

Beyond Brick & Mortar: Talent, Capital, and Economic Infrastructure



Volume_2 // Insight_3

September 2026



www.abintelligence.co.uk



Editor's Note

By **Aparupa Chakravarti**

The last issue of AB Intelligence called for a different relationship with our planet.

This month, our authors challenge our understanding of what sits on top of our planet: infrastructure. Like the Earth, infrastructure is not simply an inert, functional, apolitical resource comprising roads, highways, bridges, and ports. While a symbol of progress and development in many contexts, through other lenses, these otherwise benign pathways and connectors can transform into conduits of vested interests and instruments of control.

A case in point: in her Pulitzer-winning book, *Franchise: The Golden Arches in Black America*, Dr. Marcia Chatelain reveals that the post-World War II development of US highways and federal infrastructure was, in fact, deeply embedded in the socio-political fabric of the time, enabling and entrenching racial segregation alongside government-funded displacement.

Infrastructure, therefore, can be far more than the sum of its parts; imbued with identity (as an ostensible public good), political intent, and – when distributed asymmetrically – power.

In this context, this issue of AB Intelligence invites us to recognise different manifestations of infrastructure that have little to do with the brick and mortar of our built environment. We reframe savings groups as distributed origination infrastructure for commercial capital. We demonstrate how job-creating coordination mechanisms function as critical economic infrastructure. And we look beyond transport and logistics corridors to consider how human capital corridors between the Gulf and Africa could be a far more enduring bridge linking both regions.

As you view infrastructure through these fresh eyes, consider: what possibilities arise when infrastructure transcends the material? ■

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Building the Infrastructure of Opportunity for Youth

By **Sharmi Surianarain**

As Nobel laureate Daron Acemoglu recently observed, access to “good jobs” remains one of the most reliable pathways out of poverty. But as labour markets evolve, the challenge is not only how to create more jobs, but how to create more pathways into income, productivity and economic participation, which includes forms of productive contribution that markets often undervalue.

More than a billion young people will enter labour markets over the coming decade. Most will be in Africa and Asia. In Africa alone, between 12 and 15 million young people enter the workforce each year, while formal job creation lags far behind demand. Although growth matters, growth alone has not delivered enough jobs for young people. This is not simply an African challenge. The rising number of young people who are not in education, employment or training is becoming a concern across advanced economies, too.

But in Africa, the scale is dramatic. By 2030, Africa will comprise nearly half of the world’s workforce—at a time when OECD countries deal with an ageing population alongside other pressures. Whether young people find pathways into productive work will shape not only the continent’s future, but the future of the global economy.

Yet our policy debates remain trapped in another era, relying on models ill-suited to today’s realities. We continue to frame choices as a tug of war between growth and inclusion, industrial policy and entrepreneurship, large firms and small enterprises, formal and informal work. These are increasingly false dichotomies.

The reality is that the labour market itself is being fundamentally rewired. Dani Rodrik has long warned of the risks of premature deindustrialisation. Many African countries are attempting to create jobs at a moment when the manufacturing pathway followed by East Asia is becoming harder to replicate. At the same time, artificial intelligence and automation are reshaping global value chains in ways we do not yet fully understand. Artificial intelligence could either narrow or expand pathways into work, depending on whether it substitutes for human labour or augments human capability. For countries already struggling to absorb growing labour forces, that distinction matters enormously.

Acemoglu argues that successful labour markets rely on three conditions working in concert: demand for human skills, people equipped with those skills, and institutions capable of connecting the two. The challenge before us is that all three are under pressure simultaneously, and nowhere more so than in Africa.

Moreover, many African economies may not generate enough formal wage jobs to absorb everyone entering the labour market. Even under optimistic growth scenarios, millions of people will continue to move between informal work, self-employment, caregiving, public employment and periods of unemployment. Formal employment matters, but so does self-employment, public employment, social protection, and care work



– all productive activities that markets misprice. Our predicament is, therefore, not only how we create more jobs, but how we create more pathways to income, productivity, participation, and dignity beyond the confines of formal employment.

The youth employment and inclusion crisis is ultimately a coordination challenge. We do not lack interventions. The issue is that we continue to pursue them in isolation. What is missing is the infrastructure that allows these interventions to reinforce one another rather than operate as disconnected projects.



South Africa's Emerging Infrastructure for Opportunity

South Africa offers an important case study in what coordinated labour-market interventions can achieve. Despite persistently high levels of inequality and youth unemployment, it has produced proof points across inclusive hiring, sector development, pathway management and public employment that point toward a different future. SA Youth, the multichannel platform

that aggregates opportunities and makes youth visible to the labour market, has supported over 5 million youth and recorded 2.3 million opportunities across the formal and informal sector since inception. More importantly, it demonstrates that labour-market matching itself can function as economic infrastructure, comprising data systems, matching platforms, financing mechanisms, labour-market intermediaries, and demand-led skilling. Taken together with plans to rewire South Africa's effective social protection system, this provides the basis for an emergent, digital economic infrastructure for opportunity.

SA Youth provides both the evidence and foundation to help business, government and civil society coalesce around a national vision. This is a different way of thinking about work: not a silver bullet, but a portfolio of mutually reinforcing interventions designed to expand opportunity. It means pursuing job-rich growth while simultaneously improving labour-market matching, supporting high youth-absorbing sectors, expanding pathways into self-employment, strengthening public employment, and creating clearer pathways between learning and earning through demand-led skilling and outcomes funding.

South Africa's Global Business Services (GBS) sector has enabled nearly 150,000 youth jobs since 2018, with roughly one-fifth of those created in 2025 alone. Tourism has expanded direct employment by 28% between 2022 and 2024, with a significant proportion going to youth. These outcomes were the product of deliberate ecosystem-building: aligning industry bodies, government incentives, employers, skills providers and labour-market intermediaries around shared growth opportunities.

Shaping Markets to Create Opportunity

South Africa's national vision to reduce unemployment identifies nearly half a million youth jobs across priority growth sectors through targeted sector unlocks. Many of these sectors are in the services sector, which has the opportunity to absorb large numbers of youth, with relatively short lead times for skilling, if demand-led. The lesson from GBS, tourism and digital work is that when coordination succeeds, sectors become engines of inclusion rather than simply areas of economic activity.



This is the premise behind this emerging national vision. No single intervention will solve youth unemployment. But a set of mutually reinforcing interventions can change the trajectory.

If South Africa simultaneously increases youth hiring in existing sectors, unlocks growth in youth-absorbing sectors, expands self-employment pathways, sustains public employment programmes, and strengthens pathway management and demand-led skilling, youth unemployment could be reduced by approximately 20% by 2030.

We have the evidence that this works. Nearly 600,000 young people have entered formal employment through pathway management over the last fifteen years, enabled by SA Youth. Inclusive hiring models have increased the hiring of youth without prior work experience by 5–6%, while alternative signalling approaches have increased interview success rates by more than 20%. Employers using these approaches have reported lower attrition and absenteeism, as well as better business outcomes.

Meanwhile, the Presidential Employment Stimulus demonstrated that public employment can provide labour-market entry points at scale while creating public value, acting as a bridge that provides income, work experience, social value and labour-market attachment in economies where private-sector absorption alone is unlikely to be sufficient. More than 1.1 million young people have participated in the last five phases of the Basic Education Employment Initiative, placing youth into 22,000 schools across the country, with many progressing into further work opportunities thereafter.

The Flywheel of Aligned Action

The future will not be built through a single programme, sector or institution. It will be built through a flywheel of aligned action: government enabling demand, business creating opportunities, intermediaries reducing friction, funders de-risking innovation, and young people themselves shaping the pathways that work.

Business should be viewed as a co-architect of the solution. Jobs are created by firms, but job-creating ecosystems are created through partnerships between business, government and civil society. Economic infrastructure is becoming as important to inclusive growth as roads, ports and power were to industrial growth.

The choice before us is not between growth or inclusion, markets or the state, technology or people. The question is whether we can align all of these variables in service of economic participation and shared prosperity; whether we can build the infrastructure of opportunity, in which more young people can contribute, earn, care, create, and belong.

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Who Originates Africa's Next Market?

By **Dr. Adanna Chukwuma**

Across Africa, companies spend enormous sums trying to find customers, understand demand, assess reliability, and deliver products at a cost that makes commercial sense. Meanwhile, millions of people meet regularly in savings groups to pool money, lend, repay, make collective decisions, and support one another's businesses.

As many as 500 million people worldwide belong to these groups, an estimated 80 per cent of them women. They are usually presented within poverty reduction programmes or as a pathway into formal banking, both valid descriptions. However, neither label captures their full economic value.

Savings groups are, in fact, distributed origination infrastructure, performing much of the work required to turn dispersed economic activity into commercially viable markets.

Considering that Africa's informal economy generates an estimated 40 percent of the continent's gross domestic product, approximately \$1.4 trillion in annual economic activity, the origination potential of the savings group infrastructure should not be ignored.

The Market before the Product

Origination is the work that precedes a successful transaction. Before a bank can lend, an insurer can insure, an asset financier can facilitate an equipment purchase or an agribusiness can purchase supply, someone must identify the customer or supplier, understand what they need, establish their reliability, and aggregate activity to a commercially viable scale.

Formal institutions often struggle with this groundwork in informal markets. Their systems are built around payslips, collateral, credit files, registered businesses, and branch networks. When those signals are absent, the market appears fragmented and uncertain, and reaching it can cost more than the likely revenue from serving it. Yet, informal activity accounts for a substantial share of employment and economic output across Africa. Without effective origination, much of that value remains beyond the reach of formal capital and commerce.

Savings groups in the informal economy organise in forms that most companies and investors have not learned to value. Members know who farms, who trades, who runs an enterprise, who repays, who is ready to borrow, and who needs equipment instead of cash. Built over years of stable interactions, these groups create a behavioural history, a trusted communication channel, and a structure through which small transactions can be consolidated.

From Financial Inclusion to Market Creation

The most obvious opportunity is in finance. In CARE's work in Uganda, digitised savings group records are being used to qualify women for formal loans. Early pilots have produced non-performing loan rates below 2 per cent. The larger lesson is not simply that savings group members can be good borrowers; it is that trusted community infrastructure can improve how a commercial institution finds, assesses, and serves them. That said,



stopping at credit would still fail to capture most of the opportunity.

An asset financier could use savings groups to identify demand for irrigation pumps, solar systems, cold storage, smartphones or productive machinery, then organise acquisition and after sales support around the group. An agribusiness could use the same networks to find producers, communicate standards, aggregate supply, and build a more reliable procurement pipeline. An insurer or climate finance provider could aggregate customers, understand local risks, support enrollment, and make products easier to use when a shock occurs.

In each case, the group is not merely a pool of consumers. It is a trusted route to customers, suppliers, enterprises, information and adoption, often in communities whose economic potential remains untapped. The relevance extends beyond banks to insurers, investors, energy companies, digital platforms, manufacturers, and food businesses.

Who Pays to Make the Market?

In partnership with governments, organisations such as CARE often use grant funding to organise groups, build financial capability, digitise records, support enterprises, and maintain relationships in communities that companies struggle to reach. Once that work is done, a lender, insurer, buyer or technology company may gain access to customers or suppliers whose acquisition and preparation were financed by someone else. While the market creation work is obvious, it is rarely priced.

Grant finance will continue to play an important role in building community infrastructure and reducing the risk of entry into unfamiliar markets. But where that infrastructure lowers customer acquisition costs, improves product use, strengthens repayment or makes a fragmented pipeline investable, the commercial actors who benefit should factor origination into the cost of doing business. Compensation might come through an origination fee from a lender, a customer acquisition payment from an insurer or asset financier, a portfolio preparation fee from an investment vehicle, a service fee

from an agribusiness, or a payment linked to sustained use and performance. Grant funding may help create the conditions for a market, but it should not permanently subsidise functions that generate commercial value.

Enter This Market with Care

Treating savings groups as market infrastructure also carries a warning, as they cannot become free customer lists for formal institutions.

Organisations such as CARE have long-standing responsibilities to the communities whose trust makes this infrastructure possible. Those responsibilities must shape any commercial arrangement. Group members must understand and consent to how their information is used. Groups should retain agency over their records and relationships. Commercial products should strengthen the trust, transparency and solidarity that make the groups work, rather than stripping those features away. Where companies capture value from community data or distribution, communities should share in that value. In summary, community infrastructure can become commercial infrastructure without becoming corporate property.

Debates about Africa's growth commonly focus on formalising the informal economy. Savings groups suggest another possibility: the informal economy already contains capabilities that businesses need and can engage on fair commercial terms. The companies that recognise this first will gain more than a new customer segment: they will gain a lower cost route to building markets across finance, agriculture, energy, insurance, and climate resilience.

Who originates Africa's next market? In many places, the answer may be people who are already meeting every week, pooling capital, recording behaviour, and organising economic life. The opportunity is not to replace what they have built. Rather, it is to build with them. ■

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Beyond Remittances: The Human Capital Corridor Bridging Africa and the Gulf

By **Dr. Kristian Alexander**

For much of the past two decades, discussions of Africa-Gulf relations have revolved around ports, logistics corridors, sovereign wealth funds, critical minerals, agriculture, and energy. The Gulf's economic footprint across Africa has expanded dramatically through infrastructure investments, aviation, telecommunications, and food security initiatives. These developments have rightly attracted attention. However, they risk obscuring what may become the most consequential long-term driver of Africa-GCC relations: people.

Beyond Capital: The Next Frontier in Africa-GCC Relations

The real strategic opportunity lies not in the movement of capital alone, but in the movement and circulation of human capital. Africa's rapidly growing workforce,

projected to account for roughly one-quarter of the world's working-age population by 2050, combined with the Gulf's expanding demand for skilled labour represent one of the world's clearest examples of demographic complementarity. The question is no longer whether Africa can supply talent to the Gulf. It is whether both regions can build institutions that transform labour migration into a long-term partnership for shared prosperity.

One way to approach this opportunity is through the lens of human capital corridors. Much as infrastructure corridors are increasingly viewed as integrated economic systems beyond a collection of roads, railways, or ports, human capital corridors would connect education, workforce development, labour mobility, investment, entrepreneurship, and innovation into a single policy framework. Instead of asking merely where workers are moving, policymakers should ask how institutions can shape the movement of skills, knowledge, and capital in ways that benefit both regions.

From Labour Export to Human Capital Partnerships

Too often, however, African migration to the Gulf is discussed almost exclusively through the prism of domestic work, labour rights controversies, or remittances. These are important issues, but they represent only part of a much broader story. Increasing numbers of professionals from Kenya, Ghana, Nigeria, Rwanda, Uganda, Ethiopia, and South Africa are entering Gulf labour markets in sectors ranging from healthcare and aviation to information technology, finance, education, renewable energy, logistics, and tourism. This reflects a broader regional reality: migrant workers already constitute more than 40% of the labour force across the Arab states, with considerably higher shares in several GCC economies where expatriates dominate much of the private sector.

A Changing Gulf Labour Market

At the same time, Gulf labour markets themselves are evolving. Countries such as the UAE have introduced new long-term residency pathways, including Golden Visas, Green Visas, entrepreneur permits, freelance visas, and



other talent-oriented residency schemes. These initiatives reflect a broader shift away from viewing migration solely as temporary labour supply toward attracting knowledge, innovation, and entrepreneurship. For skilled African professionals, the Gulf is increasingly becoming a platform for regional and international careers. At the same time, Gulf states are expanding their investments in African human capital even before graduates enter the labour market. Expanded scholarship programmes, university partnerships, and research fellowships in countries such as Saudi Arabia, the UAE, and Qatar are creating educational pathways that feed into Gulf labour markets. Consequently, education is becoming an integral component of the emerging Africa-GCC talent ecosystem rather than a separate policy domain.



The ongoing conflict between Iran and several Gulf states also demonstrated both the vulnerability and resilience of GCC labour markets. Some businesses – notably those in tourism, hospitality, aviation, retail, and food and beverage – delayed recruitment, reduced staffing levels, or placed employees on temporary paid or unpaid leave

as uncertainty weighed on visitor numbers and consumer demand. However, the downturn proved short-lived. For many expatriates who chose to remain rather than repatriate, new employment opportunities are gradually re-emerging. This underscores an important structural reality: despite ongoing nationalisation policies, Gulf economies continue to rely heavily on expatriate labour and remain committed to attracting the skilled workforce needed to sustain long-term economic growth.

That said, demographic complementarity alone does not guarantee mutually beneficial outcomes. Left unmanaged, it risks reproducing familiar patterns in which Africa exports talent while importing dependency. The danger is not simply “brain drain” but what might be termed “development leakage”: a situation in which the continent continually invests in educating workers whose skills generate value primarily elsewhere. Scholarship programmes and labour mobility initiatives should therefore be designed around “study-and-return” or “study-and-circulate” models that encourage graduates to maintain long-term professional, commercial, and research links with their home countries instead of viewing migration as a one-way process.

Beyond Remittances: What Returns to Africa?

The more important question, thus, is not how many Africans migrate to the Gulf, but what ultimately returns.

If labour migration is conceived only as an export industry, remittances become the principal measure of success. While remittance flows remain enormously important — official remittances to low- and middle-income countries reached an estimated US\$685 billion in 2024, with African economies among the major beneficiaries — they should not represent the endpoint of Africa-GCC labour relations. Human mobility can generate much broader developmental dividends.

Professionals who spend years working in Gulf hospitals, financial institutions, logistics companies, technology firms, universities, or multinational corporations acquire skills, managerial experience, professional networks, and exposure to international standards that cannot easily



be replicated domestically. Many accumulate savings, establish businesses, build cross-border commercial relationships, and develop entrepreneurial capabilities that may later benefit their home economies.

Combined with higher incomes, these professionals also possess greater capacity to invest in businesses, innovation, real estate, education, and productive enterprises within their home countries, creating development effects that extend well beyond household consumption.

This suggests that policymakers should move beyond thinking in terms of labour export toward labour circulation.

Building a Labour Circulation Model

In lieu of a binary framework that presents one of two possible options – should African workers remain permanently in the Gulf or return home – governments should focus on creating systems that encourage continuous exchanges of people, capital, knowledge, and innovation between both regions. Migration should not represent the end of an economic relationship, but the beginning of a wider development ecosystem.

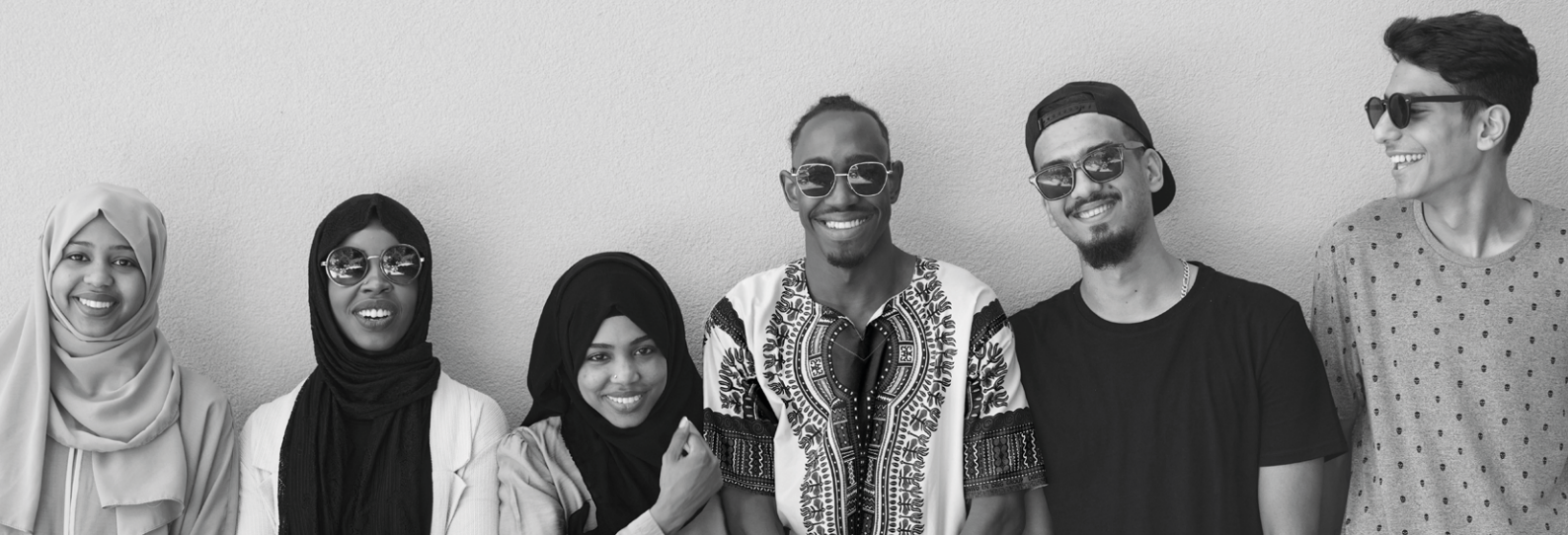
This is where both African governments and the private sector have a critical role to play.

A New Agenda for Policymakers and Business

African governments should negotiate comprehensive talent partnerships with Gulf countries – over and above simple recruitment agreements – that evolve into structured human capital corridors. Such corridors could combine joint vocational training centres, mutual recognition of professional qualifications, apprenticeship programmes, university partnerships, scholarship initiatives, digital skills certification, and coordinated labour market forecasting. This will in turn provide governments with pathways to build institutions that connect education, mobility, employment, entrepreneurship, and investment across both regions.

Equally important is preparing workers before they depart. Investments in technical education, digital literacy, language training, healthcare qualifications, engineering programmes, hospitality management, and artificial intelligence can improve competitiveness while enabling African workers to access higher-value employment.

The African private sector also has much to gain. Businesses should view the African diaspora in the Gulf as an emerging source of investment capital, market knowledge, commercial networks, and entrepreneurial expertise. Diaspora investment funds, venture capital platforms, SME financing mechanisms, and diaspora bonds have already demonstrated their potential in North



America and Europe. Similar financial vehicles could increasingly mobilise Gulf-based African professionals, whose growing incomes and regional business networks remain an underutilised source of development finance for the continent. Professionals returning from the Gulf often possess managerial expertise, international business contacts, and sector-specific knowledge that can accelerate domestic enterprise development. Businesses themselves should become active participants in these corridors by co-investing in training programmes, supporting internships, mentoring entrepreneurs, and building long-term recruitment partnerships rather than viewing labour mobility simply as a hiring exercise.

Likewise, Gulf investors seeking opportunities in Africa should also invest in strengthening local human capital. Investments in technical colleges, healthcare training institutions, logistics academies, renewable energy education, and digital innovation hubs would simultaneously expand Africa's skilled workforce while creating sustainable talent pipelines for Gulf employers. Such investments would deepen commercial relationships far beyond infrastructure and extractive industries.

This vision also requires acknowledging the realities of competition. African professionals are entering labour markets long dominated by established expatriate communities from South Asia, Southeast Asia, and the wider Arab world. Success will depend not simply on labour costs but on education quality, professional certification, adaptability, language proficiency, digital skills, and institutional support. African countries that invest strategically in these areas are likely to become increasingly competitive suppliers of highly skilled labour over the coming decades.

The Next Phase of Africa-GCC Relations

Ultimately, the greatest opportunity in Africa-GCC relations may not be measured by the value of investment deals or infrastructure projects but by the institutions that connect people across both regions. The countries that succeed will be those that recognise migration as a long-term development strategy.

The future of Africa-GCC relations may likely depend less on the movement of capital than on the movement and circulation of people. Building structured human capital corridors between both regions would allow labour mobility to generate not only remittances, but also skills, entrepreneurship, innovation, investment, and long-term institutional partnerships. Demographic complementarity would then become a genuine engine of shared prosperity rather than another chapter in the global competition for talent.

This broader question also opens the door to a deeper conversation. Future analysis should examine how African professionals compete within Gulf labour markets alongside more established expatriate communities, how evolving Gulf visa reforms are reshaping migration pathways, and how both regions can move from managing migration to building an integrated human capital partnership. Understanding these dynamics will be essential if Africa's demographic advantage is to become the foundation for long-term economic transformation. ■

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