operational efficiencies [5].

Despite these advancements, the adoption of AI across Africa faces significant disparities. While countries like Nigeria grapple with challenges including poverty and infrastructure deficits, AI has been identified as a potential tool to address these issues [3]. However, only a minority of African nations have drafted national AI strategies, and formal AI regulation remains nascent [2]. This gap underscores the need for increased investment in education and training to cultivate local AI expertise and mitigate brain drain [7].

Innovative AI applications are already making significant impacts in sectors such as agriculture and healthcare. Platforms like Aeroview and tools like SOPHiA are revolutionizing how farmers optimize crop yields and how healthcare professionals tackle genomic diseases across

several African countries [4]. These initiatives exemplify how AI can be tailored to meet specific regional needs, fostering economic growth and enhancing the quality of life for many [7].

3. Challenges to AI Adoption in North-East Nigeria

3.1 Infrastructure and Connectivity Barriers

One of the primary obstacles to AI adoption in North-East Nigeria is the lack of sufficient infrastructure and network connectivity. The region suffers from inadequate infrastructure and some of the world's most expensive broadband services. A significant portion of the population lacks access to the internet, with only 36% having broadband access and the average cost of 1GB of mobile internet exceeding 10.5% of monthly income [1]. This situation is exacerbated by a general absence of advanced metering infrastructure, which is crucial for generating the data needed for smarter grid management and other AI applications [4].

3.2 Educational and Data Ecosystem Challenges

The adoption of AI technologies in North-East Nigeria is also severely hindered by educational and data system deficiencies. The area faces a poor public education system that does not adequately prepare students with the necessary programming skills or knowledge base required for AI development and implementation [3]. Furthermore, there is a notable absence of a structured data ecosystem, which is essential for AI as machine learning methods depend heavily on the quality and quantity of data [5]. This lack of quality data leads to potential biases in AI algorithms, further complicating their effective deployment [2].

3.3 Policy and Ethical Considerations

Government policies and ethical considerations also play significant roles in the slow uptake of AI in North-East Nigeria. There is a critical need for policies that prioritize the design and implementation of AI, as most of the African population, including those in Nigeria, are late majority or laggard adopters of innovation [2]. Additionally, ethical challenges such as data bias, accountability, transparency, and socio-economic risks need addressing to establish a conducive environment for AI adoption. These ethical issues, if not managed properly, could undermine established moral and legal paradigms, placing human agency at risk [5].

4. Current AI Initiatives and Success Stories

4.1 Government and Industry Initiatives

The Nigerian government has taken significant steps towards embracing AI technology, notably through the establishment of the National Centre for Artificial Intelligence and Robotics (NCAIR) in 2020 [5]. This pivotal move demonstrates a state-level commitment to fostering AI development and its applications across various sectors. Additionally, the Nigeria Artificial Intelligence Research Scheme (NAIRS) aims to bolster AI-related research and

development, providing a solid foundation for future innovations [7].

In the private sector, AI integration is rapidly transforming business operations. In financial services, AI technologies are employed to enhance fraud detection, credit scoring, and customer service, which allows human employees to concentrate on more complex strategic tasks [10]. Similarly, in retail, AI tools are utilized to personalize product recommendations, optimize inventory management, and streamline supply chains, resulting in increased sales, improved customer satisfaction, and reduced operational costs [5].

4.2 Impact on Key Sectors

Significant strides have been made in applying AI within critical sectors such as healthcare and agriculture, which are vital to Nigeria's economy and societal well-being. In healthcare, AI is revolutionizing the way diseases are diagnosed, treatments are developed, and personalized care is delivered, thereby improving the quality of healthcare services and making them more accessible [6]. For agriculture, AI applications are being used to enhance crop yields, predict weather patterns, and manage pests, which not only boost farmers' profitability but also enhance their resilience to climate change [8].

These initiatives highlight the transformative potential of AI in enhancing productivity, efficiency, and growth in Nigeria's key economic sectors. By continuing to invest in AI technologies and fostering an environment conducive to innovation, Nigeria can further capitalize on these advancements to drive national development and economic diversification [3].

5. AI's Potential for Entrepreneurial Growth

5.1 AI and Entrepreneurship: Enhancing Business Performance

The integration of AI and Blockchain technology has demonstrated a significant impact on entrepreneurship performance and success in Nigeria. A study conducted at Kassy Blockchain and Technology Agency in Lagos highlights the crucial role of these technologies in ensuring business sustainability in the future [9]. By adopting AI, entrepreneurs can streamline their operations, enhance decision-making, and improve service delivery, which are essential for maintaining competitiveness in the rapidly evolving market [7].

5.2 Government Role in AI Development

The Nigerian government's role in fostering AI development is pivotal. By investing in education, particularly in ICT infrastructure, technical and entrepreneurial skills, and research and engineering laboratories, the government can lay a strong foundation for AI deployment [3]. Moreover, expanding the broadband network through partnerships with local and international companies is crucial for enabling the widespread use of AI

technologies [5]. These efforts can help create an enabling environment for AI startups, which are vital for accelerating socio-economic development in the region [12].

5.3 AI's Impact across key Sectors

AI's potential extends across various key sectors in Nigeria, promising sustainable and scalable innovations. In agriculture, AI-driven precision farming techniques can significantly optimize crop yields and reduce resource usage [13]. In healthcare, AI applications are poised to revolutionize medical care delivery, especially in low-resource settings, and provide early warnings for disease outbreaks [3]. Similarly, in the energy sector, AI can facilitate the transition to renewable energy sources, thus reducing dependency on fossil fuels [5]. These advancements not only boost sectorial growth but also contribute to the overall economic development and well-being of the society [3].

6. Policy and Infrastructure Needs for AI Development

6.1 Establishing a Comprehensive AI Policy Framework

The development of a robust AI policy framework is crucial for Nigeria's technological advancement. The National Information Technology Development Agency (NITDA) is actively seeking contributions from various stakeholders to formulate the National Artificial Intelligence Policy (NAIP), which aims to foster a conducive environment for AI research and application [5]. This policy is expected to address critical aspects such as algorithmic accountability, data protection, and the explainability of machine learning models, ensuring that AI deployments align with national democratic values and constitutional principles [7]. Furthermore, the establishment of a center of excellence for AI is anticipated to significantly enhance the training of AI engineers and promote the digitization of key sectors [5].

6.2 Addressing Infrastructure and Skill Gaps

Infrastructure deficiencies, particularly in high-speed internet connectivity, power supply, and data storage capacity, pose significant barriers to AI development in Nigeria [6]. To overcome these challenges, it is essential for both government and electric utilities to exploit the symbiotic relationship between digital and power infrastructure. This collaboration can lead to improvements in power quality and support the integration of renewable energy sources, which are crucial for sustainable AI operations [15]. Additionally, addressing the AI talent shortage through comprehensive training programs, including formal degree courses and virtual learning opportunities, is vital for building the necessary expertise within the country [14].

6.3 Enhancing Data Governance and Cross-Sector Collaboration

Effective data governance is pivotal for regulating AI and facilitating its responsible development and utilization [9]. African governments, including Nigeria's, need to reinforce data regulation frameworks and invest heavily in education, particularly in ICT and STEM

disciplines, to sustain AI ecosystems [9]. Promoting cross-sector collaboration by involving advocacy groups, academia, policymakers, and tech companies can also play a significant role in advancing AI legislation and ensuring that AI technologies are developed and deployed in an ethical, transparent, and inclusive manner [5].

7. Case Study: AI Solutions Transforming Local Businesses

In North-East Nigeria, businesses are beginning to harness the transformative power of Artificial Intelligence (AI) to enhance their operations. By integrating AI technologies, local enterprises are not only improving efficiency but also reducing operational costs and introducing innovative products and services [2]. This shift is particularly significant in sectors where cost reduction and efficiency are directly tied to business survival and competitiveness.

AI applications in these businesses range from automated customer service systems that reduce the need for extensive human resources, to advanced analytics that predict consumer behavior and optimize product offerings [5]. Moreover, AI-driven logistics and supply chain management tools are enabling businesses to streamline operations, reduce errors, and save time, thereby enhancing overall productivity [3].

The introduction of AI is not just about automation; it's also fostering the creation of new services and products that were previously unimaginable in the region. For instance, AI-powered health diagnostics tools are being developed by startups to provide affordable and accessible healthcare solutions, which is a significant step forward in a region with limited medical infrastructure [5]. These innovations are setting a precedent for how AI can be a game changer for local businesses in North-East Nigeria, driving growth and encouraging a new wave of entrepreneurial ventures [11].

8. Conclusion and Future Outlook

The exploration of Artificial Intelligence's impact in North-East Nigeria reveals a dynamic intersection of technology and entrepreneurship, highlighting the transformative power of AI across key sectors such as agriculture, healthcare, and local businesses. As challenges related to infrastructure, education, and policy continue to hinder widespread adoption, the emerging success stories and government initiatives underscore AI's potential to catalyze economic growth and innovation. The strategic implementation of AI not only promises to elevate entrepreneurial practices but also to address societal challenges, making a compelling case for increased investment and policy support to harness AI's full capabilities in the region.

Navigating the path forward, it is crucial for stakeholders, including the government, industries, and the academic community, to collaborate in fostering an environment conducive to AI development. By addressing infrastructure shortages, enhancing data governance, and expanding educational initiatives, North-East Nigeria can leverage AI to drive sustainable development and economic diversification.

The ongoing efforts and future directions suggest a bright horizon where AI plays a central role in reshaping the entrepreneurial landscape, offering insights and strategies relevant not only to Nigeria but to similar contexts globally.

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