26 February 2026, Brussels

REPORT

AI and Jobs in Africa: Opportunity or Disruption?

UNECA, Online

Océane Vermeulen
Research Assistant

European Business Council for Africa and the Mediterranean (EBCAM)

www.ebcam.eu

+32 456 79 11 50

Avenue Toison d'Or 77
1060 Brussels - Belgium

On 26 February 2026, the United Nations Economic Commission for Africa (UNECA) and the Africa Development Impact Forum (ADIF), in collaboration with the Oxford Martin School's Future of Development Programme, convened a webinar to explore whether artificial intelligence will serve as a catalyst for job creation and productivity growth in Africa or risk deepening existing labour market vulnerabilities. The discussion explored sectoral exposure to automation, opportunities in AI-enabled tradable services, the importance of skills development and digital infrastructure, and the governance frameworks required to ensure that AI adoption supports inclusive economic transformation across the continent.

Speakers:

- Camilla Talam, Macroeconomic Research and Policy Officer at the University of Oxford
- Jake Kendall, Co-founder and Director of DFS Lab
- Dr. Fola Adeleke, Executive Director and Co-founder of the Global Center on AI Governance
- Dr. Allen, University of the Bahamas

The debate avoided both alarmism and technological determinism, stressing that employment outcomes will depend largely on policy choices, investment strategies and institutional capacity.

Evidence presented during the session suggests that AI is already affecting routine and task-intensive sectors. In Kenya, an estimated 2.5 million workers engaged in digital services, data entry and clerical roles face significant displacement risks. Banking sector digitisation has also led to measurable job replacement, with approximately 1,000 positions reportedly displaced as AI systems improved efficiency. At the same time, global firms testing AI solutions in Kenya have generated new employment opportunities, albeit at a smaller scale.

However, Africa's overall exposure to automation remains relatively limited compared to advanced economies. Less than 15% of the continent's labour force is considered highly exposed to AI-related displacement, whereas exposure in industrialised countries can exceed 60%. This lower level of automation penetration offers a strategic window of opportunity, enabling policymakers to anticipate and manage labour market transitions rather than respond to large-scale disruption.

The broader structural challenge is demographic. By 2035, over 450 million people will enter Africa's labour force, yet formal job creation remains insufficient. The core issue is a mismatch between labour supply and demand: in some sectors, low productivity constrains labour absorption, while in others firms struggle to recruit workers with adequate digital skills. AI could help address this imbalance by raising productivity and generating demand for skilled labour, provided complementary investments are made.

A key theme concerned the potential of export-oriented services. As manufacturing-led industrialisation becomes less viable, AI-enabled tradable services, such as fintech, business process outsourcing and digital compliance were identified as a realistic pathway for job creation. AI can enhance tradability by lowering language barriers, reducing search frictions and facilitating cross-border service delivery. However, speakers emphasised that success requires targeted strategies focused on specific sectors and export performance, rather than broad, untargeted ecosystem support.

European Business Council for Africa
Avenue Toison d'Or 77 – 1060 Brussels – Belgium
Tel. : +32 456 79 11 50 – website: www.ebcam.eu - email : contact@ebcam.eu

Skills upgrading emerged as a central priority. AI adoption can generate significant skill and wage premiums, up to 56% in some cases, while routine workers risk wage compression or displacement. Given that a substantial share of African youth are not in education, employment or training, investment in human capital is critical. This includes strengthening STEM education, expanding digital literacy, introducing AI-focused training, and implementing re-skilling programmes for vulnerable occupations, alongside the development of soft skills.

Infrastructure constraints remain a major bottleneck. Africa currently invests around 1.2% of GDP in digital infrastructure, well below estimated needs, and only around 20% of SMEs use advanced digital technologies. Without accelerated investment in connectivity, cloud infrastructure and energy systems, AI adoption will remain uneven and geographically concentrated.

Data governance and sovereign AI were also highlighted as strategic priorities. Effective AI ecosystems require coherent legal frameworks covering competition, cross-border data flows, intellectual property and open data standards. Developing local language models and domestic AI value chains could enhance value capture. Without sovereign capabilities, African economies risk exporting raw data while importing high-cost AI services.

In sum, the webinar adopted a position of cautious optimism. While short-term displacement risks appear moderate, structural weaknesses, such as informality, limited human capital and infrastructure gaps could exacerbate inequality if left unaddressed. AI's impact on employment will depend less on the technology itself than on deliberate policy sequencing, coordinated investment and institutional readiness. Africa's demographic momentum and comparatively low automation exposure provide a strategic window to shape this transition proactively.

European Business Council for Africa
Avenue Toison d'Or 77 – 1060 Brussels – Belgium
Tel. : +32 456 79 11 50 – website: www.ebcam.eu - email : contact@ebcam.eu