In partnership with

AFIDEP
African Institute for Development Policy

CAP
Youth Empowerment Institute
Linking Learning and Livelihood

mastercard foundation

Evidence Brief

November 2026

# Harnessing the Digital and Platform Economy for Inclusive Youth Employment



Source: Iwa

## Key messages

- **Digital employment remains limited, urban and unequal.** It accounts for well under 10% of youth employment and is concentrated among urban, male and formally educated youth; internet penetration is about 50% in Nigeria, 40% in Uganda and 25% in Ethiopia.
- **Platform work generates income but offers little protection,** and no study country regulates it comprehensively. Platform earnings in Accra fall below the urban living wage in several assessments, Senegal's Jakarta riders lack insurance and pensions, and Rwanda has no framework.
- **Digital-skills programmes share a common design weakness.** Large targets, urban delivery and little tracking after training characterise programmes in Ethiopia, Ghana, Nigeria, Kenya and Senegal; Rwanda missed its target of 100,000 information and communication technology (ICT) jobs.
- **Shocks are arriving faster than policy can adjust.** The 2024 closure of Remotasks ended the income of hundreds of thousands of Kenyan workers without notice, and AI is removing entry-level tasks without any labour-market adjustment component in national instruments.[2]
- **Kenya offers a regulatory template, and a continental window is open.** The pending Business Process Outsourcing (BPO) Policy and Labour Laws Amendment Bill can be adapted by Ghana and Senegal, anchored by International Labour Organization (ILO) Convention No. 193 and the African Continental Free Trade Area (AfCFTA) Digital Trade Protocol.[3]

> Across the eight countries studied, digital and platform work is increasingly promoted as a pathway to employment for young people, particularly as governments seek to address persistently high levels of youth unemployment and underemployment.

## Introduction

We are witnessing a profound transformation of labour markets across Africa as digital technologies create new opportunities for entrepreneurship, innovation and employment. Governments and development partners increasingly regard the digital and platform economy as a critical pathway for addressing youth unemployment while supporting broader economic transformation. In this evidence brief, we synthesise findings from an eight-country study conducted under the Activating Policy to Create Mass, Fulfilling and Dignified Jobs for Africa's Youth initiative.[1] Drawing on 356 key informant interviews, 60 focus group discussions and country-level political economy analyses, we examine how African countries can better harness digital transformation to generate productive, inclusive and decent employment opportunities for young people.

We explore the opportunities, constraints and policy choices emerging from the digital and platform economy, including digital job creation, skills development, platform-mediated work, barriers to digital participation, and the growing implications of artificial intelligence (AI) within Africa's development agenda and continental policy frameworks. Throughout the brief, we consider how digital transformation can be leveraged not only to create new employment opportunities, but also to improve job quality, strengthen income security and support sustainable livelihoods for Africa's rapidly growing youth population.

## Background and Rationale

Continental efforts to advance digital transformation have accelerated significantly over the past decade. The African Union (AU) Digital Transformation Strategy 2020–2030 envisions a continent-wide digital single market,[4] while the AfCFTA Digital Trade Protocol extends regional cooperation into digital commerce and cross-border digital services.[5] More recently, the adoption of ILO Convention No. 193 on Decent Work in the Platform Economy marked an important global milestone, establishing the first international labour standard specifically addressing platform-mediated work.[6] Together, these developments signal growing recognition of the digital economy as a key driver of economic transformation and employment creation.

Yet national labour and employment systems have struggled to keep pace with the speed of technological change. Across the eight countries studied, digital and platform work is increasingly promoted as a pathway to employment for young people, particularly as governments seek to address persistently high levels of youth unemployment and underemployment. However, the evidence paints a more nuanced picture. Drawing on 356 key informant interviews and 60 focus group discussions, alongside country-level political economy analyses, the study finds that digital employment remains well below 10% of total youth employment and is concentrated primarily among urban, male and formally educated young people.[7] Structural barriers including limited connectivity, high data costs, unreliable electricity and unequal access to devices continue to constrain participation. At the same time, labour regulations remain largely designed around traditional employment relationships, while digital-skills programmes often prioritise training outputs without adequately addressing pathways into sustainable employment.

Significant evidence gaps also persist. Nationally representative surveys of digital and gig workers remain rare, off-platform workers are frequently excluded from existing datasets, and the labour-market implications of artificial intelligence are not yet well understood. Data on persons with disabilities are particularly limited. These challenges underscore the need for stronger evidence systems capable of informing more responsive and inclusive policy approaches.

Against this backdrop, the central question is not whether digital transformation should be promoted, but rather how governments, development partners and other stakeholders can ensure that digital and platform work evolves into a meaningful source of decent, productive and inclusive employment for young people while aligning with emerging regional and global standards.

### Digital employment among youth

**Still a small share | unevenly distributed**

#### The Study

Drawing on:

**356** Key informant interviews

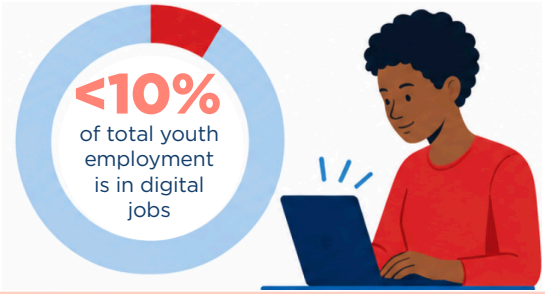
**60** Focus Group Discussions

+

Country-level political economy analyses

#### Key finding

**Digital employment remains well below 10% of the total youth employment**




#### Concentration

- Urban Youth
- Male Youth
- Formally Educated Youth

Digital jobs remain a small and unequal segment of youth employment, highlighting the need for greater investment in digital skills and inclusive job creation

## Evidence Base

- **Maturity and Job Creation:** Digital transformation is unfolding unevenly across the eight study countries. Kenya and Nigeria have emerged as regional leaders, supported by relatively mature digital ecosystems, expanding innovation sectors and growing participation in digital labour markets. Kenya's digital landscape is anchored by innovations such as M-Pesa, Ushahidi and Ajira Digital, alongside a growing platform economy. The Government has reinforced these efforts through the National Digital Masterplan 2022–2032, which aims to create one million digital job opportunities.[8]

  At the same time, evidence suggests that investments in digital infrastructure and skills development do not automatically translate into large-scale employment creation. Rwanda, often recognised as a leader in digital governance and innovation, has invested heavily in institutions such as the Rwanda Coding Academy, the Digital Ambassadors Programme, kLab and Irembo. Nevertheless, the country fell short of its target of generating 100,000 ICT jobs. South Africa presents a different challenge: while global business services have created employment opportunities, informants questioned the long-term sustainability of many of these roles because they often provide limited opportunities for skills progression and may be vulnerable to future automation.

- **Access:** Access remains one of the most significant constraints to inclusive participation in the digital economy. While Kenya reports subscriber identity module (SIM) card ownership of 98% and internet access of 65%, these national averages conceal pronounced geographic disparities; in Turkana, only three of 16 community digital hubs operate because devices were never supplied.[9] Similar disparities are evident across the region, with internet penetration of approximately 50% in Nigeria, 40% in Uganda and 25% in Ethiopia, computer literacy among Rwandan youth at 18% overall and 11% in rural areas,[10] and only about 30% of Senegal's workforce holding basic digital skills. Data costs compound the problem.

- **Skills Programmes and Ajira Digital:** Digital-skills programmes have multiplied across the study countries, with uneven results. Ethiopia's 5 Million Coders, Ghana's One Million Coders and Nigeria's 3 Million Technical Talents (3MTT) share large headline targets, urban-skewed delivery and weak links to employment, and Senegal's Sénégal Numérique 2025 has no data on conversion from training to employment. Kenya's Ajira Digital is the most mature response, with 101 operational hubs against 1,450 planned, inclusion tracks for women, persons with disabilities and refugees, and 290 government-employed ICT officers. Even so, about 391,000 young people had been trained by June 2024 against a target of one million a year.[11]

- **Gig Work as a Coping Strategy:** Findings from Kenya's online discussion with 11 gig workers show how young people experience platform work. Participants described decent work as fair remuneration, safety, income stability, social protection, progression and transparent dispute resolution, and most viewed gig work as falling short: income was inconsistent, there was no health cover, pension or paid leave, and disputes were unresolved or handled by automated systems. Most regarded gig work as a coping strategy and a route towards formal employment, naming the absence of protection, stability and fair pay, rather than skills or access, as the barriers.[12]

- **Regulatory Vacuum:** One of the clearest findings is the absence of comprehensive regulatory frameworks governing platform work. Existing labour legislation was developed around conventional employer–employee relationships and offers limited protection to workers classified as independent contractors. In Kenya, the labour laws of 2007 define the employee by a contract of service, leaving platform workers without a minimum wage, working-hours limit or right to organise, while platform terms and conditions have become the operative form of governance, embedding pay differentials by country of origin.[13] Elsewhere, platform earnings in Accra fall below the urban living wage in several assessments, Senegal's Jakarta riders lack insurance and pensions, and Rwanda has no framework for gig work.

- **Power and Jurisdiction:** International platforms hold considerable market power. They have no physical presence that can be sanctioned and can withdraw from a market rather than comply, whereas workers are individually powerless and collectively unorganised; the 2024 court order obtained by digital workers mattered because it bypassed the legislative process. Within government, the Ministries of ICT and Labour hold competing mandates, one focused on job numbers and the other on worker protection. The National BPO Policy (2024) and the Labour Laws Amendment Bill remained unenacted at the time of the study.[14]

- **Tax and Platform Exit:** The attempt to apply Pay As You Earn (PAYE) income tax to international digital employers shows how fiscal policy designed for payroll employment can destroy the work it seeks to govern. The 2024 closure of Remotasks ended the income of hundreds of thousands of Kenyan workers without notice, severance or recourse, and the country report attributes wider platform withdrawals that year to the attempted application of PAYE.[15]

- **AI and Entry-Level Displacement:** Artificial intelligence is already eliminating the entry-level tasks, including transcription, data entry and virtual assistance, through which many young Kenyans first entered digital work. Kenyan informants reported that training continues to prepare young people for roles that automation is removing, and South African informants saw global business services as similarly exposed, a prospective rather than observed effect. None of the eight countries' digital or AI instruments carries a labour-market adjustment component.[16]

Table 1 draws these findings together, showing for each country the principal finding, the instruments in place and the most promising reform entry point.

**Table 1. Digital and gig economy: status and reform entry points by country**

| Country | Principal finding (report evidence) | Instruments[17] (AFIDEP & CAP-YEI, 2026, Table 9) | Reform entry point |
|---|---|---|---|
| Kenya | Gig workers sit outside labour law; PAYE and Remotasks shocks | National Digital Masterplan 2022–2032; AI Strategy 2025–2030[18]; pending BPO Policy | Enact the BPO Policy and Labour Laws Amendment Bill; replace PAYE with a withholding tax |
| Nigeria | Visible digital growth; low awareness of federal programmes | National Digital Economy Policy and Strategy 2020–2030; 3MTT; Nigeria Youth Investment Fund (NYIF) | Outreach and enrolment governance; platform-work framework |
| Ghana | Platform earnings below the urban living wage | National Digital Economy Policy; One Million Coders | Framework for ride-hailing, delivery and freelancing; northern last-mile broadband |
| Senegal | About 30% of workforce with basic digital skills; uninsured Jakarta riders | Sénégal Num rique 2025; Sonatel/ Orange; Free | Occupational insurance and access to the Caisse de Sécurité Sociale (CSS) and the Institution de Pr voyance Retraite du Sénégal (IPRES); rural connectivity |
| Rwanda | Strong institutions, no gig regulation; computer literacy 18% | Digital Ambassadors; Irembo; Ejo Heza | Gig-work framework; Ejo Heza access |
| South Africa; Ethiopia; Uganda | BPO as a transitional route (South Africa); early-stage markets | SA Connect; SAYouth.mobi; Digital Ethiopia 2025; Uganda ICT Policy | Onward pathways from BPO work; governance of coder programmes |

Table 2 sets out the continental and regional instruments against which these country gaps can be addressed.

## Continental and Regional Policy Frameworks

**Table 2. Continental and regional instruments relevant to the digital and platform economy[19]**

| Instrument | Operative provisions | Relevance to the evidence |
|---|---|---|
| AU Digital Transformation Strategy 2020–2030 | Digital single market by 2030; digital ID, skills and infrastructure. | Frames national masterplans; weak on labour-market adjustment. |
| AfCFTA Digital Trade Protocol (February 2024) | Continental rules for digital trade and cross-border digital services. | Entry point for a platform-work labour-mobility annex. |
| ILO Convention No. 193 (12 June 2026) | First international standard on platform work; adopted 406–8–36; no Recommendation yet. | Benchmark for Kenya's BPO Policy, Ghana and Senegal. |
| AU Continental AI Strategy (2024) | Continental approach to AI governance and development. | No AI instrument carries a labour-market adjustment component. |
| Economic Community of West African States (ECOWAS) standards; proposed AfCFTA labour-mobility annex | Identified in the report as an underexploited opportunity. | Ghana and Senegal could lead West African convergence. |

## Country-Level Policy Exemplars

Within this setting, a few national instruments already show how the gaps can be closed; Table 3 presents the most transferable.

**Table 3. Country-level exemplars and their adaptability[20]**

| Country and instrument | Design features and results | Adaptability |
|---|---|---|
| Kenya: National BPO Policy (2024); gig-worker toolkit; Labour Laws Amendment Bill | Produced after a court order obtained by digital workers; covers classification, conditions and dispute resolution. | Most developed template for platform-work regulation; transplantable to Ghana and Senegal. Not yet enacted. |
| Kenya: Social Protection Policy 2023; Social Health Authority (SHA) and National Social Security Fund (NSSF) | New access modalities for irregular and gig earners; not yet operational for them. | Task-based, mobile-money-linked contributions; Ghana's Social Security and National Insurance Trust (SSNIT) and Senegal's CSS and IPRES are analogues. |
| Kenya: Ajira Digital model (290 ICT officers; inclusion tracks; monitoring and evaluation (M&E) portal) | Government-employed hub officers reduce donor dependence; gaps in devices and rural hubs. | Officer-staffed hubs and open M&E adaptable; add device leasing and gig-rights content. |
| South Africa: SAYouth.mobi; SA Connect | Zero-rated opportunity platform used by youth. | Information platforms adaptable in all seven other countries. |
| Rwanda: Coding Academy; kLab; Digital Ambassadors; Irembo; Ejo Heza | Dense infrastructure; Ejo Heza accommodates irregular earnings through micro-contributions. | Ejo Heza adaptable for platform workers; infrastructure has outrun absorption. |

## Institutions and Programmes to Highlight

Such instruments work only if institutions with clear mandates deliver them; Table 4 identifies those the dialogue should engage.

**Table 4. Institutions and programmes to highlight at the Dialogue**

| Institution or programme | Role in the policy chain |
|---|---|
| AU Commission; AfCFTA Secretariat; ILO | Digital strategy, digital trade rules and platform-work standard-setting. |
| Kenya: Ministries of ICT and Labour; Ajira Digital; Kenya Private Sector Alliance (KEPSA); Communications Authority; Kenya Revenue Authority (KRA); National Industrial Training Authority (NITA); Kenya National Bureau of Statistics (KNBS); Employment and Labour Relations Court | Digital programmes; labour-law reform; private-sector demand; data pricing; tax design; worker survey; dispute resolution. |
| Nigeria: National Information Technology Development Agency (NITDA); Industrial Training Fund; 3MTT. Ghana: Ministry of Communications | Digital skills policy, training and awareness; digital policy anchor and last-mile infrastructure. |
| Senegal: Agence de l'Informatique de l' tat; Sonatel/Orange; Free; CSS and IPRES | Digital strategy, connectivity and social-security access. |
| Rwanda: Ministry of ICT; Rwanda Coding Academy; kLab; Irembo. South Africa: Harambee; Presidential Youth Employment Initiative | Digital skills pipeline and public services; pathway platforms and global business services. |

## Policy Recommendations

Drawing on the evidence, frameworks, exemplars and institutions above, the following recommendations are directed at the actors named in Table 4.

- **Legal Status and Institutions:** Kenya should enact the Labour Laws Amendment Bill and BPO Policy, with a platform-worker classification carrying transparent terms, a minimum effective rate for task-based work, protection against arbitrary suspension and access to formal dispute resolution. A Digital Labour Regulatory Unit in the Ministry of Labour, jointly governed with the Ministry of ICT, should require platform registration and pay-data disclosure. Ghana, Senegal and Rwanda need equivalent frameworks.

**Lead:** labour ministries and legislatures.

- **Pay, Tax and Finance:** PAYE on international platforms should give way to a flat-rate withholding tax payable by the worker and integrated with SHA and NSSF registration, and platform earnings should count as income documentation under the Treasury credit guarantee scheme's 30% ring-fence for youth, women and persons with disabilities.

**Lead:** National Treasury, KRA and the Ministry of ICT with KEPSA.

- **Social Protection and Dispute Resolution:** Task-based contributions linked to mobile money and national ID would allow SHA cover to activate at first contribution, supported by a platform levy funding a Gig Worker Emergency Fund. A Digital Labour Disputes Tribunal within the Employment and Labour Relations Court should hear disputes regardless of a platform's location.

**Lead:** Labour and Social Protection ministries.

- **Affordable Access and Devices:** Differentiated data pricing for productive platforms should become a licence condition under the Communications Authority, benchmarked on about Kenya shillings (KSh) 400 a month. Ajira graduates should be offered lease-to-own devices repaid from first platform income, and the remaining 1,349 planned hubs operationalised within two years.

**Lead:** ICT ministries, regulators and operators.

- **Inclusive Skills and AI Preparedness:** AI literacy and a gig-economy navigation module covering rate negotiation, contracts and tax should be embedded in technical and vocational education and training (TVET) and Ajira programmes by 2027, supported by a skills-anticipation function. Ghana's One Million Coders and Senegal's Sénégal Numérique 2025 should set targets for rural, lower-income and female youth.

**Lead:** education, labour and ICT ministries.

- **Governance and Data:** Publicly funded digital initiatives should use open enrolment and beneficiary tracking, and Kenya should commission an annual Gig Economy Labour Force Survey from 2026 led by the Ministry of Labour with NITA, KNBS and KEPSA.

**Lead:** programme owners and KNBS.

- **Continental and Country-Specific Action:** AU and ILO constituents should take ratification and transposition decisions on Convention No. 193 and advance an AfCFTA platform-work labour-mobility annex, which Ghana can lead as host of the Secretariat. South Africa should treat business process work as a transitional route with onward pathways.

**Lead:** AU and ILO constituents.

## Political Economy of Reform

Whether these recommendations are adopted depends less on technical design than on the interests and institutions involved.

Efforts to strengthen regulation of platform work are shaped by competing interests, institutional fragmentation and unequal power relationships between workers, governments and international digital platforms. Labour ministries, worker organisations and many civil-society actors generally support stronger protections, while global platforms often resist measures perceived to increase operating costs or regulatory obligations.

Kenya's experience illustrates both the challenges and opportunities associated with reform. The successful court action brought by digital workers demonstrated that strategic litigation can help shift policy debates and generate momentum for legislative change. However, significant obstacles remain between policy proposals and implementation. Jurisdictional competition between ICT and labour institutions continues to create uncertainty regarding leadership and accountability.

Efforts to strengthen regulation of platform work are shaped by competing interests, institutional fragmentation and unequal power relationships between workers, governments and international digital platforms.

At the regional level, Ghana and Senegal present particularly promising opportunities for policy learning and adaptation. Existing proposals under ECOWAS and AfCFTA frameworks could provide foundations for greater regulatory convergence on platform work, labour mobility and social protection.

## Monitoring, Accountability and Evidence Gaps

- **Adoption alone is not enough:** Progress must be measured and the remaining knowledge gaps closed.

  Effective policymaking depends on timely, credible and disaggregated data, and governments should pay particular attention to disparities by gender, age, disability status and location. Progress can be tracked through seven indicators reported annually: digital employment as a share of youth employment, with platform workers disaggregated; young people trained through Ajira Digital against the one-million annual target, and operational hubs against the 1,450 planned; conversion from completion to employment in coder programmes; data cost as a share of youth income; platform-worker coverage under national health and social security schemes (SHA, NSSF, SSNIT, CSS and IPRES); platform registration and disclosure compliance; and ratification and transposition of ILO Convention No. 193.

- **Important evidence gaps remain.** There is an urgent need for nationally representative surveys of gig and digital workers, including analysis of the online gig-economy survey acknowledged in the synthesis report, whose results are not yet reported,[21] and for longitudinal studies of the impact of artificial intelligence on employment trajectories. Stronger evidence is also needed on the effects of taxation, institutional coordination and social-protection reforms. Disability-disaggregated data deserve particular attention given their near absence from current evidence systems.

  Addressing these knowledge gaps will be critical to ensuring that future policy interventions are informed by evidence rather than assumptions and that emerging digital labour markets contribute to decent work and inclusive economic transformation.

## References


1. AFIDEP & CAP Youth Empowerment Institute (2026). Activating Policy to Create Mass, Fulfilling and Dignified Jobs for Africa's Youth: A cross-country political economy analysis of youth employment (Phase 1 synthesis report). Nairobi: AFIDEP, May 14, 2026.
2. AFIDEP (2026). Political Economy Analysis of Youth Employment in Kenya (country report). Nairobi: AFIDEP.
3. African Union (2020). The Digital Transformation Strategy for Africa (2020–2030). Addis Ababa.
4. African Union (2024), Protocol on Digital Trade.
5. African Union (2024). Continental Artificial Intelligence Strategy. Addis Ababa
6. African Union (2024). Protocol to the Agreement Establishing the African Continental Free Trade Area on Digital Trade. Addis Ababa.
7. International Labour Organization (2026). Convention No. 193 concerning Decent Work in the Platform Economy. International Labour Conference, Geneva, 12 June 2026.
8. National Institute of Statistics of Rwanda (2025). EICV7; Labour Force Survey 2024. Kigali: NISR.
9. Republic of Kenya (2022). National Digital Masterplan 2022–2032. Nairobi.
10. Republic of Kenya (2024). National BPO Policy. Nairobi
11. Republic of Kenya (2025). Kenya AI Strategy 2025–2030. Nairobi.


### ABOUT THIS BRIEF

This brief is one of a series of thematic evidence briefs drawn from the cross-country political economy analysis of youth employment conducted by the African Institute for Development Policy (AFIDEP) and the CAP Youth Empowerment Institute (CAP YEI), in partnership with the Mastercard Foundation, in Ethiopia, Ghana, Kenya, Nigeria, Rwanda, Senegal, South Africa and Uganda.