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The Differentiated Global South: Capability Gaps and Strategic Pathways in AI Governance

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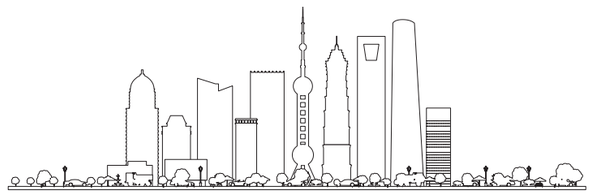

Abstract

The Differentiated Global South: Capability Gaps and Strategic Pathways in AI Governance

When AI governance is framed as a triangular competition among the United States, the European Union, and China, a fundamental question tends to be overlooked: what role do Global South countries, home to the majority of the world's population, actually play in this ongoing institutional restructuring? This report argues that the Global South is neither a monolithic bloc nor a passive rule-taker. Rather, it constitutes a political-economic space undergoing active re-stratification driven by AI capability gaps. Cross-national variation in computing power infrastructure, innovation and R&D capacity, capital and industrial ecosystems, human capital and skills, and institutional and regulatory capacity is profoundly shaping countries' governance orientations, policy space, and ability to engage in international rule-making.

The report develops a two-dimensional "capability–normative orientation" matrix that classifies Global South countries into four governance types. The capability dimension captures quantitative indicators across five domains, technological infrastructure, innovation and R&D, capital and industrial ecosystems, human capital and skills, and institutional and regulatory capacity, addressing what a country *can do*. Capability is treated as the primary explanatory variable because it conditions the feasible set of governance choices, whereas ideology and strategic preference operate within that capability boundary. The normative orientation dimension draws on national AI strategies, draft legislation, budgetary priorities, and patterns of international cooperation to assess a country's governance priorities: whether it channels AI toward development goals, adopts external rules for safety and compliance, pursues technological and regulatory autonomy, or primarily embeds itself within existing institutional frameworks through regional and multilateral platforms, thereby addressing where a country *wants to go*. The intersection of these two dimensions yields four archetypal types: the development-first type, exemplified by most African Union member states; the rule-balancing type, exemplified by ASEAN; the sovereignty-shaping type, exemplified by India, Brazil, the UAE, and Saudi Arabia; and the external-embedding type, exemplified by Pacific Island states and Caribbean nations.

The report identifies a quadruple asymmetry in the global AI governance structure that collectively drives the internal differentiation of the Global South. Infrastructure concentration raises the threshold for AI capacity building; the concentration of capital and models reinforces dependence on a handful of countries and large firms; regulatory spillover intensifies pressure for institutional adaptation; and imbalances in multilateral influence constrain developing countries' agenda-setting power. Under these conditions, the Global South is unlikely to coalesce into an institutionalized third pole in the near term, given the heterogeneity of its internal capability gaps, technological dependencies, and regulatory preferences. A more plausible trajectory is the emergence of loose issue-based coordination around concrete issues such as computing power affordability, open models, local-language data, and public-service AI applications.

At the policy level, the report recommends reintegrating the Global South into the institutional foundations of AI governance. The international community should establish an AI Capability and Development Summit mechanism, create a multilateral financing window for capacity building, advance mutual recognition of regional regulatory sandboxes and testing tools, embed non-lock-in contractual clauses in external cooperation agreements, and adopt phased governance pathways for capacity-constrained countries. Ultimately, the anchor point of inclusive governance is not seats at the table but capability provision. It is not difficult to ensure that developing countries appear on the list of signatories; what constitutes structural inclusion is enabling them to genuinely evaluate models, regulate procurement, build datasets, and access computing power.

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Keywords: Global South; AI governance; capability differentiation; issue-based coordination; development-friendly governance.

Contents

Chapter 1 Introduction: Rethinking the Global South's Position in AI Governance

AI governance is evolving from a narrowly technical regulatory issue into a comprehensive domain that implicates industrial competition, national security, development financing, and international rule-making. In recent years, institutional arrangements governing foundation models, computing power infrastructure, chip supply chains, cross-border data flows, and safety assessments have proliferated at a pace that has outstripped the diffusion of the underlying technologies themselves. AI governance, accordingly, is no longer solely a matter of managing technological risk; it has increasingly become a structural question about the distribution of capabilities, the authorship of rules, and access to development opportunities.

The logic underpinning this institutionalization race is the acute concentration of power. The Stanford 2026 AI Index Report depicts a strikingly uneven landscape.[01] The United States hosts over 5,400 data centers, far exceeding any other economy, and its private AI investment continues to outpace China's by a wide margin. The production of frontier large language models remains dominated by a small number of major firms. This triple concentration of computing power, capital, and models means that the power base of AI governance is distributed unevenly: actors commanding these resources enjoy a structural advantage in translating technological leadership into rule-making influence. It is precisely because power is so concentrated, however, that the position of the Global South in AI governance demands renewed scrutiny.

The prevailing narrative frames global AI governance as a tripartite contest: the United States represents innovation-first, enterprise-driven approaches; the European Union represents risk regulation and rights protection; and China emphasizes state-coordinated development and security. This framework offers considerable explanatory purchase, yet it also produces significant blind spots. It implicitly relegates most developing countries to the receiving end of rule diffusion, reducing them to adopters of EU regulations, consumers of the US technology ecosystem, or targets of China's digital cooperation frameworks. The Global South, however, is neither a silent collective nor an institutional vacuum capable only of absorbing externally generated rules.

Indeed, this issue has already entered the core agenda of international institutions. In March 2024, the UN General Assembly adopted Resolution 78/265, explicitly linking AI governance to sustainable development, the digital divide, and developing-country capacity building.[02] In July of the same year, it passed Resolution 78/311 on "Enhancing International Cooperation on Capacity-Building of Artificial Intelligence.[03]" In August 2025, it further resolved to establish an Independent International Scientific Panel on Artificial Intelligence and a Global Dialogue on AI Governance.[04] UNESCO had already adopted the Recommendation on the Ethics of Artificial Intelligence in 2021[05], and the OECD provided early

01 Stanford University, Human-Centered Artificial Intelligence (HAI), AI Index Report 2026, Stanford, CA, 2026.

02 United Nations General Assembly, Resolution A/RES/78/265, "Seizing the Opportunities of Safe, Secure and Trustworthy Artificial Intelligence Systems for Sustainable Development," adopted 21 March 2024.

03 United Nations General Assembly, Resolution A/RES/78/311, "Enhancing International Cooperation on Capacity-building of Artificial Intelligence," adopted 1 July 2024.

04 United Nations General Assembly, Resolution A/RES/79/325, "Terms of reference and modalities for the establishment and functioning of the Independent International Scientific Panel on Artificial Intelligence and the Global Dialogue on Artificial Intelligence Governance," adopted 26 August 2025.

05 UNESCO, Recommendation on the Ethics of Artificial Intelligence, adopted 23 November 2021.

intergovernmental standards anchored in trustworthy AI and inclusive growth.[06] These initiatives signal that the development and capacity-building agenda has been embedded within the broader arena of great-power agenda competition.

Yet global principles do not automatically produce global equality. The EU AI Act, centered on risk classification and market access, generates a potential Brussels Effect. The United States shapes de facto governance through frontier model firms, cloud infrastructure, chip export controls, and safety assessment standards. China pioneered action-oriented guidance for global AI governance through its Global AI Governance Initiative, offering an alternative cooperative narrative via the Digital Silk Road and open-source models.[07] For Global South countries, these external frameworks represent both normative resources and sources of selection pressure. Many states are not choosing governance models from a position of adequate capability; they are making constrained choices under conditions of technological dependence, capital scarcity, and institutional deficits.

How, then, do Global South countries, constituting the majority of the world's population, differentiate into distinct types of governance actors within this asymmetric structure? And how do they participate in global AI governance on their own terms?

Answering these questions requires first dispelling a persistent cognitive bias: the treatment of "the Global South" as a homogeneous category. Within the Global South, the capability endowments and strategic latitude available to India, Brazil and the UAE differ enormously from those of Fiji or Caribbean states. India can leverage its digital public infrastructure, domestic market scale, and multilateral engagement to amplify its voice in the global AI agenda. Brazil can harness its G20 presidency to advance development-friendly rules. ASEAN can construct a regional buffer through soft law mechanisms. The African Union can link AI to its Agenda 2063 framework.[08] Meanwhile, numerous small island developing states and capacity-constrained economies depend heavily on regulatory templates provided by UNESCO or regional organizations. Subsuming all of these actors under the label "rule-taker" obscures the capability differentiation and agenda reorganization unfolding within the South.

Capability variation is the key driver of this reorganization. AI governance capacity rests on at least five foundational pillars: first, technological infrastructure, encompassing data centers, computing power, chips, electricity supply, and network coverage; second, innovation and R&D, including AI-related publications, patents, local-language dataset development, and participation in open-source ecosystems; third, capital and industrial ecosystems, covering private investment, startups, and the scale of AI applications; fourth, human capital and skills, including researchers, public-sector technical personnel, and the diffusion of AI-relevant skills; and fifth, institutional and regulatory capacity, including national strategies, data protection legislation, regulatory sandboxes, and regional coordination mechanisms. Absent these indicators, claims about "governance orientation" risk devolving into superficial policy-text comparisons, incapable of explaining why some countries shape rules while others can only adopt or transplant them.

The 2026 AI Index Report further notes that national AI strategies are spreading to developing economies, but model production remains concentrated in the United States and China. In 2025, US private AI investment totaled $285.9 billion compared to China's $12.4 billion, a gap that remains vast. While the growth of open-source development has propelled GitHub contributions from regions outside the US and Europe past European levels and close to American ones, it has not fundamentally altered the concentrated landscape of frontier models and hardware supply chains.[09] The Global South's policy ambitions are expanding, but its technological foundations and institutional capacities remain tiered in their differentiation.

This report contends that the Global South is a political-economic space undergoing re-stratification by AI capability

06 OECD, Recommendation of the Council on Artificial Intelligence, adopted 22 May 2019, updated 2024.

07 People's Republic of China, Global AI Governance Initiative, October 2023.

08 African Union, Agenda 2063: The Africa We Want, adopted January 2015.

09 Stanford University HAI, AI Index Report 2026 (Stanford, CA: Stanford University, 2026).

gaps. The Global South is neither a purely geographic designation nor a fixed ideological bloc. Rather, it denotes a set of countries and regions that occupy collectively non-core positions within the global AI value chain, infrastructure supply, and rule-making, while exhibiting high internal differentiation in capabilities, needs, and external dependencies. On one hand, these countries share certain structural commonalities: most do not control core segments of the AI value chain and face systemic disadvantages in international rule-making. On the other hand, internal variation is equally pronounced. Some countries can translate market scale, institutional resources, and multilateral platforms into rule-making influence; others can only amplify limited voices through regional organizations; and still others risk being locked in by the triple bind of technology, capital, and rules. AI governance in the Global South is therefore not a linear process of technological catch-up but a complex dynamic in which differentiation, strategic choice, and re-dependence unfold simultaneously.

This report characterizes this dynamic as "limited but meaningful agency." It is limited because the concentration of computing power, capital, and models, combined with regulatory spillover, imposes multiple constraints. It is meaningful because these countries are not confined to passive rule reception; they can expand their policy space through four pathways. First, development-oriented framing: reframing AI governance from narrow risk control toward development promotion. Second, regional collectivization: converting dispersed national demands into collective agendas through mechanisms such as the African Union, ASEAN, and BRICS. Third, norm localization: embedding global principles within local institutional traditions and calibrating them to national development stages. Fourth, autonomous rule-making: efforts by upper-middle-capability states to propose alternative frameworks distinct from those of the US, the EU, and China.

This analytical lens helps correct two common biases. The first is techno-centrism, which situates rule innovation primarily among technologically advanced actors —the United States, the EU, and China — and treats Southern countries as objects rather than subjects of governance. The second is Southern romanticism, which foregrounds developing countries' right to voice but overlooks the capability disparities and interest divergence within the South itself. The former underestimates the strategic agency of Southern states; the latter overestimates the plausibility of the South acting as a unified front. This report seeks to establish a more analytically robust position between these poles: although the Global South has not yet emerged as a "third pole" in AI governance, a subset of its countries and regional organizations are becoming active promoters of issue-based coordination.

The report's analysis is organized around three questions. First, how do asymmetries in technology, capital, models, and rules within the global AI governance structure concretely shape the South's choice space? Second, how can observable indicators be employed to assess different countries' governance capabilities and normative orientations? Third, which Global South countries are positioned to expand their rule-making influence, which face persistent capability constraints, and is a pattern of loose issue-based coordination in fact materializing? Together, these questions converge on a single core judgment: the Global South is neither a tidy cohort of rule-takers nor a naturally cohesive political subject, but a space in international political economy that is being actively re-stratified by AI capability gaps.

Chapter 2 The Global AI Governance Structure and Its Constraints on the Global South

To understand the AI governance behavior of the Global South, one should not begin with policy texts but rather with structural positioning. On its surface, AI governance concerns ethical principles, risk classification, transparency, and safety assessment. At a deeper level, however, it is fundamentally shaped by which actors control infrastructure, produce models, supply capital, and define rules of market access. For the majority of Global South countries, AI governance is not a technical regulatory choice made within a neutral institutional space; it is, instead, an exercise in capacity building, institutional adaptation, and strategic hedging conducted under conditions of profound asymmetry in the international political economy.

Put differently, the primary challenge confronting Global South countries is not whether they are willing to govern AI, but whether they possess the foundational capability to do so, not whether they endorse a given set of principles, but whether they can preserve sufficient policy space amid external rule pressures and technological dependence. This asymmetry manifests across at least four dimensions.

Infrastructure Asymmetry: Computing Power and Chips as Gatekeepers

The first barrier to AI governance is not legal but infrastructural. A country's ability to train, deploy, and regulate AI systems hinges on the availability of data centers, cloud services, chip supply chains, power systems, and network coverage. According to the Stanford 2026 AI Index Report, global AI computing power has expanded rapidly since 2022, with commercial data centers geographically concentrated in the United States and advanced AI chip fabrication heavily reliant on a handful of nodes such as TSMC. According to Data Center Map.com, the United States hosts over 4438 data centers, roughly eight times more than any other single country. Germany and the United Kingdom follow with approximately 500 each, while China has around 369. The entire African continent accounts for only about 260 data centers, less than 6 percent of the US total. AI capability, in short, is not merely a matter of algorithms; it is a systemic capacity undergirded by hardware, energy, and supply chains.

For the Global South, this creates a dual constraint. First, most countries lack indigenous computing power and cloud infrastructure, rendering model deployment contingent on external cloud services and imported chips. Second, computing power infrastructure itself requires stable electricity, cooling systems, and specialized maintenance, conditions that remain inadequate in many low-income countries. Research by the IEA indicates that data centers and AI infrastructure are emerging as a significant driver of electricity demand growth.[10] Whether a country can build a data center, in other words, may first depend on whether it can supply the requisite power.

The digital infrastructure gap further compounds the problem. ITU data from 2024 show that a substantial share of the global population remains offline. Internet penetration in high-income countries has reached 93 percent, compared with only about 27 percent in low-income countries, a gap of 66 percentage points.[11] Within the Global South itself, disparities

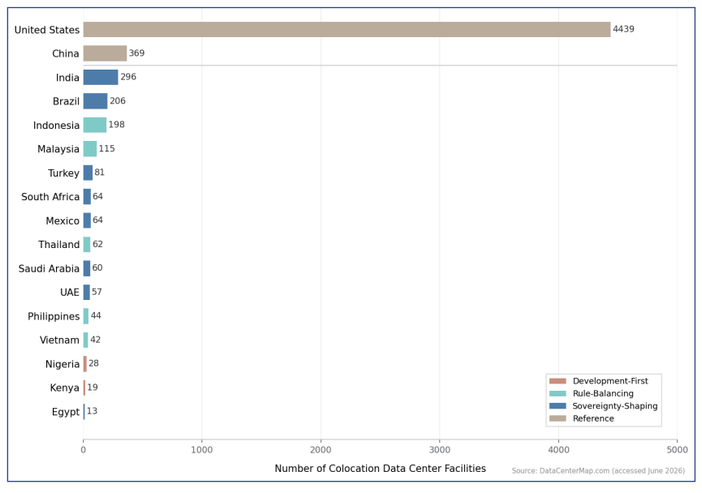
10 International Energy Agency (IEA), Energy and AI (Paris: IEA, 2025); IEA, Electricity 2024: Analysis and Forecast to 2026 (Paris: IEA, 2024).

11 International Telecommunication Union (ITU), Facts and Figures 2024: Measuring Digital Development (Geneva: ITU, 2024).

are equally pronounced: the UAE, Saudi Arabia and Malaysia all exceed 95 percent penetration, whereas Nigeria stands at approximately 41 percent, Kenya at 35 percent, and Rwanda at 32 percent.[12] The World Bank has similarly observed that the benefits of digitalization are distributed highly unevenly both between and within countries.

The AI divide, therefore, is not a new problem succeeding the traditional digital divide but an intensified iteration of it. Populations without internet connectivity cannot generate high-quality data; countries without computing power cannot develop local models; governments without technical expertise struggle to regulate external AI systems. These three deficits compound one another, producing what may be termed a stratified lock-in at the infrastructure level. This dynamic also explains why many Global South countries place greater emphasis on development-friendly governance. For these countries, the most pressing AI governance priorities tend not to involve the catastrophic risks posed by frontier models but rather agricultural early warning systems, public health applications, educational accessibility, and digital identity. A governance framework that addresses only high-risk model regulation while neglecting infrastructure gaps will generate a structural mismatch in which rules outpace capability.

Figure 1 Data Center Counts in Selected Global South Countries: A Comparison



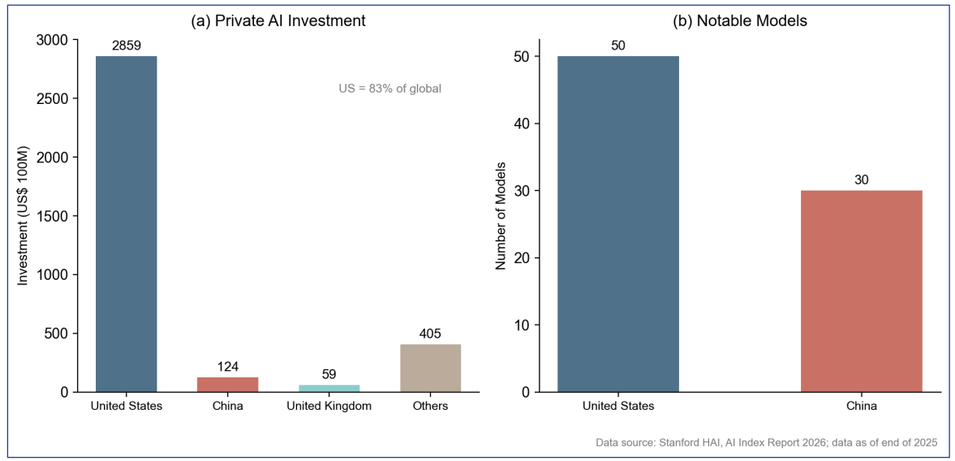
12 World Bank, Digital Progress and Trends Report 2023 (Washington, DC: World Bank, 2024), https://doi.org/10.1596/978-1-4648-2049-6.

Capital and Model Asymmetry: The Concentration of Frontier Innovation

The second dimension of asymmetry concerns capital and models. Although AI technology diffuses rapidly, the production of frontier innovation remains highly concentrated. The Stanford 2026 AI Index Report indicates that global private AI investment reached US$344.7 billion in 2025, of which the United States accounted for US$285.9 billion, China for US$12.4 billion, and the United Kingdom for US$5.9 billion. In 2025, the industry sector produced over 90 percent of significant AI models, with the United States and China as the two leading producers; according to the Stanford report's selected regional statistics, others combined contributed fewer than ten. Capital concentration shapes not only enterprise development but also governance agendas: countries home to massive investment flows and foundation model companies are better positioned to translate corporate safety practices, model evaluation methodologies, and compliance tools into de facto standards.

This implies that even where Global South countries emphasize AI sovereignty as a policy objective, achieving full-stack autonomous capability in the near term remains exceedingly difficult. Three more pragmatic pathways are typically available: leveraging external foundation models for local application development; adapting open-source models using local datasets; or partnering with external actors to build computing power centers and sector-specific models.

Figure 2 Country-Level Concentration of Global Private AI Investment and Significant Models (2025)



The open-source ecosystem is partially reshaping capability distribution. Countries with limited frontier technological capacity can leverage open-source toolchains, lightweight models, and local-language corpora to secure a degree of participatory space. Open source, however, is not a monolithic concept, and Global South countries assessing these opportunities should distinguish among three levels. First, there is the distinction between weight-open and genuinely open-source models. Most large models currently labeled "open source" merely offer downloadable model weights; training data and technical specifications remain undisclosed. Global South countries can deploy and fine-tune these models but cannot independently audit or substantively modify their core behaviors. Second, license terms vary significantly. Llama operates under a community license that restricts commercial applications exceeding 700 million monthly active users; DeepSeek uses the MIT license with fewer commercial constraints; Qwen's terms vary by version. Licensing conditions define the practical boundaries of technological usability. Third, deployment still demands computing power. Fine-tuning and running "open" models require GPU resources and technical teams; free to download is emphatically not free to use.

Furthermore, the open-source window itself is marked by inequality. Training and fine-tuning high-quality models still require data, computing power, and sustained funding. Building local-language datasets demands long-term investment. Public-sector procurement and regulatory sandboxes require institutional capacity. The UNCTAD 2024 Digital Economy Report warns that the resource intensity and value-chain concentration of the digital economy may deepen the disadvantaged position of developing countries.[13] Open source, therefore, lowers the threshold for AI model experimentation and application but cannot automatically resolve the hard constraints imposed by deficits in computing power, capital, and industrial ecosystems. Open source represents an opportunity, but not a self-sufficient solution.

Notably, the capital and model asymmetry operates not only between states but also between states and corporations. In many Global South countries, the de facto architects of the AI ecosystem are not domestic governments but transnational technology firms. Google established Africa's first AI research center in Accra, Ghana.[14] Microsoft has expanded Azure cloud regions in South Africa, Kenya, and Indonesia. Huawei Cloud and Alibaba Cloud supply computing power infrastructure across Southeast Asia, the Middle East, and Africa. Regional platforms such as Grab and GoTo have constructed de facto AI application ecosystems within ASEAN. These firms bring technology, capital, and employment, yet they also engender path dependence in data standards, model selection, and platform architecture. For Global South countries, the relationship with transnational enterprises is not a binary choice of acceptance or rejection; the critical question is how to retain data sovereignty, cultivate indigenous capabilities, and avoid single-vendor lock-in while drawing on external technological resources. This dimension is frequently obscured by state-centric frameworks in existing governance discussions, yet it may shape the AI development trajectories of Global South countries more directly than any intergovernmental agreement.

13 United Nations Conference on Trade and Development (UNCTAD), Digital Economy Report 2024 (Geneva: UNCTAD, 2024).

14 UNCTAD, Digital Economy Report 2024.

Regulatory Spillover Asymmetry: Adaptation Pressures under Competing Frameworks

The third dimension of asymmetry arises from regulatory spillover. The EU, the United States, and China each project governance influence globally through distinct mechanisms.

The EU AI Act establishes a risk-tiered framework encompassing prohibited AI practices, compliance obligations for high-risk systems, and requirements for general-purpose AI models.[15] Leveraging its market size and regulatory spillover effects, the Brussels Effect, many countries seeking access to the European market or European development cooperation funding are inclined to incorporate data protection and compliance requirements into their domestic regulatory architectures. For Global South countries with limited institutional capacity, the EU pathway offers the advantage of clear regulatory templates and high legitimacy; the risk, however, is that compliance costs may materialize before indigenous innovation capacity has been established.

The US pathway operates primarily through corporate ecosystems, executive orders, and export controls, producing a form of de facto governance. Executive Order 14110, signed by the Biden administration in 2023, integrated safety testing, privacy, and fairness into a federal framework,[16] but was revoked by the Trump administration in January 2025 in favor of policies emphasizing deregulation and computing power expansion.[17] Nevertheless, core governance instruments that have proven stable across administrations, including successive rounds of chip export controls,[18] the NIST AI Risk Management Framework,[19] and the CHIPS and Science Act[20], effectively transform computing power and supply chains into governance levers. For Global South countries, the influence of the US pathway is typically transmitted not through international treaties but indirectly through cloud platforms, model APIs, chip supply chains, and technical standards.

China's pathway foregrounds the right to development, security, and international cooperation. At the international level, China in 2023 became the first major economy to put forward the Global AI Governance Initiative, offering systematic guidance for global AI governance grounded in a people-centered approach and respect for national sovereignty.[21] In 2024, China promoted UN General Assembly Resolution 78/311 and the Plan of Action for AI Capacity Building for Universal Benefit.[22] In 2025, it proposed the establishment of a World AI Cooperation Organization, which has since entered an intensive preparatory phase.[23] In June 2026, it released the white paper "More Just and Equitable Global Governance: China's Principles, Proposals and Actions," situating AI governance within the broader framework of global governance reform and explicitly positioning the Global AI Governance Initiative as a key measure for advancing governance rules in emerging domains. Domestically, China has developed a relatively comprehensive governance toolchain encompassing regulations on algorithmic recommendation,[24] deepfake synthesis,[25] and interim measures for

15 European Parliament and Council of the European Union, Regulation (EU) 2024/1689 Laying Down Harmonised Rules on Artificial Intelligence (AI Act), adopted 13 June 2024.

16 The White House, Executive Order 14110, "Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence," signed 30 October 2023; revoked by Executive Order 14148, "Initial Rescissions of Harmful Executive Orders and Actions," signed 20 January 2025.

17 The White House, Executive Order 14179, "Removing Barriers to American Leadership in Artificial Intelligence," signed 23 January 2025.

18 Bureau of Industry and Security (BIS), U.S. Department of Commerce, "Implementation of Additional Export Controls: Certain Advanced Computing and Semiconductor Manufacturing Items; Supercomputer and Semiconductor End Use; Entity List Modification," interim final rule, 87 FR 62186, October 2022; "Implementation of Additional Export Controls: Certain Advanced Computing Items; Supercomputer and Semiconductor End Use; Updates and Corrections," interim final rule, 88 FR 73458, October 2023; "Framework for Artificial Intelligence Diffusion," interim final rule, January 2025 (rescinded and suspended, May 2025).

19 National Institute of Standards and Technology (NIST), AI Risk Management Framework 1.0 (Gaithersburg, MD: NIST, 2023); U.S. AI Safety Institute (AISI), established within NIST, November 2023, renamed Center for AI Standards and Innovation (CAISI), June 2025.

20 U.S. Congress, CHIPS and Science Act (Public Law 117-167), signed 9 August 2022.

21 People's Republic of China, Global AI Governance Initiative, October 2023.

22 People's Republic of China, AI Capacity-Building Action Plan for Good and for All, released 25 September 2024 at the High-level Meeting on International Cooperation on Capacity-building of Artificial Intelligence, United Nations Headquarters, New York.

23 People's Republic of China, initiative to establish the World Artificial Intelligence Cooperation Organization (WAICO), proposed 26 July 2025 at the 2025 World Artificial Intelligence Conference and High-level Meeting on Global AI Governance, Shanghai; headquarters preliminarily planned for Shanghai.

24 Cyberspace Administration of China (CAC) et al., Provisions on the Administration of Algorithm Recommendations for Internet Information Services, effective 1 March 2022.

25 Cyberspace Administration of China (CAC) et al., Provisions on the Administration of Deep Synthesis Internet Information Services, effective 10 January 2023.

generative AI,[26] exhibiting a composite regulatory model combining ex ante registration, ex post penalties, and content obligations. Outward transmission occurs through three channels: infrastructure provision via Huawei Cloud and Alibaba Cloud; open-source model diffusion through DeepSeek and Qwen; and comprehensive cooperation mechanisms including the Digital Silk Road and BRICS. For Global South countries, the appeal of the Chinese pathway lies in its provision of affordable infrastructure and open-source models, though concerns regarding technological dependence, cross-border data rules, and compliance pressures arising from great power competition warrant case-by-case evaluation.

Importantly, Global South countries do not simply choose sides among these three pathways. The more common approach is combinatory adaptation: data protection legislation may reference the EU model, cloud and model services may be sourced from US firms, digital infrastructure may receive support from China or multilateral institutions, and ethical principles may draw on the UNESCO framework.[27] This patchwork strategy is pragmatic, yet it carries the risk of institutional fragmentation. Rules originating from different sources are not necessarily compatible, and the coordination costs of managing such incompatibilities ultimately fall on domestic regulatory agencies.

Multilateral Influence Asymmetry: Institutional Channels and Limited Agency

Despite these pronounced structural asymmetries, the Global South is not entirely bereft of agency. Multilateral platforms and regional organizations constitute its most significant institutional channels.

At the global multilateral level, the United Nations has in recent years provided critical legitimacy resources for the development dimension of AI governance. UN General Assembly Resolution 78/265 explicitly links AI governance to sustainable development and capacity building, marking a broadening of the global AI agenda from a primarily safety-and-risk-centered technical framework toward a more pluralistic one that also encompasses development and inclusion. Resolution 78/311 further advances international cooperation on AI capacity building, and the UN High-Level Advisory Body on AI has incorporated perspectives from the Global South. These developments have enabled Global South countries to connect AI issues with development financing, technology transfer, and public service innovation, preventing AI governance from being defined exclusively by the security and competition concerns of a handful of developed states. Legitimacy resources, however, do not automatically translate into regulatory influence. General Assembly resolutions are hortatory in nature and lack binding force. Substantive technical standard-setting in AI governance largely takes place within specialized bodies such as ISO, IEEE, and ITU, as well as through more restricted channels including export control arrangements and bilateral technology agreements, fora in which Global South countries' technical participation capacity and representation remain limited. The result is a structural mismatch: Global South countries command the greatest voice on platforms with the highest legitimacy but weakest binding force, while exercising the least influence on platforms with the strongest binding force but highest barriers to entry.

Regional organizations play a distinctive role in bridging this gap. The ASEAN Guide on AI Governance and Ethics pursues a soft law approach, eschewing binding regulation in favor of combining innovation promotion, risk management, and member-state policy flexibility. It provides a common language and coordination framework for member states with widely varying capabilities. Its strategic value extends beyond internal coordination: it constructs a regional buffer between competing EU, US, and Chinese normative frameworks, enabling individual small states to avoid stark either-or choices among great power governance models. The African Union's Continental Artificial Intelligence Strategy follows a different logic, directly linking AI governance to Agenda 2063 and development priorities in education, health, and agriculture, thereby subordinating governance to the continent's development narrative. What these two models share is the transformation of individual states' limited capability into collective agenda resources, ASEAN achieving coordination through flexibility, the AU achieving solidarity through a

26 Cyberspace Administration of China (CAC) et al., Interim Measures for the Management of Generative Artificial Intelligence Services, effective 15 August 2023.

27 UNESCO, Readiness Assessment Methodology for the Ethics of Artificial Intelligence (Paris: UNESCO, 2023).

development narrative.

Beyond regional bodies, cross-regional coordination mechanisms are assuming growing importance. Platforms such as the BRICS cooperation mechanism and the Group of 77 provide the Global South with additional participatory space in AI governance. Countries such as India and Brazil are simultaneously active across multiple platforms, the G20, BRICS, regional organizations, and the UN system, pursuing a multi-track engagement strategy that enables flexible coalition-building tailored to specific issues and venues. This cross-regional coordination, however, is subject to inherent tensions. More capable Global South countries may prioritize industrial competitiveness and influence over global standard-setting, while less capable ones focus on infrastructure provision and development financing. This divergence in priorities constrains the efficacy of the "Global South" as a unified bargaining entity and renders cross-regional coordination more characteristic of ad hoc, issue-based coalitions than stable institutionalized cooperation.

In sum, both regional and cross-regional collectivization face structural ceilings. ASEAN's soft law coordination enhances flexibility but cannot substitute for regulatory implementation at the national level; when member states lack technical personnel and enforcement institutions, even the most flexible common guidelines struggle to translate into actual governance outcomes. The AU's continental strategy bolsters a shared narrative and international visibility but must contend with vast disparities among member states in electricity supply, network connectivity, fiscal resources, and human capital. CARICOM and the Pacific Islands Forum help small states advocate for development financing and regulatory visibility in multilateral fora, but their technical and institutional resources are more constrained, and whether their voices are heard depends on agenda windows and external advocacy support. Collective action, in general, entails coordination costs and institutional investment, and it is precisely those countries most in need of collectivization that are least equipped to bear these costs. Regional collectivization is therefore a realistic strategy for expanding negotiating space and buffering external pressure within asymmetric structures, but it should not be mistaken for a sufficient condition for overcoming structural dependence.

Structural Consequences: How the Quadruple Asymmetry Shapes Differentiation across the South

The four dimensions of asymmetry outlined above do not operate in isolation. Through mutual reinforcement and transmission, they collectively shape the governance differentiation landscape across the Global South. Understanding this differentiation requires moving beyond descriptive accounts of outcomes to trace how asymmetric structures concretely translate into divergent governance behaviors.

Asymmetries in infrastructure and capital first delimit a country's capability frontier in the AI domain, and this frontier directly conditions the character of its governance choices. Countries possessing a degree of computing power and industrial ecosystem, such as India, Brazil, and the UAE, are positioned to frame AI governance as a matter of industrial policy and international competitiveness, retaining strategic autonomy while attracting external technological resources. Countries lacking these endowments tend instead to frame AI governance as a matter of development assistance and capacity building, with their policy space expressed primarily through efforts to secure external support, lower barriers to entry, and integrate into international mechanisms. Infrastructure and capital conditions, in other words, determine not only what a country "can do" but also how it understands what "governance" itself means, whether as active participation in rule-shaping or as adaptive acceptance of external frameworks.

Regulatory spillover asymmetry further institutionalizes this capability-based differentiation. Confronted with the simultaneous projection of three governance pathways from the EU, the United States, and China, countries at different capability levels adopt markedly different adaptation strategies. Those with stronger institutional capacity can selectively draw on multiple frameworks, combining them with domestic conditions to construct autonomous regulatory arrangements, referencing the EU model for data protection, drawing on Chinese approaches to industrial promotion, and engaging US corporate ecosystems for technological cooperation. Countries with weaker institutional capacity are more likely to wholesale-transplant a single

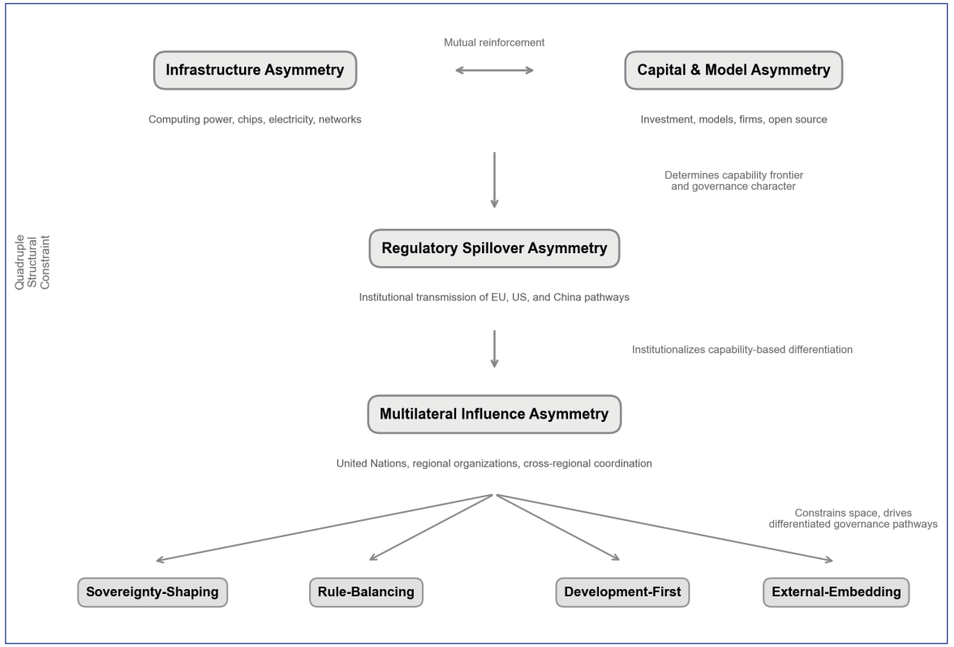
external template or to find themselves fragmented under the competing demands of multiple external rule sets. The critical variable is not which external framework a country selects, but how much autonomous discretionary space it retains throughout the process of institutional adaptation.

Multilateral influence asymmetry introduces a further dimension of differentiation: even countries with similar capability profiles and rule-adaptation circumstances may follow divergent governance trajectories depending on their capacity for multilateral engagement. Countries capable of operating simultaneously within the G20, the UN system, and regional organizations can leverage multilateral platforms to hedge against bilateral dependence, embedding their priorities in collective agendas and thereby securing greater room for maneuver within asymmetric structures. Countries lacking such multilateral engagement capacity rely primarily on bilateral channels for technology and financing, with their governance choices shaped to a greater degree by the preferences and conditions set by their principal external partners.

It is precisely these varying combinations of conditions that differentiate the Global South into the four governance types analyzed in the subsequent chapters of this report. Countries with stronger infrastructure and industrial ecosystems that actively engage multilateral mechanisms tend toward the sovereignty-shaping type. Countries with moderate capability but relatively robust institutional development tend toward the rule-balancing type, seeking equilibrium between innovation and regulation. Countries that view AI primarily as a development tool gravitate toward the development-first type, prioritizing applications in specific sectors. Countries with weak capability and high dependence on external support tend toward the external-embedding type, more passively incorporated into external governance frameworks. Each type is not a static label but a strategic response to specific structural conditions.

The deeper implication of this differentiation is that the central question for the Global South in AI governance is not whether to participate, but with what capability, through which platforms, and to what degree countries can substantively engage in rule formation. Publishing a national AI strategy does not, in itself, constitute governance capability. Attending international conferences does not equate to regulatory influence. Connecting to external technology ecosystems does not amount to controlling the developmental initiative. What will ultimately determine the future positioning of Global South countries is whether they can translate development needs into executable institutional arrangements, convert regional and multilateral platforms into negotiating foundations, transform open-source ecosystems and application scenarios into indigenous technological capabilities, and preserve sufficient policy autonomy amid intensifying external rule competition. It is the variation in these transformative capacities that constitutes the core issue to be illuminated through the systematic typological analysis that follows.

Figure 3 The Quadruple Asymmetry Structure of Global AI Governance



Chapter 3 A Two-Dimensional Matrix of AI Governance Capability and Normative Orientation

Explaining the differentiation within the Global South requires far more than observing whether a country has published an AI strategy. A country's actual position in AI governance hinges on two distinct questions: Does it possess the capability to convert AI into a resource for development, regulation, and negotiation? And what normative direction does it pursue amid competing external rule systems? The first question addresses what a state *can* do; the second addresses where it *seeks to go*. This report accordingly constructs a two-dimensional matrix of "capability–normative orientation" that distinguishes four archetypal types within the Global South.

The framework rests on a core assumption: AI governance is not merely a matter of policy preference but the joint product of capability endowments and normative choices. Insufficient capability constrains the available policy space, while divergent orientations shape how a state deploys its limited capabilities, engages with external regulatory frameworks, and participates in regional and multilateral institutions.

Table 1 Two-Dimensional Matrix of Global South AI Governance Types

capability / governance orientation	Weak	Medium	Medium-High
Development-First Orientation	Development-First: AI serves poverty reduction, agriculture, education, health, and public services	Development-first and rule-balancing hybrid: beginning to accumulate regulatory tools and regional coordination capacity	Sovereignty-Shaping: agenda-shaping subtype; shapes international agenda through development rights and public goods
Regional Balancing Orientation	Relies primarily on regional organizations for minimal visibility	Rule-Balancing: maintains flexibility between external rules through soft law and regional coordination	Regional rule supplier: provides tools, standards, and capacity building for neighboring countries
Sovereign Autonomy Orientation	Mostly policy aspirations lacking implementation capacity	Selective localization of external rules; partial construction of sovereign cloud and regulatory sandboxes	Sovereignty-Shaping: includes agenda-shaping and hub-capital subtypes; generally builds own rule narratives, computing infrastructure, and multilateral agendas
Safety-Compliance Orientation	External-Embedding: primarily transplants rule templates from EU, UNESCO, or regional organizations	Compliance-oriented developing country: trades market access and institutional legitimacy for policy space	Rare empirically; generally transitions to sovereignty-shaping or regional rule supplier

Several cells in the matrix represent transitional or hybrid states. For analytical parsimony, this chapter focuses on the four archetypal types with the greatest explanatory leverage: the development-first type, the rule-balancing type, the sovereignty-shaping type, and the external-embedding type. The remaining cells serve primarily to illustrate that states may shift across capability tiers and governance orientations over time.

The choice of typology over ranking is deliberate. Rankings readily produce a spurious linear hierarchy, implying that all countries are pursuing the same catch-up trajectory toward frontier powers. The reality is far more complex. India, Brazil, ASEAN, the African Union, and small island developing states do not occupy different stages of a single capability gap; rather, they exhibit distinct combinations of capability, need, institutional heritage, and external dependence. The matrix's value lies precisely in rendering these combinations explicit. This report therefore does not attempt to judge which Global South countries are "more advanced" but instead seeks to explain why different states pursue divergent paths in AI governance.

The Capability Dimension: Moving Beyond Policy Texts to Quantitative Indicators

AI governance capability is a composite concept encompassing at least five dimensions.

Technical infrastructure. This dimension covers data center capacity, cloud service availability, high-end GPU-equivalent computing power, chip import dependence, power supply reliability, and network coverage. On measurement, the Stanford AI Index provides frontier AI metrics; the ITU's internet and ICT development data gauge digital access foundations. For many low-income countries, infrastructure deficits mean that AI governance is more likely to center on application deployment and the regulation of externally developed models rather than on frontier model oversight.

Innovation and R&D. This dimension encompasses AI publications, patents, the number of notable models, contributions to open-source projects, local-language models, and university research capacity. The WIPO Global Innovation Index provides cross-nationally comparable data, while the Stanford AI Index's tracking of notable models and open-source contributions is better suited to assessing whether a country has entered the frontier AI production frontier or the open-source ecosystem.[28]

Capital and industrial ecosystem. This dimension includes private AI investment, startup density, government AI funds, and the scale of AI applications. A large body of research and empirical evidence demonstrates that private AI investment is heavily concentrated in the United States and a handful of other economies. AI strategies that lack industrial ecosystem support tend to remain declaratory rather than operational; without domestic markets and enterprise feedback loops, governments struggle to develop grounded knowledge of AI system risks and compliance costs.

Talent and skills. This dimension covers AI researchers, ICT graduates, STEM education foundations, public-sector digital talent, and AI skill penetration rates. Talent indicators are critical because AI governance cannot be accomplished through legislation alone: algorithmic auditing, model evaluation, public procurement, and regulatory sandboxes all require interdisciplinary talent with expertise spanning technology, law, and industry.

Institutional and regulatory capacity. This dimension includes national AI strategies, data protection legislation, regulatory agencies, regulatory sandboxes, public procurement rules, and participation in regional organizations. The Oxford Insights Government AI Readiness Index evaluates the AI readiness of approximately 190 governments across three pillars — government, technology sector, and data infrastructure — offering a valuable cross-national benchmark.[29] The OECD.AI Policy Observatory tracks national AI strategies,[30] while UNESCO readiness assessments foreground legal, economic, and technological infrastructure dimensions.

These five capability dimensions are not independent but mutually reinforcing. Technical infrastructure determines whether a state can deploy and test

28 World Intellectual Property Organization (WIPO), Global Innovation Index 2024 (Geneva: WIPO, 2024).

29 Oxford Insights, Government AI Readiness Index 2025, corrected ed. (Oxford: Oxford Insights, January 2026).

30 OECD, OECD.AI Policy Observatory, https://oecd.ai.

models; innovation and R&D determine whether it can participate in knowledge production; the capital and industrial ecosystem determines whether AI can be applied in real-world settings; talent and skills determine whether regulation and procurement can be operationalized; and institutional and regulatory capacity determines whether a state can translate technical resources into enforceable governance arrangements.

Drawing on these five indicator sets, this report classifies capability into three tiers: low, medium, and medium-high. The deliberate omission of a "high capability" category reflects the fact that, within the Global South, virtually no country approaches the United States or China across the full spectrum of computing power, chips, foundation models, capital, and global standard-setting. Applying a "high capability" label would obscure the structural constraints that Southern countries collectively face. Even where India, Brazil, the UAE, Saudi Arabia, or Singapore perform strongly on selected indicators, their capability advantages tend to be regional, issue-specific, or sectoral rather than reflecting full-stack autonomous capability in AI.

The Orientation Dimension: How States Define Governance Priorities

Capability sets the policy boundary; orientation determines the governance trajectory. States at comparable capability levels may adopt entirely different strategies. Orientation cannot be inferred from a handful of diplomatic statements; it must be assessed holistically through national AI strategies, draft legislation, budgetary allocations, international cooperation partnerships, and regional organizational engagement.

Development-first. This orientation treats AI as an instrument of economic growth and public service improvement. Policy documents prominently feature agriculture, education, health, poverty reduction, and digital government. The African Union's AI strategy, which frames AI in terms of African development and prosperity, exemplifies this orientation. A development-first stance does not imply indifference to risk; rather, it reflects the judgment that for states with limited capability endowments, premature adoption of costly compliance regimes may compress the space for innovation.

Safety-first. This orientation draws primarily on EU risk-tiering, human rights protections, and data protection frameworks. It is more prevalent among certain Latin American countries and states with strong institutional ties to Europe. Its advantage lies in enhanced international legitimacy and market compatibility; its disadvantage is the potential for prematurely locking governance priorities into compliance.

Sovereign autonomy. This orientation involves building sovereign cloud infrastructure, national computing power centers, local-language models, data localization regimes, and indigenous AI standards. India, Brazil, the UAE, and Saudi Arabia embody this orientation to varying degrees. Sovereign autonomy does not equate to full technological self-sufficiency; rather, it seeks to reduce dependence on any single external technology ecosystem and to preserve agenda-setting power in global rule competition.

Regional or multilateral embedding. This orientation amplifies voice through platforms such as ASEAN, the AU, BRICS, CARICOM, and the United Nations. For states with limited capability endowments, multilateral embedding is frequently the primary channel for gaining visibility and accessing capability support. The emphasis here is not on individual states proposing comprehensive alternative rule systems but on leveraging regional and multilateral platforms to aggregate dispersed demands into common positions with greater negotiating weight.

It bears emphasis that governance orientation is neither a fixed identity nor an ideological label. A single state may adopt an EU-style compliance framework for data protection, pursue development-first industrial policy, seek Chinese or multilateral institutional support for infrastructure, and invoke sovereignty and the right to development in multilateral forums. This report therefore assesses orientation in terms of a state's dominant policy logic at a given juncture, rather than as an exclusive alignment with any one camp.

The Two-Dimensional Matrix and Four Archetypal Types

Crossing capability with orientation yields four archetypal types.

Development-first type. Low to medium capability combined with a strong development orientation. These states lack frontier AI infrastructure but face acute development needs and tend to frame AI governance as a component of development policy. Most AU member states — including Nigeria, Kenya, Rwanda, Ghana, and Senegal — are representative cases.

Rule-balancing type. Medium capability combined with a regional coordination orientation. These states possess a meaningful digital economy base and institutional capacity, though with considerable internal variation, and tend to preserve flexibility through soft law and incremental governance. ASEAN as a collective, along with Singapore, Indonesia, and Malaysia, constitutes the core cluster.

Sovereignty-shaping type. Medium-high capability combined with an autonomous rule-making orientation. These states command significant markets, capital resources, or multilateral agenda-setting leverage and seek to advance alternative narratives distinct from those of the United States, Europe, and China. India, Brazil, the UAE, Saudi Arabia, and — on selected issues — South Africa belong to this category.

External-embedding type. A weaker capability foundation combined with a rule-taker orientation. These states lack both an AI industry and regulatory talent and rely predominantly on the EU, UNESCO, and regional organizations for governance templates. Pacific island states, Caribbean nations, and some smaller Latin American economies fall into this category. The term "external-embedding" is preferred over "passive" to avoid moralizing what are, in essence, structural constraints. These states confront systemic limitations, not a lack of volition.

These four types function as an explanatory tool rather than as mutually exclusive categories. Their analytical payoff lies in illuminating why different states pursue different strategies within the same global AI governance architecture: some prioritize securing development space, others calibrate external rules through regional soft law, still others seek to shape alternative agendas, and some minimize governance costs by adopting external templates.

Method, Boundaries, and Criteria

To guard against classificatory subjectivism, this report employs a three-step determination procedure. The first step examines capability indicators, drawing on at least two to three categories of hard data across technical infrastructure, industrial capital, talent, and institutional regulation. The second step examines orientation indicators, assessing whether a state's policy documents, budgetary allocations, and international cooperation partnerships prioritize development, compliance, sovereignty, or regional multilateral embedding. The third step involves cross-validation, with allowance for states to exhibit mixed characteristics across different issue areas.

To mitigate conceptual drift between adjacent types, the report establishes the following boundary guidelines. If a state has established routinized regulatory staffing and enforceable governance instruments, and leads or deeply participates in the drafting of regional soft law texts, it more closely approximates the rule-balancing type. If sovereign narratives are prominent but implementation resources remain insufficient and the state is highly dependent on external templates, it is classified as external-embedding. The boundary between the development-first type and the rule-balancing type turns on whether regional coordination has generated replicable institutional products — such as shared guidelines, mutual recognition arrangements, or joint procurement mechanisms — rather than one-off conference declarations.

Country classification, it must be stressed, does not constitute a permanent identity but a policy position at a particular moment. Singapore, as a high-income economy, does not fit neatly within conventional imaginaries of the Global South, yet its role as a normative intermediary within the ASEAN framework makes it an indispensable case for understanding Southern regional governance. The UAE and Saudi Arabia similarly enjoy high-income and capital advantages, but within the global technology division of labor they remain in transition from external dependence toward regional hub status; their representativeness is better understood as that of "capital-driven hub states" rather than traditional Southern exemplars. South Africa, Brazil, and Indonesia may likewise straddle types depending on the issue area. In short, a single state can approximate the EU regulatory pathway

on data protection, adopt a development-first approach to industrial policy, emphasize Southern representativeness in multilateral forums, and depend on foreign enterprises for infrastructure. Such hybridity is arguably the defining feature of Global South AI governance.

Subsequent case analyses assess country positions against three criteria. First, *executability of capability*: whether adequate infrastructure, talent, capital, and institutional bodies exist to operationalize an AI strategy. Second, *clarity of orientation*: whether AI governance is explicitly directed toward development, compliance, sovereignty, or regional multilateral objectives. Third, *convertibility of agency*: whether domestic capabilities and external platforms can be translated into rule-shaping influence or development resources. This triad helps distinguish three commonly conflated phenomena: publishing an AI strategy is not equivalent to possessing governance capability; attending international conferences is not equivalent to wielding rule influence; and adopting external rules is not equivalent to lacking agency. Conversely, the formal adoption of sophisticated frameworks without the implementation bodies and talent to back them leaves governance capability substantively weak.

This chapter thus establishes an explanatory framework for understanding why different Global South countries have arrived at differentiated pathways in AI governance.

Chapter 4 Typological Differentiation of AI Governance Practices in the Global South

This chapter examines how countries in the Global South have diverged into distinct governance types. The purpose of this typology is not to affix labels but to elucidate the strategic logic that emerges under varying capability conditions. In practice, the trajectory of AI governance is seldom determined by abstract principles alone; rather, it is jointly shaped by a country's technological base, industrial capital, institutional capacity, development imperatives, and the pressure exerted by external regulatory regimes.

The "capability–normative orientation" framework introduced in Chapter 3 is operationalized here as four concrete governance types: development-first, rule-balancing, sovereignty-shaping, and external-embedding. These four types do not correspond to fixed national identities but instead capture the predominant policy positions that states or regional organizations occupy in AI governance during a given period. Some countries may exhibit cross-type characteristics, particularly when they adopt divergent orientations across issue areas such as data protection, industrial policy, infrastructure cooperation, and multilateral advocacy.

Figure 4 AI Governance Capability and Type Distribution among Selected Global South Countries

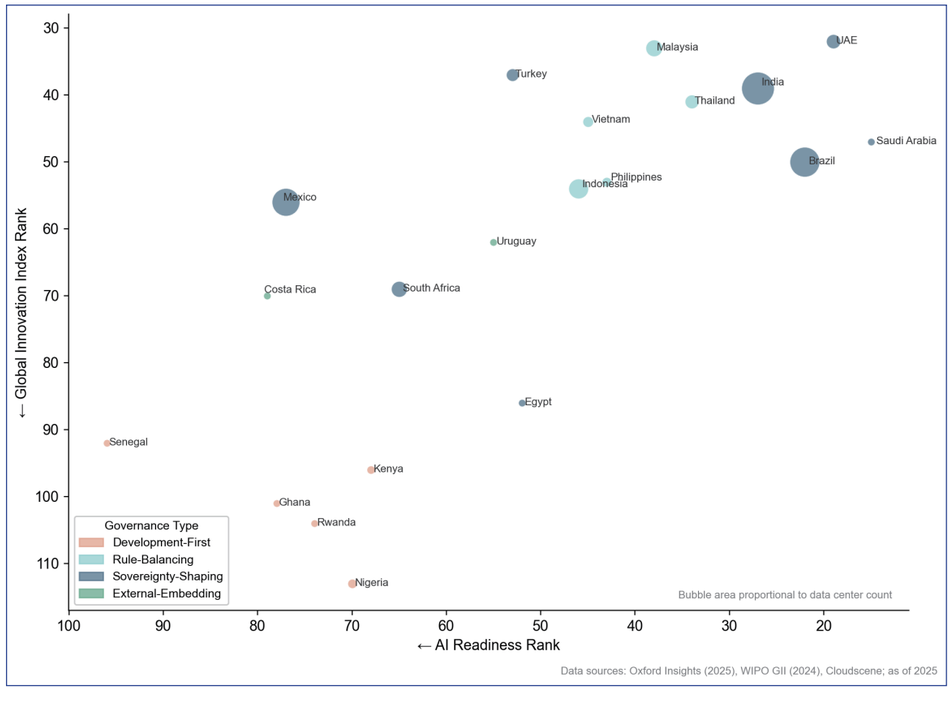


Table 2 Capability Foundations, Dominant Strategies, and Principal Risks of the Four Types

	Capability Basis	Dominant Strategy	Principal Risks
Development-First	Low to medium capability; insufficient digital infrastructure and regulatory talent, but strong development needs	Issue developmentalization, multilateral linkage, regional collectivization	Many policy documents but weak implementation; AI development may be constrained by computing power and capital
Rule-Balancing	Medium capability; rapid digital economy growth, relatively strong regional organizational coordination	Norm localization, regional collectivization, soft law governance	Limited binding force of soft law; capability disparities among member states weaken implementation
Sovereignty-Shaping	Medium-high capability; possesses market, capital, talent, or multilateral agenda resources	Autonomous rule construction, development narrative, multilateral agenda-setting	Tension between Southern representativeness and national competitive interests
External-Embedding	Weak capability basis; lacks AI industry, regulatory talent, and infrastructure	Weak localization, external rule transplantation, leveraging regional platforms	Triple constraint of technology, capital, and rules; compliance costs may precede innovation capacity

Table 2 summarizes the underlying logic of each type. The central challenge for the development-first type is how to convert AI into developmental capacity. For the rule-balancing type, the key question is how to preserve regional flexibility amid competing external regulatory frameworks. The sovereignty-shaping type confronts the problem of translating domestic markets, capital, or multilateral platforms into regulatory influence. Finally, the external-embedding type must navigate how to avoid multiple lock-ins, technological, financial, and regulatory, under conditions of limited capability.

To provide an intuitive overview of the typological classification and capability foundations of major Global South countries and regions, the table below draws on the Oxford Insights Government AI Readiness Index 2025 edition (covering 195 economies), the WIPO Global Innovation Index 2024 edition (covering 133 economies), ITU internet penetration data from 2024, and data center quantity statistics to present a capability profile of representative countries across the four types.[31] Several caveats are in order: the reference years of the indicators vary slightly; data center figures are multi-source estimates; and some countries may display cross-type characteristics depending on the issue area. Because AI governance capability simultaneously involves infrastructure, capital, talent, institutions, and international platforms, no single indicator can fully capture national capability. This report therefore employs multiple indicators in combination to map the capability portfolios and governance positions of different countries.

Table 3 AI Governance Types and Capability Indicators of Selected Global South Countries and Regions

Governance Type	Country/Region	AI Readiness Rank	Innovation Index Rank	Internet Penetration	Data Centers	National AI Strategy (Earliest)
Development-First	Nigeria	70	113	41.21%	28	2025
	Kenya	68	96	34.98%	19	2025
	Rwanda	74	104	31.70%	3	2023
	Ghana	78	101	72.18%	8	2026
	Senegal	96	92	60.12%	7	2023
	Most other AU members	100+	100+	<50%	<5	Some published
Rule-Balancing	Malaysia	38	33	98.02%	115	2021
	Thailand	34	41	90.87%	62	2022
	Indonesia	46	54	72.78%	198	2020
	Vietnam	45	44	84.15%	42	2021
	Philippines	43	53	67.26%	44	2021
Sovereignty-Shaping	India	27	39	64.94%	296	2018
	Brazil	22	50	84.46%	214	2021
	UAE	19	32	100.00%	57	2019
	Saudi Arabia	15	47	100.00%	60	2020
	Turkey	53	37	87.31%	81	2021
	Egypt	52	86	74.65%	13	2021
	South Africa	65	69	78.36%	64	2026 (draft)
	Mexico	77	56	83.12%	65	2018
External-Embedding	Costa Rica	79	70	87.17%	12	2024
	Uruguay	55	62	91.99%	10	2024
	Fiji	108		74.71%		
	Cambodia	118	103	68.48%	10	2025
	Pacific Islands (most)	120+		30-60%		
	Caribbean countries (most)	80-130		50-80%		

Data sources: Oxford Insights (2025), WIPO (2024), ITU (2024), DataCenterMap.com (2026)

31 Oxford Insights, Government AI Readiness Index 2025, corrected ed. (January 2026), https://oxfordinsights.com/ai-readiness/government-ai-readiness-index-2025/; WIPO, Global Innovation Index 2024 (Geneva: WIPO, 2024); ITU, Facts and Figures 2024 (Geneva: ITU, 2024). Data center counts are based on Cloudscene and multi-source estimates.

Development-First Type

The development-first type encompasses the broadest swath of the Global South. Its defining profile is one of limited technological infrastructure and institutional capacity coupled with acute development needs, which inclines these countries to frame AI governance as an extension of development policy rather than a stand-alone risk regulation exercise. For such states, the primary value of AI lies not in training frontier foundation models but in whether it can tangibly improve agricultural productivity, public health delivery, educational access, financial inclusion, and the quality of government services.

What fundamentally distinguishes this type is that the governance agenda is tightly constrained by infrastructure deficits and implementation capacity. Development-first countries have generally recognized the importance of AI and have begun issuing strategies, convening working groups, or participating in regional initiatives. The real bottleneck, however, is whether budgets, computing power, data ecosystems, human capital, and regulatory institutions can support the translation of these policy documents into operational outcomes.

Most African Union member states, along with Nigeria, Kenya, Rwanda, Ghana, Senegal, and a number of least developed countries, fall into this category. They share common constraints, insufficient computing power, uneven digital infrastructure, technology talent gaps, and limited regulatory capacity, yet they also possess non-negligible assets, including youthful demographic structures, rapidly expanding mobile internet markets, and vast public service domains awaiting digitization. In terms of capability indicators, these countries generally rank between 68th and 100th on the Oxford Insights 2025 Government AI Readiness Index, mostly between 90th and 113th on the WIPO Global Innovation Index, and maintain between 3 and 28 data centers underscoring the structural gap at the infrastructure level.[32]

The first strategy characteristic of this type is issue developmentalization. These countries do not deny that AI entails risks, but they resist the narrowing of AI governance to frontier model safety and high-cost compliance obligations. For economies with a large agricultural sector and inadequate public service provision, premature adoption of EU-style stringent compliance frameworks could paradoxically constrict domestic innovation space. UN General Assembly Resolution 78/265, which explicitly links AI systems to sustainable development and capacity building, effectively provides multilateral legitimacy for this strategic orientation.

The second strategy is multilateral linkage. Given their limited capacity to reshape the global AI agenda unilaterally, development-first countries graft AI governance onto more established development issues, the digital divide, technology transfer, development finance, language data inequality, and South-South cooperation. The effect is to reframe AI from a technocratic concern into a question of international development politics, thereby elevating it onto broader platforms such as the United Nations, UNESCO, the World Bank, and the G20.

The third strategy is regional collectivization. Individual African countries exert negligible influence over global AI standard-setting; yet through the African Union, Smart Africa, and regional economic communities, dispersed national demands can be consolidated into continental or sub-regional agendas.[33] The effectiveness of regional collectivization, however, remains contingent on member states' implementation capacity. AU strategies can furnish a common vocabulary, but they cannot automatically bridge the disparities among member states in electricity supply, fiscal resources, and human capital.

32 Oxford Insights, Government AI Readiness Index 2025, corrected ed., January 2026; WIPO, Global Innovation Index 2024; ITU, Facts and Figures 2024.

33 Smart Africa Alliance, https://smartafrica.org.

Table 4 Overview of Representative Development-First Countries

	Core Resources	Governance Focus	Principal Constraints
Nigeria	Population scale (230M+), entrepreneurial dynamism, English-speaking tech community, digital economy base	Inclusive growth, public service improvement, digital economy and startup ecosystem integration	Insufficient infrastructure and electricity; 41% internet penetration; weak regulatory enforcement
Kenya	Mobile payment ecosystem (M-Pesa), digital government foundation, regional innovation hub	Digital economy integration, AI resilience building (resilience dimension ranked 18th globally)	35% internet penetration; insufficient computing power, capital, and regulatory talent
Rwanda	C4IR center (first in Africa), institutional first-mover advantage, international cooperation network	First AI policy in Africa, pilot applications in health, agriculture, and education	32% internet penetration; only 3 data centers; severe infrastructure constraints
Ghana	Google Africa AI Research Center, Million Coders program, university research base	Ten-year roadmap (2025-2035), US$250M AI development center, talent pipeline	Only 8 data centers; weak computing power and industrial ecosystem

Nigeria represents a case of notable upward trajectory within the development-first type. Its 2024 draft National AI Strategy emphasizes leveraging AI for inclusive growth and improved public service delivery, seeking to integrate AI development with the digital economy, the entrepreneurial ecosystem, and regulatory capacity building.[34] Nigeria's strengths include a population exceeding 230 million, entrepreneurial dynamism, and an English-speaking technology community; its weaknesses lie in infrastructure, electricity supply, data governance, and regulatory enforcement capacity. Nigeria ranks 70th in government AI readiness, 113th in the Global Innovation Index (score: 17.1), has an internet penetration rate of only approximately 41%, and hosts roughly 28 data centers, [35] second in Africa, though construction costs run as high as approximately $15 million per megawatt. These figures suggest that while Nigeria possesses considerable digital economy vitality and market potential, it continues to face significant infrastructure and innovation bottlenecks.

Kenya illustrates an alternative pathway. Building on its established mobile payment ecosystem (M-Pesa), digital government foundations, and status as a regional innovation hub, Kenya's National AI Strategy 2025-2030, released in March 2025, is more tightly integrated with the domestic digital economy.[36] Kenya ranks 68th in government AI readiness, above Nigeria, and 96th in the Global Innovation Index (score: 21.0). Notably, it scores 18th globally on the Resilience dimension of the 2025 readiness index, reflecting a comparative advantage in institutional adaptability. Nevertheless, with an internet penetration rate of approximately 35% and around 19 data centers, computing power, capital, and regulatory talent remain insufficient to sustain high-intensity autonomous governance.[37]

Rwanda stands out as one of the most institutionally proactive cases among Africa's development-first countries. In

34 Federal Republic of Nigeria, National Artificial Intelligence Strategy, draft, August 2024.

35 Oxford Insights, Government AI Readiness Index 2025, corrected ed., January 2026; WIPO, Global Innovation Index 2024; ITU, Facts and Figures 2024.

36 Republic of Kenya, National Artificial Intelligence Strategy 2025–2030, March 2025.

37 Oxford Insights, Government AI Readiness Index 2025, corrected ed., January 2026; WIPO, Global Innovation Index 2024; ITU, Facts and Figures 2024.

2023, the cabinet approved a National AI Policy, making Rwanda the first African country to adopt a dedicated AI policy.[38] The Centre for the Fourth Industrial Revolution (C4IR Rwanda), established in 2020 during the World Economic Forum in Davos, was Africa's first such institution and has served as a hub for policy design and pilot implementation. Rwanda has also signed a $7.5 million AI Scale-Up Hub agreement with the Gates Foundation to advance AI applications in healthcare, agriculture, and education. Rwanda ranks 74th in government AI readiness and 104th in the Global Innovation Index (score: 19.7). Significantly, WIPO classifies Rwanda as the top-performing overperformer among low-income countries, and its Governance dimension score of 78.75 points ranks first in Sub-Saharan Africa. Yet with an internet penetration rate of merely 32% and only about 3 data centers, infrastructure constraints remain acute.[39] Rwanda's experience demonstrates that institutional ambition can, to a degree, transcend infrastructure limitations, though long-term sustainability ultimately hinges on the development of foundational capabilities.

Ghana's approach centers on talent development and external partnership. The National AI Strategy (2025-2035), released in April 2026, lays out a ten-year roadmap that includes a $250 million investment in a National AI Development Center, a "Million Coders Program" launched in 2025 with 130 learning centers spanning all 16 administrative regions, and the objective of cultivating 10,000 senior AI researchers by 2035.[40] Ghana also hosts Google's first AI research center on the African continent, located in Accra, alongside research infrastructure such as the Responsible AI Lab at Kwame Nkrumah University of Science and Technology. Ghana ranks 78th in government AI readiness, 101st in the Global Innovation Index (score: 20.0), and enjoys an internet penetration rate of approximately 72%, [41] relatively high by West African standards, but maintains only about 8 data centers. These indicators suggest that Ghana possesses a degree of advantage in digital connectivity and talent foundations, yet computing power and the broader industrial ecosystem require substantial strengthening.

Senegal's capability base is broadly comparable, with a readiness ranking of 96th, an innovation index ranking of 92nd, and an internet penetration rate of approximately 60%.[42] An active member of the Smart Africa Alliance, Senegal is currently drafting a national AI strategy and connecting AI to digital governance and linguistic diversity agendas. Francophone Africa maintains significantly lower visibility in global AI discourse than its Anglophone counterpart; should Senegal succeed in advancing the construction of Francophone AI datasets and governance frameworks at the regional level, it would fill a notable gap.

Taken together, these cases demonstrate that development-first countries are by no means devoid of agency; rather, their agency is most prominently exercised at the level of application scenarios and policy experimentation. They can generate genuine demand through domains such as agriculture, healthcare, education, digital governance, and inclusive finance, and channel these demands into the agenda of international development cooperation. The core risk confronting the development-first type is the disconnect between policy ambition and implementation capacity. Issuing AI strategies, convening working groups, and announcing regulatory sandboxes are comparatively straightforward undertakings, but absent adequate budgets, data infrastructure, regulatory expertise, and sustainable computing power, strategies risk remaining largely symbolic. A subtler risk is that external dependence may be obscured by development narratives. When external platform companies, cloud service providers, or aid agencies furnish technical solutions, they may simultaneously embed data standards, procurement lock-ins, and governance templates. To invoke an admittedly imperfect analogy, this dynamic bears some resemblance to "conditional lending" in development assistance, ostensibly oriented toward capacity building, yet potentially entrenching technological dependence.

38 Government of Rwanda, National Artificial Intelligence Policy, approved by Cabinet, 2023.

39 Oxford Insights, Government AI Readiness Index 2025, corrected ed., January 2026; WIPO, Global Innovation Index 2024; ITU, Facts and Figures 2024.

40 Republic of Ghana, National Artificial Intelligence Strategy 2025–2035, April 2026.

41 Oxford Insights, Government AI Readiness Index 2025, corrected ed., January 2026; WIPO, Global Innovation Index 2024; ITU, Facts and Figures 2024.

42 Oxford Insights, Government AI Readiness Index 2025, corrected ed., January 2026; WIPO, Global Innovation Index 2024; ITU, Facts and Figures 2024.

Rule-Balancing Type

The paradigmatic representative of the rule-balancing type is ASEAN. Relative to the development-first type, most ASEAN member states benefit from a stronger digital economy base, more extensive manufacturing and service-sector application scenarios, and a more mature tradition of regional institutional coordination. Yet intra-ASEAN heterogeneity is substantial: Singapore commands advanced regulatory capacity and serves as an international normative intermediary; Indonesia, Malaysia, Thailand, Vietnam, and the Philippines are undergoing rapid digitalization and institutional capacity building; while Cambodia, Laos, and Myanmar possess considerably weaker capabilities. Consequently, ASEAN cannot pursue a single pathway of stringent regulation and instead gravitates toward maintaining policy flexibility through soft law instruments.

The capability indicators of ASEAN's core member states span an exceptionally wide range, a disparity that constitutes the structural rationale for the soft law approach. Singapore ranks 7th globally in readiness and 4th in the innovation index, with 109.5 AI researchers per 100,000 population and a 61% generative AI user penetration rate;[43] several of its indicators approach or exceed those of advanced economies. Malaysia, Thailand, Vietnam, and Indonesia cluster between 34th and 46th in readiness, each possessing a meaningful digital economy foundation and policy-advancing capacity. Vietnam, notably, has been classified by WIPO as an overperformer for 14 consecutive years, with innovation output consistently exceeding income-level expectations. Cambodia, by contrast, ranks only 118th in readiness, maintains about 10 data centers, and records an internet penetration rate of approximately 68%, a stark contrast with Singapore's 68 data centers and Malaysia's 98% penetration rate.[44] The specific indicators for each country are detailed in Table 3; what warrants emphasis here is that this internal disparity itself explains why ASEAN can only pursue a soft law path, since any uniformly binding regulatory framework would likely fracture at its weakest member state.

The value of the rule-balancing type resides in its "buffering" function, buffering both against external regulatory pressure and against internal capability asymmetries among member states. For ASEAN, achieving short-term consensus on a mandatory, unified regulatory framework is exceedingly difficult; soft law and guidelines are more congruent with regional realities. Crucially, soft law does not equate to weak governance. In regions characterized by significant capability disparities, soft law can first establish a common language, a floor of shared understandings, and reusable tools, before gradually transitioning toward more specific regulatory arrangements.

At the strategic level, rule-balancing countries engage in AI governance primarily through three mechanisms. The first strategy is norm localization. ASEAN assimilates global AI ethics and responsible AI principles into the "ASEAN Way", characterized by consensus-based decision-making, non-interference in internal affairs, and incremental progress. Rather than adopting the EU AI Act's mandatory risk classification and uniform compliance obligations, the ASEAN Guide on AI Governance and Ethics provides principled reference points for enterprises and governments. Its institutional significance lies not in compulsory regulation but in establishing a shared vocabulary that enables member states to participate in global AI governance dialogue without forfeiting policy flexibility.

The second strategy is regional buffering. Positioned between U.S.-China technology competition and EU regulatory spillover, any unilateral alignment would entail significant costs. Through regional AI governance frameworks, ASEAN projects a unified external posture while preserving internal differentiation, thereby endowing AI governance with the dual function of a risk management instrument and a vehicle for regional economic competitiveness.

The third strategy is incremental institutional accumulation. For regional organizations marked by pronounced member-state capability differentials, soft law generates consensus more readily than hard law, and the sustained accumulation of consensus itself constitutes institutional capacity. Instruments such as Singapore's AI Verify, the ASEAN Digital Economy Framework Agreement, and regional

43 Stanford University HAI, AI Index Report 2026.

44 Oxford Insights, Government AI Readiness Index 2025, corrected ed., January 2026; WIPO, Global Innovation Index 2024; ITU, Facts and Figures 2024.

data governance guidelines progressively assemble a reusable governance infrastructure, enabling the rule-balancing type's governance capacity to accrue over time rather than being determined at a single juncture.

Table 5 Overview of Representative Rule-Balancing Countries

	Core Resources	Governance Focus	Principal Constraints
Singapore	High-level regulatory capacity, AI Verify tool framework, international rule intermediary role	AI for the Public Good, operational governance tool provision, regional norm-shaping	Limited market size; not a frontier model producer
Malaysia	US$22B digital investment, MDEC, 115 data centers	Alignment with international frameworks and domestic needs, Made by Malaysia vision	Action plan in cross-period transition; implementation effectiveness to be verified
Thailand	Prime minister-level AI committee, UNESCO forum host, positive public attitudes	ASEAN AI hub target (2027), risk-tiered legislation, talent development (30,000)	Gap between basic R&D capacity and policy ambitions
Indonesia	Population scale and market, 198 data centers, positive public attitudes	Long-term development plan (2020-2045), government services and industrial upgrading	Uneven infrastructure across archipelago; gap between regulatory enforcement and objectives

Singapore functions as a normative intermediary within the rule-balancing type. Its National AI Strategy 2.0, released in December 2023, foregrounds "AI for the Public Good" and advances operationalizable governance practices through instruments such as AI Verify.[45] Singapore's distinctiveness lies in the fact that it is neither a capability-constrained developing country nor a frontier AI superpower; it is better understood as an institutional and tool provider that translates global principles into governance products deployable across ASEAN through testing frameworks, policy experiments, and regional coordination.[46]

Malaysia is among ASEAN's fastest-developing digital economies. Its National AI Roadmap (2021-2025) is currently transitioning to a National AI Action Plan (2026-2030) spearheaded by the Ministry of Science, Technology and Innovation.[47] By 2025, the Malaysia Digital Economy Corporation (MDEC) had secured approval for approximately $22 billion in digital investment, with AI and data centers as primary targets. Malaysia ranks 38th in government AI readiness, 33rd in the Global Innovation Index (score: 40.5), maintains an internet penetration rate of approximately 98%, and hosts roughly 115 data centers.[48] Malaysia's governance approach seeks equilibrium between international frameworks, the EU AI Act, Singapore's AI Verify, and OECD principles, and domestic imperatives; its action plan benchmarks against these frameworks while articulating a "Made by Malaysia" vision for indigenous AI development.

Thailand has made notable strides in AI readiness in recent years. Its National AI Strategy and Action Plan (2022-2027) is chaired by the Prime Minister, who convened the National AI Committee's inaugural meeting in May 2025, signaling strong top-level commitment. Thailand has set the goal of becoming ASEAN's AI hub by 2027 and has proposed training 10 million AI users, 90,000 AI professionals, and 50,000 AI developers within two

45 Government of Singapore, National Artificial Intelligence Strategy 2.0, December 2023.

46 Infocomm Media Development Authority (IMDA), AI Verify: AI Governance Testing Framework, launched 2022.

47 Government of Malaysia, National AI Roadmap 2021–2025; National AI Office, Ministry of Digital, AI Technology Action Plan 2026–2030.

48 Oxford Insights, Government AI Readiness Index 2025, corrected ed., January 2026; WIPO, Global Innovation Index 2024; ITU, Facts and Figures 2024.

years. On the governance front, Thailand is drafting a risk classification-based AI Royal Decree modeled on the EU AI Act framework and hosted the UNESCO 3rd Global Forum on the Ethics of AI in June 2025. Thailand ranks 34th in government AI readiness, second only to Singapore within ASEAN, and 41st in the Global Innovation Index (score: 36.9), with an internet penetration rate of approximately 91% and about 62 data centers. According to the Stanford 2025 AI Index Report, much of the Thai public holds a positive attitude toward AI, placing the country among the global leaders on this measure.

Vietnam's National AI Strategy (through 2030), released in 2021, sets the target of entering the global top 50 in AI by 2030 and envisions the construction of at least three national big data and high-performance computing centers.[49] Vietnam ranks 44th in the Global Innovation Index (score: 36.2) and has been classified by WIPO as an overperformer for 14 consecutive years, with innovation output consistently surpassing income-level expectations. Internet penetration stands at approximately 84%, with roughly 42 data centers.[50] Vietnam has not yet established a dedicated AI regulatory framework, however, and its governance emphasis remains oriented toward promotion rather than regulation.

Indonesia's National AI Strategy (2020-2045) situates AI within the broader frameworks of long-term development, government service delivery, and industrial upgrading. Indonesia ranks 46th in government AI readiness, 54th in the Global Innovation Index (score: 30.6), records an internet penetration rate of approximately 73%, and hosts about 198 data centers. The Stanford 2025 AI Index Report indicates that around 80% of the Indonesian public views AI positively, placing Indonesia in the highest tier among the countries surveyed, trailing only China. Indonesia's principal challenges include the uneven distribution of digital infrastructure across its archipelago and the gap between regulatory enforcement capacity and stated policy objectives.

The Philippines ranks 43rd in government AI readiness, an improvement of 13 positions over the prior year, and 53rd in the Global Innovation Index (score: 31.1). Its policy capability dimension score of 84.50 in the 2025 readiness index reflects robust policy document production, yet a public sector adoption score of only 69.17 and a resilience score of only 58.17 expose implementation-level vulnerabilities.[51]

These countries simultaneously need to absorb external rules and technologies while seeking to avoid premature lock-in to any single regulatory paradigm. ASEAN's soft law framework conveniently furnishes them with a low-cost institutional reference point.

The rule-balancing type's principal advantage is institutional elasticity. It can accommodate risk governance imperatives without sacrificing space for innovation, and it can preserve policy maneuverability amid regulatory competition among major external powers. The primary risk, however, is that coordination capacity may outstrip implementation capacity. Soft law reduces the cost of achieving consensus but may attenuate binding force; regional documents enhance international visibility but cannot substitute for domestic regulatory institutions and technological capabilities. The internal capability asymmetries within ASEAN may further produce uneven rule implementation, Singapore, for instance, can translate principles into operational tools, whereas weaker member states may remain largely at the level of declaratory policy. Nevertheless, the rule-balancing type constitutes one of the most instructive pathways in Global South AI governance. It demonstrates that states of intermediate capability can expand their institutional space not through adversarial confrontation but through regional coordination and norm localization.

Sovereignty-Shaping Type

The sovereignty-shaping type represents the most dynamic yet internally heterogeneous category within the Global South. Its representative cases include India, Brazil, the UAE, Saudi Arabia, Turkey, Egypt, Mexico, and, on select issues, South Africa. Unlike capability-constrained states in the development-first category, these countries command sizable domestic

49 Government of Vietnam, National Strategy for Research, Development and Application of Artificial Intelligence to 2030, Decision No. 127/QD-TTg, January 2021.

50 Oxford Insights, Government AI Readiness Index 2025, corrected ed., January 2026; WIPO, Global Innovation Index 2024; ITU, Facts and Figures 2024.

51 Oxford Insights, Government AI Readiness Index 2025, corrected ed., January 2026; WIPO, Global Innovation Index 2024; ITU, Facts and Figures 2024.

markets, capital mobilization capacity, a degree of technological infrastructure, or multilateral agenda-setting power. Yet unlike the United States and China, they have not achieved mastery over the full frontier AI value chain. The defining objective of sovereignty-shaping states is therefore not technological self-sufficiency per se, but rather the maximization of regulatory autonomy, industrial returns, and international influence under conditions of unavoidable external dependence.

This category warrants further disaggregation. Without it, grouping India, Brazil, the UAE, and Saudi Arabia into a single analytical basket risks sacrificing precision. While all four invoke the language of "sovereignty," the policy substance of that claim diverges considerably. India and Brazil orient their sovereignty claims toward agenda-setting, rulemaking, and public goods provision, whereas the UAE and Saudi Arabia emphasize capital deployment, computing power, and regional hub formation. The former approximates an "agenda-shaping subtype"; the latter, a "hub-capital subtype."

The agenda-shaping subtype, exemplified by India and Brazil, links AI governance to development, equity, and public goods through instruments such as digital public infrastructure (DPI), national AI missions, legislative frameworks, and the G20 platform. Their priorities align more closely with the concerns of the broader Southern majority. The hub-capital subtype, exemplified by the UAE and Saudi Arabia, leverages energy revenues, sovereign wealth funds, and centralized strategic institutions to pursue AI hub status through computing power centers and international partnerships, a posture more characteristic of capital-driven middle powers positioning themselves between great-power competitors. Both subtypes invoke sovereignty, but with different referents: the former privileges rules and agendas; the latter, infrastructure and industrial control. Countries such as Turkey and Egypt occupy hybrid positions, combining agenda-shaping ambitions with regional hub aspirations, though subject to distinct constraints in capital, technology, and institutional capacity.

Despite their divergent internal trajectories, sovereignty-shaping states converge around three broad strategic orientations. The first is domestic capability platform construction. These states typically establish national-level AI missions or investment programs to build foundational capacity: India's IndiaAI Mission (approximately $1.25 billion, with over 38,000 GPUs deployed), Brazil's AI Plan (approximately 23 billion reais), Saudi Arabia's HUMAIN (a full-stack AI company launched by the Public Investment Fund in May 2025), and Egypt's second national AI strategy (emphasizing sovereign AI and Arabic-language large language models). The purpose of these investments is not short-term frontier catch-up but rather the construction of a minimum viable autonomous capability base that strengthens governmental bargaining leverage vis-a-vis external technology partners. The second strategy is multilateral agenda-shaping. India and Brazil have inscribed "development-friendly AI governance" into global deliberations through platforms such as the G20 and BRICS; the UAE and Saudi Arabia have gained agenda visibility through capital partnerships and summit hosting; Turkey has sought positioning as a digital bridge between Europe and Asia. The underlying logic is shared: connecting domestic capabilities to international platforms in order to transition from rule-takers to active issue participants. The third strategy is alternative rule construction. Sovereignty-shaping states seek to articulate governance narratives that differ from prevailing Euro-American and Chinese frameworks: India foregrounds the DPI pathway; Brazil advances development and inclusion dimensions under the G20 umbrella; the UAE and Saudi Arabia anchor technology cooperation networks around regional computing power hubs; Egypt promotes autonomous governance underpinned by local data and Arabic-language models. These narratives vary in coherence and reach, but their very existence expands the option space of global AI governance.

Table 6 Overview of Representative Sovereignty-Shaping Countries

	Core Resources	Governance Focus	Principal Constraints
India	Population scale, digital public infrastructure, software industry, national AI mission	AI for All, computing power democratization, data platforms, inclusive and trustworthy AI	Advanced chips and frontier models still dependent on external ecosystem; complex domestic regulatory coordination
Brazil	G20 agenda, public sector digitization, AI plan, legislative process	Development-friendly AI, public services, balancing rights protection and innovation	Industrial capital and computing base weaker than major powers; legislative implementation yet to be tested
UAE	Capital, energy, data center investment, Minister of State for AI and national strategy	Regional AI hub, government services, talent attraction and international partnerships	Technology stack still dependent on external chips and models; high geopolitical balancing costs
Saudi Arabia	Sovereign capital, Vision 2030, SDAIA, energy and infrastructure	National Data and AI Strategy, public sector transformation, regional leadership	Domestic talent and innovation ecosystem require long-term building; governance transparency under scrutiny

India constitutes the most consequential case within this category. In 2018, NITI Aayog released a National AI Strategy that explicitly linked AI to inclusive growth and public service delivery. In March 2024, the Cabinet approved the IndiaAI Mission with an estimated budget of $1.25 billion over five years, structured around seven pillars:IndiaAI Compute, the IndiaAI Application Development Initiative, AIKosh, IndiaAI Foundation Models, IndiaAI FutureSkills, IndiaAI Startup Financing, and Safe and Trusted AI, which together expand affordable computing, develop public-interest applications, provide datasets and models, build sovereign AI capabilities, cultivate talent, fund startups, and promote responsible AI governance. India's capability base is the most comprehensive in the Global South. Ranked 27th in AI readiness, it has nonetheless been classified as an "overperformer" for fourteen consecutive years. The country hosts approximately 296 data centers; its share of global AI publications stands at roughly 7.6 percent, trailing only China and Europe. Trend indicators are equally notable: AI-related hiring grew 33.39 percent in 2024, the highest rate globally, while its generative AI patent growth averaged 56 percent annually, the fastest among the top five countries. India is transitioning from a net exporter to a net attractor of AI talent. These strengths are, however, unevenly distributed. Internet penetration hovers around 65 percent, dependence on externally supplied high-end chips and foundation models remains acute, and capital intensity lags far behind the United States and China. India's strategy accordingly carries a distinctly Southern narrative inflection. Framings such as "Making AI in India" and "Making AI Work for India" seek to recast AI from a frontier technology race into a challenge of public service delivery and development capacity. India's agency lies not in comprehensive dominance but in offering developing countries a replicable policy portfolio: leveraging DPI to lower adoption barriers, deploying multilateral diplomacy to widen agenda space, and utilizing market scale to attract technology partnerships.

Brazil exemplifies a distinct institutional-shaping pathway. Its AI Plan (2024-2028) commits approximately 23 billion reais, with emphasis on public services, inclusiveness, and high-performance computing infrastructure. The PL 2338/2023 AI bill, passed by the Senate in December 2024 and forwarded to the House of Representatives in March

2025, endeavors to establish a regulatory framework that balances rights protection with innovation promotion. Moreover, as holder of the 2024 G20 presidency, Brazil linked AI governance to DPI, platform governance, and sustainable development agendas. On capability indicators, Brazil's government AI readiness ranking is 22nd, disaggregated as 78.18 in governance, 65.50 in AI infrastructure, and 46.57 in development and diffusion. Its Global Innovation Index ranking is 50th (score: 32.7); internet penetration reaches approximately 84 percent; and the country hosts some 200 data centers. AI hiring grew 30.8 percent in 2024, the second-highest rate among countries tracked by the Stanford report, signaling rapid ecosystem expansion. Brazil's distinctive contribution lies not in pursuing full-stack technological leadership but in channeling developing-country concerns into global deliberations through institutional design and multilateral engagement.

The UAE follows a more capital- and infrastructure-intensive pathway. It announced an AI strategic vision in 2017 and appointed the world's first Minister of State for AI; in April 2019, the Cabinet formally adopted the National AI Strategy 2031.[52] The UAE's government AI readiness ranking is 19th (score: approximately 69.9); its Global Innovation Index ranking is 32nd (score: 42.8); internet penetration approaches 100 percent; and the country has approximately 57 operational data centers . The Stanford 2026 AI Index Report highlighted that the UAE's AI talent concentration grew 121 percent between 2019 and 2025, the highest rate globally, while generative AI user penetration reached 54 percent.[53] The UAE's comparative advantages lie in capital abundance, energy supply security, international talent attraction, and rapid policy execution. Its constraints, however, include continued dependence on external partners for core chips, foundation models, and certain cloud technologies.[54] Its articulation of "sovereignty" is better understood as shaping a regional node through international cooperation and strategic capital allocation than as decoupling from external technology ecosystems.

Saudi Arabia shares structural similarities with the UAE but is more tightly integrated into the Vision 2030 national transformation framework. It has advanced the National Data and AI Strategy and issued AI ethics principles. Saudi Arabia's 2025 government AI readiness ranking is 15th (score: approximately 71.6), first in the Middle East and North Africa region, 7th globally in governance, and 9th globally in public sector adoption. Its Global Innovation Index ranking is 47th (score: 33.9). Media reports have indicated plans for an AI infrastructure project valued at up to $100 billion; at the official level, the Public Investment Fund launched HUMAIN in May 2025 as a full-stack AI company spanning data centers, cloud infrastructure, models, and applications. Saudi Arabia's agency derives from concentrated national capital and strategic coordination capacity; its long-term vulnerabilities lie in the depth of domestic talent pools, the maturity of its R&D ecosystem, and institutional transparency.

Turkey presents a case of dual European-Asian orientation within the sovereignty-shaping type. Its National AI Strategy (2021-2025) was updated in 2024 with a new action plan comprising 71 priority actions, and a risk-tiered AI legislative draft was submitted to parliament.[55] Turkey's government AI readiness ranking is 53rd; its Global Innovation Index ranking is 37th (score: 39.0), placing it near the top of upper-middle-income economies. Internet penetration stands at approximately 90 percent, and the country hosts roughly 81 data centers. A signatory of the OECD AI Principles, Turkey simultaneously positions itself as a digital bridge among Europe, Asia, and the Middle East. Turkcell's $3 billion hyperscale cloud region agreement with Google Cloud, anticipated to become operational between 2028 and 2029, exemplifies its strategy of compensating for computing power deficits through external partnerships. Turkey has set a target of cultivating 50,000 AI professionals by 2025.[56] Its simultaneous advancement on legislative and infrastructure fronts distinguishes it from purely development-

52 Government of the United Arab Emirates, UAE National Artificial Intelligence Strategy 2031, announced October 2017, adopted by UAE Cabinet, April 2019.

53 Stanford University HAI, AI Index Report 2026.

54 Oxford Insights, Government AI Readiness Index 2025, corrected ed., January 2026; WIPO, Global Innovation Index 2024; ITU, Facts and Figures 2024.

55 Republic of Türkiye, National Artificial Intelligence Strategy 2021–2025 (Ankara: Presidency Digital Transformation Office, 2021); updated action plan, 2024.

56 Oxford Insights, Government AI Readiness Index 2025, corrected ed., January 2026; WIPO, Global Innovation Index 2024; ITU, Facts and Figures 2024.

oriented Southern states, though whether it can sustain a balance between EU regulatory influence and domestic industrial imperatives remains an open question.

Egypt stands at the forefront of AI governance institutionalization in both Africa and the Arab world. Its second National AI Strategy (2025-2030), released in January 2025, shifted from the first edition's technology-adoption orientation toward a "sovereign AI" paradigm, emphasizing the construction of autonomous AI tools based on local data and setting the goal of developing a national Arabic-language large language model. Egypt's 2025 government AI readiness ranking is 52nd (score: 57.53); it earned a perfect score of 100 in policy capability, tied for first globally and ranking first in Africa. Its Global Innovation Index ranking is 86th (score: 23.7), the substantial gap between this and its readiness ranking underscores the disconnect between policy ambition and innovation output. Internet penetration is approximately 75 percent, and the country has roughly 13 data centers. In 2021, Egypt became the first Arab and African country to endorse the OECD AI Principles. Its governance targets include training 30,000 AI professionals by 2030, incubating over 250 AI-driven startups, and raising the ICT and AI sector's GDP contribution to 7.7 percent.

Mexico's AI governance trajectory illustrates the challenges of policy fragmentation and legislative gridlock. Since an initial AI strategy was published in 2018, more than 60 AI-related bills have been introduced at the Senate level, yet no dedicated legislation has been enacted. In May 2024, the National AI Alliance (ANIA) submitted the National AI Agenda (2024-2030) to the Senate, with technical support from UNESCO and the OECD.[57] A constitutional amendment proposed in February 2025 sought to vest Congress with explicit AI legislative authority, mandating the adoption of a general AI statute within 180 days. Mexico's Global Innovation Index ranking is 56th (score: 30.4); internet penetration reaches approximately 83 percent; and with some 64 data centers, its infrastructure base is by no means negligible. Nevertheless, translating policy intent into enforceable institutions has proven difficult; the more than 60 unpassed bills themselves testify to gaps in legislative capacity and political coordination.[58]

South Africa's AI governance journey commenced with the 2019 Presidential Commission on the Fourth Industrial Revolution (PC4IR) and continued with the establishment of the South African AI Institute in November 2022.[59] A draft National AI Policy released in April 2026 was promptly withdrawn after it was discovered to contain fabricated citations generated by AI "hallucinations", a cautionary episode that attracted considerable attention. South Africa's government AI readiness ranking is 65th; its Global Innovation Index ranking is 69th (score: 28.3); internet penetration reaches approximately 78 percent; and with some 64 data centers, accounting for roughly a quarter of the continent's total, the country enjoys a distinct infrastructure advantage within Africa. South Africa participates actively in international AI governance discussions through the G20 and BRICS frameworks and exerts regional influence on African AI governance.[60] Its central challenge is bridging the gap between policy ambition and implementation capacity. The withdrawn draft had envisioned a National AI Council, an Ethics Committee, a regulatory authority, an ombudsman, a safety research institute, and an AI insurance superfund, but the fiscal resources, human capital, and technological conditions required to operationalize these bodies remain insufficient.

The principal advantage of the sovereignty-shaping type is its comparatively strong capacity for converting assets into influence. These states can translate market scale, capital, digital infrastructure, or multilateral platform access into regulatory influence. The shared risk, however, lies in the tension between Southern representativeness and national competitive interests. India, Brazil, the UAE, and Saudi Arabia are all capable of advocating for capacity-building and

57 Alianza Nacional de Inteligencia Artificial (ANIA), Agenda Nacional de Inteligencia Artificial 2024–2030, presented to Mexican Senate, May 2024.

58 Oxford Insights, Government AI Readiness Index 2025, corrected ed., January 2026; WIPO, Global Innovation Index 2024; ITU, Facts and Figures 2024.

59 Republic of South Africa, Presidential Commission on the Fourth Industrial Revolution (PC4IR), Report, 2020; Artificial Intelligence Institute of South Africa (AIISA), established November 2022.

60 Oxford Insights, Government AI Readiness Index 2025, corrected ed., January 2026; WIPO, Global Innovation Index 2024; ITU, Facts and Figures 2024.

equitable access on behalf of developing countries in international forums, yet they simultaneously pursue their own industrial competitive advantages and regional influence. They can serve as catalysts for issue-based coordination within the Global South, but they are not necessarily faithful agents of the South's collective interests. This distinction merits clear-eyed recognition from both international observers and Southern countries themselves.

External-Embedding Type

External-embedding states typically lack a domestic AI industry, regulatory expertise, computing power infrastructure, and multilateral agenda resources; consequently, they depend more heavily on external rule templates, international organization toolkits, and regional platforms to gain entry into AI governance. This category encompasses Pacific Island states, Caribbean nations, select Central American and smaller Latin American economies, and certain low-income countries with limited institutional capacity.

The defining feature of this type is "institutional embedding under conditions of low capability." External-embedding states generally cannot independently design comprehensive AI governance frameworks, nor can they negotiate on equal terms with major platform companies or cloud service providers. Adopting external rule templates reduces institution-building costs, enhances international legitimacy, and enables governments to establish baseline governance frameworks expeditiously. The attendant risk is that external templates, if insufficiently adapted to local conditions, can generate compliance burdens, regulatory formalism, and policy dependence.

Table 7 Overview of Representative External-Embedding Countries

	Core Resources	Governance Focus	Principal Constraints
Costa Rica	High score on vision dimension, 9th AI readiness in Latin America, CAF and UNESCO technical cooperation	National AI Strategy (2024-2027), clear policy direction	Only 12 data centers; insufficient computing power and industrial ecosystem
Uruguay	High score on vision dimension, 3rd AI readiness in Latin America, CAF and UNESCO cooperation	National AI Strategy (2024-2030), institutional capacity building	Only 10 data centers; limited independent technical regulatory capacity
Fiji	Pacific Islands Forum participation, national digital strategy incorporating AI framework goals	Disaster early warning, climate adaptation, AI governance within national digital strategy	No independent AI strategy; extreme dependence on external technology solutions
Cambodia	ASEAN membership, digital infrastructure under expansion	Participation in AI governance through ASEAN framework	National AI strategy draft under consultation, not yet in effect; market driven by Chinese and Japanese firms

The first strategic approach of the external-embedding type is regulatory transplantation. Some countries prioritize the adoption of data protection and AI governance frameworks supplied by the EU, UNESCO, or regional organizations. This approach offers comparatively low policy costs and higher perceived legitimacy, yet transplanting rules does not equate to possessing enforcement capacity. In the absence of regulatory institutions, technical expertise, and corporate compliance ecosystems, high-standard regulations may remain aspirational, or worse, impose additional burdens on nascent domestic innovation.

Costa Rica and Uruguay present instructive borderline cases. Costa Rica released its National AI Strategy (2024-2027) in 2024;[61] Uruguay approved its National AI Strategy (2024-2030) the same year.[62] Both drew on technical cooperation from institutions including the EU, CAF, and UNESCO during their respective drafting processes. Costa Rica's Global Innovation Index ranking is 70th (score: 28.3); internet penetration reaches approximately 87 percent; and the country hosts some 12 data centers. Uruguay's Global Innovation Index ranking is 62nd (score: 29.1); internet penetration is approximately 92 percent;[63] and the country has around 10 data centers. The vision scores of both countries indicate that their policy formulation capacity and strategic clarity are not inferior to those of medium-capability states. However, deficits in data centers, computing power, and industrial ecosystems preclude independent implementation of intensive technical regulation. This demonstrates that small states are not inherently passive: they can cultivate institutional capacity through external technical cooperation, but their regulatory influence derives primarily from compatibility with external frameworks rather than autonomous standard-setting.

The second strategy involves gaining governance entry through international legal and ethical frameworks. The Council of Europe's 2024 Framework Convention on Artificial Intelligence and Human Rights, Democracy, and the Rule of Law provides an institutional reference point for non-European states. The UNESCO Recommendation and its associated readiness assessments offer diagnostic instruments for capability-constrained countries. For small states, the value of these frameworks extends beyond their substantive content to encompass policy language, expert networks, and development cooperation entry points.

The third strategy is leveraging regional platforms. Pacific Island states and Caribbean nations can scarcely construct complete AI governance systems independently, yet they can mobilize support through the Pacific Islands Forum, CARICOM, and UN Small Island Developing States mechanisms. Such platforms function as minimal institutional amplifiers: while they cannot transform small states into rule-makers, they can mitigate further marginalization.

Fiji serves as a representative case among Pacific Island nations. Its National Digital Strategy 2025-2030 incorporates the development of a national AI framework as a downstream policy objective, though no standalone national AI strategy has yet been issued. AI applications concentrate in disaster early warning, climate adaptation, and public health, largely supported by UN agencies and regional cooperation initiatives. Fiji's government AI readiness ranking is 108th (score: 37.26). Internet penetration is approximately 75 percent, the highest among Pacific Island states. While Fiji commands considerable agenda-setting power on climate platforms such as the COP, its AI-related engagement primarily operates through the Pacific Islands Forum.[64] This illustrates that external-embedding states need not be entirely passive: in domains of acute vulnerability, such as climate adaptation, they can connect AI application needs to international cooperation agendas.

Cambodia illustrates how a capability-constrained ASEAN member state engages with AI governance through external-embedding. The Ministry of Posts and Telecommunications has released and consulted on a draft National AI Strategy 2025-2030 that has yet to take final effect. Digital infrastructure is in an expansion phase, and the domestic AI market is driven primarily by technology solutions supplied by Chinese and Japanese firms. Cambodia's

61 Government of Costa Rica, Estrategia Nacional de Inteligencia Artificial 2024–2027, 2024.

62 Government of Uruguay, Estrategia Nacional de Inteligencia Artificial 2024–2030, approved 2024.

63 Oxford Insights, Government AI Readiness Index 2025, corrected ed., January 2026; WIPO, Global Innovation Index 2024; ITU, Facts and Figures 2024.

64 Oxford Insights, Government AI Readiness Index 2025, corrected ed., January 2026; WIPO, Global Innovation Index 2024; ITU, Facts and Figures 2024.

government AI readiness ranking is 118th; its Global Innovation Index ranking is 103rd (score: 19.9); internet penetration stands at approximately 68 percent.[65] Cambodia's case highlights a structural predicament: when the AI market is predominantly operated by external enterprises and data flows and technical standards are determined by suppliers, the enforceable space available to government regulators is severely constrained.

The external-embedding type, it may be argued, confronts a triple lock-in. First, technology lock-in: dependence on external suppliers for foundation models, cloud services, and chips. Second, capital lock-in: the absence of domestic AI investment and entrepreneurial ecosystems forecloses sustained indigenous innovation capacity. Third, rule lock-in: governance frameworks derived predominantly from external templates leave little room for domestic needs to shape regulatory content retroactively. For these countries, the pragmatic policy objective is not short-term AI sovereignty but the avoidance of irreversible dependencies in compliance, procurement, and technology partnerships. Accordingly, what external-embedding states need most is low-cost capacity building rather than high-cost regulatory transplantation. Regionally shared regulatory instruments, public procurement guidelines, open-source model usage protocols, and basic connectivity infrastructure offer considerably greater practical value than sophisticated but unimplementable high-standard frameworks.

External-embedding states also possess a limited but real space for agency. They can articulate demands around concrete issues, climate adaptation, disaster early warning, ocean governance, local-language services, and public sector applications, and seek support through regional organizations, the UN system, and development financing mechanisms. Their policy emphasis should rest on "usable, maintainable, and exitable" foundational capabilities: usable, in the sense that technology solutions address genuine public needs; maintainable, in the sense that local institutions and personnel can sustain operations; and exitable, in the sense that contracts, data architectures, and system designs avoid single-vendor lock-in.

65 Oxford Insights, Government AI Readiness Index 2025, corrected ed., January 2026; WIPO, Global Innovation Index 2024; ITU, Facts and Figures 2024.

Type Comparison

Drawing on the preceding analysis of the four types, several comparative observations merit articulation.

First, the capability divide among the four types is structural rather than a matter of gradual variation along a continuum. As Table 3 illustrates, the readiness rankings of sovereignty-shaping and rule-balancing states fall broadly within the top 60, separated by a pronounced gap from development-first and external-embedding states. Internet penetration spans from near-universal coverage to roughly 32 percent, differences that traverse orders of magnitude. This implies that the four types do not confront different stages of a single governance problem; rather, they inhabit fundamentally distinct governance contexts.

Second, each type possesses inherent strengths alongside core vulnerabilities, and the two are frequently interdependent. The development-first type prioritizes AI in service of development yet is constrained by implementation capacity, rendering the gap between policy ambition and execution a persistent risk. The rule-balancing type leverages regional coordination to preserve flexibility, yet the institutional binding force of soft law remains limited, and coordination capacity may outpace enforcement capacity. The sovereignty-shaping type is best positioned to advance alternative governance narratives, yet its claim to Southern representativeness is not self-evident; tension persists between national competitive interests and collective Southern aspirations. The external-embedding type has the greatest need for international support yet is most susceptible to simultaneous lock-in across the technology, capital, and regulatory dimensions.

Third, the boundaries among types are not fixed; dynamic evolution remains plausible. Development-first states may evolve toward the rule-balancing type through regional collectivization. Rule-balancing states, should they accumulate greater standards-supply capacity, may emerge as regional regulatory exporters. Sovereignty-shaping states that fail to consolidate their technological foundations risk regressing into deeper dependence on externally supplied models and chips. External-embedding states, given stable

capacity-building support and regional platform resources, may gradually develop limited but meaningful localized governance capacity. The distribution of types is not a static map but a dynamic process through which Global South states reposition themselves in the AI era.

Fourth, type differentiation also suggests that the Global South is unlikely to coalesce into a unified AI governance bloc. India, Brazil, the UAE, Nigeria, ASEAN, and the Pacific Island states confront markedly different capability endowments and policy priorities. States most likely to expand their influence are those capable of simultaneously mobilizing domestic capacity and external platforms, particularly the core countries within the sovereignty-shaping and rule-balancing categories. Those most susceptible to sustained constraint are small states lacking computing power, capital, and regional organizational support. This assessment implies that the key to Global South cooperation on AI governance lies not in constructing a unified front but in forging differentiated yet coordinable action around specific issues.

It is necessary, however, to conclude with an explicit acknowledgment of the confidence boundaries and methodological limitations of the foregoing analysis. First, the countries and regions covered in this report are not exhaustive. The Global South encompasses more than 150 economies; this report examines approximately 22 countries and regions along with several regional organizations, leaving a substantial number of cases unaddressed. The typological conclusions are best understood as "archetypal patterns" rather than a comprehensive inventory. Second, the source years of the capability indicators employed are not fully uniform: Oxford Insights data reflects the 2025 edition, while WIPO and ITU data draw from the 2024 edition; data center figures derive from Data Center Map.com; and certain countries lack complete indicator coverage. Capability-tier determinations therefore rest in considerable part on estimation and informed inference. Third, AI technology and the policy landscape are evolving rapidly, and national capabilities and orientations are far from static. A country classified as development-first today may, within two to three years, shift its posture in response to industrial investment or regional cooperation; a sovereignty-shaping state may undertake strategic retrenchment following policy discontinuity or external shocks. The typology captures a policy cross-section circa 2025, not a permanent identity. Fourth, as emphasized throughout, countries may exhibit cross-type characteristics across different issue areas: a single state may approximate the EU pathway on data protection, adopt a development-first stance on industrial policy, and emphasize Southern representativeness in multilateral settings. In sum, the foregoing classification is designed to illuminate dominant patterns. It necessarily incorporates a degree of empirical judgment and abstracts from the full complexity of state practice, but this analytic simplification should not be mistaken for a denial of the specificity and complexity of reality on the ground.

Chapter 5 Beyond Differentiation: Future Pathways and an Action Agenda for Global South AI Governance

The future of the Global South in AI governance hinges not on forging a unified bloc but on whether individual countries can translate limited resources into sustainable institutional capacity.

The international landscape is shifting rapidly. The Bletchley and Seoul AI Safety Summits advanced the frontier AI safety and scientific assessment agenda.[66] The G20 Rio de Janeiro Leaders' Declaration called for the responsible, inclusive, and human-centered deployment of AI.[67] The United Nations *Global Digital Compact* situated AI governance within a broader framework encompassing the digital divide, capacity building, and developing-country participation.[68] The UN General Assembly further adopted Resolution A/RES/79/325, establishing an Independent International Scientific Panel on Artificial Intelligence and a Global Dialogue on AI Governance. China's June 2026 white paper, *More Just and Equitable Global Governance: China's Principles, Proposals and Actions*, embedded AI governance in the reform agenda for global governance and announced accelerated preparations to found a World AI Cooperation Organization. Taken together, these developments signal that AI governance is crystallizing into a polycentric agenda in which safety, innovation, rights, development, and capacity building coexist on a single stage.

Against this backdrop, the central challenge is not simply choosing among American, European, or Chinese pathways, but rather preserving adequate policy space amid intensifying external regulatory competition. Aligning with a particular bloc does not automatically confer technological capability, just as statements of principle cannot substitute for computing power, data, or regulatory instruments. The questions that truly matter for policy are: which capabilities can be leveraged into regulatory influence, which gaps will produce fragile participation, and which coordination mechanisms can aggregate dispersed demands into actionable agendas.

Assets for Convergence: Convertible Capabilities across the Global South

Several nodes of convertible capability have already emerged within the Global South. These capabilities do not necessarily imply full technological autonomy, yet they may serve as realistic fulcrums for the Global South's engagement in AI governance.

The first category derives from market scale and digital public infrastructure (DPI). India's strengths lie in its vast domestic market, digital identity and payment ecosystems, rapidly expanding AI application landscape, and agenda-setting leverage across multilateral platforms such as the G20 and BRICS. While India may not close the frontier model gap with the United States and China in the near

66 UK Government, AI Safety Summit, Bletchley Park, 1–2 November 2023; Republic of Korea, AI Seoul Summit, 21–22 May 2024.

67 G20 Brazil Presidency, Rio de Janeiro Leaders' Declaration, November 2024.

68 United Nations, Global Digital Compact, adopted at the Summit of the Future, September 2024.

term, it can convert its DPI experience into a governance benchmark for the developing world. The critical value of this capability lies in reframing domestic institutional experience as an international public goods narrative.

The second category derives from multilateral platforms and the development agenda. Brazil's assets include its G20 presidency experience, an accumulated record on digital governance issues, and its standing as a representative voice of the Global South. Unlike capital-driven AI hubs, Brazil is well positioned to link AI governance with development, social inclusion, labor protection, and public service delivery. Its potential contribution is to broaden the AI governance agenda from frontier safety and market compliance toward development-friendly governance.

The third category derives from regional coordination. Through soft law, guidelines, and toolkits, ASEAN has carved out a buffer space amid the normative competition among Europe, the United States, and China. Singapore provides institutional instruments and regulatory intermediation, while Indonesia, Malaysia, Thailand, Vietnam, and other member states contribute markets and application scenarios. ASEAN's convertible capability rests not on any single member state's technological lead but on the capacity to transform regional diversity management into institutional coordination.

The fourth category derives from capital, energy, and infrastructure investment. The UAE and Saudi Arabia are leveraging sovereign wealth funds, energy resources, national strategic agencies, and international partnerships to position themselves as regional AI hubs. Their advantage lies closer to capital and infrastructure mobilization than to traditional Southern development representativeness. To strengthen the public dimension of their Southern agenda, these countries would need to demonstrate spillover value through computing power cooperation, open model support, local talent development, and regional capability sharing.

The fifth category derives from regional connectivity. Turkey and Egypt may function as governance bridge nodes linking Eurasia, the Middle East and North Africa, and sub-Saharan Africa. They retain shortcomings in capital, technology, and institutional capacity, yet their geographic position, demographic weight, and regional diplomatic networks afford them a bridging role. Whether these countries can translate their connective advantage into concrete governance instruments, such as cross-border data cooperation frameworks, public-sector AI applications, and regulatory capacity training, will determine the extent of their influence.

Once the Global South's market, capital, regional platform, and development agenda assets are coupled with concrete policy instruments, they can be translated into regulatory influence. If, however, they remain confined to strategic narratives or summit rhetoric, they will do little to alter the structural asymmetries embedded in global AI governance.

Persisting Divides: Capability Gaps and Structural Constraints

A separate category of countries possesses development potential yet confronts binding capability constraints over the short to medium term. Small Island Developing States (SIDS), certain Least Developed Countries (LDCs), and small economies with limited institutional resources require particularly careful treatment. Characterizing them simply as passive or capability-deficient is misleading, since they have genuine needs in areas such as climate adaptation, disaster early warning, and public health. A more accurate characterization is that their AI governance space is heavily contingent on external capability provision and regional platforms. They are not devoid of policy choices; rather, their choices carry higher costs, their available instruments are fewer, and their bargaining leverage is more constrained.

The core risk confronting these countries is the simultaneous escalation of compliance costs and technological dependence. On one side, they are expected to erect sophisticated data protection and risk management regimes; on the other, their domestic enterprises and government agencies continue to rely on external cloud services and technical consultants. Absent adequate funding, tools, and human capital, high-standard governance risks devolving into an administrative burden rather than generating real capacity.

Capability gaps manifest in four principal dimensions. First, the infrastructure gap: many countries lack

reliable electricity, data centers, cloud services, and affordable computing power. Second, the data gap: insufficient local-language data, underdeveloped public-sector data governance, and a scarcity of high-quality sectoral data constrain the effective deployment of AI in local contexts. Third, the talent gap: government agencies lack interdisciplinary talent capable of evaluating models, designing procurement contracts, and enforcing regulatory requirements. Fourth, the institutional gap: strategic documents, ethical principles, and international commitments are comparatively easy to produce, whereas regulatory bodies, budgetary allocations, and enforcement instruments are far harder to sustain.

Capability gaps also distort the negotiation structure of external cooperation. Countries with stronger capabilities can mix and match among technology suppliers, regulatory frameworks, and multilateral platforms; countries with weaker capabilities are often compelled to accept off-the-shelf solutions. This dynamic renders capacity building itself a governance issue. If capacity building programs supply only software, hardware, or short-term training, recipients may remain dependent on external vendors once the project concludes. More effective capacity building must encompass local operations and maintenance, contract negotiation skills, data governance competencies, regulatory instruments, and long-term budgetary provisions.

From Differentiation to Coordination: Issue-Based Pathways Beyond the Third-Pole Thesis

On the question of whether the Global South will coalesce into an AI governance "third pole," two forms of overstatement should be avoided. One is the overly optimistic assumption that collective voice-raising can produce an independent bloc. The other is the overly pessimistic view that the concentration of technology and capital has already foreclosed Southern agency. A more measured assessment is that an institutionalized third pole is unlikely to materialize in the short term, yet issue-based coordination is already emerging.

Three factors explain why an institutionalized third pole remains elusive in the near term. First, the capability gap within the Global South is too vast. India, Brazil, the UAE, Saudi Arabia, Singapore, Nigeria, Fiji, and Caribbean small states occupy fundamentally different capability positions. Second, the vectors of technological dependence are highly diverse. Some countries depend primarily on American cloud services and model APIs; others draw more heavily on Chinese digital infrastructure and open-source model ecosystems; still others gravitate toward EU regulatory templates and the UNESCO framework. Third, governance preferences diverge. Tensions among development-first, rule-compliance, sovereign-autonomy, and regional-embedding orientations are difficult to reconcile into a unified institutional trajectory in the near term.

Issue-based coordination, however, rests on a solid empirical foundation. Viewed through international relations theory, this mode of coordination occupies a space between formal alliance and purely ad hoc cooperation, resonating with Keohane and Nye's analysis of complex interdependence, wherein international agendas consist of multiple non-hierarchical issues and actors coalesce around specific issues on the basis of converging interests. It also approximates Naim's concept of "minilateralism," which pursues the institutionalization of specific issues within the minimum viable set of participants. AI-related issue-based coordination in the Global South is further accompanied by "forum shopping": countries select the most advantageous platform on an issue-by-issue basis, negotiating affordable computing power access at the G20, ethical frameworks at UNESCO, and technology cooperation at BRICS. This flexible, issue-based coordination does not seek to construct a formal bloc; instead, it generates stable joint positions on concrete issues: computing power affordability, digital public infrastructure, open models and data, local-language datasets, public-service AI, and development-friendly governance. The UN *Global Digital Compact* has already partially institutionalized several of these issues. Compared with abstract bloc politics, these concrete issues are more conducive to Southern coordination. They do not require the Global South to cohere into a unified camp, yet they can propel common positions within specific institutional arenas.

Issue-based coordination can operate through three types of platforms. The first encompasses global platforms, the United Nations, G20, BRICS, the World Bank, regional development banks, and UNESCO, which can link AI governance to

development finance, capacity building, and digital public goods. The second encompasses regional platforms, the African Union, ASEAN, CARICOM, and the Pacific Islands Forum, which can help member states formulate common demand inventories, share expert networks, and develop regional regulatory instruments. The third encompasses technology and industry platforms, open-source communities, public data platforms, regulatory sandboxes, and DPI cooperation networks. The Global South's coordination space is most likely to emerge first in these domains of low political sensitivity and high development relevance.

Several nascent examples already exist. On computing power affordability, during the 2024 Brazilian G20 presidency, the G20 Digital Economy Ministers' Declaration called for strengthening developing countries' technological capacity and ability to leverage digital resources. India, Brazil, and South Africa, acting under the G20 Troika, issued a joint communique on DPI, AI, and data governance, emphasizing inclusive digital transformation and development-oriented AI governance. In the open model domain, India's IndiaAI Mission is promoting localized adaptation and deployment of open-source models through pillars such as the Foundation Model and Innovation Center. On local-language data, the African Union's *Continental Artificial Intelligence Strategy* calls for building data and model capabilities suited to African languages, cultures, and development contexts, while African research networks such as Masakhane are advancing multilingual dataset and benchmark construction. The 2024 BRICS Kazan Declaration incorporated AI cooperation into the digital governance agenda and encouraged policy exchange and capacity building consultations through the AI Study Group of the BRICS Institute of Future Networks.

These cases illustrate that the hallmark of issue-based coordination is not a unified bloc but the emergence of repeatable joint claims and incipient coordinated action on specific issues. The strength of this pathway is its flexibility, its ability to accommodate differing capability levels and divergent external partnership orientations. Its principal limitation is that most coordination remains at the level of declarations and working groups and has not yet translated into executable mechanisms such as funding arrangements, mutual standard recognition, or joint procurement. The distance from textual coordination to institutional coordination remains significant, but the trajectory is unmistakable.

Policy Agenda: From Principle Articulation to Capability Provision

AI governance policies directed at the Global South must pivot from principle articulation to capability provision. The key to inclusive governance lies not in expanding the headcount at conferences but in equipping developing countries with the capacity to evaluate models, regulate procurement, construct datasets, access computing power, and participate in standard-setting. Drawing on the foregoing analysis, this report advances five policy proposals.

First, establish an AI Capability and Development Summit mechanism. This mechanism should run in parallel with the AI Safety Summit, hosted on a rotating basis by the G20, BRICS, the African Union, ASEAN, and CARICOM, with an agenda spanning at minimum computing power affordability, local-language models, and public-service AI. Risk governance and safety assessment remain indispensable, but the development dimension must not be relegated to an appendage of the safety agenda. How can AI serve agriculture, public health, and education? How can compliance costs be prevented from crowding out domestic innovation? How can non-English languages be incorporated into model training? These questions deserve to be treated as core agenda items in global AI governance. The mechanism should move beyond political declarations and focus on generating project inventories, financing arrangements, and capacity building benchmarks.

Second, jointly establish an AI Capacity Building Financing Window. Sustainable AI capacity building requires stable financing; short-term aid projects alone cannot sustain long-term operations and maintenance. The World Bank, regional development banks, relevant UN agencies, and capable Southern countries should jointly create a financing window to support low-income countries in building public data governance, regulatory sandboxes, public procurement standards, local-language datasets, and foundational computing

power arrangements. Core elements should include: at least one shared computing center per region equipped with no fewer than 10,000 high-end GPUs, with concessional public-benefit time slots for LDCs; priority support for localized deployment of open-source foundation models on low-cost hardware and for local-language dataset construction; reusable AI public procurement guidelines, algorithmic impact assessment templates, and regulatory sandbox blueprints; and an "AI Regulatory Personnel Resident Training Program" targeting, within three years, the deployment of at least 3, 5 certified regulatory technical staff in each LDC. Financing design should prioritize projects that are maintainable, scalable, and exitable, avoiding one-off equipment purchases that create new dependencies.

Third, pioneer regional regulatory sandboxes and mutual recognition of testing instruments in five priority domains. Pilot results in one country should carry reference validity for neighboring countries, thereby reducing the cost of redundant experimentation. The five priority domains are public health, education, agriculture and climate adaptation, digital identity, and cross-border payments. Concurrently, regional-level joint procurement agreements should be established for core cloud services, model APIs, and computing power, alongside regional expert networks enabling regulatory agencies to share methodologies for algorithm auditing and data governance. Regional-level instrument mutual recognition can lower governance costs for individual countries while strengthening the bargaining power of small states vis-a-vis large platform companies.

Fourth, embed "non-lock-in" contract clauses in external cooperation. External technology partnerships should attend not only to price and delivery speed but also to long-term dependency risks. When procuring cloud services, model systems, and public-sector AI solutions, governments should stipulate data portability, open interfaces, model documentation, conditions for access to source code or weights, supplier exit mechanisms, local talent training, and operations and maintenance handover provisions. Projects involving China, the United States, Europe, or other external partners should include at least three categories of verifiable clauses: (i) open-source agreements and auditability, model weights, training data provenance, and inference API terms subject to public audit by host-country regulatory authorities; (ii) data localization and cross-border flow rules, storage location, cross-border transfer conditions, and data sovereignty explicitly specified in the contract; and (iii) technology transfer and long-term maintainability, critical operational knowledge, component supply chains, and local engineer training incorporated into project agreements to prevent post-completion dependency. "Non-lock-in" clauses should become a baseline requirement for Global South AI infrastructure cooperation.

Fifth, implement a phased governance pathway for external-embedding type countries. Countries with limited institutional capacity should not attempt wholesale transplantation of costly, complex regulatory frameworks. The first phase should focus on foundational data protection, public procurement transparency, risk assessment for priority application scenarios, and regulatory talent training. The second phase should build regulatory sandboxes, local-language datasets, and regional shared instruments. The third phase should progressively develop high-risk system governance, model evaluation, and cross-border data cooperation. A phased pathway reduces the cost of institutional construction while preventing high-standard frameworks from degenerating into formalistic compliance in low-capability environments.

In advancing these recommendations, three prevalent practices should be avoided. First, a uniform compliance framework should not be imposed indiscriminately across all Southern countries. The risk-tiered approach of the EU AI Act is effective for economies with mature regulatory institutions, but for countries that have yet to implement even basic data protection legislation, high-standard compliance risks absorbing scarce institutional resources and reducing governance to procedural box-checking rather than genuine capability enhancement. Second, capacity building should not be equated with technology transfer. Supplying developing countries with hardware or software, without concurrent investment in local talent development, institutional adaptation, and long-term maintenance support, tends to reproduce a "dependency upon completion" cycle. Genuine capacity building means recipients can independently operate and iterate once the cooperation concludes. Third, it should not be assumed by default

that existing frameworks adequately address Southern countries' governance needs. Application scenarios such as agricultural early-warning systems, public health screening, and multilingual educational assistance are virtually absent from discussions of frontier model safety and rights compliance, yet they represent the Global South's most pressing AI use cases. A governance framework fixated exclusively on general-purpose models and high-risk systems will systematically overlook the scenarios where developing countries most urgently need governance guidance.[69] Finally, participation in international conferences should not be conflated with regulatory influence. The presence of developing countries in declarations and group photographs does not automatically alter the structure of AI governance. Genuine regulatory influence requires sustained technological capacity, institutional instruments, and negotiation resources.

69 Shin-yi Peng, Ching-Fu Lin, and Thomas Streinz, eds., Artificial Intelligence and International Economic Law: Disruption, Regulation, and Reconfiguration (Cambridge: Cambridge University Press, 2021), https://doi.org/10.1017/9781108954006; Access Now, "Why Human Rights Must Be at the Core of AI Governance," 24 September 2024, https://www.accessnow.org/human-rights-and-ai-governance/.

Table 8 Future Pathways of Global South AI Governance

	Development Space	Principal Constraints	Policy Implications
Development-First	Accumulate governance experience through public service, agriculture, health, education, and digital government applications	Insufficient computing power, capital, talent, and implementing institutions	Prioritize affordable computing, public data governance, regulatory sandboxes, and regional capacity platforms
Rule-Balancing	Become a rule buffer layer through regional soft law and norm localization	Limited binding force of soft law; large capability disparities among member states	Convert regional guidelines into testing tools, procurement rules, and cross-border data cooperation mechanisms
Sovereignty-Shaping	Shape development-oriented AI agendas through domestic capacity and multilateral platforms	Continued dependence on frontier models and hardware; tension with Southern representativeness	Promote open models, computing power cooperation, digital public infrastructure, and inclusive rule agendas
External-Embedding	Gain visibility and capability support through international organizations and regional platforms	Relatively strong dependence on technology, capital, and rules	Avoid costly template transplantation; prioritize implementation tools, talent training, and collective bargaining mechanisms

Action Sequence: From Short-Term Instruments to Long-Term Institutional Networks

AI capacity building demands a clear sequencing of actions. For most Global South countries, the most realistic pathway is not to advance all issues simultaneously but to proceed in stages aligned with the logic of cumulative capacity building.

In the short term, priority should be given to shared regulatory instruments, public procurement guidelines, foundational data protection, and regulatory talent training. Specific measures include: developing a simplified AI risk assessment template; publishing contract guidelines for public-sector AI system procurement; training regulatory staff to identify model bias, data breaches, vendor lock-in, and safety risks; and supporting government agencies in mastering basic protocols for open-source model deployment. The objective of short-term action is to endow low-capability countries with a minimum threshold of evaluative and procurement capacity, forestalling irreversible dependencies from forming during the early diffusion of AI applications.

In the medium term, priority should shift to regional computing power arrangements, local-language datasets, and mutual recognition of regulatory sandboxes. Regional organizations can facilitate shared computing resources, co-develop local-language datasets, establish transnational regulatory expert networks, and promote mutual recognition of sandbox test results across comparable application scenarios. The objective of medium-term mechanisms is to convert capacity building tasks that no single country can bear alone into regional public goods.

The long-term objective is to construct institutional networks underpinning development-friendly AI governance, progressively institutionalizing consultation mechanisms such as the AI Capability and Development Summit, normalizing regional technology alliances, and establishing cross-regional regulatory coordination standards. The long-term agenda should also advance developing-country participation in model evaluation, technical standard-setting, public data governance, and international financing rule formulation. The significance of a long-term institutional network lies in elevating the Global South's engagement from project-based cooperation to rule-shaping participation.

Table 9 Action Framework for Global South AI Governance

	Short-Term Actions	Medium-Term Mechanisms	Risks to Avoid
Capacity Building	Provide regulatory tools, procurement guidelines, basic training, and open-source model usage standards	Build regional computing arrangements, local-language datasets, and regulatory sandbox mutual recognition	Substituting principle declarations for implementation capacity
Regional Platforms	Support AU, ASEAN, CARICOM, and Pacific Islands Forum in forming common demand inventories	Establish shared expert networks, cross-border data cooperation, and joint procurement mechanisms	Weakening regional coordination through fragmented bilateral projects
Rule Participation	Involve developing countries in standards discussions and model evaluation agendas	Embed capacity building requirements in UN, G20, BRICS, and regional development bank mechanisms	Reducing participation to conference seats or symbolic statements
External Cooperation	Provide verifiable projects in public services, agriculture, health, education, and climate adaptation	Develop sustainable funding, talent, and technology maintenance mechanisms	Creating new technology procurement lock-ins or institutional dependencies

Southern agency in AI governance is real, but it can only progress from textual participation to regulatory influence when infrastructure, talent, data, and funding arrangements receive sustained support. The Global South will not coalesce into an institutionalized third pole as a unified whole, yet issue-based coordination around development, capacity building, open technology, and digital public infrastructure may gradually crystallize. Such coordination will not supplant the governance pathways of the United States, Europe, or China, but it may compel global AI governance to confront a fundamental question: How should AI rules simultaneously serve risk management and developmental opportunity, ensuring that countries with insufficient capability can also secure sustainable development space in the AI era?

Chapter 6 Conclusion: Restoring the Global South to the Institutional Wellspring of AI Governance

Proceeding from the structural asymmetries in global AI governance, this report has analyzed the capability gaps, normative orientations, and strategic pathways of Global South countries. The analysis reveals that pronounced internal differentiation has already taken hold: development-first type countries prioritize AI in the service of public services, agriculture, health, education, and digital government; rule-balancing type countries and regional organizations preserve flexibility amid external norm competition through soft law, toolkits, and norm localization; sovereignty-shaping type countries seek to convert domestic markets, capital, digital infrastructure, and multilateral platforms into regulatory influence; and external-embedding type countries rely predominantly on international organizations, regional platforms, and external partners for rule templates and capability support. These four types are not fixed identities but dynamic positions, countries may shift as capabilities evolve, external partnerships are recalibrated, and domestic conditions change.

This report has sought to demonstrate that the Global South's position cannot be reduced to passive rule-taking, nor can it be inflated into the image of a unified governance bloc on the verge of formation. A more defensible assessment is that AI capability gaps are reconfiguring the internal structure of the Global South and propelling different countries toward differentiated governance trajectories. The Global South in AI governance is gaining new agenda space, but that space is heavily contingent on capability endowments, platform access, and issue selection. Countries that can connect their domestic technological base, industrial ecosystem, and multilateral platform presence are better positioned to transition from rule-takers to agents with limited but meaningful influence; countries lacking these preconditions are more readily absorbed into external rules, technology supply chains, and capital structures as passive participants.

Accordingly, "the Global South" should not be treated as a cohesive geopolitical bloc within AI governance. It encompasses both countries such as India and Brazil, which command significant market heft and institutional capacity, and a large number of small states still working to establish basic connectivity, data infrastructure, and regulatory foundations. Portraying them uniformly as passive recipients underestimates their strategic resourcefulness; portraying them uniformly as an emergent third pole overstates their capacity for collective action. A more analytically productive approach is to acknowledge internal heterogeneity and examine how different countries forge differentiated choices within their respective capability constraints.

The four-type taxonomy proposed in this report is designed precisely to capture this variation. The development-first type integrates governance with development imperatives; the rule-balancing type draws on regional soft law to preserve flexibility; the sovereignty-shaping type ventures alternative regulatory narratives; and the external-embedding type secures institutional entry through external templates. This typology carries direct governance implications. Current global AI governance debates oscillate between frontier model safety and rights compliance, both indispensable, yet absent a development and capacity building dimension, governance risks replicating existing patterns of digital inequality. For many Southern countries, the more pressing challenge is not how to regulate frontier models they do not yet possess, but how to secure affordable computing power, build local-language datasets, cultivate regulatory talent, standardize public procurement, and ensure that AI applications address fundamental development needs. Should these capability prerequisites remain unmet over time, developing countries, even as they participate in international conferences and subscribe to principle documents, will struggle to exert meaningful influence over the trajectory of rules.

Inclusive AI governance, therefore, should not consist of inviting the South to implement rules after they have been designed elsewhere; rather, it must incorporate development needs and capability gaps at the very source of institutional design. International organizations, multilateral development institutions, and leading technology states must institutionalize capacity building so that funding, instruments, training, and open models appear in tandem with, not after, principle-level deliberations. Failing this, Southern participation will remain largely symbolic, and AI governance will risk becoming an institutional arrangement defined by a handful of countries and corporations and passively absorbed by the majority.

Over the coming years, the Global South's influence in AI governance will hinge on three variables. First, whether computing power and infrastructure can diffuse at more affordable price points. Second, whether regional organizations can translate principle documents into shared instruments and collective bargaining capacity. Third, whether sovereignty-shaping type countries, while pursuing their own competitive advantages, can furnish capability-constrained countries with public goods of genuine practical utility, including open models, local-language data, regulatory instruments, computing power cooperation, and digital public infrastructure. These three variables will determine whether issue-based coordination can advance from textual assertion to institutional practice. Should progress prove limited, the Global South's AI engagement may remain confined to external rule adaptation and

symbolic consultation.

At its core, the Global South question in AI governance constitutes a test of the inclusiveness of the international order. Do AI rules serve only countries that already command technological capability, or can they also enable countries not yet in possession of such capability to access development opportunities? Is the Global South consigned to choosing among rules formulated by others, or can it participate in setting the priorities that those rules embody? These questions will not be resolved by principle declarations alone; the answers depend on whether global AI governance can expand from risk management to capability distribution and shift from rule exportation to co-construction. Only when capability provision becomes an integral component of the governance architecture can the Global South move from the margins of rule-making to the wellspring of institutional design.