Digital Entrepreneurship in Africa

How a Continent Is Escaping Silicon Valley's Long Shadow

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7 Silicon Tensions

Whether it is talk of Africa as rising or hopeless, the continent's fortunes are set in contrast or comparison primarily to Western locales (Ascione 2016; Mosse 2005; Seth 2016). Such perspectives echo outmoded positions—namely, the goal of modernizing peripheries (Escobar 2011; Rostow 1960) and views of technologies as determinants of social history (MacKenzie and Wajcman 1999). However, despite evolutions in scholarly debates, these points of view continue to underpin how policymakers, the media, some academic disciplines, and global popular culture see Africa's best course of action: that it should modernize and Westernize.

Silicon Valley's influence in particular looms large over the global digital entrepreneurship imaginary (Avle, Lindtner, and Williams 2017; Carver 2010). For cities and regions, it has long been the global benchmark for innovativeness and growth (Bresnahan, Gambardella, and Saxenian 2001; Engel 2015; Steiber and Alänge 2016).

This is true also in Africa. Just as the United States was a universal standard for modernist understanding of economic development, Silicon Valley has defined the archetype of ideal behavior, language, norms, and symbols of digital entrepreneurship.

In each of the previous chapters, we presented evidence that African contexts are incomparable to Silicon Valley and that no African ecosystem will become like Silicon Valley at any point in the future. Although common patterns and issues are discernible, African contexts are on distinct development paths, and comparisons to Silicon Valley "best practice" are, at best, a distraction from efforts to do what works locally. We are not alone in pointing this out: entrepreneurs and commentators have begun to articulate that Africa is incomparable to Silicon Valley (Grin and Eloff 2018;

Ndiomewese 2017). Still, already the existence of such discussions signals that social constructions of African digital entrepreneurship are always in relation to Silicon Valley. Wikipedia's list of Silicon Somethings[1] enumerates countless cities and regions, stretching across every continent, including four in Africa: Silicon Cape (Cape Town), Silicon Lagoon (Lagos), Silicon Mountain (Buea), and the Silicon Savannah (Nairobi).

This chapter seeks to understand how Silicon Valley's ideals are transported to African contexts and how actors in Africa are dealing with them. We want to analyze how actors negotiate and circumvent what one may see as a foreign intrusion. The first section thus outlines how Silicon Valley ideals merged with those of international development and through which channels and actors the resultant blend of ideas spread and took root across Africa. The following two sections discuss what we identified as the most important clashes: the Silicon Valley model's unfitness for African market realities and its inbuilt racial bias. The final section identifies local actors' responses, including the now-infamous white fronting strategy.

This chapter shows that Silicon Valley and international development norms and aspirations have conspired to exert an omnipresent influence on African digital entrepreneurship. This has led to tensions when Africans' understandings of how to run a business in local conditions were dismissed and replaced or when Africans were crowded out from access to resources. Despite their indignation, local entrepreneurs reluctantly find pragmatic answers, sometimes mimicking developmentalist ideals to access resources and other times blending them with tried and true ways. In the end, digital entrepreneurs in Africa need to not only understand how to run a business organization but also wield mythologies and expectations of the global digital entrepreneurship agenda to attract attention and capital.

Silicon Somethings and the Digital Developmentalist Aspiration

Scholarship has extensively documented the heterogeneities and multiplicities of capitalism and innovation (Arora and Romijn 2009; Pavitt 2006). Yet Western ideas of modernization, perpetuated through discourses and media, have continued their hegemony over the global zeitgeist (Gikandi 2001; Hecht 2011; Ngũgĩ wa Thiong'o 1986; Zeleza 2009). Norms and modes of thought of high-income countries—and America in particular—are rendered as universal best practices, which others should subscribe to in order to improve their situation (Bourdieu and Wacquant 1999; Hecht 2011; Tsing 2005).

We find that a similar dynamic applies to the relationship between digital entrepreneurship practices and Silicon Valley. Although local instantiations of digital entrepreneurship in Africa are diverse (see chapters 2 and 5), Silicon Valley's fast-growth model is held up as the modern ideal that everyone everywhere should aspire to and is measured against (Avle, Lindtner, and Williams 2017), as an entrepreneur in Dakar confirmed:

> So, there is this stigma that identify technology intelligence to the Western world. So, if somebody who has the same first name as [mine] or a last name of your neighbor, and then say, "I master the technology," you know, people have doubts. But still, Africans are making great, I would say, technology.

Idols in the Media

Silicon Valley's symbolic role was a staple in the interviews we conducted. Entrepreneurs frequently referred to role model entrepreneurs and businesses from Silicon Valley. As interviewers, we tried our best to avoid introducing Silicon Valley into the conversation, and yet participants mentioned star entrepreneurs including Mark Zuckerberg (fifteen mentions), Bill Gates (ten), Steve Jobs (eight), Tim Draper (two), and Elon Musk (one). We soon found that for many, success stories transmitted through popular, news, and social media serve as inspiration and blueprints for how to perform as a digital entrepreneur:

> I got more interested and I continued reading about softwares on Google, and then I was so inspired by a guy who made the software for Yahoo!, which could combine the news. So that small guy made that application and they gave him about $10 million. So I was like, "This thing has money. I should also get into it." (Nineteen-year-old entrepreneur in Kigali)

Silicon Valley and high-income countries, in many Africans' minds, are where technological and social frontiers have pushed ahead, and they feel compelled to catch up with and become part of it:

> When you think about "potential," you think about "digital." That is, always moving, always changing. Today, it's Instagram; tomorrow, it's Snapchat; tomorrow, it's big data; next, it's analytics. They're moving fast and it's for people who have potential, who question the status quo, who are energetic, who think "innovation" all the time. Those are the people who can move with digital, with the trends in digital, always moving. (Entrepreneur in Lagos)

Accordingly, African entrepreneurs were often drawn to digital entrepreneurship because they hoped it would be a means through which they could circumvent old ways of doing business and powerful cliques:

> We don't want our business to be controlled by a few people: big business or government. I've done this for years, like eight years is in total. You have to go, sucking up to people and making them feel good and all that. Individual product is the best. I would rather go into the broader market where there are a million people, and nine hundred thousand [of them] like me. One hundred thousand may not like me . . . but I'd rather put my fate and my destiny in the hands of nine hundred thousand people than in ninety people. (Entrepreneur in Lagos)

We asked a manager of a coworking space in Abidjan why he thought it was that relating local companies to the Silicon Valley model was common. He implicated technology media:

> IT has a media coverage at a level that draws, that excites the imagination of people. It's like sports. There are so many other sports, but you only keep hearing about soccer and basketball. You think those are the only two sports that exist in the world. . . . The media, some NGOs, some hubs, and some incubators, coworking spaces—everybody starts becoming this, what do we call it? Evangelist, or the miracle tool, or miracle.

Likening Silicon Valley's capture of the global economic imagination to the popularity of major sports is an apt analogy because it reflects the dominance of Western culture in Africans' lives. Interestingly, novices, Westerners, and Westernized Africans bought most into the notion that digital technologies allow for Silicon Valley–style international expansion and that such expansion is the ultimate goal and sign of success:

> You can't claim success until you are doing it at a global stage. I think we're already doing it at global standards, and we've been recognized as such by some reputable institutions. An article about it came out in the *Financial Times* yesterday. I was super proud. . . . It's about financial inclusion, and how this whole thing that we are doing might bring change. Again, "might," but I think it's already changing, but you want to see it scale. (Entrepreneur in Maputo)

iHub and the Silicon Savannah

Media are definitely essential channels through which the idolization of Silicon Valley is nurtured and sustained. Yet understanding how the notion that Africa could be like Silicon Valley took hold requires looking to one particular ecosystem and one particular organization: Nairobi's Silicon

Savannah and its leading innovation hub, the iHub. From around 2010, both became essential symbols for other ecosystems across Africa (Friederici 2019; Graham 2015; Graham and Mann 2013; Marchant 2018; Ndemo and Weiss 2017a).

iHub is regarded by many as the focal organization of the Silicon Savannah (Marchant 2018; Ndemo and Weiss 2017a). It originally occupied several floors of the Bishop Magua building on Ng'ong Road, the epicenter of startup activity in Nairobi and the location of five hubs and incubators other than iHub (see box 7.1).

iHub's founders—most prominently Erik Hersman—proposed an explicit vision of how the hub would become a network infrastructure to support and interconnect far-flung actors with complementary competences (see Friederici 2019 for details). First, iHub asserted itself as a facilitator of the

Box 7.1
iHub and the KBW Network

iHub, established in 2010, is a product of a particular local community in Nairobi. The founders of iHub were the technologists and activists involved with Ushahidi, an information crowdsourcing tool that was used during Kenya's 2007–2008 postelection crisis. Their history goes further back than even before they were all present in Kenya. Namely, the iHub founders originated with the The Kenya Blog Web (KBW) Ring, a virtual community of bloggers with Kenya links. Belonging was not determined by citizenship: some of them were located in Kenya, but others were Kenyan emigres who lived and studied abroad. A core close-knit group of about ten individuals went on to establish the organizations that are most associated with Nairobi's Silicon Savannah: Ushahidi and iHub. The visibility of Ushahidi due to global media interest and its subsequent adoption in various humanitarian emergencies around the world led the team to register it as a charity and collect donations that helped fund iHub and other spin-off companies, such as BRCK and Savannah Fund. The popularity and success of iHub then led to the establishment of revenue-oriented simulacrums: for example, m:lab, a mobile technology business incubator, and Nailab provide seed funds, workspace, mentorship, and an introduction to venture firms like Savannah Fund or 88mph in return for equity. All the while, the network of ten grew tenfold with each new organization and with every individual who went to work in its coworking space. Firms such as eLimu, Kytabu, and many others remain tied together through their relationship with iHub.

local entrepreneurial ecosystem. Drawing on an understanding of ecosystems similar to the relational theory of ecosystems outlined in chapter 5, iHub was envisioned to enhance the quality and coherence of connections among actors in Nairobi:

> One grouping [within a tech ecosystem] is starups [*sic*], another is investors, another is large tech companies, and yet another is researchers. There are bloggers, digital creatives, visiting techies, SME [small and medium enterprise] leaders who've learned their lessons, and freelancers moonlighting from their day jobs. It's a big mixed bag and we all together form an ecosystem. . . . [A] healthy tech ecosystem is where the different parties are able to and want to work together. (Hersman 2015)

But iHub soon began to influence a far wider geographical expanse than Kenya's capital city. iHub's "connector" narrative resonated with contemporary trends of international development and broader aspirational discourses around digital entrepreneurship, which were emerging across Africa. iHub was new and hip, playing into a number of development paradigms such as community, participation, grassroots, and, of course, entrepreneurship and innovation (Brinks and Ibert 2015; Friederici 2019; Seo-Zindy and Heeks 2017). iHub's perceived success started to nurture a widely held belief that hubs can be transformative for entire nations and regions. For instance, the argument that iHub builds skills that are relevant for digital entrepreneurship together with assertions about its far-reaching influence were ultimately used to explicitly contend that iHub contributes to economic development in Kenya (Moraa 2012; Moraa and Mwangi 2012).

At its symbolic peak in the mid-2010s, Nairobi had become the perceived leader of all African entrepreneurial ecosystems (Henry 2015; Hersman 2013; Oluwafemi 2013).[2] The number of success stories widely celebrated in the media had now expanded beyond iHub, Ushahidi, and M-Pesa and come to include startups like M-Kopa Solar, Kopo Kopo, MFarm, BRCK, Eneza Education, and BitPesa. The visibility of these organizations ultimately went a long way toward inspiring the interest of youth in digital entrepreneurship, thus growing the network even further.

The core group of iHub-affiliated people also became gatekeepers; their public perception and positions within the network gave them power. They broker relationships and are the ones that media and funders gravitated toward time and again, whenever those external actors wanted to interact with the Silicon Savannah. When Barack Obama spoke at the 2015

Global Entrepreneurship Summit in Nairobi, he shared the stage not only with Kenya's President Uhuru Kenyatta but also with Judith Owigar (CNN 2015), founder of AkiraChix, a small iHub-affiliated grassroots organization supporting girls learning how to code and pursuing careers in technology. Another widely shared photo of Obama's visit shows him next to an M-Kopa Solar kiosk—displayed, for instance, in an African Business Central (2015) blog post, fittingly titled "The African Tech Startup Scene Has Been Transformed in Just Four Years."

Spreading the Gospel

It is impossible to say how big iHub's impact has been in economic terms, but clear evidence exists for iHub's symbolic role across the continent, sparking numerous imitations (see Friederici 2019 for a detailed review). People with a connection to or an interest in digital entrepreneurship heard about iHub or read about it via international mainstream media (BBC, *Forbes*, *Wired*) and African tech media (Disrupt Africa, VC4Africa, *African Tech Roundup*, etc.). A Pan-African community of hub managers also started to organize, notably through BongoHive's crowdsourced map and the founding of AfriLabs, a kind of hub association (BongoHive 2013; Hersman 2011). These participants in Ghana explicitly referred to iHub as a motivator for their efforts in interviews conducted in late 2014:

> So I feel like one thing Kenya has better than us is their brand. You know, everyone knows Kenya—it's sort of the tech Mecca! . . . When you think about technology, from the outside, you think about Kenya, you think about M-Pesa, you think about the Kenyan developers. So I know iHub has investors throwing money, and I thought it would be good [to have something similar here] because I think, there are really brilliant developers in Ghana, but we're not together, so there was really not a community per se. (Founder of a social enterprise)

> What we had seen in iHub and what it had spurred on in that economy gave us some ideas on what we could also do here. So I would say we didn't do this in isolation. A lot of this was done trying to look at what had happened in other parts of this continent. . . . At the time, the hype and stories around entrepreneurship—it was a community within Nairobi, and how iHub had played a big role in making that happen . . . So if you looked at Erik Hersman . . . all these people who have been a big part of the Kenyan iHub, and gave that serious credibility within the African market but they were moving out to bigger things. . . . And just the idea that an entity like a hub could actually be a catalyst in creating a whole new culture for entrepreneurship. (Hub manager in Accra)

Such grassroots ambitions productively overlapped with the merger of entrepreneurship, technology utopist, and development discourses (Avgerou 2003; Kaplinsky and Keynes 2011; Kaplinsky et al. 2009). Market-oriented practice benefitted from a change in development thinking that now started to understand innovation as a means to progress rather than simply evidence of it (Neveling 2017; Porter 1998; Shakya 2017; Srinivas and Sutz 2008). An ever-wider range of actors thus began to champion the idea that social development can and should be addressed by entrepreneurs commercializing digital products, with the market functioning as a selection environment for "sustainable" solutions. This is evident in how startup buzzwords have come to inhabit the lexicon of development practice (Akpan 2011; Shakya 2017).

Given their fit within this paradigm, innovation hubs became the primary channel through which development organizations, foundations, technology corporations, and other development funders tried to support digital entrepreneurship (Friederici 2019). These actors implicitly or explicitly subscribed to the developmentalist understanding of the Silicon Valley digital entrepreneurship imaginary, considering it "best practice" both for beneficiaries and for the intervention itself (Hart 2003; OECD 2003; Shakya 2017; Williams and Williams 2011). They provided resources for a distinct version of digital entrepreneurship to become widespread across Africa.

This became evident not only in the mindsets, language, and behavior of entrepreneurs but also in the sociomaterial landscapes that developed across Africa as in the rest of the world (Boxenbaum and Lounsbury 2013; Katila, Laine, and Parkkari 2019; Tracey, Dalpiaz, and Phillips 2018). One of the strongest through lines between sites thus was the iconography of Silicon Valley in physical spaces (Jasanoff and Kim 2016; Suchman 2011). We saw casually dressed young people focusing on laptop screens in coworking spaces and open plan offices in every city that we visited. Often, we met interviewees in the inevitable cafes colocated within shared workspaces or in coffee shops with good Wi-Fi around the city.

Although the formulaic similarities belie diversity in underlying local cultures, contingencies, and prospects, the ubiquity and similarity of iconographies is evidence of a shared understanding about the constitutive elements of digital entrepreneurship, which form the basis of how actors value and legitimize each other's efforts (Lee 2001; Tracey, Dalpiaz, and

Phillips 2018). As with traditional professions, individuals develop familiarity with the professional ecology of digital entrepreneurship (including its codes, languages, and sensibilities) through social learning (Adams, Wiebe, and Scherer 1989). The universalization of digital entrepreneurship has the effect of creating expectations about how entrepreneurs should behave, what mindset they should have, and what their level of ambition should be (Knight 2013; Spigel and Harrison 2018).

Frontierspeople

The diffusion of a universal digital archetype means that actors who are well-versed in it are standard bearers and are rewarded for holding this identity by powerful legitimating actors. Those actors include funders, media outlets, industry analysts and experts, regulators, and even customers—namely, any actors who are viewed as authoritative and from whose favorable assessment entrepreneurs can draw benefit and claim an accomplishment.

Given that the digital entrepreneurship archetype is foreign and Western, it often benefits foreign Westerners more than Africans. A kind of social indexing is at work in some of the cities that we studied (see Rodrigues et al. 2018), particularly in Nairobi, Johannesburg, Kigali, and to a lesser extent Lagos and Accra, which are sizeable economies, which offer high degrees of safety and comfort, and/or in which international development has an extensive presence.

Scholarship has demonstrated that returning diaspora and immigration are net positives for digital entrepreneurship ecosystems (Avle 2014; Kemeny and Cooke 2018; Saxenian 2006). Discussions on immigration are usually framed from the perspective of entrepreneurs seeking prosperity by moving from less to more affluent societies. Yet immigrant digital entrepreneurs in Africa are almost all from Europe or North America as opposed to Asia or South America.[3] These individuals have moved from more to less affluent contexts. African economies and societies are not usually preferred career destinations for Westerners. In fact, enterprises looking to attract technical expertise from abroad report that they have to financially compensate Westerners for their negative perceptions:

> Even if we're charging Silicon Valley prices, we really can't bring people here. People are scared of Africa, and it's been a really tough challenge. (Entrepreneur in Nairobi)

Instead, white immigrants in digital entrepreneurship scenes of Nairobi and other African cities are seeking something other than money: they can be described as *frontierspeople*. Africa has developed a reputation as the new frontier (Nyamnjoh 2013), where underdevelopment, hardship, and scarcity are reinterpreted as a worthy challenge, giving Westerners an opportunity to escape unfulfilled, boring lives and make their legacies:

> I was here [in Nairobi for my previous job in international development], meeting with movers and shakers from government, from private sector, from startups, from hubs, from you name it, seeing all this fascinating stuff happen. At the same time, I was very, very frustrated with the bureaucracy of development, and I liked the work, but the process was terrible, and I'd been doing it for about six and a half years. I was ready for a change. (Entrepreneur in Nairobi)

We found that these individuals tend to have received a good formal education, but they are not typically very experienced at their time of arrival in East Africa. Their expressed goals mostly revolve around some notion of having "impact":

> I want it to be a company that does save lives and even for all the business surrounding that, [this] still sincerely motivates me. . . . I want it to be a company that's scaling and very successful because that's the only way it can have impact. I want it to be a place mainly that can be my soapbox to stand on and give me the best life I can live. (CEO in East Africa)

Those looking to hire Westerners expressed that they could motivate candidates' sense of altruism and adventure:

> I spent quite a bit of time in Berlin, there's a good tech scene there, good talent, good, at least word in the street, cheap developers because all of Ukrainians and Eastern Europeans want to come to Berlin. So through our local networks here, we stumbled upon him, he was bored to death. When we asked him if he minded moving to Nairobi, he answered anything but [*inaudible*] would be an upgrade, and he was bored because his startup had already, it was at maturity, so no more product development. He's kind of earning money on the side from that and coming here because it's the Wild West, and it's exciting, right? (Immigrant entrepreneur in Nairobi)

Initial business ideas are typically drawn from inspiration from the settings of their origins, often wanting to bring African contexts up to the same level:

> Then I flew to Washington. I remember exactly when this was. . . . I took something like seven different types of transportation that were all powered by technology. I took an Uber, a car2go, a bikeshare, a metro train that I checked the

> schedule [for] on an app, and then I coordinated that with the bus schedule on a different app, and so by the end of the day I was sitting at home and I thought: "Wow, I took seven different tech-powered transport things today, two years ago not one of them existed." Then I thought how fundamentally that had changed my relationship with the city as someone who didn't have a car, and then I thought back to Nairobi, where I'd just come from, where we have all these problems in transport. (Entrepreneur in Kenya)

One or two years after their arrival, many then face a period of reckoning, in which they realize that running a small business in settings that are foreign to them is taking a financial and mental toll. Savings and networks in their home countries sometimes help them secure enough capital to sustain their companies for a few years. It was interesting that none of the migrant founders we interviewed had initially planned on staying, and none were committing to staying, even those that had been in the country for many years and ran successful companies.

Clearly, white immigrants from high-income countries are virtually never moving to nor staying in African cities out of economic necessity. Perceiving African locales as adventure-filled opportunities is a choice and a luxury. Instead, their mobility and relocation are a reproduction of their privilege in that they, as globally more privileged actors, are able to freely travel and settle in new areas (Massey 1999):

> To me, I didn't do the sacrifice by coming here. Actually, it was quite the opposite. When you're a white guy from the middle class in Paris, from Sciences Po, the risk is not really present here. If I fail, what do I do? I can just come back to my parents' home and look for a job and I'm probably going to find it. So, I don't really have a risk, and the money problem is obviously a problem, but because I could work as a freelance thanks to my former experiences, actually I never had any money problem. I started here very poor, but quickly I could just work left and right, find solutions, so I never had neither the money problem nor the risk problem. I never even ask money to my parents, I didn't need it because I could earn it. (Immigrant entrepreneur in Accra)

Such complete absence of existential risk and social responsibility is a stark contrast to the realities of most African digital entrepreneurs (see chapter 6). The reverse situation, in which, say, a Nairobian entrepreneur travels to Berlin to take up a post at a startup, would be much more difficult to facilitate. The global migration system places greater restrictions on Africans than on Westerners interested in taking on the international opportunities newly created by digital technologies.

Interestingly, the rationales we heard for why the presence of white immigrants also may be a net positive for locals were founded in the logics of global markets and competition:

> We're seeing a lot of new entrepreneurs—really good new entrepreneurs—coming in, and I think that's because this is Nairobi, part of the ecosystem. . . . There's some very smart people from all over the world who might, sort of, be tired of what they're doing somewhere else. Like, "I can use my intelligence and brain to do a lot, build something much bigger, or create a lot more impact if I do that here [in Nairobi] compared to doing it in the US." (Investor in Nairobi)

> Now, in terms of Rwanda for Rwandans, Africa for Africans, I just see it as a misguided protectionist mindset that isn't so different than Brexit or Trumpism. It's like the idea that the external is a threat. And "They're the problem, we're the solution," rather than realizing that as I just said, I think it is a hybrid that will make it the most powerful companies . . . The Tour Rwanda, it's like the Tour de France, you know, it's a big race and Rwanda loves bicycling. . . . The first year Rwandans all came in dead last. It was really controversial, "Who are these foreigners to come here and beat us?" But then, after three or four years, Rwandans started doing better and better and then they started winning. And you know what? If there was never a foreigner in it—and it doesn't have to be a white foreigner—somebody who isn't from this home, this room, they wouldn't be, they'd be competing against themselves. There's something to make you realize how competitive the world is, to realize that you better raise your standards. . . . I don't feel like that's controversial. I've been on the record for this stuff. I did an article in TechCrunch talking about this, some other guy did a counter article against me. Yelling at me being the problem. "All these guys coming here just thinking that they get to own the place." Well, but you know what? Sincerely, [*expletive*]. Show me where it's working and then tell me that I'm the problem. (Immigrant entrepreneur in Kigali)

Down to Earth: Local Markets, Local Models

With currently available evidence, it is impossible to say whether white Western immigration has an overall positive or negative economic effect on Africans in digital entrepreneurship ecosystems. Yet what is clear from our analysis is that a sense of injustice has been fueled among Africans observing white immigrants being able to move anywhere and setting up companies with ease, while they are only able to be successful at home.

Unsurprisingly, tensions arise in particular when foreigners enact the Silicon Valley archetype in contradiction with local knowledge, institutions, and histories (Ngoasong 2018). African small enterprises traditionally do not require or are not able to deliver speed, disruption, and scale. Understandably, local actors feel they are best placed to know how to operate in their locality and what their ambitions should be, while distant others are more likely to face a learning curve (Knight 2013). It is frustrating to them when assumptions about the ideal archetype and implicit bias override the pragmatic usefulness of local knowledge.

This clash of models was reflected in a foreign-run and foreign-funded accelerator in Nairobi, which assigned foreign mentors to firms they had funded and asked beneficiaries to increase user numbers at all cost. A Kenyan entrepreneur, who had been part of the acceleration program, critiques it thus:

> They had a lot of perspectives that I didn't agree with. They'd bring in entrepreneurs-in-residence from outside the country. I'm trying to cut deals with [a regional East African media company], you've brought in a guy who has never heard of [the company]. To be my entrepreneur in residence, to help me cut those deals, how is that going to work? . . . I kept thinking, if people are willing to pay me $5,000 every month, when I've [already] got twenty thousand eyeballs [or users], why would I focus so much on [getting more] eyeballs? I should focus on getting ten of those people to pay me $5,000 and I have $50,000 every month from my twenty thousand eyeballs—that's fantastic return!

Pre-revenue financing in particular represents a juncture from established ways:

> I think you're seeing the startups—especially the more successful ones—have international founders, international teams; they've raised international venture capital: very much the Silicon Valley model. But my parents ran businesses, and how people grew their businesses before, it was extremely expensive back in the day, so you had to grow your business organically before applying for a loan. Now startups raise money with two or three customers, and that's the model from the ground up. (Entrepreneur in Nairobi)

It is revealing that this entrepreneur speaks of "successful" companies while discussing enterprises with very few customers. This suggests that he has adopted exogenous Western standards of what is economically desirable (Katz 2004; Neveling 2017; Olivier de Sardan 2005; Shakya 2017; Zeleza 2009). When asked whether he knew of any successful firms in the Abidjan ecosystem, a coworking space manager in Abidjan was more discerning:

> I have seen companies grow. I have seen companies reach a stage that's better in terms of having more advanced products, better understanding of the market,

> better understanding of the consumers, increase of the revenue. So, if successful as meaning "saves funds," [then yes, there are success stories]. But, if by success, we mean what we see in the media? Then, I haven't seen that. But at a smaller scale, you're able to settle, able to increase revenue, able to get better product. But then, because I think of the—I don't know—the ecosystem or whatever it is in [this] environment, they're not able to get that last push. So maybe it's coming. Maybe this year, or maybe it's next year.

The cultural conflict about what is a successful African digital enterprise was on full display when Jumia, the Rocket Internet–funded e-commerce company, was listed on the New York Stock Exchange (NYSE) in March 2019. Global technology and business media were quick to report that Jumia, "the Amazon of Africa," was "the first African startup" to trade on the NYSE, exactly mirroring the messaging that the company had displayed on a large banner on Wall Street in New York (BBC News 2019; Bright 2019; Pilling 2019). Respected figures like Rebecca Enonchong (@africatechie on Twitter) used social media to voice their discontent with Jumia's branding as African. Both before and after the listing, Jumia has consistently been criticized for extractive and potentially fraudulent business practices, as well as a degree of arrogance on the part of the German and French founders (Mpala 2019). Jumia was accused of not adapting its business model to local market realities, of making the most significant investments in locations outside of Africa where its managerial and technical staff is located, and of merely maximizing share price at initial public offering (IPO) to guarantee its original investors attractive financial exits. Some of these criticisms seem to have been confirmed soon after the IPO, as Jumia's share price plummeted from US$14.50 in March to under $US5 in November 2019, when it also closed its operations in Cameroon without warning (Reuters 2019). Ken Banks, a known activist and analyst of digital development, summarized: "So there's been a fair amount of scrutiny as to whether Jumia really is an 'African startup' after this news broke yesterday. Headquartered in Germany, French founders, senior management in Dubai, technology centre in Portugal. What constitutes 'African'?" (Banks 2019).

Across Francophone Africa, the cultural distance was sometimes perceived as particularly large and exacerbated by language barriers. In Abidjan, digital entrepreneurs were referred to as *startuppers*, signaling the newness and difference of the startup as an organizational form compared to existing ways of doing business. A Cameroonian entrepreneur perceives the focus on scaling and social impact to be foreign ideas:

> There are a lot of Anglophone startups. I think there are a lot of French startups. [There is a] distinction between . . . startups that are using tech to scale . . . versus the traditional small business that exist all over Cameroon and that had been existing for years. . . . The startups that are using tech . . . the innovations to change social problems—those ones I think are using more English . . . because I think that model in itself is [an] Anglo-Saxon model. So even the Francophone that are using this model to create businesses, they know that if they need to go beyond Cameroon to scale, they need to use English. And we're seeing how the lack of English speaking limits people.

Likewise, the manager of a small impact investment fund in Uganda is wary of firms that claim high valuations without revenue. The fund he works for learned to steer clear of such enterprises:

> [Our fund prefers to invest in businesses that need] either working capital or asset acquisition. . . . What we always look out for is a need of the entrepreneur, not randomly wanting money. You're producing your revenue, your revenue is good, you are earning well and everything—but what is the need? What do we need to finance? We are so specific and keen with that. We believe we need to grow these entrepreneurs, not just the feeling that they need money for probably anything, but we try to be specific with the needs, and the needs that are in line with the business.

More experienced entrepreneurs had reconciled with the fact that modes of digital entrepreneurship were very contextualized and that aspiration to an ideal needed to be tempered by knowledge of what was possible from place to place:

> The reason is the challenges you face in the various tech hubs and various environments vary. For example, [in] Silicon Valley you don't have to deal with the problem of languages. In the US, I guarantee you at least 90 percent of them can speak the English language. Well, that's not true because they have immigrants and stuff, but the question of literacy and language is not a challenge they have to solve. In Africa, when you come here, actually it's language literacy. In Ghana we have 148 languages. That's a huge problem. (Entrepreneur in Accra)

Another entrepreneur felt a sense of vindication and emancipation compared to the times when seeking any sort of fortune involved going abroad. He prefers fulfilling his ambitions at home, not having to deal with the struggles of emigration and assimilation:

> Growing up, I really want to leave Kenya, I want to do a high-flying career abroad, go to university, do amazing things, and then come back when I'm fifty with a shit ton of money. But now, you can do that sort of thing here, you can build here. You don't have to struggle for visas. It's just being back [after] having to be the international version of myself for two years and then coming back and really starting to adapt to this context. I think, it's an identity thing and it's something that's very important to me and it might not be important to other people . . . but for me I think it's important that you have examples of people that grew up just as you did, making balls out of plastic bags, kicking stuff, running around, speaking the language, and they're able to grow a business to this level. (Entrepreneur in Nairobi)

Similarly, this Rwandan entrepreneur discusses how imitating Silicon Valley ideals is only worth it if this brings in resources:

> If you bring someone from Silicon Valley and they come here with no money at all, they will not know anything what to do, but because I grew up in this environment, I know what to do with this environment. But if I want Silicon Valley money, then I need to learn how they talk to the environment. . . . So the Silicon Valley way was going to be a lot more difficult but the Rwandan way worked for me. (Entrepreneur in Kigali)

These quotes also illustrate that entrepreneurs grapple with appropriating Silicon Valley norms and aspirations, but ultimately blend the foreign archetype with local business cultures to form new legitimacy systems (Weiss and Weber 2016). In our dataset, enterprises with a balance of longevity and growth (see chapter 4) were often run by entrepreneurs and teams able to match foreign archetypes to local conditions:

> I think the best way to make a company is a hybrid between people with outer Rwanda experience and inner Rwanda experience. Something that I've learned as a leader is that actually, usually, the leader should talk the least and listen to everybody else. It really is fantastic that the different feedback and viewpoints you get. The Rwandans in the company—really, we do have a great team—and their feedback is usually hyper valid. They might not be able to be the person who imagines bringing some Western technology or Western business model here but they're the ones who are best situated at modifying that foreign business model to work in a Rwandan context. (Entrepreneur in Kigali)

Racial Bias

Impositions of the Silicon Valley archetype can also lead to more immediate discrimination and bias. Not only can entrepreneurs from the West migrate more easily, they also epitomize the preferred digital entrepreneur archetype, and thereby they do not have to code switch to the same extent (see chapter 6). In the end, the already privileged entrepreneurs (white immigrants and elite foreign-educated Africans) are better able to assimilate with the Silicon Valley archetype, which is also extolled by virtually all available funders and supporters: from international institutions to investors to local governments.

Conversations about racial bias and discrimination, particularly with respect to funding, frequently trend on social media. The 2018 TechCrunch Battlefield competition in Nairobi is an example of an event that stimulated debate. In Lagos, a back and forth on Twitter in 2014 between leading digital entrepreneurs Marek Zmysłowski and Jason Njoku concerning local entrepreneurs' ability to attract investment over foreigners was another flashpoint. In August 2018, an infographic of what are considered leading startups in Kenya, showing mostly white CEOs, made the rounds on Twitter, sparking a heated debate about whether legislative measures should be in place to ensure that native Kenyans do not get locked out of digital entrepreneurship opportunities.

Research by Village Capital, an impact investment nonprofit based in Washington, DC, supports these perceptions (Strachan Matranga, Bhattacharyya, and Baird 2017). Its report shows that of "90% of disclosed investments [in East Africa] over the past two years went to startups with one or more European or North American founders" (48). Unsurprisingly, this finding stimulated intense exchanges on social media and was referenced by entrepreneurs we interviewed in East Africa:

> Do you know that there is a lot of VC capital that has been coming into Africa? But recent research has shown what we've always known. Recent research showed that about 90 or 85 percent of that goes to African startups that have foreign founders. In fact, even in Uganda here, I can tell you, the startups that have raised the most money are Safe Boda. They've raised over, I think, a million dollars. There is another company—I forget what they are called—I think MIDA something: over half a million dollars. Our biggest hit? 200,000 that we raised over three, four, five years. (Entrepreneur in Kampala)

One white entrepreneur in Kampala felt that the rhetoric around funding bias was overblown, though it was clearly an issue that preoccupied him:

> I would be interested to hear [from you whether] people talk about it. Because it's a recurrent topic—foreign funders. So, I feel like there is a notion, and I think it's partly true, that foreign founders have it easier. Did you hear of that? . . . Well, I think, actually education was more important. I think that makes the difference because you know how to communicate with people. (Immigrant entrepreneur in Kampala)

Like this participant, other respondents and debates on social media argue that whiteness and Western-ness are simply correlates or proxies for particular skills and expertise and that there is thus nothing unexpected or iniquitous about investors' decisions. Once locals acquire this knowledge, whiteness would no longer be considered a proxy for it. The proxies-for-performance argument is also made in Silicon Valley and other environments (Pager and Western 2012; Prasad and Qureshi 2017). Other venture capital legitimation criteria are known to consist of proxies like graduation from an Ivy League university, participation in a global top-ten master of business administration (MBA) program, and previous work experience at a startup, failed or otherwise (Mainela, Pernu, and Puhakka 2011; Roberts et al. 2017; Strachan Matranga, Bhattacharyya, and Baird 2017; Tech 2018). This so-called pattern matching is an outcome of investors developing filters for sorting through firms. For instance, the Village Capital report quotes a financier: "I'm a busy investor: so how does a Kenyan entrepreneur cut through the noise of other companies that are emailing me cold or through people in my network? I need a filter" (Strachan Matranga, Bhattacharyya, and Baird 2017, 9).

Pattern matching, however, embeds bias and reproduces privileges and exclusion in legitimation and valuation processes, as it generally selects for affluent white men (Katila, Laine, and Parkkari 2019; Knight 2013; Park and Pellow 2004; Phillips 2005; Prasad and Qureshi 2017; Shih 2006). For instance, white founders receive investment capital from accelerators more frequently than entrepreneurs from emerging markets with the same qualifications, suggesting that "cultural bias might be driving [investors'] perception of lower entrepreneurial skills" (Roberts et al. 2017, 17). When talent is defined according to the Western digital entrepreneurship archetype, local business experience may be overlooked and Africans are unlikely to measure up. A West African creator of an application allowing black women to share advice on hair and fashion products talks about her firsthand encounters in Silicon Valley:

> The typical investors in Silicon Valley are like white males in their forties or late thirties. They care less about hair, let alone their wives' or girlfriends' hair, let alone black women's hair. So when I said to them, about hair, if I had a thirty-minutes meeting with an investor, maybe twenty to twenty-five minutes are spent explaining why women do our hair, [that] there's different types of hair. "Why don't you just cut your hair? Do you have to spend so much money on your hair?" You never get to talk about your business or what you've done. It was kind of annoying at some point.

Preference for white foreign actors extends to local support organizations as well. In most cities we visited, entrepreneurs complained about the procurement practices of African government institutions and other large local private sector actors, for whom foreign companies or local companies helmed by foreign executives are preferred partners.

Postcolonial ties represented particular problems. In Maputo, for instance, Mozambican entrepreneurs found that their main competitors for contracts were Portuguese firms. Many entities in Francophone Africa looked to France to fulfill technological contracts. In Anglophone African countries, the United Kingdom was often mentioned as a place where business partners and competitors were based, but also where rules and institutions were adopted from:

> Yeah, it's all over the place, it's an enslaved mentality of—and this is the legacy of colonialism. You spend that many years being told what to do, how to do it, and that you're a lesser than, and that the whites have all the solutions. This is the result of it. Even now our government, even for things as easy as—this sounds absurd, our parliament invited the Korean government to teach us how to be patriotic. [*Expletive*] Answer that for me! I mean how deep is our colonial mindset? That is totally insane. I mean, come on: we still wear wigs in court! (Entrepreneur in Kampala)

A Ugandan government official confirms part of this narrative, but indicates that agencies have learned from experience to distrust local firms:

> There has been a trend where a foreign investor or foreign companies, or companies owned by foreigners get tax holidays and tax incentives. . . . The locals are saying: "Why can't we get tax holidays as much as these folks are getting?" That has created some kind of perception that perhaps government prefers foreigners. But there is another side to this story because there are some local investors that have been given tax holidays, that have been given incentives in form of capital from government, and they have collapsed. (Official from Uganda's ICT agency)

Reluctant Responses

African digital entrepreneurs are forced to grapple with the in-built assumptions and biases of the Silicon Valley archetype when they seek funding and support. Firms and ecosystems themselves feel pressure to make themselves "investable" and to connect to (usually foreign) investors. In this context, entrepreneurs may be aware that digital entrepreneurship is heterogeneous and situated, yet they convey their entrepreneurial story using the language and models of Silicon Valley. This is less because this is the lingua franca of digital entrepreneurship and more because of hard incentives to do so. A range of external audiences may require them to "speak" Silicon Valley, to meet expectations of what digital entrepreneurship entails.

White Fronting

A more extreme and a most contested approach to dealing with bias is the so-called white fronting strategy. In response to pattern matching's bias toward white male entrepreneurs, local actors began partnering with or hiring white individuals as a means of gaining access to the perceived advantage of this identity (see box 7.2). A discussion of this practice can be found on the blog of Ugandan digital entrepreneurship advocate Teddy Ruge (2014):

> One trend that I see happening (even though I completely disagree the strategy) is this: African startups are getting wise to the law of startup money. In the venture capital/startup world, money flows from like to like. In other words, sometimes it is not always about your product or business, it is about the people behind the business. Serial entrepreneurs in Silicon Valley are more likely to get funding quickly than someone no one has ever heard of or can relate to. In some African markets, this is manifesting itself as the "white front" strategy. You are more likely to get funding (or get that meeting) as an African startup if you have a white cofounder on your staff. If you are smart, you put that white guy in your marketing videos, and/or you make him CEO. An all-black African startup CAN get funding, but it is a lot harder to do.

Financiers are not the only possible legitimators; customers, the media, and others that have the ability to lend authenticity to a firm's operations act in this capacity. White fronting therefore also is used with these actors when entrepreneurs believe that they see whiteness as a proxy for competency. A firm in Yaoundé indicated that at the beginning, it had hired a

Box 7.2
Perceptive Partners

The founder we interview in Cameroon talks about why Percival[4] joined the team. He says it is partly because he used to work at an investment bank. When asked what the other reasons are, the founder mentions research out of Emory University (Roberts et al. 2017) that revealed that the vast proportion of VC funds go to white founders and CEOs. He says that he had always known that this was the case and that Percival had been invited to become CFO because he was a white Briton.

Percival was happy to be recruited and leave his post for something new, which, according to the founder, demonstrates his faith in their device. Percival is pragmatic about the ways of the world: it was he who made the pitch to join the company, explicitly advertising both his corporate and racial identities as assets.

Percival takes the lead at investor meetings, while the founder supplies the technical information about the product when called upon. This has made all the difference. Since Percival's arrival, the enterprise has come close to securing a $1 million deal. It is not just that Percival is white and British, the founder argues: it is also that he is a former investment banker and twenty years his senior, which communicates gravitas.

white French person to act as its liaison with an essential French business partner:

> It was difficult for us to finalize the partnership with the France [partner]. You know French people, when they see, this is a Cameroonian: "He is going to open an account with France? Are they serious?" And all of that, you know. Really, really difficult for us. So what we had to do is that we had to recruit a woman who was French to come and be the manager. And when she came, we got everything. It was really easy for her. She was a French. She was white. They were more able to trust her than us. . . . No, she's no more there. Things are now okay, so she left. (Country manager in Yaoundé)

The interview respondent also spoke of deliberately giving representatives of the French business partner the impression that he was acting on behalf of the white French interlocutor after she had left. It is also worth noting that the enterprise was helmed by French nationals of Cameroonian extraction. Hence, race and not nationality was the factor that determined who was able to act as the liaison with French partners.

Social Entrepreneurship and Development Dollars

African locales are often marked by a strong presence and the influence of global development institutions. The influences of their perspectives and the incentives that they produce have an effect on how individual aspirations are narrated by Africa's digital entrepreneurs (Marchant 2018). Rhetoric around the knowledge economy, bridging digital divides, and leapfrogging (see chapter 1) has influenced the entrepreneurs we interviewed. An interviewee in Maputo spoke of being "converted" from a for-profit business background after witnessing the impact of his company's job search tool on the local labor market. He later came to realize that a body of knowledge and ecology of practice existed that generates resources for encouraging altruism in business and that focuses specifically on Africa:

> Our motivation was social, so we understood the weak dissemination of job opportunities is one of the causes for unemployment. . . . We realized that we had to be sustainable. By then I didn't know what ICT4D [information and communication technology for development] for was; I didn't know what social entrepreneurship was. I came from a background that was purely business-driven. but then this thing started really growing in me because I could see the impact that it was having and people were getting access to jobs. . . . I thought I had invented the Robin Hood business model. Now, looking back that was kind of ridiculous. . . . We could afford to offer free of charge service to candidates, small enterprises, public academic institutions, and charities, and there was our social business model.

Within our eleven city case studies, international development and digital entrepreneurs were particularly entangled in Nairobi, Kigali, Addis Ababa, and Maputo. In these cities, development organizations serve as early supporters and reliable clients (Hersman 2014; Gichuru 2014). Mozambique is described as a "development darling" (Sabaratnam 2017, 9), and in Maputo, several participants indicated that they had developed tools for, and at the behest of, organizations like the World Bank, Save the Children, and the philanthropic arms of various corporations such as Microsoft. As a result, founders familiarize themselves with the narratives and language of ICT4D. The CEO who discussed his conversion to the nonprofit sector described a steep learning curve that followed seeking to tap into development resources. He is now well-versed in securing grant funding and support from philanthropic sources.

Other entrepreneurs expressed misgivings about grant financing, preferring that the broader market sustain their social good aims. These participants suspected that grants foster a reliance on aid agencies in the long-term:

> I would say [we are a] social enterprise but the lines are really blurred, because I don't really want us to be in that whole nonprofit mode. Even though I feel like the nonprofit status is just because we're yet to figure out our business model . . . There is enough to cover all our operations without even taking any donor funding. . . . I feel like at the point we will have to exit and be on our own. I think maybe in the next three years. . . . Because for us, it's just about how we also want—how we perceive Africa. We should not only solely be dependent on grants. We should also be able to create a model that is sustainable. (Social entrepreneur in Lagos)

Yet given the contextual conditions, some more experienced entrepreneurs had abandoned the idea that it is possible to address the base of the pyramid while also generating significant revenues. They felt that donors, and Westerners more generally, have unrealistic expectations, putting them in an impossible situation in which they have to trade off depending on subsidies to serve the poor and making money to become sustainable:

> Basically, I've had a lot of philosophical conversations on impact. They say, "Oh you focus on Nairobi surroundings and the big cities. Oh, you're not going rural?" I am like, "Well, for rural, the cost structure is very different." That's like first and foremost. And then secondly . . . there is a notion that Nairobi is affluent. Yes, [where we are sitting now to conduct this interview] is an affluent place, but 75 percent of people living in Nairobi are below poverty line. The impact market does not look at that—unless you are in [the] Kibera [slum] . . . but to operate a business in Kibera, you have to live in Kibera. . . . It drags you down because you are not looking for efficient, you are looking for impact convenience. . . . It's difficult to scale out of Kibera: power, water, space, security, talent pool. Nobody who is serious would want to go take a job there. (Entrepreneur in Nairobi)

In Maputo and Nairobi, many extolled the early financial and institutional support from development agencies.[5] In Nairobi, however, the initial universal celebration of social enterprise has given way to contestation between those who still value its framings and goals and those who feel that a focus on social impact diminishes the commercial possibilities of the ecosystem. Those who prioritize profit over social good feel that development actors have not gone far enough in invoking Silicon Valley's market-liberal ideals. In fact, they view social enterprise imperatives as a hindrance to the ecosystem's overall capacity to generate for-profit companies. According to these entrepreneurs, only through the establishment of a for-profit industry can national and individual economic development be realized:

> Grant money is very dangerous, very dangerous. . . . It's restricted funding: a lot of the grantors want the resources to go to other beneficiaries instead of operations. You end up basically doing all that work and you can't convert it into operating capital. You can't. . . . It's very devastating for business. . . . Your up-front cost, which is staffing or overhead, taxes, legal fees—all of those, there is nobody covering. (Health sector entrepreneur in Nairobi)

Accordingly, much of the previously mentioned early excitement about the Silicon Savannah has given way to disillusionment and a more level-headed outlook (see Marchant 2018 for an in-depth ethnography of the iHub community around the time of this shift). More and more entrepreneurs in Nairobi started to be dissatisfied with the focus from international actors on iHub and its network. Two typical complaints we heard in interviews in 2017 were that iHub-affiliated enterprises were mostly successes in terms of publicity but not commercially, and that the biggest business successes of digital enterprises based in Nairobi (e.g., Cellulant, Craft Silicon, Africa's Talking) operated independently from iHub and other hubs, slowly building up large operations without seeking fame. A CEO of a large technology company founded in the late 1990s describes this process from his perspective:

> For us, it was business as usual. I personally think it was a lot of hype. Look at iHub. It's good, a good initiative, but all these years we have never seen a company that has really scaled up. Even the "Silicon Savannah"—and other people keep talking about that—but I personally think that it has not added to what possibly they intend to do.

In general, the interest in iHub seemed to have declined among entrepreneurs and others "on the ground" even while it remained strong among outsider stakeholders (media, academics, development organizations, etc.; see, for instance, Mallonee 2018). In interviews, several Nairobi-based participants had become inured to the hype, trying to leave the Silicon Savannah narrative behind them:

> **Respondent:** Nairobi has gotten a fair share of [the Africa rising narrative], and I think that's more important than the Silicon Savannah story. I think that was a little—like nah.
>
> **Interviewer:** "We're over that," you think?

> **Respondent:** We're totally over that! We're totally over that. Especially because there have not been the sort of exits and returns that you might have expected to see by now. Which just goes to show that this is a harder market. It's a different market and it's not going to be like "I can develop this app and I'll make a lot of money out of it." You have to do a lot more than that. You have to really understand who your customer is, and that's not that easy. (Investor in Nairobi)

> I think what [iHub's story] did for the industry is it created attention—as a collective. You know, suddenly it became almost like a tourist destination. People would come to just see M-Pesa and Ushahidi and what's going on here. So I think it created interest, seed funds came, and people started trying to see how they could be part of this Kenyan miracle, or Kenyan moment, which I still believe was more hype than substance—I'm sorry. But I think we benefitted from the hype, but I don't know how much of it was substance. (Experienced digital entrepreneur)

Consequently, a more level-headed perspective on the Silicon Savannah also started to emerge in other ecosystems. For instance, for participants in other East African nations, Kenya was seen as a more advanced digital entrepreneurship environment, but not necessarily a role model:

> Well, I mean you [Kenyan] guys are the big brother, the big cousin next door with all the successes, but we are a tiny shadow in terms of where we need to be. But we can't build our ecosystem thinking we want to emulate Kenya. It has to be contextually relevant, culturally relevant and owned largely by Ugandans. . . . Nairobi has a big market in terms of raising [venture] capital. (Entrepreneur in Uganda)

> In Nairobi . . . you are quickly exposed and quickly pressured by the market and by the people—investors, stakeholders, whatever. Here [in Kampala], basically you are by yourself. I mean, there are basically no investors here, and in Nairobi, everyone calls himself as an investor these days. . . . I think it's totally overhyped, everything. Especially in Nairobi, it's totally overhyped. But it's still much more than here, relatively. (Entrepreneur in Uganda)

Compreneurs and the Survival of the Hippest

During the years of digital entrepreneurship hype and hope (between 2012 and 2016), many digital entrepreneurs we met had become role models, collecting awards and gathering media attention locally and internationally. They often considered awards to be superficial constructs of success, albeit a necessary evil when trying to signal legitimacy:

> I was meeting a couple of other people and they googled who I was, so the whole discussion is different because it's suddenly based on those social indicators. I

> seem to know what I'm doing and I can bluff my way, drop a few other names, and everybody thinks you know what you're doing. . . . Here's an imposter syndrome: you're always feeling, I'm not really sure this thing [the product] has reached where I'd like it to be for me to be talking about it in the press. The thing isn't properly done. So if we get press, people are going to pile on it, it's going to fail, and then we're just going to look like we've got egg on our face. (Enterprise cofounder in Nairobi)

This excerpt illustrates how outsiders can regard a superficial performance as authoritative. The interviewee, trying to focus on the quality of his product, is ambivalent about the performative aspects of digital entrepreneurship and the manner in which one signals authority. This speaks to the risk of quick stardom: that entrepreneurs get distracted from the core of their business. Seeking attention from audiences like potential investors, development organizations, and media can seem more urgent than securing customers:

> I was pushing this founder to actually break into the Kenyan space, but he suffered the startup syndrome. He is alone. . . . He's the sole decision maker. Also, he has too much attention; the government is interested in his work. He's going to the conferences. The guys are really interested in that solution. So this guy is always moving around, but he's not deployed. So he is full up. There is too much attention. He is always on TV. So he's lost that focus to say, "No, what is actually going to making me money is to deploy the solution." All these things are just excitement. . . . He goes to the United States. Yeah, all of this is just distraction. These guys are going to invite you, but until you get to deploy your solution to that environment, you're not going to make a million dollars. They will give you a couple thousand dollars per week. For you to sustain this as a startup and grow it to a billion-dollar business, you're going to have to deploy it. You're going to get the Chinese manufacturers to make the devices. You're going to run the business. You're going to get the numbers. You're going to see that it's deployed in farms. So he suffered a bit of that syndrome. The singleness syndrome, you're overwhelmed, you know. (University lecturer and investor in Kampala)

Pitching events and innovation competitions played a particular role in inducing such conflicts. Most entrepreneurs we interviewed weighed the cost of attendance against the opportunities that networking might bring. Yet so-called compreneurs (see chapter 5) may enter simply for the prize money, without serious ambitions to continue product development postcompetition. Their existence further confirmed how much the digital entrepreneurship space consists of strategic performances.

Quite apparently, donor organizations are not deliberately supporting problematic or disingenuous behavior. Instead, compreneurs are often exploiting programmatic flaws in innovation competitions. Namely, competition organizers typically primarily seek recognition for supporting local entrepreneurship among their audiences, which is most easily achieved by following the Silicon Valley archetype of "pitch nights," irrespective of outcomes. Furthermore, small grant sizes typically do not justify costly due diligence or follow-ups with winners. Given the uncertainties and diversity of African digital markets, it is genuinely hard to reliably assess the realistic market potential of digital product prototypes (a typical deliverable for competitions) or business plans. This problem is exacerbated when organizers engage nonlocals and nonexperts as jurors. There are also typically large cultural, institutional, and also geographical distances between funders, jurors, and grantees: they are rarely part of the same crowd, in the same place. Finally, distinctions between social and commercial enterprise seem less clear in Africa, because most economic activity can be reframed as fostering development.

To be fair, some organizers of innovation competitions (especially in incipient and maturing ecosystems) have responded to these challenges—for instance, by attempting to do more rigorous follow-ups (Friederici 2013; Roadburg 2017). It is also important to acknowledge the key arguments in favor of maintaining innovation competitions in some form: that it is better to have one imperfect source of funding than none at all, and that it is quite normal and acceptable for very early stage businesses to rely on grants (Hersman 2014; Mugambi 2014).

It remains, however, that what is rewarded at many innovation competitions is what is socially desirable in the eyes of jurors (and, by extension, the funding party) rather than what is economically viable. Many entrepreneurs we interviewed were very conscious of "what donors want to hear," leading them to develop a pitch that fits into these perceived expectations. Entrepreneurs made pragmatic compromises, diverging from their original intentions as much as they felt they had to in order to obtain donor support. A participant we interviewed finds this a subtle but dangerous trend, explicitly blaming the Silicon Valley archetype of digital entrepreneurship:

> Competitions are all over, and it's known for free money or free exposure and free this and free that. You do it in English, but to sell, because—and that's the

> thing—the challenge that a lot of startups have now here in Cameroon is that because they have been so concerned with competitions with the Silicon Valley model of "Oh, I'll get high value for my startup and then maybe I'll exit and I'll sell it." Whereas the market is not even a little bit ready for that. Or "I'll raise funds in the series A and series B [rounds] and make $1.2 million dollars." But the paperwork is not ready for that either. So because of that sometimes they forget that they have to cater to the local market, the guys who are actually the customers. Who will actually pay for the products? (Entrepreneur in Yaoundé)

Others went even further and attested a more widespread culture of dependence and pandering to the hype, with severe long-term risks. Participants who emotionally identified with entrepreneurship as a process of establishing a value-creating sustainable organization or with entrepreneurship as an inherently difficult personal challenge (see chapter 6) were particularly critical of what they perceived as the selfish short-sightedness of compreneurs:

> [Many entrepreneurs are delivering] good news stories rather than actually building companies. . . . Most successful businesses usually don't have much flash. It's just about coming to work. . . . Here, it's all startup competitions and conferences. The number of startup founders who just seem to be permanently *on tour*! [*Expletive*], some guy who I don't know if you know, the guy was actually on his . . . Northern European tour—what does that even mean, man? . . . His metrics, he's doing the same . . . as he did two years ago. It's abysmal. . . . Some of the startup culture is like being in a rock band in high school. People aren't thinking of this as being a challenge, they're thinking of this as a way to get laid. Or the dream is to have a big desk that says "CEO" in front of it, and have like five phones in your hand and a picture of the President behind you. But people don't care about what it is they build, they just want to be able to take that picture . . . LinkedIn "Conference speaker." As like one of your career titles! [*mocking laughter*]. . . . I think that there's the option of complacency in what the current tech bubble is. Not just in Rwanda, I think this is what's happening in a lot of these tech hubs and a lot of these markets. It's okay to be a zombie. . . . Be broke but look cool. (Entrepreneur in Rwanda)

Summary: The Future Mirrors the Past

Although ideas about the center and periphery and modernization are said to be passé, they persist in popular imagination, policy, and practice (Hecht 2011; Mavhunga 2017; Mosse 2005; Olivier de Sardan 2005; Suchman

2011). Viewing African locales through this lens then produces knowledge hierarchies that undervalue local expertise and institutional arrangements that assess risk and opportunity based on the expectations of distant foreigners with capital and power. It is difficult to envisage the success story that fully counteracts the persistent image of African places as wild and inherently risky (Nyamnjoh 2013). Actors adopt strategies like white fronting to counteract these dynamics.

The deeper lesson is that Africa's entrepreneurs have to build their companies with an eye toward their global positionality—and the ways in which it can constrain them. Relative to Western digital entrepreneurs, African entrepreneurs face myriad challenges both within their home environments and outside of them. The narrative about the greater inclusivity of digital versus analog economies is overblown (Dy 2017; Dy, Martin, and Marlow 2018). Our observation is that some actors have the ability to create self-fulfilling prophecies through the exercise of power, embodied in capital but also in mental models of what is best practice and in their positioning as experts (Pollock and Williams 2016).

Digital entrepreneurs across Africa are slowly beginning to develop their own norms and value systems, born out of their own situated experiences. They show, for instance, that digital technologies can produce new and improved ways of doing things while still being commercialized in a staid and traditional manner. In fact, expecting more can produce disappointment and incentivize entrepreneurs to misrepresent the opportunities that are available.

Many entrepreneurs are beginning to emancipate themselves from the notion that success is equivalent to scale and visibility. The fact that a business is small and stays small does not mean that it is not innovative. The same is true for companies that are not engaging in cutting-edge computer science. The workings of the digital sector mean that "success" can be framed in different ways: Who is to say that unprofitable companies with millions of users and billion-dollar valuations (Silicon Valley model) are more successful than profitable companies with a dozen users and thousand-dollar valuations? Identifying new ways of generating revenues in small economies is necessary business innovation for firms in Africa. A heterogeneous view of possible paths and measures of success will allow for the varieties of digital entrepreneurship that are required to address

African markets effectively. It appears that many experienced entrepreneurs (both foreigners and locals) become more pragmatic while gaining self-confidence as they prove their sticking power in a tough environment. It will be crucial for them to continue on this path and to develop counter-narratives to Silicon Valley and development discourses, which will allow future generations to avoid chasing the ghosts of effortless and unbounded digital-technology-driven growth for everyone everywhere.