

SECTOR 03 OF 12

HOW SURE WE ARE: OBSERVED

9 min read

Livelihoods and labour

Few young Africans earn a wage, and the routes abroad for work, study and sending money home are narrowing.

IN BRIEF

- At the UN in September, African leaders spoke of their young people as an asset, yet no one announced money for jobs.
- The decisions that mattered for African workers were taken in Washington and Brussels, where visa bans, visa deposits and a tax on cash transfers now make it harder to work abroad and send money home.
- The most expensive routes for sending money run between African countries, so African central banks can cut those costs now, and African governments should agree shared terms before they send workers abroad.



A weaver's workshop.

Photo: Hajer Ben Charrada, [CC BY-SA 4.0](#), via [source page](#).

21.6%

Young people in sub-Saharan Africa who were not working, studying or training in 2025

[Source: ilo.org](https://ilo.org)

620m+

Growth in sub-Saharan Africa's workforce from 2025 to 2050

[Source: worldbank.org](https://worldbank.org)

24%

Share of workers in sub-Saharan Africa who earn a wage

[Source: worldbank.org](https://worldbank.org)

26

African countries whose citizens face full or partial US entry bans since 1 January 2026

[Source: nafsa.org](https://nafsa.org)

8.46%

Average cost of sending \$200 to sub-Saharan Africa, the highest of any region (world average 6.36%)

[Source: remittanceprices.worldbank.org](https://remittanceprices.worldbank.org)

-12.6%

Fall in money sent home to Kenya from the United States, first half of 2026

[Source: businessdailyafrica.com](https://businessdailyafrica.com)

01

HOW SURE WE ARE: OBSERVED

What happened at the UN

Every September, presidents and ministers meet in New York for the opening of the UN General Assembly. This year, jobs came up mainly in speeches about young people. Zambia called its youth an asset, and several leaders invited investors to work with their young people. No government or funder announced money for jobs. For young Africans looking for work, the week brought promises and no new money.

The decisions that mattered for African workers were taken in Washington. Since 1 January 2026 the United States has stopped all entry for citizens of 12 African countries. It has partly restricted entry for 14 more, including Nigeria, Senegal, Tanzania and Zimbabwe. The partial ban covers visas for visitors, students and exchange programmes. On 3 August the United States also made its visa bond scheme permanent for business and tourist visas. Under it, a traveller must pay a deposit of \$10,000, \$15,000 or \$20,000 before the visa is issued. Thirty of the 50 countries on the list are African. In the trial year, visitor visas issued to these countries fell by 83%. For many Africans, a trip to the United States to study, trade or visit family is now out of reach.

Europe also tightened its borders. The European Union's new rules on migration and asylum began on 12 June. Every person who arrives without permission is now screened at the border within seven days. One trade decision helped. In early September the United States renewed the African Growth and Opportunity Act (AGOA) until 31 December 2028. The law lets eligible African goods enter the US market without import duty. It also still lets clothing makers use fabric from outside Africa. Clothing makes up about 70% of Kenya's exports to the United States and supports more than 66,000 direct jobs. For Kenya, the renewal keeps its largest export to the United States open.

Sources for this section (5)

- [NAFSA: the US travel ban from 1 January 2026, countries and visa types](#)
- [Fragomen: US visa bonds made permanent, amounts and the fall in visas issued](#)
- [Africanews: 30 African countries on the permanent visa bond list](#)
- [European Commission: the EU migration and asylum rules from 12 June 2026](#)
- [The Star: AGOA renewed to 2028 and Kenya's clothing jobs](#)

02

HOW SURE WE ARE: OBSERVED

What is really going on

The International Labour Organization (ILO), the UN agency for work, puts youth unemployment in sub-Saharan Africa at 8.4% in 2025. That figure looks low because most young people cannot afford to have no work at all. They take whatever informal work they can find. A better measure is the share of young people who are not working, studying or training. The ILO puts that share at 21.6%, more than one in five. Nearly two-thirds of the growth in the world's youth population now happens in this region. In low and lower-middle income countries, nearly nine in ten young workers are in informal jobs. Two in three workers aged 25 to 29 are still in insecure work. The low unemployment rate hides how few young Africans have a steady job.

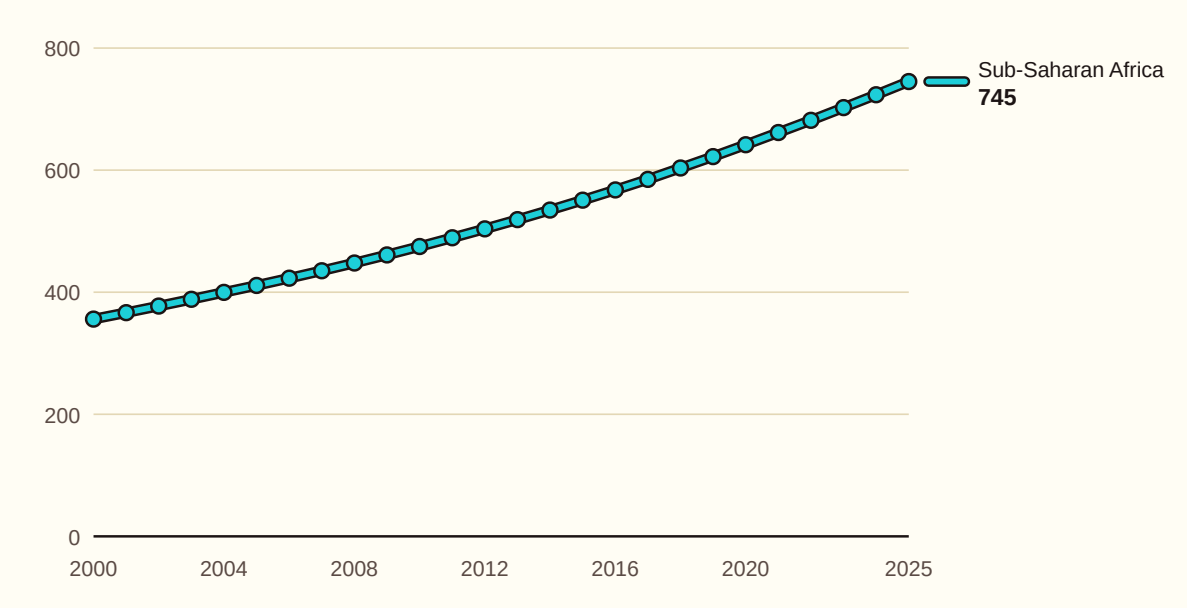
The World Bank expects the region's workforce to grow by more than 620 million people between 2025 and 2050. Only 24% of workers now earn a wage. About three in four work in small, informal, family-run businesses. Economic growth adds very few wage jobs. When the economy grows by 1%, the share of wage jobs rises by only 0.04 percentage points. Factories also count for less than they did. Manufacturing fell from 13.9% of the region's economy in 2000 to 9.6% in 2025. On present trends, most new workers will end up in the same small informal firms.

Money sent home by Africans working abroad, called remittances, reached about \$57 billion in the region in 2024. Sending \$200 to sub-Saharan Africa costs 8.46% on average, more than anywhere else. Digital services cost less than cash services, and mobile money costs less than a bank transfer. The cheapest routes start in rich countries, for example 1.96% from the United Kingdom to Nigeria. The dearest run between African countries. Sending money from South Africa costs 12.49% to Zimbabwe and 31.48% to Malawi. Families on these routes lose a large part of every transfer before it arrives.

Since 1 January 2026 the United States has taxed money transfers paid in cash at 1%. Transfers paid from a US bank account or card are not taxed. The detailed rules are still only a draft. The tax adds to the cost of the cash route, which was already the dearer one for families.

Sub-Saharan Africa's working-age population has doubled since 2000

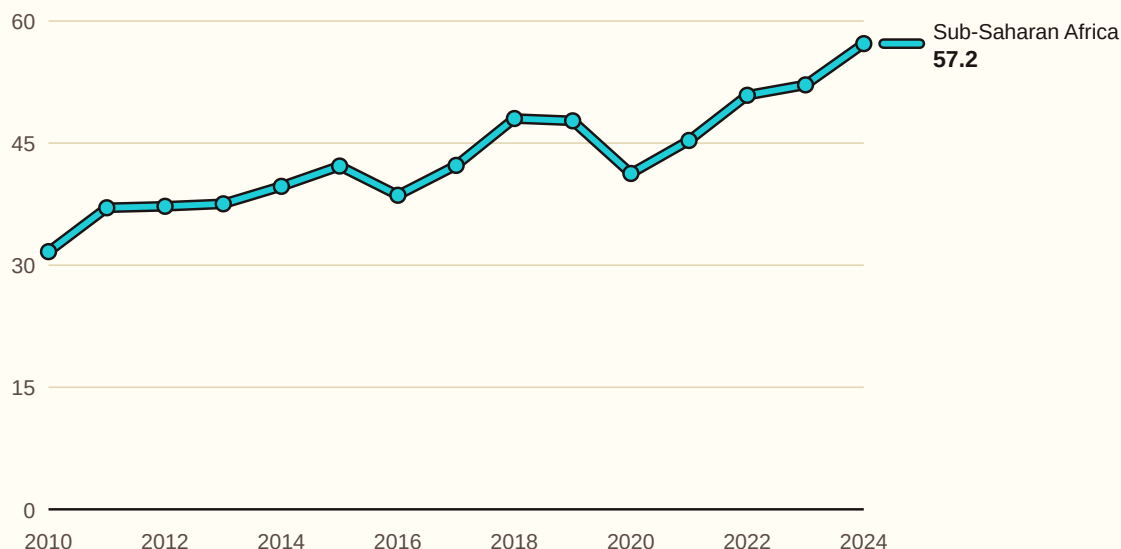
People aged 15 to 64, millions



Source: [World Bank \(SP.POP.1564.TO\)](#)

Remittances to sub-Saharan Africa have nearly doubled since 2010

Personal remittances received, US\$ billion



Source: [World Bank \(BX.TRF.PWKR.CD.DT\)](#)

Sources for this section (7)

- [ILO: Global Employment Trends for Youth 2026](#)
- [World Bank: Africa's Pulse on the workforce, wage jobs and growth](#)
- [World Bank data: manufacturing as a share of sub-Saharan Africa's economy, 2000 to 2025](#)
- [World Bank data: remittances received, 2023 to 2024](#)
- [World Bank: Remittance Prices Worldwide, third quarter of 2025, costs by region and channel](#)
- [World Bank: cost of sending money from South Africa to Malawi and other corridors](#)
- [US Federal Register: proposed rules for the 1% tax on cash-funded transfers](#)

03

HOW SURE WE ARE: OBSERVED

Country by country

South Africa's official unemployment rate rose to 32.7% in the first quarter of 2026. Among people aged 15 to 34, 45.8% had no job. Lesotho shows how fragile export jobs can be. Its clothing factories employ about 34,000 people, and three in four of them are women. AGOA lapsed in September 2025, when a 15% US tariff was already in place, and the government declared a national disaster. The renewal protects these jobs only until the end of 2028.

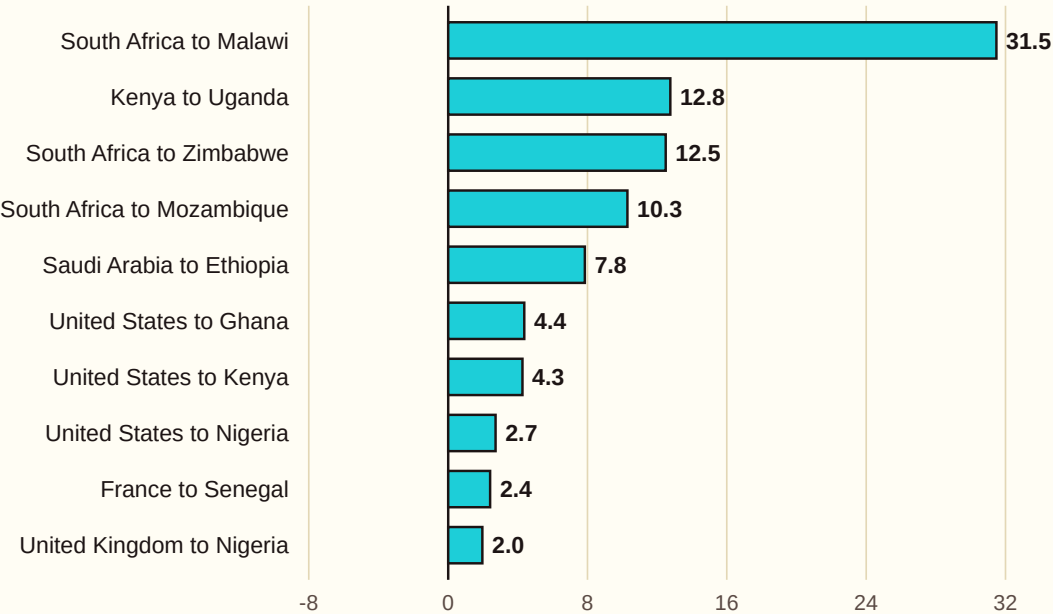
Kenya received \$5.04 billion in remittances in 2025, but growth slowed to 1.9%, the slowest since 2009. The national statistics office finds that 43.5% of this money comes from the United States. In the first half of 2026, money from the United States fell by 12.6% to \$1.18 billion. Sending \$200 from the United States to Kenya costs 4.26% on average, while sending it from Kenya to Uganda costs 12.75%. In September 2024 Kenya signed a labour agreement with Germany covering skills, social protection and workers' rights. Kenya therefore faces both a shrinking US flow and a costly route next door.

Ethiopia has made sending workers abroad part of its jobs policy. Its labour ministry plans to place 800,000 citizens abroad this financial year, mainly in Saudi Arabia. In 2014 it placed 40,000. In October 2025 Saudi Arabia announced the end of the kafala system, which tied migrant workers to one employer. The change includes domestic workers. Monitors say it is too early to know whether the new rules are enforced, and Ethiopian workers carry that risk.

For some countries, remittances bring in more money than most exports. In 2024 Egypt received \$29.6 billion, Nigeria \$22.1 billion and Morocco \$12.5 billion. In The Gambia, remittances equal 22% of the economy. Nigeria, Senegal and The Gambia are all under partial US entry bans. Fewer of their citizens can now travel to the United States to study, which is one of the routes that later brings money home.

Sending money home costs most on routes between African countries

Average total cost of sending \$200, %, third quarter of 2025

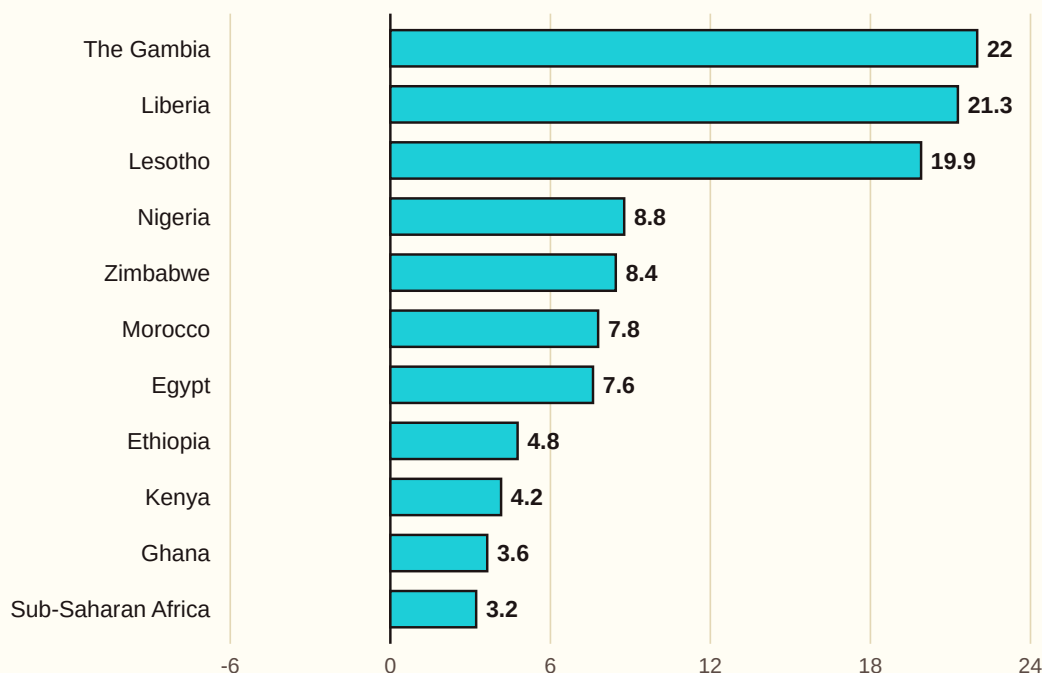


Each value is read from the corridor page at remittanceprices.worldbank.org/corridor/<Sending-Country>/<Receiving-Country>. Costs include fees and exchange-rate margins, so currency controls can inflate them (South Africa to Malawi). Tanzania to Kenya showed 59.99% in the same quarter and is left out as a likely exchange-rate outlier. The SDG target is 3%, with no corridor above 5%.

Source: [World Bank, Remittance Prices Worldwide, corridor pages, Q3 2025](#)

In some countries remittances equal a fifth of the economy

Personal remittances received, % of GDP, 2024



Ethiopia's jump from 0.4% in 2023 reflects the move to a market exchange rate in 2024, which brought informal flows into official data. Senegal (10.64% in 2023) has no 2024 value and is left out.

Source: [World Bank WDI, indicator BX.TRF.PWKR.DT.GD.ZS](#)

Sources for this section (13)

- [SAnews: South Africa unemployment, first quarter of 2026](#)
- [ODI: AGOA and women's jobs in Lesotho's clothing factories](#)
- [Business Daily: Kenya's remittances in 2025](#)
- [Mwakilishi, citing the Kenya National Bureau of Statistics: the US share of remittances to Kenya](#)
- [Business Daily: fall in money from the United States to Kenya, first half of 2026](#)
- [World Bank: cost of sending money from the United States to Kenya](#)
- [World Bank: cost of sending money from Kenya to Uganda](#)
- [ILO: the Kenya and Germany labour agreement](#)
- [Ethiopian News Agency: plans to place 800,000 workers abroad](#)
- [Walk Free: Saudi Arabia ends the kafala system](#)
- [World Bank data: remittances received in 2024, by country](#)
- [World Bank data: remittances as a share of the economy, by country](#)
- [NAFSA: countries under partial US entry bans](#)

Why this matters

Hundreds of millions of young people will join Africa's workforce whether or not jobs exist for them. With so few wage jobs, the key question is how to make small informal firms more productive. The African Continental Free Trade Area (AfCFTA) is the biggest tool governments have for this. The World Bank estimates that it could raise African incomes by \$450 billion by 2035. It could lift 30 million people out of extreme poverty and raise wages for unskilled workers by 10.3%. Cutting tariffs alone would add only 0.2% to incomes. Most of the gain, \$292 billion, depends on faster customs and less paperwork at borders. Cheaper payments between African countries and common product standards would add to it. African governments control all of these reforms and can start them now.

Counting workers who leave as new jobs lets a government report jobs it has not created at home. Countries that receive workers now decide who comes, on what visa and with what deposit. African governments negotiate labour agreements one at a time, with no shared minimum on wages, recruitment fees or protection. Each country then competes with its neighbours to supply workers on the weakest terms. A common African minimum, agreed through the regional groups, would give every sending country a stronger hand.

Generative AI, the kind of software that writes text and computer code, could affect 11% of jobs in low-income countries, against 34% in high-income countries. A joint paper by the ILO and the World Bank warns that job losses could still come fast. Workers whose tasks software can do are often already online, even in poor countries. Workers who could gain from AI often lack reliable internet. In Africa, the first jobs affected will be office and outsourcing work, which many educated young people have been aiming for. In June the ILO adopted the first international treaty on decent work through online platforms. It covers the right to join a union, safe work, data protection and the right to have automated decisions reviewed. African governments that want online work should sign up to it early, because buyers will judge their workers against it.

Remittances are the most reliable money that reaches Africa from outside. Moving senders from cash to transfers paid from a bank account avoids the new US tax and lowers the fee at the same time. The highest charges are on routes inside Africa, where African central banks and African firms set the rules. Those charges are an African policy failure, and African governments can fix them.

Sources for this section (6)

- [World Bank: the AfCFTA and its effects on incomes, poverty and wages](#)
- [Ethiopian News Agency: worker placement targets](#)
- [ILO: generative AI and jobs, a refined global index](#)
- [ILO joint ILO and World Bank paper on the uneven effect of generative AI on jobs](#)
- [ILO: the convention on decent work in the platform economy, June 2026](#)
- [World Bank: costs of digital and cash transfers](#)

The case against this view

The routes abroad are narrowing for some countries and widening for others. Egypt's remittances rose by half, from \$19.5 billion in 2023, and Nigeria's also grew. Labour agreements with Germany and the Gulf states can place skilled workers on better terms than irregular migration. Low exposure to AI in poor countries may mean that change comes more slowly than feared. Informal work also gives families ways to cope that official statistics do not capture.

Sources for this section (1)

- [World Bank data: remittances received, 2023 to 2024](#)

BY AUDIENCE

What you can do

Governments

DO THIS

Set a national target for the cost of remittances, and license digital and mobile-money channels on the main routes.

WHY

Digital channels already cost about 3 percentage points less than cash and avoid the new US tax.

AU and regional bodies

DO THIS

Agree a common minimum for labour agreements with countries that receive African workers, covering recruitment fees, wages and complaints.

WHY

Countries that negotiate alone compete to supply workers on the weakest terms.

AU and regional bodies

DO THIS

Track the cost of sending money between African countries as a measure of progress on the AfCFTA, starting in Southern Africa.

WHY

The costliest routes in the region run between African countries.

Business and investors

DO THIS

Offer low-fee transfers from bank accounts to mobile wallets in the United States, the United Kingdom and the Gulf.

WHY

Senders now pay a 1% US tax on cash transfers and are looking for other ways to send.

NGOs and civil society

DO THIS

Help migrant workers in the Gulf use the new channels for changing jobs and making complaints, and record where they fail.

WHY

The end of kafala in Saudi Arabia is only as good as its enforcement.

Philanthropy

DO THIS

Fund loans and training for informal firms that want to grow, and measure success by the wage jobs they create.

WHY

Three in four workers are in small informal firms, and growth creates few wage jobs.

Researchers and media

DO THIS

Publish estimates for each country of which jobs AI will change first, starting with office and outsourcing work.

WHY

Global averages for low-income countries hide where the jobs at risk are.

Young people and citizens

DO THIS

Compare transfer costs before sending money, and ask for options paid from a bank account.

WHY

Sending the same \$200 can cost under \$4 or over \$60, depending on the route and the channel.

Dates to watch

OCTOBER 2026

The World Bank's autumn Africa's Pulse report on the region's economies

It will show whether growth is creating wage jobs. [Source](#)

2 TO 4 DECEMBER 2026

ILO African Regional Meeting, Windhoek

African governments, employers and unions set their priorities on work, including migration and online platform work. [Source](#)

JANUARY 2027

The ILO's yearly report on jobs and social trends

It updates regional figures on informal work and on workers who stay poor. [Source](#)

31 MAY TO 11 JUNE 2027

International Labour Conference, the yearly meeting of all ILO members, Geneva

It will show whether African governments have signed up to the treaty on online platform work. [Source](#)

JUNE 2027

First full year of the EU migration rules

Border screening and return figures will show how the rules treat African arrivals. [Source](#)

Recommendations

100 DAYS · BY EARLY JANUARY 2027

NATIONAL, WITH CONTINENTAL COMPARISON

Make sending money home to Africa cheaper, and publish what every route costs

Leads: Central banks decide for their own countries; the African Institute for Remittances compares costs; SADC, the East African Community and PAPSS align the rules

Dig deeper

Global Employment Trends for Youth 2026

ILO

The global youth labour report, with regional estimates.

Africa's Pulse

World Bank

Twice-yearly outlook for the region; the October 2025 edition covers jobs.

Remittance Prices Worldwide, Q3 2025

World Bank

Costs of sending money by region and channel.

US travel proclamation, effective 1 January 2026

NAFSA

Plain summary of the countries and visa types affected.

US makes visa bond programme permanent

Fragomen

Bond amounts, countries covered and the fall in visa issuance.

Excise tax on remittance transfers (proposed rule)

US Federal Register

The IRS rules on the 1% tax on cash-funded transfers.

Generative AI and jobs: a refined global index

ILO

Exposure of occupations to generative AI by country income group.

The African Continental Free Trade Area

World Bank

Estimates of income, poverty and wage effects.

AGOA's short lifeline for Lesotho's garment workers

ODI

What the trade preference means for women's jobs.

Convention on decent work in the platform economy

ILO

The labour standard adopted in June 2026.

Words used on this page

UN General Assembly

The meeting of all 193 UN member states, each with one vote. It meets every year from September. It can make statements, elect members of other bodies and approve the UN budget, but most of what it says does not bind governments. [Glossary](#) ·

[Source: un.org](#)

Visa bond

A cash deposit of \$10,000, \$15,000 or \$20,000 that citizens of some countries must pay before the United States issues them a business or tourist visa. Thirty of the 50 countries on the list are African. [Glossary](#) · [Source: africanews.com](#)

European Union (EU)

A union of 27 European countries with shared laws, a single market and a large aid budget. [Glossary](#)

African Growth and Opportunity Act (AGOA)

A US law that lets eligible African countries sell many goods to the United States without import duty. It lapsed in September 2025 and was renewed in September 2026 until the end of 2028. [Glossary](#) · [Source: the-star.co.ke](#)

International Labour Organization (ILO)

The UN agency for work, set up in 1919. Governments, employers and workers from 187 countries sit in it together. It sets labour standards and publishes figures on jobs. [Glossary](#) · [Source: ilo.org](#)

Informal work

Work without a contract, social security or legal protection, such as street trading or casual labour. Most African workers work informally. [Glossary](#)

Remittances

Money that people working abroad send home to their families. [Our recommendation on this](#) · [Glossary](#)

Kafala

A sponsorship system in Gulf states that tied a migrant worker to one employer, who controlled whether the worker could change jobs or leave the country. Saudi Arabia announced its end in October 2025. [Glossary](#) · [Source: walkfree.org](#)

AfCFTA

The African Continental Free Trade Area. Its members have agreed to cut tariffs and trade barriers between African countries. [Glossary](#) · [Source: au-afcfta.org](#)

Regional economic communities

Africa's regional groupings of states, such as ECOWAS in West Africa, the East African Community, SADC in southern Africa and IGAD in the Horn. They carry out many African Union policies. [Glossary](#)

Data protection law

A law that sets rules on collecting, storing and sharing personal information, usually enforced by a national regulator. [AI and technology briefing](#) · [Glossary](#)