

When Rules Meet Reality: Why the EU AI Act Doesn't Fit the Global South

Moving beyond the 'Gold Standard' toward a context-aware framework for global innovation.

A standalone reading deck based on analysis from the Brookings Institution, the Tony Blair Institute, and recent geopolitical scholarship.



The Executive Summary

01

The Milestone

The EU AI Act is a landmark achievement, establishing the first comprehensive, rights-driven framework for AI. It reflects Europe's data-rich, institutionalised context.



02

The Mismatch

Structural gaps in data availability, regulatory capacity, and cultural values make this model ill-suited for the Global South.



03

The Cost

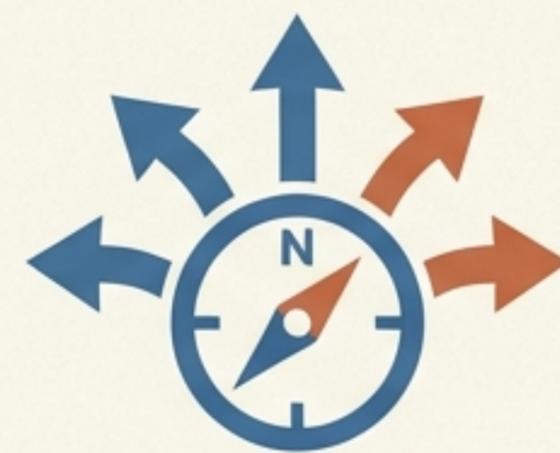
Applying these rules wholesale threatens vital innovations in agriculture, financial inclusion, and language access—innovation is sacrificed for compliance.



04

The Way Forward

We must move from 'Regulatory Imperialism' to Pluralistic Governance—a model that is proportional, equity-focused, and supports 'compute equity'.



Europe's Ambition: A Global Gold Standard

Approved in 2024, the EU AI Act aims to export a "Brussels Effect" for AI governance.

- **The Model:** A risk-based framework (Unacceptable, High, Limited, Minimal Risk).
- **The Goal:** To uphold fundamental rights, privacy, and safety amidst a high public distrust of Big Tech.
- **The Assumption:** That a regulation forged in a digital economy with strong institutions can serve as a static template for the world.

But a regulation forged in Brussels often ignores the realities of Bamako, Bengaluru, and Brasília.



Structural Mismatch I: The Resource Gap

EU Assumption



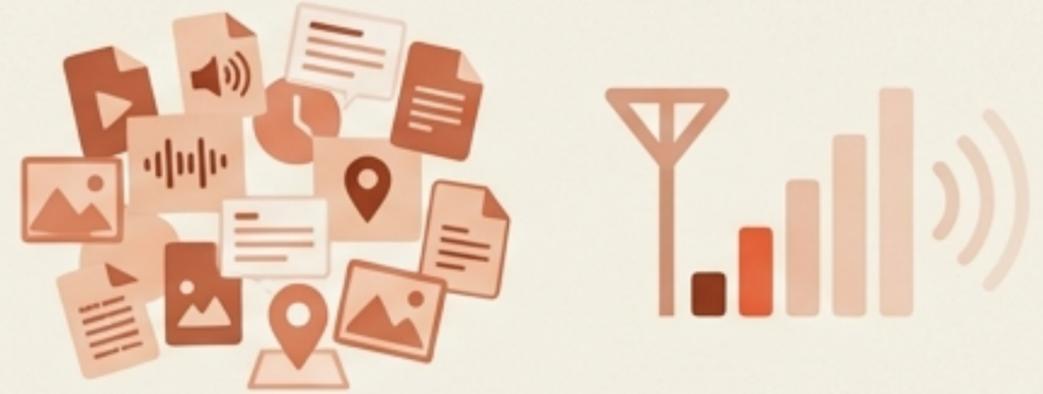
Data Abundance

Assumes access to clean, well-labelled, high-quality datasets.

High Capacity

Relies on well-funded regulators, trained auditors, and mature standards bodies.

Global South Reality



Data Scarcity

37% internet access in Sub-Saharan Africa. Data is often 'noisy', scraped, or crowdsourced.

Capacity Gaps

Limited budgets and shortage of skilled auditors create a risk of 'paper compliance'—rules that exist only in theory.

Key Insight: Imposing strict data governance documentation on scraped data diverts scarce resources from innovation to bureaucracy.

Structural Mismatch II: Values and Urgency

EU Assumption



Individual Rights

Rooted in liberal traditions prioritising privacy, autonomy, and consent (e.g., GDPR legacy).

Precautionary Principle

'Better safe than sorry.' Delaying deployment to prevent hypothetical harm is acceptable.

Global South Reality



Collective Welfare

Influenced by communitarian ethics (Ubuntu, Confucianism). Priorities often favour social harmony and broad developmental gains over strict individual privacy.

Developmental Urgency

'Trial and error.' Delay is a luxury not afforded when AI is needed to solve hunger, poverty, and healthcare gaps immediately.

Good Intentions, Unintended Consequences

How rigid compliance stifles the innovations meant to solve the Global South's biggest challenges.



In the Global South, what Europe classifies as 'High Risk' often represents 'High Opportunity'.

India's Bhashini: Language Inclusion vs. Red Tape

The Innovation

The Bhashini platform democratises AI for 1.4 billion people. It hosts over 300 pretrained models to break language barriers, enabling live translation of Prime Minister speeches and voice-based rural services.

The Conflict

Under the EU Act, these open-source models would likely be classified as 'General Purpose AI'.

The Consequence

Triggering mandatory bias audits, technical documentation, and conformity checks. For a public-good initiative, this bureaucratic weight cripples the speed of open innovation.



“So much regulation... is not the right way to go.” — Indian IT Minister

Kenya's Agritech: Food Security vs. Compliance Costs

The Innovation

'Silicon Savannah' startups use satellite imagery and apps like Hello Tractor to advise smallholder farmers on planting and pest control, saving billions in crop losses.

The Conflict

Livelihood impact = 'High Risk' classification under EU rules.

The Consequence

Small startups cannot afford expensive conformity assessments. Market exit for local innovators, ceding the sector to foreign Big Tech.



Nigeria's Digital ID: Inclusion vs. Privacy Dogma

The Innovation

Biometric ID programme for 200m+ citizens to access banking, health, and welfare.

The Conflict

EU Act bans/restricts biometric categorization and surveillance.

The Consequence

Strict individual-rights lens blocks a tool for collective equity. Requirements for audits or bans could stall the rollout.



“The trade-off is not Privacy vs. Surveillance, but Inclusion vs. Exclusion.”

Latin American Fintech: Credit Access vs. The 'High Risk' Label

The Innovation

Fintechs in Mexico and Brazil use alternative data (mobile usage, utilities) to generate credit scores for the unbanked.

The Conflict

Credit scoring is explicitly 'High Risk' under the EU Act.

The Consequence

Explaining complex ML models and bias monitoring is too costly for startups issuing \$100 loans. The unbanked remain locked out of capital.



The Geopolitical Risk: 'Regulatory Imperialism'

The Algorithmic Empire

Values encoded in Western laws are exported through technical standards.

Digital Colonialism

Developing nations become "standard takers" rather than "standard makers."

Brussels

The Danger

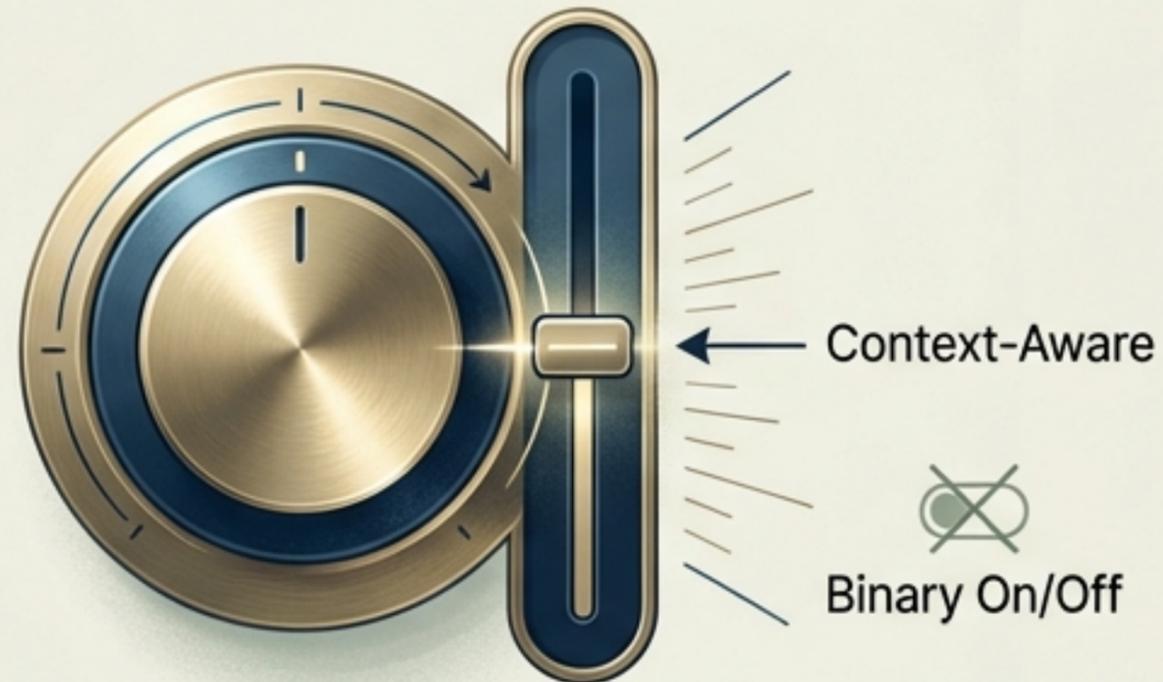
Dependency loops where Global South nations enforce rules that don't serve their interests, reinforcing Western tech hegemony.

A New Framework: Proportionality & Equity

Recommendation 1: Regulate Proportionally. Recommendation 2: Focus on Equity.

Proportionality

Avoid "One-Size-Fits-All." Calibrate risk tiers to local realities. Use "Regulatory Sandboxes" and sunset clauses to allow experimentation (e.g., Rwanda's healthcare AI trials).



Equity

Shift from "Preventing Harm" to "Promoting Good." Example: South Korea's Basic AI Act combining safeguards with support.



Enabling the Ecosystem: Capacity & Compute

Recommendation 3: Build Capacity. Recommendation 4: Compute Equity.

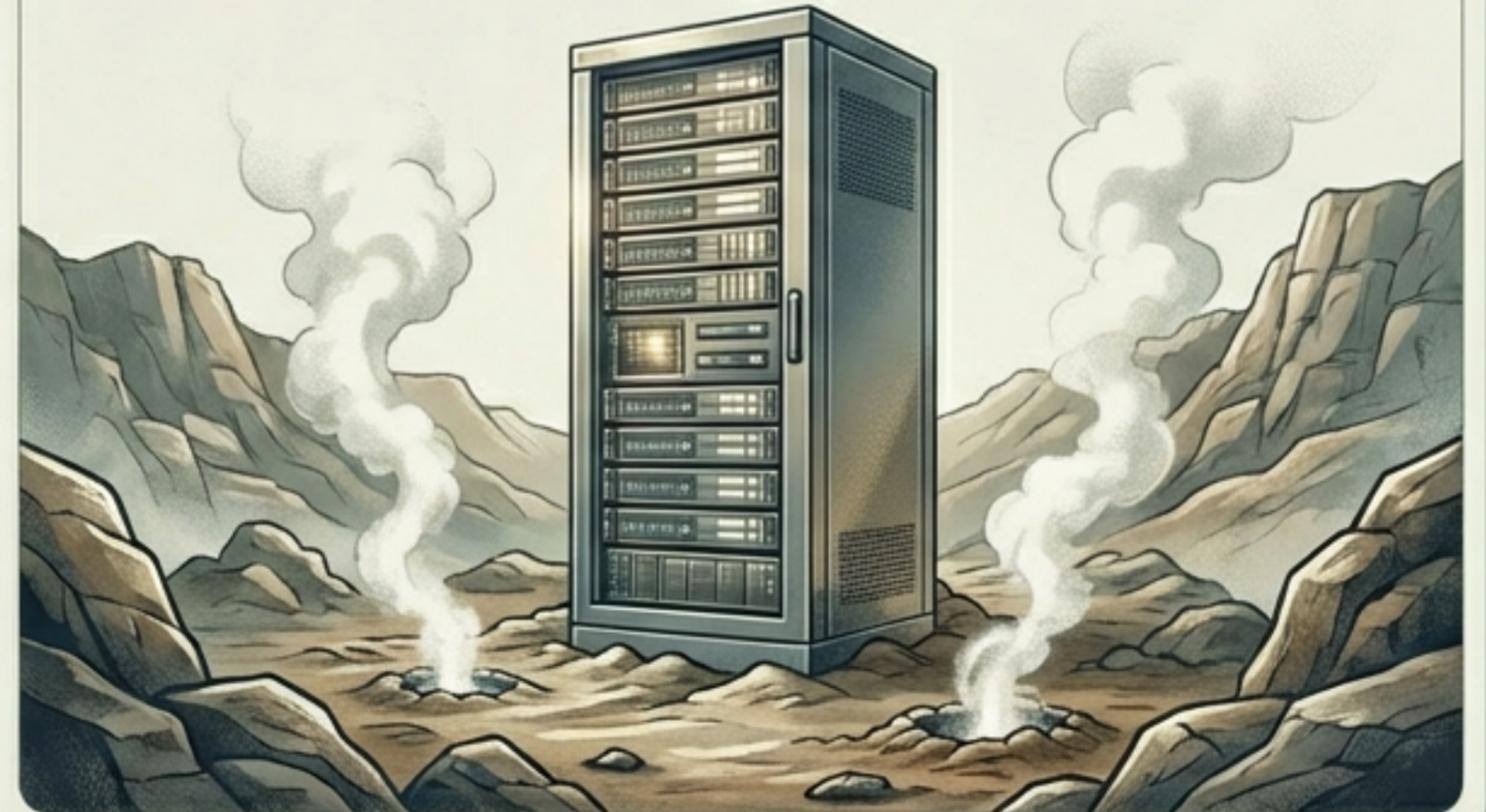
Institutional Capacity

Invest in training regulators to avoid “paper compliance.”
Leverage regional coalitions (e.g., Pan-American AI Observatory) and South-South collaboration.



Compute Equity

Rules are useless without infrastructure. Democratise access to compute. Invest in local green computing (e.g., Kenya's geothermal data centres).



Toward Pluralistic Governance

Context is not a footnote; it is the foundation.

The Global South must champion a ‘Third Way’—combining rights, innovation, and developmental urgency.

The Goal: Sovereign Interoperability

Rules that communicate globally but are grounded locally.

The future of AI governance must be a conversation among equals, not a monologue.

