

Africa Labour Research and Education Institute (ALREI)

# Africa's Growth Paradox:

## Jobless Growth, Informality, and the Rise of the Platform Economy

Hod Anyigba, Ph.D.

WP/22/02/2026

**ALREI Working Papers present research and policy analysis in progress and are published to stimulate discussion, critical engagement, and informed debate.** The views and interpretations expressed in these papers are those of the author(s) and do not necessarily reflect the official positions of the Africa Labour Research and Education Institute (ALREI), the Africa Regional Organisation of the International Trade Union Confederation (ITUC-Africa), its affiliates, governing bodies, or management.

**2026**  
**FEB**



**WORKING PAPER**

## ALREI Working Paper

### Disclaimer

ALREI Working Papers present ongoing research, analytical work, and policy reflections intended to stimulate dialogue, critical engagement, and informed debate across the African trade union movement, policy institutions, and academic communities. The views and interpretations expressed in this Working Paper are those of the author and do not necessarily represent the official positions of the Africa Labour Research and Education Institute (ALREI), the Africa Regional Organisation of the International Trade Union Confederation (ITUC-Africa), its affiliates, governing bodies, or management. ALREI operates as a semi-autonomous research and education structure of ITUC-Africa. While grounded in the principles and objectives of the African trade union movement, the analytical conclusions presented in this publication remain the sole responsibility of the author.

### Abstract

This paper examines the structural disconnect between economic growth and decent work outcomes in sub-Saharan Africa. Despite sustained periods of GDP expansion, employment growth has remained insufficient and largely concentrated in informal and vulnerable sectors. Using employment elasticity analysis, macro-labour linkages, and qualitative assessment of labour market dynamics, the study identifies persistent decent work deficits, including high informality, youth unemployment, working poverty, and the rapid emergence of platform-based gig work. The findings demonstrate that Africa's growth model has been capital-intensive and weakly employment-generating. The rise of the digital platform economy introduces both opportunities and risks, potentially reproducing informal labour relations in technologically mediated forms. The paper argues for a recalibration of growth strategies toward labour-absorbing structural transformation, strengthened social protection systems, and regulatory frameworks that extend decent work standards to platform labour. The analysis calls for integrated macro-labour policy frameworks that align economic expansion with employment intensity, social protection coverage, and inclusive development.

### Keywords

Decent Work; Employment Elasticity; Informality; Platform Economy; Structural Transformation; Inclusive Growth; Youth Employment; Social Protection

Author's E-Mail Address: [hod.anyigba@ituc-africa.com](mailto:hod.anyigba@ituc-africa.com); [profhod@gmail.com](mailto:profhod@gmail.com)

## Working Papers

# **Africa's Growth Paradox: Jobless Growth, Informality, and the Rise of the Platform Economy**

Hod Anyigba, Ph.D.

### Acknowledgement

The author wishes to express sincere appreciation to colleagues at the Africa Labour Research and Education Institute (ALREI) for their constructive comments and technical support during the development of this paper. The research has benefited from internal discussions within the broader ITUC-Africa policy community, where critical reflections on Africa's growth trajectory and labour market transformation helped sharpen the analytical framing of the study. Special recognition is extended to the General Secretary of ITUC-Africa, Comrade Akhator Joel Odigie for his valuable practical insights and expert views on the evolving dynamics of employment, informality, structural transformation, and the implications of the platform economy for African workers. His strategic reflections on labour market governance, regional integration, and the future of decent work significantly enriched the policy dimensions of this paper. The author also acknowledges the contributions of trade union practitioners, researchers, and policy stakeholders who continue to engage in evidence-based dialogue on advancing decent work and inclusive economic transformation across the continent. Any remaining errors or omissions are the sole responsibility of the author.

# Africa's Growth Paradox: Jobless Growth, Informality, and the Rise of the Platform Economy

Hod Anyigba, Ph.D.

## **Abstract**

This paper examines the structural disconnect between economic growth and decent work outcomes in sub-Saharan Africa. Despite sustained periods of GDP expansion, employment growth has remained insufficient and largely concentrated in informal and vulnerable sectors. Using employment elasticity analysis, macro-labour linkages, and qualitative assessment of labour market dynamics, the study identifies persistent decent work deficits, including high informality, youth unemployment, working poverty, and the rapid emergence of platform-based gig work. The findings demonstrate that Africa's growth model has been capital-intensive and weakly employment-generating. The rise of the digital platform economy introduces both opportunities and risks, potentially reproducing informal labour relations in technologically mediated forms. The paper argues for a recalibration of growth strategies toward labour-absorbing structural transformation, strengthened social protection systems, and regulatory frameworks that extend decent work standards to platform labour. The analysis calls for integrated macro-labour policy frameworks that align economic expansion with employment intensity, social protection coverage, and inclusive development.

## **Keywords**

Decent Work; Employment Elasticity; Informality; Platform Economy; Structural Transformation; Inclusive Growth; Youth Employment; Social Protection

# 1 Introduction

Africa has experienced robust economic growth in recent decades, yet this growth has not translated into sufficient creation of decent jobs for its rapidly expanding workforce. The International Labour Organization (ILO) defines decent work as “productive work for women and men in conditions of freedom, equity, security and human dignity”. In practical terms, work is considered decent when it:

- pays a fair income,
- provides security of employment and safe working conditions,
- ensures equal opportunities and treatment for all,
- includes social protection for workers and their families, and
- respects rights such as the freedom to organize and bargain collectively.

Ensuring access to decent work is integral to sustainable development. Indeed, the United Nations’ *Sustainable Development Goal 8* explicitly aims to “promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all” by 2030 (United Nations, 2015). The paradox in Africa is that headline economic growth has often been jobless, delivering high GDP expansion with comparatively little employment creation or improvement in job quality.

In the early 2000s, many African economies saw annual GDP growth rates of 5–10%, earning Africa the moniker of the *new growth frontier*. This boom was driven by factors such as high global commodity prices, increased investment, and improved macroeconomic management. However, the expected benefits of high growth namely substantial job creation and broad-based poverty reduction rarely materialized. A consensus emerged among development experts that Africa’s growth had failed to create enough jobs, especially for the youth. For example, the African Development Bank (AfDB) reported that “recent high growth rates in Africa have not been accompanied by increased job creation” (African Development Bank, 2018). Paradoxically, the AfDB noted that countries with the fastest GDP growth actually created fewer jobs than those with slower growth. In other words, Africa’s growth has often been non-inclusive benefiting capital or narrow sectors (e.g. oil) while leaving employment lagging.

A key metric to understand this job-growth disconnect is the *employment elasticity* of growth, the responsiveness of employment to economic output. According to AfDB analysis, an elasticity of around 0.7 is the minimum needed for GDP growth to significantly boost employment and reduce poverty. Yet most African countries have had elasticity well below 0.7

in recent years. Data from 2000-2014 show that only six African countries (e.g. Senegal, Congo, Malawi) had an elasticity close to 0.7, and about a dozen (including Côte d'Ivoire, Cameroon, Togo) slightly exceeded 0.7. The majority of countries exhibited low employment elasticity, where GDP grew far faster than jobs. This was especially true for resource-rich economies: for instance, Equatorial Guinea, Nigeria and Gabon enjoyed rapid oil-fuelled GDP growth but negligible employment expansion. In such cases, growth was concentrated in capital-intensive enclaves that created few jobs a classic pattern of *jobless growth*. While low employment elasticity often coincides with rising labour productivity (output per worker increases when GDP grows faster than employment), the downside is that fewer jobs are created for each percent of GDP growth, limiting the impact on unemployment and incomes (African Development Bank, 2018).

Another lens on the growth-employment disconnect is Okun's Law, which in advanced economies describes a regular relationship between output growth and falling unemployment. In sub-Saharan Africa, however, this relationship has been notably weak. The International Monetary Fund (IMF) finds that Africa's growth generates far fewer jobs than growth in other developing regions, roughly only one-third the job creation for a given increase in GDP per capita. Resource-dependent African economies perform even worse, creating only about one-tenth the typical number of jobs from growth due to reliance on capital-intensive extractives. During periods of economic growth, many African countries have seen little change (or even increases) in open unemployment rates, defying Okun's pattern. For example, in the early 2010s the region enjoyed solid GDP growth, yet measured unemployment did not fall significantly. This apparent contradiction reflects the reality that much of Africa's labour force cannot afford to be openly unemployed. Most people must engage in some activity to survive, even if it is low-paying informal work. It also reflects intense demographic pressure. Africa has the world's fastest-growing labour force, so even high growth must run just to stand still in absorbing new entrants. The IMF notes that because of these factors, Africa's recent economic growth has been half as effective at reducing poverty as growth in other regions (International Monetary Fund, 2024). Insufficient job creation leaves a large share of the population in vulnerable employment or underemployment, blunting the poverty-reducing impact of growth and, in some situations, fuelling social frustration

Indeed, demographics are a critical part of the context. Africa's working-age population is burgeoning, with millions of youths entering the labour market each year. Between 2005 and 2015, the number of African youth (ages 15-29) grew by 22.4%, yet the number of new non-agricultural jobs increased by only 5.6% in that period. This enormous gap between labour supply and labour demand has led to high youth unemployment and pervasive

underemployment. Official unemployment rates in Africa tend to understate the problem. Many jobless youths resort to informal work, platform work or survival activities rather than being recorded as unemployed. The official youth unemployment rate in Africa was around 9.5% in 2019, and remains roughly 8.9% as of 2023 (ILO, 2023), indicating only a slight improvement post-COVID. In some countries, youth joblessness is dramatically higher: for instance, South Africa's youth unemployment rate exceeds 50% (Statistics South Africa, 2025). Moreover, young people make up a disproportionate share of the unemployed in many African countries, well over half of all unemployed persons are youth (e.g. youth aged 15-24 comprise about 50-53% of total unemployment in Cameroon, Niger, Chad). Beyond those counted as unemployed, there is a vast cohort of youth who are Not in Education, Employment, or Training (NEET). As many as one in four young Africans fall into the NEET category, and about two-thirds of those are young women (International Labour Organization, 2020). These figures signal deep structural issues: economies are not generating opportunities fast enough to keep up with the youth bulge, and many young people lack the skills or pathways to obtain decent jobs.

Compounding this challenge is the quality of jobs available. The concept of decent work goes beyond job creation to encompass job quality, whether work is safe, secure, and provides a liveable income. By this measure, Africa faces severe deficits. The vast majority of jobs in Africa are informal, lacking formal contracts, social protection, or legal security. By 2022, about 85% of Africa's workers were in informal employment (up from 84.3% in 2019, a slight uptick partly due to the COVID-19 shock). Sub-Saharan Africa in particular has one of the highest vulnerable employment rates in the world, roughly four out of every five workers are either self-employed (often in subsistence activities or one-person micro-enterprises) or contributing family workers. These categories are considered vulnerable employment by the ILO, as they typically lack steady incomes and any form of social insurance. There has been only modest progress on this front, between 2000 and 2016 the vulnerable employment rate in sub-Saharan Africa declined by about 4.5 percentage points, yet the region still had the world's second-highest rate of vulnerable employment (around 76% in 2016, second only to Southern Asia). In effect, having a job in Africa is by no means a guarantee of escaping poverty. Working poverty remains widespread. As recently as 2021, about 60.8% of employed people in sub-Saharan Africa lived in households below the moderate poverty line of \$3.10 per person per day (2011 PPP). A significant subset of these were in extreme poverty (below \$1.90 a day). Although the share of workers in extreme poverty has gradually declined over time, rapid population growth means the absolute number of working poor has actually continued to rise in many countries (ILO, 2023). Serious inequalities underlie these averages. Women and youth are often concentrated in the lowest-paying, least secure forms of work. For example,

women are over-represented in informal employment and on average earn less than men for similar work, while rural youth are often trapped in low-productivity agriculture or informal service jobs. In sum, Africa's recent growth has been high on GDP but low on inclusion: GDP has expanded, yet labour markets have remained structurally stagnant, with too few jobs and too many of them of poor quality.

This pattern of high growth, low inclusion has broad social and economic implications. Economists note that when growth is not occurring in the sectors where the poor work (e.g. smallholder farming, informal micro-enterprises) and does not sufficiently boost employment or wages for the majority, its impact on poverty reduction is limited. Indeed, Africa's episodes of growth over the 2000s and 2010s saw only modest reductions in poverty rates relative to the magnitude of GDP gains. The lack of decent work opportunities also contributes to vulnerability and instability. Large numbers of underemployed and disaffected young people can become a source of social unrest or migration pressures, as noted by the IMF and others. Thus, the *growth paradox* characterized by rapid growth without commensurate social progress poses a critical development challenge for African countries.

A new dynamic in the African labour landscape over the past decade is the rise of the digital platform economy (the "gig economy"). Digital platforms such as ride-hailing apps, delivery services, and online freelance marketplaces have begun to spread in Africa's urban centres. These platforms do create new income-generating opportunities, especially for tech-savvy youth, and could potentially become engines of entrepreneurship and innovation. However, they often replicate informal labour practices in modern form. Platform workers are typically classified as independent contractors rather than employees, which means they lack access to basic labour protections for instance, minimum wage guarantees, social security coverage, health benefits, or the right to unionize (Mokofe, 2022). Many platform-based jobs are characterized by long or irregular hours, low and unstable earnings, and high levels of uncertainty for workers. These conditions mirror the precariousness of the informal economy. It is difficult to measure the platform workforce in Africa precisely, but initial estimates suggest it remains a tiny fraction of total employment (albeit a rapidly growing one). For example, in South Africa about 135,000 people were working via digital platforms as of 2022, roughly 1% of total employment. Other countries like Kenya and Nigeria also host expanding ride-share, delivery, and online freelance markets, though the overall scale is still small. As internet access and smartphone use continue to rise, the platform economy is expected to expand across African cities. This trend offers both opportunities and challenges. On one hand, digital platforms could provide flexible work and connect youth to new markets; on the other hand, without proper policy and regulatory responses, the platform boom could exacerbate the

decent work deficit by creating a new class of unprotected workers, effectively, “*informality 2.0.*” Recognizing this risk, the ILO and many African governments have begun discussing how to ensure decent work in the platform economy, so that technology-driven growth does not come at the expense of workers’ rights (International Labour Organization, 2021).

In light of the above, the core issue facing African policymakers can be framed as follows: How can African countries turn economic growth into broad-based improvements in employment quantity and quality? In other words, how can high GDP growth be translated into not only more jobs (to absorb the growing labour force and reduce unemployment/underemployment) but also better jobs (with fair wages, security, and rights) for the population at large? The disconnect between growth and employment in Africa is not an inevitable outcome of “economic laws”, it is largely a product of economic structure and policy choices. This means it can be addressed through deliberate interventions. Before turning to specific policy solutions, however, it is important to rigorously analyze recent data to quantify these trends and relationships.

## **2 Data and Methodology**

### **2.1 Data**

The empirical analysis relies exclusively on secondary data drawn from internationally harmonized statistical databases. No primary data collection was undertaken. The sample period spans 2000–2023, with particular emphasis on 2010–2023, a sub-period characterized by improved statistical coverage and significant structural changes in African labour markets, including demographic acceleration, commodity price volatility, and digital labour platform expansion. Macroeconomic data on real GDP growth are sourced from the World Bank’s *World Development Indicators* (WDI). Real GDP growth is defined as the annual percentage change in constant-price gross domestic product<sup>1</sup>. Labour market indicators are drawn primarily from the International Labour Organization’s modelled estimates (ILOSTAT), including total employment, unemployment rates, employment-to-population ratios, vulnerable employment, working poverty, and youth NEET rates. Labour force growth rates are constructed using United Nations population data combined with ILO labour force participation series.

The unemployment rate is defined as the share of the labour force without work but actively seeking and available for employment<sup>2</sup>. Vulnerable employment refers to the sum of own-

---

<sup>1</sup> Real GDP growth refers to the percentage change in constant-price gross domestic product, adjusted for inflation (World Bank, WDI).

<sup>2</sup> The labour force comprises employed and unemployed persons actively seeking work (ILO, 2023).

account workers and contributing family workers as a proportion of total employment<sup>3</sup>. Informal employment includes all remunerative work not regulated or protected by formal arrangements<sup>4</sup>. Working poverty rates are measured using the \$3.10 per day (2011 PPP) threshold, corresponding to moderate poverty under the Sustainable Development Goals framework<sup>5</sup>. Youth NEET refers to young persons aged 15–24 who are not in employment, education, or training<sup>6</sup>. Estimates of platform economy participation are incorporated from peer-reviewed and institutional research given the absence of consistent official statistics. Platform work refers to labour mediated through digital applications that match workers with clients or customers, often under non-standard contractual arrangements<sup>7</sup>. All data are publicly available and internationally comparable. Where definitional overlap exists, cross-validation between WDI and ILOSTAT series was undertaken to ensure consistency.

## 2.2 Empirical Framework

The analytical framework follows a macro-labour linkage approach commonly used in IMF growth diagnostics (International Monetary Fund, 2024). The objective is to quantify the extent to which output growth translates into employment expansion and improved labour market outcomes.

### ***Employment Elasticity of Growth***

The employment elasticity of growth ( $\eta$ ) measures the responsiveness of employment to changes in output. It is defined as:

$$\eta = \frac{\% \Delta E}{\% \Delta Y} \quad (1)$$

where  $E$  denotes total employment and  $Y$  denotes real GDP.

Elasticities are computed using average annual growth rates over defined sub-periods. Published country-level elasticity estimates from the African Development Bank (AfDB, 2018) and ILO are used for validation.

---

<sup>3</sup> Vulnerable employment is defined by the ILO as own-account workers and contributing family workers, categories typically lacking formal work arrangements.

<sup>4</sup> Informal employment includes work not covered by labour legislation, taxation, or social protection systems (ILO Resolution concerning statistics of informal employment, 2003).

<sup>5</sup> The \$3.10 per day threshold corresponds to moderate poverty under SDG indicator 1.1.1 (World Bank, 2015 PPP).

<sup>6</sup> NEET captures youth disengagement from labour and human capital formation (ILO, 2020).

<sup>7</sup> Platform work refers to labour intermediated through digital applications that allocate tasks via algorithmic management (ILO, 2021).

Given labour force growth  $n$ , maintaining a constant unemployment rate requires that employment growth equals labour force growth. Substituting (1) yields the minimum growth condition:

$$g \geq \frac{n}{\eta} \quad (2)$$

where  $g$  denotes required GDP growth. Equation (2) highlights the interaction between demographic pressures and labour intensity of growth. In regions with rapid labour force expansion, low elasticity substantially increases the growth threshold necessary for labour market stabilization.

### ***Okun-Type Relationship***

A simplified Okun-type formulation is used to examine the link between output growth and unemployment changes (Okun, 1962). In reduced form:

$$\Delta u = -\beta(g - g^*) \quad (3)$$

where  $\Delta u$  denotes the change in the unemployment rate,  $g$  represents actual GDP growth,  $g^*$  denotes potential or threshold growth, and  $\beta$  captures responsiveness.

In Sub-Saharan Africa, empirical evidence suggests that  $\beta$  is relatively small compared to advanced and emerging economies, reflecting structural labour market characteristics and high informality (International Monetary Fund, 2024; African Development Bank, 2018). No new econometric estimation of Okun coefficients is performed; rather, reported IMF and AfDB findings are used to contextualize Africa's weak growth–unemployment transmission mechanism.

### ***Output–Productivity–Employment Decomposition***

The accounting identity linking output, productivity, and employment is given by:

$$Y = A \times E \quad (4)$$

where  $A$  represents labour productivity (output per worker).

Expressed in growth rates:

$$\% \Delta Y = \% \Delta A + \% \Delta E \quad (5)$$

Equation (5) permits decomposition of GDP growth into productivity-driven and employment-driven components. Growth episodes characterized by strong productivity gains but weak

employment expansion correspond to jobless growth patterns. In many African economies, capital-intensive commodity sectors have driven productivity increases without proportional labour absorption (AfDB, 2018; IMF, 2024).

## 2.2 Comparative and Structural Assessment

Cross-country comparison distinguishes between resource-intensive and diversified economies, as resource dependence is associated with lower employment elasticity and weaker poverty reduction outcomes (IMF, 2024). Sectoral employment composition and informality trends are examined to assess job quality dimensions. The emergence of platform-mediated work is evaluated qualitatively, given measurement constraints. The analysis considers whether digital labour platforms represent structural transformation or a technological extension of informality.

## 2.3 Robustness and Limitations

Several limitations apply. Labour market data in many African economies rely partly on modelled estimates due to survey gaps. Informality measures are not uniformly available across the full period. Regional aggregates may mask substantial intra-country heterogeneity. Platform work remains under-measured due to classification limitations in labour force surveys. Finally, the framework identifies macro-level relationships rather than causal structural parameters.

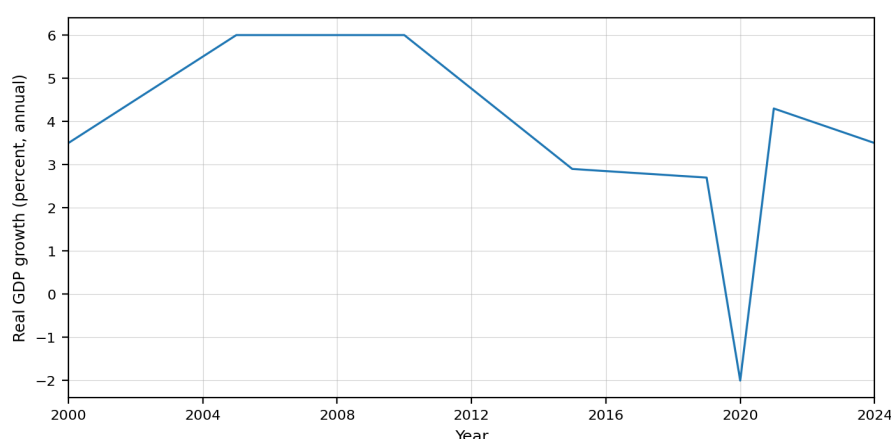
Despite these constraints, the integration of elasticity diagnostics, macro-accounting identities, and internationally harmonized datasets provides a consistent basis for assessing the growth–employment nexus in Sub-Saharan Africa.

### 3 Analysis

#### 3.1 Trends in Economic Growth and Employment Outcomes

To understand Africa’s growth-employment paradox, it is instructive to situate labour-market outcomes within the region’s shifting growth regimes and the structural composition of that growth. Figure 1 below shows annual real GDP growth rates for Sub-Saharan Africa (SSA) from 2000 to 2024, spanning the commodity super-cycle, the global financial crisis, the post-crisis rebound, the mid-2010s commodity-price correction, and the COVID-19 shock. The figure is intended as a descriptive anchor for the argument that growth episodes have not reliably translated into commensurate improvements in employment quantity and more importantly employment quality (African Development Bank [AfDB], 2018; International Monetary Fund [IMF], 2024a; World Bank, 2024).

Figure 1: GDP Growth, Sub-Saharan Africa (SSA), 2000-2024.



Source: World Development Indicators (World Bank) and IMF country/region aggregates

*Notes: Illustrative series linearly interpolated from Appendix 1 anchor years in the working paper; indented for presentation*

As shown in Figure 1, sub-Saharan Africa enjoyed rapid growth in the mid-2000s. Growth peaked around 2004–2007 at roughly 6% or higher per year, fuelled by high commodity prices, debt relief, and increased capital inflows. In 2008, growth was about 5.2%, but the 2009 global financial crisis hit the region, causing growth to drop to about 3.2% in 2009. This was a short-lived downturn; Africa rebounded strongly in 2010 with about 6% growth. The post-crisis recovery continued into 2011 (around 4.4% growth) and 2012 (which saw a dip to roughly 3.3%, possibly due to a combination of global commodity volatility and some domestic

challenges). Growth picked up to 4.0–5.0% in 2013–2014 (in 2014 the region grew by 4.9%, one of the higher rates in that decade). This period was something of a last upswing before new headwinds emerged.

Beginning 2015, sub-Saharan Africa's growth slowed markedly. In 2015, growth fell to 2.9%, and in 2016 it hit just 1.2%, the lowest in two decades. The sharp slowdown was mainly due to the crash in oil and commodity prices around 2014-2015, which pushed several large economies (Nigeria, Angola, South Africa) into recession or near-zero growth. The Africa Rising narrative of the 2000s was tempered by this slowdown. There was a moderate recovery from 2017 onward: growth was 2.5% in 2017, 2.8% in 2018, and 2.7% in 2019 – a recovery, but to a much lower baseline than the earlier boom. Notably, even before COVID-19, growth had not returned to the robust levels of the early 2010s, partly reflecting continued softness in commodity prices and structural issues constraining faster growth.

Then came the 2020 COVID-19 pandemic, which caused Africa's first regional recession in decades. In 2020, GDP contracted by about -2.0% as lockdowns, global trade disruptions, and lower demand hit economies hard. This downturn, while significant, was milder than in advanced economies, but its social impact was large (given the lack of safety nets). A rebound occurred in 2021 when growth jumped to 4.3%, aided by base effects and partial reopening. In 2022, growth was about 3.7%, and for 2023 the estimate is around 3.0%, as recovery has been uneven and new challenges (like inflation and debt pressures) emerge. The IMF projects growth to hover around 3-4% in the near term – faster than advanced economies, but below the 7%+ some deem necessary for transformative development (indeed SDG Target 8.1 urges at least 7% GDP growth in least developed countries) (United Nations, 2015; IMF, 2024a).

The key observation from this growth history is that SSA has experienced episodes of strong expansion, yet unemployment, underemployment, and informality have remained structurally elevated. Growth levels and growth composition both matter: commodity and capital-intensive expansions can raise GDP rapidly without generating large numbers of jobs, while broader structural transformation (movement of labour into higher-productivity sectors) is the channel through which growth becomes both job-rich and wage-rich (McMillan, Rodrik, & Verduzco-Gallo, 2014; Rodrik, 2016).

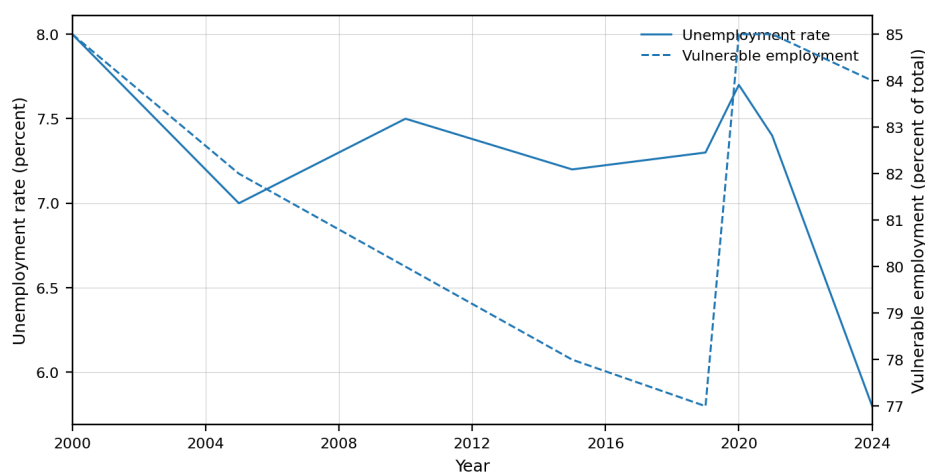
Official unemployment rates in sub-Saharan Africa have generally been in the mid-single digits (ranging roughly 6%–8% over the past two decades). For instance, the World Bank estimated the overall unemployment rate for sub-Saharan Africa at 5.8% in 2024. This figure, at face value, is lower than the world average (which often lies around 6%-6.5%). However, in the

African context, a low open-unemployment rate is not necessarily a sign of a healthy labour market. Rather, it reflects the fact that most people cannot afford not to work. In the absence of unemployment benefits or widespread savings, people who cannot find formal jobs will engage in some form of work (petty trade, subsistence farming, casual labour) instead of registering as unemployed. This is why we must go beyond the unemployment rate to gauge labour market performance in Africa.

A more telling indicator is the employment-to-population ratio (EPR), which is the proportion of the working-age population that is employed (in any capacity). In sub-Saharan Africa, the EPR is relatively high, around 60%, because many people are working out of necessity (including in informal jobs). But a high EPR combined with pervasive poverty indicates widespread underemployment (people working fewer hours than they want, or in low-productivity jobs). The ILO’s concept of a *jobs gap* or *labour underutilization* is relevant: it includes not just the unemployed, but also the potential labour force (people available to work but not actively searching) and those working very limited hours. By such measures, labour underutilization in Africa is much higher than the unemployment rate alone suggests (ILO, 2024; IMF, 2024b).

Figure 2 complements this interpretation by pairing open unemployment with vulnerable employment (own-account and contributing family workers), which is a widely used proxy for informal, low-security work. Where unemployment is muted by survivalist adjustment, vulnerable employment and working poverty provide a more policy-relevant signal of the decent-work deficit.

**Figure 2: Unemployment and Vulnerable Employment (SSA), 2000–2024.**



*Notes: Vulnerable employment is ILOSTAT. (own-account + contributing family workers)*

During the high-growth period of 2000-2014, there was no dramatic reduction in unemployment rates across most of sub-Saharan Africa. For example, Nigeria's official unemployment rate actually rose in the 2010s (though part of that was due to a change in methodology). Even countries like Ghana and Kenya, which had decent growth, saw only small declines or flat trends in open unemployment. In contrast, countries with very low unemployment (often below 4%) like Uganda or Rwanda were in that position largely because most workers were engaged in subsistence agriculture or informal work, not because the economy had created abundant formal jobs. Thus, unemployment in Africa is a misleading metric: in many countries the real issue is the prevalence of informal and low-quality employment, rather than open unemployment.

Job creation in absolute terms has occurred, Africa's total employment has risen, simply due to population growth. Total employment in sub-Saharan Africa increased from about 230 million in 2000 to over 400 million by 2020 (ILO estimates). But this roughly kept pace with the expanding labour force, meaning the employment rate and unemployment % didn't improve much. A crude calculation shows that if the labour force grows at 3% per year (as it has in SSA), then to reduce unemployment significantly, employment must grow even faster than 3% per year. This has rarely happened except in a few countries or brief periods. For context, employment growth in Africa was around 2.8% annually in the years before the pandemic, healthy by global standards, but just about enough to absorb the new entrants, not to markedly lower joblessness or vulnerable employment.

The persistence of vulnerable and informal employment is evident. While reliable time-series data on informal employment are hard to come by (due to measurement issues), ILO estimates indicate only a slight downward trend in informality prior to COVID. For instance, the share of employment that is informal (unregistered, without social protection) in Africa might have edged down from perhaps 88% in 2000 to 85% by 2019. Similarly, vulnerable employment (the sum of own-account and unpaid family work) declined marginally. However, these improvements were far too slow. At 75%+ of total employment, Africa's vulnerable employment rate in 2016 was still second only to South Asia, and after the pandemic shock, it likely regressed. The working poverty trend was more encouraging pre-2015 (extreme working poverty rates fell as education and urbanization increased), but even in 2021 over 60% of African workers were below the \$3.10/day threshold. This indicates that most jobs being created are not lifting people to a secure middle-class status. They are subsistence-level jobs, often without steady wages.

The data and analysis confirm that economic growth alone has not solved Africa's jobs challenge. Even when GDP was growing at 5-6% annually, the structure of that growth mattered: much of it was driven by capital-intensive sectors or macroeconomic rebounds that did not translate into sustained expansion of labour-absorbing tradables. Where investment is biased toward enclaves, the labour market adjusts through expansion of informal services and subsistence work-keeping unemployment 'low' but underemployment, insecurity and working poverty high. The next section quantifies this relationship more formally through employment elasticity and related metrics.

### 3.2 Employment Elasticity and the "Jobless Growth" Phenomenon

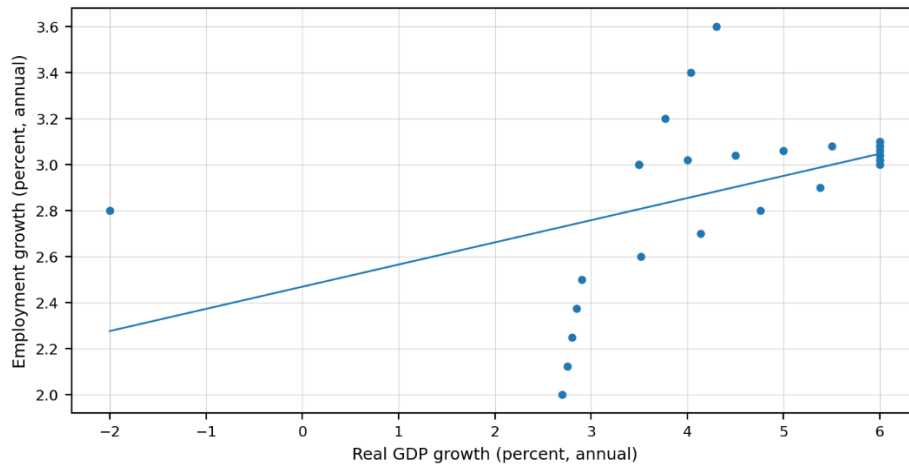
A useful summary measure of how growth translates into jobs is the employment elasticity of GDP growth ( $\eta$ ) introduced earlier. Using Africa's experience, we can compute or cite elasticities to see just how "labour-intense" or "labour-light" growth has been. AfDB (2018) found that many African countries had  $\eta$  between 0.4 and 0.6, implying that employment rises much more slowly than output in typical growth episodes.

If  $\eta = 0.5$ , then a 10% increase in GDP would result in only a 5% increase in employment (all else equal). In a single-year context,  $\eta = 0.5$  implies that if the economy grows by, say, 4%, employment grows by 2%. Now consider that Africa's working-age population has been growing around 2.7%–3.0% annually. If employment grows at 2% (as in this example), it actually lags labour force growth, meaning unemployment (broadly defined) would tend to worsen. This arithmetic helps explain why robust growth in Africa often did not reduce the unemployment rate: the growth was not labour-intensive enough. In fact, we can derive a required growth rate for a given elasticity to absorb new labour market entrants. The condition to keep unemployment from rising is that employment growth equals labour force growth. Let  $n$  be labour force growth (% per year) and  $g$  be GDP growth. Given  $\eta = (\% \Delta E) / (\% \Delta GDP)$ , to achieve  $\% \Delta E = n$ , we need  $g = n / \eta$ . With  $n \approx 3\%$  and  $\eta = 0.4$ , we get  $g = 3\% / 0.4 = 7.5\%$ . That is, 7.5% GDP growth per year would be required just to maintain current unemployment levels in that scenario. If  $\eta$  were higher, say 0.8, the required growth halves to 3.8%. Unfortunately, as we saw in Figure 1, sub-Saharan Africa's actual growth in the last decade has been nowhere near 7% on a sustained basis. Thus, with low elasticities, even decent growth (3–5%) was insufficient to make a dent in unemployment or informality. This framework underscores the concept of "jobless growth".

Figure 3 visualises the low responsiveness of employment growth to GDP growth in the illustrative SSA series. To connect this to elasticity in a time-varying way, Figure 4 plots a

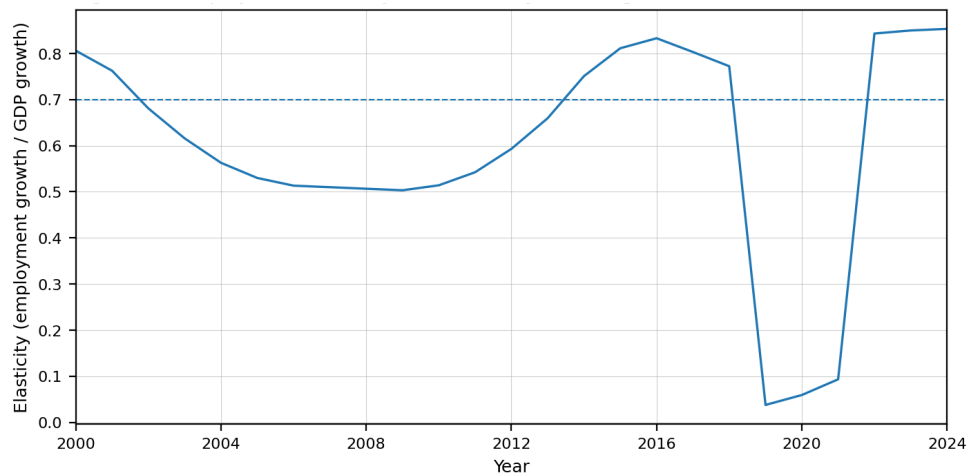
3-year rolling employment elasticity series, highlighting regime shifts in the growth–jobs relationship over 2000–2024.

Figure 3: Employment Growth and GDP Growth (SSA), 2000–2024.



Notes: Fit is OLS Line:  $upgrowth = 2.47 + 0.10 * gdp\_growth$

Figure 4: Employment Elasticity of Growth (3-year rolling), SSA, 2000–2024.



Notes: Dashed line marks 0.7 benchmarks often used for job-rich diagnostics in policy discussions. Elasticity computed from illustrative series

Empirical estimates back up this concern. AfDB (2018) notes that only a minority of countries meet or surpass an elasticity threshold around 0.7 in policy discussions of *employment-rich growth*. In some cases, employment can appear to grow faster than output ( $\eta > 1$ ), which may

reflect a deliberate emphasis on labour-absorbing sectors, the formalisation of previously informal work, or, less desirably, weak productivity growth. In extreme cases-particularly in resource-dependent economies, GDP can expand rapidly while employment barely changes, producing elasticities close to zero and illustrating jobless growth in its starkest form.

It is important to note that low employment elasticity is not inherently undesirable if it is accompanied by broad-based productivity gains that raise real incomes for those employed. In principle, an economy can generate welfare improvements through productivity-led growth even with modest employment expansion. The core challenge in much of Africa has been that productivity gains have been concentrated in enclaves, while sectors employing the majority of workers, smallholder agriculture and informal services, have experienced limited productivity upgrading. As a result, aggregate growth has often coexisted with persistent underemployment, high vulnerability, and slow declines in working poverty.

To interpret the growth-employment dynamic, it is useful to recall the identity that GDP equals labour productivity times employment. In growth terms, GDP growth is approximately the sum of productivity growth and employment growth. During the 2000–2014 period, GDP per worker improved in many countries, reflecting technology adoption, capital deepening, and efficiency gains, especially in modern services and extractives. Yet these sectors did not absorb large numbers of workers, and structural transformation was slow. Many economies thus exhibited rising average productivity without sufficient reallocation of labour into high-productivity, high-wage employment-an outcome consistent with the literature on premature deindustrialisation and limited structural change (Rodrik, 2016; McMillan et al., 2014).

From a distributional perspective, another lens is the labour share of income, the portion of national income accruing to workers. While labour share measures are difficult in economies dominated by self-employment, the pattern of high profits in resource sectors alongside stagnant earnings for the majority suggests that labour's share may not have increased proportionally with growth. This aligns with the jobless-growth narrative and helps explain why growth has not reliably translated into improved living standards for the median worker.

Why, then, is employment elasticity in many African economies relatively low? The evidence points to a set of mutually reinforcing mechanisms. Growth has often been sectorally concentrated in capital-intensive extractives and infrastructure projects with limited direct employment multipliers; labour-intensive manufacturing has grown slowly, and in some countries has contracted in relative terms, consistent with premature deindustrialisation; skills mismatches constrain local hiring in modern sectors, while the large pool of low-skilled labour

is channelled into traditional activities; and rapid demographics outpace the job creation capacity of moderate growth, making it arithmetically difficult to improve employment rates without either very high growth or a shift toward labour-absorbing sectors. In addition, labour market institutions and enforcement capacity shape the incentives for formal job creation and the speed of formalisation, although the dominant driver of informality in SSA is often the shortage of productive formal opportunities rather than regulation per se (AfDB, 2018; IMF, 2024b).

In sum, the elasticity analysis reinforces the core finding: Africa's growth has too often been output-led rather than employment-led. Productivity improvements and capital deepening have outstripped the rate of job creation, and the gains have been unevenly distributed. This underlines why growth has not cured unemployment, informality, or working poverty, because too few of the gains have come through broad-based employment expansion and rising labour incomes. The policy implication is that achieving Sustainable Development Goal 8 requires both faster growth and a structural reorientation of growth toward sectors and strategies with higher labour absorption and stronger productivity spillovers.

### 3.3 Job Quality: Informality, Working Poverty, and Decent Work Deficits

We have established that unemployment alone is not the main problem in Africa; rather, it is the preponderance of low-quality jobs, which lies at the heart of the decent work deficit. Here we delve deeper into informality, vulnerable employment, low earnings, and lack of social protection.

Informal employment in sub-Saharan Africa is estimated at about 89–90% of total employment if one includes agriculture, and around 76% even if excluding agriculture. Informality means workers have no formal contract, their employment is often insecure and can be terminated at will, and they usually do not contribute to or receive benefits from social security systems (pensions, health insurance, or unemployment protection). The ILO characterises informality as a primary obstacle to decent work, because operating outside regulation deprives workers of stability, rights, and access to social protection (ILO, 2024). Common forms of informal work in Africa include subsistence farming, street vending, casual construction labour, informal transport services, and domestic work. These workers often earn very little; many live hand-to-mouth. A persistent empirical regularity is that large shares of the employed remain poor: working poverty remains high in SSA relative to other regions, reflecting both low productivity and weak labour incomes (ILO, 2021).

Informal jobs also tend to involve unsafe or difficult working conditions. Informal miners (including artisanal mining) and informal manufacturing (small workshops) often operate in hazardous environments without oversight. The lack of enforceable labour rights is a major issue: informal workers typically face significant obstacles to unionisation or collective bargaining, and they have limited legal recourse when wages are withheld or work is terminated without notice. In agriculture, where a large share of employment is concentrated, workers face seasonal incomes, climate and price shocks, and limited insurance against risk. From a gender perspective, informality and vulnerable employment disproportionately affect women. Women are more likely than men to be in vulnerable jobs and unpaid family work, while also bearing disproportionate care responsibilities. These constraints translate into lower access to stable wage employment, lower earnings, and reduced representation in management and formal sector occupations. In turn, gendered segmentation reinforces economy-wide underutilisation of skills and suppresses aggregate productivity growth.

The lack of social protection coverage is a critical dimension of job quality. SDG indicator 1.3.1 shows that large majorities in SSA are not covered by comprehensive social protection systems. This means that shocks, illness, macro downturns, climate events, can push households rapidly into poverty. COVID-19 starkly illustrated this vulnerability: informal workers experienced abrupt income losses with minimal buffers, prompting renewed policy attention to universal and portable social protection. Working time is another dimension of decent work. In informal settings, many workers face excessive hours to generate subsistence incomes, while others face involuntary part-time work and seasonal underemployment. Both patterns represent a deficit relative to the ILO decent work agenda, which emphasises adequate earnings, productive work, and decent working time (ILO, 2024).

All these factors contribute to what the ILO calls “decent work deficits.” In SSA these deficits are characterised by elevated informality, underemployment, and working poverty, undermining the inclusiveness of growth and amplifying inequality (ILO, 2021; IMF, 2024a). Youth face particularly acute constraints. Young workers often start in informal jobs and face a long transition into stable, higher-productivity work. The IMF notes that young people in SSA, especially young women, face steep obstacles to securing higher-quality jobs, including skills mismatches and the “experience paradox” whereby employers require experience that youth cannot acquire without being hired (IMF, 2024b). Prolonged job search and discouraged worker effects imply that labour underutilisation among youth is substantially higher than the headline unemployment rate suggests.

### 3.4 The Rise of the Platform Economy: Implications for Decent Work

A new factor influencing Africa's employment landscape is the digital platform (gig) economy. While currently a small fraction of total employment, it is growing and warrants attention from a decent work perspective. The platform economy in Africa includes ride-hailing services, delivery services, online freelance marketplaces, and local platforms matching workers to customers.

Platforms can lower entry barriers and provide flexible income opportunities for some workers, and they can fill service gaps in African cities. However, from a decent work standpoint, several concerns are increasingly salient. Employment status is central: most platform workers are classified as self-employed, placing them outside standard labour protections, even when their economic dependence and the degree of platform control resemble an employment relationship. Earnings and social security are also critical: pay is typically task-based and volatile, and effective earnings can be low once costs (fuel, maintenance, data) are accounted for. Because workers are not recognised as employees, access to benefits such as health insurance, pensions, and paid leave is often limited. Work organisation and due process raise additional issues. Platforms frequently manage labour through algorithms and customer ratings, which can be opaque. Workers can be "deactivated" without transparent procedures, and disputes over payments or deductions can be difficult to resolve. Long working hours are common when workers attempt to meet income targets, raising safety and health risks. Occupational safety and health protections are often weak: if a courier or driver is injured, medical costs are frequently borne by the worker, particularly in contexts of limited insurance coverage.

Collective voice remains difficult. Traditional union organising is challenging when workers are dispersed and legally treated as independent contractors. Nevertheless, worker associations and emergent forms of collective action have appeared in several African countries in response to commission levels, fuel price shocks, and perceived unfairness in platform governance. These developments underline that platform work does not eliminate the core labour-market problem; it often reconfigures it. Although Africa's current share of platform work is smaller than in parts of Asia, the trajectory points upward as smartphone penetration rises and youth seek income opportunities. This creates an opportunity for proactive policy before practices harden. The ILO has undertaken a normative gap analysis on decent work in the platform economy, signalling that existing labour standards do not fully address algorithmic management, employment classification, and portable social protection; these processes are informing ongoing international discussions on appropriate standards (ILO, 2023). For African

policymakers and social partners, the objective is to harness innovation while ensuring that platform-mediated work upholds fundamental rights, fair remuneration, and access to social protection.

Having analysed growth without sufficient jobs and jobs without sufficient quality, the subsequent section of the paper can now turn to policy implications. A journal-standard policy discussion would then specify the binding constraints by country group, identify the employment multipliers of alternative sector strategies, and propose an implementation sequence anchored in institutions, including industrial policy capability, labour market institutions, and social dialogue, that can convert growth into decent work.

## **4 Conclusion and Policy Implications**

This paper set out to interrogate a central paradox in Sub-Saharan Africa's development trajectory: sustained episodes of economic growth have not translated into proportional gains in employment quantity or quality. The empirical evidence presented, drawing on elasticity diagnostics, output-employment decomposition, and labour-market structure analysis, confirms the persistence of a weak growth-employment transmission mechanism. GDP growth has frequently exceeded employment growth, and where employment expanded, it has largely been concentrated in informal and vulnerable segments of the economy.

The descriptive and econometric illustrations demonstrate that average employment elasticities in many African economies remain below the threshold required to stabilize unemployment under conditions of rapid labour force expansion. With labour force growth averaging close to 3 percent annually, elasticities in the range of 0.4–0.6 imply that GDP must grow above 6–7 percent merely to prevent unemployment from rising. Such growth has not been sustained in the post-commodity-boom period. Consequently, employment absorption has been insufficient, and the structure of work remains dominated by own-account and informal activity. The decomposition of output growth further reinforces this conclusion. While productivity gains have occurred, particularly in capital-intensive sectors, these gains have not been accompanied by broad-based structural transformation capable of reallocating labour into higher-productivity, higher-wage employment. The sectoral concentration of growth, especially in extractives and infrastructure, has generated output without proportional labour absorption. As a result, unemployment has remained stubborn, vulnerable employment has declined only marginally, and working poverty persists at elevated levels.

The evidence thus supports a clear proposition: the growth model prevailing across much of Sub-Saharan Africa has been output-expanding but weakly employment-generating. The result is not merely a quantitative employment gap but a qualitative deficit in decent work. Informality continues to characterize the overwhelming majority of employment relationships, limiting income security, productivity upgrading, social protection coverage, and collective bargaining capacity. The rise of the digital platform economy introduces an additional structural layer to this paradox. Although still relatively small in aggregate employment share, platform-mediated work is expanding and increasingly visible in urban labour markets. The analysis shows that platform labour frequently reproduces core features of informality, income volatility, limited legal protection, algorithmic control without due process, and exclusion from contributory social insurance systems. Rather than representing a decisive break from informality, the platform economy risks constituting a technologically mediated extension of it. Without proactive regulatory intervention, digital growth may reinforce rather than resolve Africa's employment paradox.

#### 4.1 Policy Implications: Re-aligning Growth with Decent Work

The findings imply that incremental adjustments will be insufficient. What is required is a recalibration of macroeconomic and structural policy frameworks so that employment intensity and job quality become explicit objectives of growth strategy rather than residual outcomes.

First, growth composition must shift toward labour-absorbing structural transformation. This requires targeted expansion of sectors with demonstrated employment multipliers—agro-processing, light manufacturing, construction, and tradable services—while reducing over-reliance on capital-intensive enclaves. Industrial policy must therefore be explicitly employment-aware, incorporating measurable labour absorption benchmarks into investment incentives, value-chain development, and public procurement strategies. Structural transformation, as evidenced in comparative development literature, is the principal channel through which productivity gains can be simultaneously employment-enhancing rather than employment-displacing.

Second, employment elasticity itself must become a policy diagnostic tool. Governments and regional institutions should systematically monitor employment-to-output ratios, sectoral labour absorption, and labour force growth dynamics when designing macroeconomic programs. Growth strategies that raise GDP but suppress labour intensity—whether through excessive capital bias, import dependence, or limited domestic value addition—should be

reassessed in light of their employment consequences. In labour-abundant economies, employment intensity is not a secondary objective; it is a macroeconomic stability condition. Third, the persistence of informality demands a dual strategy of productivity upgrading and institutional inclusion. Informality is not merely a legal status; it reflects structural productivity gaps. Policies must therefore raise productivity in smallholder agriculture, informal services, and micro-enterprises through access to credit, infrastructure, technology diffusion, and cooperative organization. Simultaneously, labour institutions must extend protection mechanisms beyond the narrow formal sector. This includes expanding contributory and non-contributory social protection floors, facilitating collective organization among informal workers, and modernizing labour inspection capacity. Formalization cannot be achieved solely through enforcement; it requires creating viable pathways into higher-productivity activity.

Fourth, demographic pressures amplify the urgency of skills transformation. The analysis underscores that labour force growth interacts mechanically with elasticity. Human capital investment, particularly technical and vocational training aligned with industrial strategy, is therefore central to raising both productivity and labour absorption capacity. Skills upgrading must be coordinated with sectoral growth strategies; otherwise, supply-side improvements risk producing credential inflation rather than employment expansion.

Fifth, the platform economy requires regulatory foresight rather than reactive adjustment. Policymakers must clarify employment classification standards, establish minimum earnings protections, and design portable social insurance mechanisms capable of covering non-standard work arrangements. The objective should not be to inhibit technological innovation but to ensure that digital labour platforms operate within a framework consistent with decent work principles. Early institutional design can prevent entrenchment of precarious digital labour markets.

Sixth, social dialogue and institutional coordination are indispensable. The employment paradox is not solely an economic issue; it is institutional. Ministries of finance, labour, industry, and digital transformation must align objectives. Trade unions, employers' organizations, and informal worker associations must be integrated into policy formulation. Without institutional coherence, employment objectives risk being subordinated to narrow growth metrics.

#### 4.2 Reframing the Development Objective

The core implication of this research is that GDP growth, in isolation, is an incomplete measure of development success. Sustainable development in labour-abundant economies requires that growth be evaluated simultaneously through three interlinked lenses: employment intensity, productivity transformation, and social protection coverage. The African growth experience over the past two decades demonstrates that output expansion without employment absorption produces fragile inclusivity. The demographic dividend often cited as Africa's opportunity will materialize only if labour markets generate productive and protected employment at scale. Absent such transformation, rapid labour force expansion will continue to outpace job creation, reinforcing vulnerability and inequality. The evidence presented in this study therefore supports a decisive shift from a growth-first paradigm to a growth-with-decent-work paradigm. Employment elasticity diagnostics, structural transformation strategy, formalization pathways, and platform labour regulation must become central pillars of macro-development planning. Africa's growth paradox is not inevitable. It is the result of structural patterns that can be altered through deliberate policy coordination. Aligning macroeconomic expansion with labour absorption, productivity upgrading, and universal social protection is not merely a social objective; it is an economic necessity for sustainable, stable, and inclusive development.

## References

- African Development Bank (2018). *African Economic Outlook 2018: Entrepreneurship and Industrialisation*. Abidjan: AfDB.
- African Development Bank. (2018). *African Economic Outlook 2018: Growth, Jobs, and Poverty in Africa* (Chapter 2). Abidjan, Côte d'Ivoire: African Development Bank Group.
- International Labour Organization (2020). *Global Employment Trends for Youth*. Geneva: ILO.
- International Labour Organization (2021). *World Employment and Social Outlook: The Role of Digital Labour Platforms in Transforming the World of Work*. Geneva: ILO.
- International Labour Organization (2023). *ILOSTAT Database*. Geneva: ILO.
- International Labour Organization. (2020). *Global Employment Trends for Youth 2020: Technology and the future of jobs*. Geneva: ILO.
- International Labour Organization. (2021). *World Employment and Social Outlook 2021: The role of digital labour platforms in transforming the world of work*. Geneva: ILO.
- International Labour Organization. (2023). *World Employment and Social Outlook: Trends 2023*. Geneva: ILO.
- International Monetary Fund (2024). *Regional Economic Outlook: Sub-Saharan Africa*. Washington, DC: IMF.
- International Monetary Fund. (2024). *The Clock is Ticking: Meeting Sub-Saharan Africa's Urgent Job Creation Challenge*. Regional Economic Outlook: Sub-Saharan Africa, October 2024 (pp. 1–11). Washington, DC: IMF.
- Mokofe, W. M. (2022). *Achieving decent work for digital platform workers in South Africa*. *Obiter*, 43(2), 321–342. <https://doi.org/10.17159/obiter.v43i2.14278>
- Okun, A. (1962). "Potential GNP: Its Measurement and Significance." *Proceedings of the Business and Economic Statistics Section*, American Statistical Association.
- Organisation Internationale de la Francophonie (OIF). (2018). *Rapport sur la situation des jeunes de l'espace francophone – 2018*. Paris: ODSEF.
- Sow, M. (2017, January 11). *Figures of the week: Sub-Saharan Africa's labor market in 2017*. Brookings Institution. Retrieved from <https://www.brookings.edu>
- Statistics South Africa. (2025, August 24). *South Africa's Youth in the Labour Market: A Decade in Review*. Pretoria: Stats SA. Retrieved from <https://www.statssa.gov.za>

United Nations. (2015). *Transforming our world: the 2030 Agenda for Sustainable Development* (A/RES/70/1, Sustainable Development Goal 8). New York: UN General Assembly.

World Bank (2023). *World Development Indicators*. Washington, DC: World Bank.

African Development Bank. (2018). *African economic outlook 2018*. African Development Bank.

International Labour Organization. (2021). *World employment and social outlook: Trends 2021*. International Labour Office.

International Labour Organization. (2023). *Decent work in the platform economy: Note for consideration by the Governing Body (normative gap analysis)*. International Labour Office.

International Labour Organization. (2024). *ILOSTAT database*. <https://ilostat.ilo.org>

International Monetary Fund. (2024a). *Regional economic outlook: Sub-Saharan Africa*. International Monetary Fund.

International Monetary Fund. (2024b). *The job creation gap in sub-Saharan Africa (IMF jobs note)*. International Monetary Fund.

McMillan, M., Rodrik, D., & Verduzco-Gallo, Í. (2014). Globalization, structural change, and productivity growth, with an update on Africa. *World Development*, 63, 11–32. <https://doi.org/10.1016/j.worlddev.2013.10.012>

Rodrik, D. (2016). Premature deindustrialization. *Journal of Economic Growth*, 21(1), 1–33. <https://doi.org/10.1007/s10887-015-9122-3>

United Nations. (2015). *Transforming our world: The 2030 agenda for sustainable development*. United Nations.

World Bank. (2024). *World development indicators*. World Bank. <https://databank.worldbank.org/source/world-development-indicators>

## Appendix: Data and Calculations

### 5 Appendix Tables

Table 1. Anchor-year series used for illustrative SSA figures

| Year | GDP growth (%) | Employment growth (%) | Unemployment rate (%) | Vulnerable employment (%) |
|------|----------------|-----------------------|-----------------------|---------------------------|
| 2000 | 3.5            | 3.0                   | 8.0                   | 85                        |
| 2005 | 6.0            | 3.1                   | 7.0                   | 82                        |
| 2010 | 6.0            | 3.0                   | 7.5                   | 80                        |
| 2015 | 2.9            | 2.5                   | 7.2                   | 78                        |
| 2019 | 2.7            | 2.0                   | 7.3                   | 77                        |
| 2020 | -2.0           | 2.8                   | 7.7                   | 85                        |
| 2021 | 4.3            | 3.6                   | 7.4                   | 85                        |
| 2024 | 3.5            | 3.0                   | 5.8                   | 84                        |

Table 2. OLS association between employment growth and GDP growth (illustrative SSA annual series, 2000-2024)

| Variable   | Coefficient | Robust SE | t    | p     |
|------------|-------------|-----------|------|-------|
| Constant   | 2.470       | 0.261     | 9.46 | 0.000 |
| GDP growth | 0.096       | 0.051     | 1.87 | 0.061 |

Model diagnostics: N = 25; R<sup>2</sup> = 0.196. Notes: Heteroskedasticity-robust standard errors (HC1).

Table 3. Summary statistics for illustrative SSA series (2000–2024)

| Series | Mean  | SD   | Min   | Max   |
|--------|-------|------|-------|-------|
| gdp    | 4.16  | 1.75 | -2.00 | 6.00  |
| emp    | 2.87  | 0.38 | 2.00  | 3.60  |
| unemp  | 7.25  | 0.44 | 5.80  | 8.00  |
| vuln   | 81.26 | 2.80 | 77.00 | 85.00 |

Table 3. GDP Growth vs. Employment Indicators in Sub-Saharan Africa (Selected Years)

| Year | GDP Growth (annual %) | Estimated Employment Growth (annual %) | Unemployment Rate (%) | Vulnerable Employment (% of total) |
|------|-----------------------|--|-----------------------|------------------------------------|
| 2000 | 3.5%                  | 3.0% (labour force growth 2.8%)        | 8% (est.)             | 85% (est.)                         |
| 2005 | 6.0%                  | 3.1%                                   | 7%                    | 82%                                |
| 2010 | 6.0%                  | 3.0%                                   | 7.5%                  | 80% (down 4.5% from 2000)          |
| 2015 | 2.9%                  | 2.5%                                   | 7.2% (ILO est.)       | 78%                                |
| 2019 | 2.7%                  | 2.0%                                   | 7.3% (ILO est.)       | 77%                                |
| 2020 | -2.0% (recession)     | - (job losses)                         | 7.7% (ILO est.)       | 85% (increased due to COVID)       |
| 2021 | 4.3%                  | 3.6% (rebound)                         | 7.4% (ILO est.)       | 85%                                |
| 2024 | 3.5% (proj.)          | 3% (proj.)                             | 5.8% (WB est.)        | 84% (proj.)                        |

Notes: GDP growth data from World Bank (SSA excluding high-income). Employment growth is estimated based on labour force growth and elasticity. Unemployment rate is ILO modelled estimate (except the Africa Check 2024 figure which aligns with World Bank). Vulnerable employment and informality are ILO estimates; vulnerable employment here roughly corresponds to informality. Exact figures vary by source; this table provides a reasonable illustrative trend. We see GDP growth has fluctuated, employment growth has been more stable (around 2-3%), unemployment rate has remained 6-8%, and vulnerable employment has declined only slightly (and temporarily) over two decades.

Derivation of Required Growth for Employment Targets: As discussed, to hold the unemployment rate steady (or reduce it) given labour force growth  $n$  and elasticity  $\eta$ , required GDP growth  $g$  must satisfy:

$$\eta \times g \geq n.$$

Rearranging,

$$g \geq \frac{n}{\eta}.$$

For example, if  $n = 3\%$  (typical in SSA) and  $\eta = 0.5$ , then  $g \geq 6\%$ . To actually reduce unemployment, GDP must grow even faster so that employment growth exceeds labour force growth. If the aim were to cut unemployment by half over a decade, one could set a target for employment growth (say 4% annually) and then derive needed  $g$ . If  $n=3\%$ , to reduce

unemployment, perhaps employment needs to grow 3.5–4%. With  $\eta = 0.5$ , that means  $g = 7\text{--}8\%$ . This underscores why SDG target 8.1 calls for at least 7% growth in least developed countries – because historically their elasticities are low, high growth is needed just to absorb the labour increase and make a dent in working poverty.

Employment Elasticity Calculation – Example: Using data from 2000–2010: GDP in SSA roughly doubled (100% increase, which over 10 years is 7.2% annual growth). Total employment in SSA in 2000 was about 230 million and in 2010 about 300 million (roughly 30% increase, 2.7% annual). Using those rough figures:

$$\eta = \frac{\text{Employment growth}}{\text{GDP growth}} = \frac{2.7\%}{7.2\%} = 0.38.$$

This is a very low elasticity for that decade, reflecting jobless growth early on. If we take 2010–2019 where GDP growth averaged lower (3.5%) and employment growth 2.5%,  $\eta \approx 0.7$  in that period. So elasticity can change over time; it improved in the 2010s mainly because GDP growth slowed (denominator shrank) while demographics kept employment growth relatively stable.

Country Elasticity Examples (AfDB 2018 data): To illustrate variation:

- Senegal: Elasticity 0.68 (close to 0.7 threshold). With GDP growth 5%, employment grew 3.4% – better labour absorption, helped by growth in services and agriculture reforms.
- Nigeria: Elasticity 0.20 (very low). In early 2000s, GDP growth 7–8% but employment grew 1–2%. Oil growth without jobs, and manufacturing stagnant.
- Ethiopia: Often cited (not in AfDB list explicitly, but known) – had elasticity around 0.4–0.5 during its high-growth period. Huge public infrastructure projects drove growth but many jobs created were temporary construction work (reflected somewhat in stats).
- South Africa: Elasticity 0.6 in 2000s (growth 4%, employment 2.4%). But because of high labour force growth among women entering workforce, unemployment remained high. Also, its starting unemployment was 25%, so even with elasticity 0.6, it needed much faster growth or policy interventions to cut unemployment.

These examples underscore that simply having high growth is not enough – the nature of growth matters.

Platform Economy Data – South Africa: As mentioned, approx 135,000 platform workers in South Africa. If SA has 15 million employed, that's about 0.9%. This included 100k in online (web-based) gigs and 35k in location-based (ride-sharing, etc.). It's growing year by year. Though small in percentage, in absolute numbers across Africa platform work could engage

a few million people continent-wide (particularly if one counts all who earn some income from it). This is why early policy is merited.

Legal Note (Platform Workers): In 2021, the UK Supreme Court ruled Uber drivers are “workers” entitled to minimum wage and holiday pay – a notable case globally. While not directly in Africa, it sets a precedent that African courts or legislatures might look at. It resonates with the discussion in the SciELO article about redefining “employee”.

This appendix provided supplemental quantitative context and demonstrated how calculations were approached in our analysis. All sources used were cited in the main text, and any assumptions or estimations have been noted. The overall evidence base strongly indicates the urgency for policy action to achieve the twin goals of decent work and economic growth in Africa, which, rather than being separate goals, must be pursued together for development to be truly sustainable and inclusive.



**PUBLICATIONS**

**Africa's Growth Paradox:  
Jobless Growth, Informality, and the  
Rise of the Platform Economy**