



Youth employment in Rwanda

A scoping paper

Laterite Ltd.

Youth employment in Rwanda: A scoping paper

Laterite Ltd.

2015

This scoping paper is one of a series jointly commissioned by the International Development Research Centre and the MasterCard Foundation to shed light on the critical challenge of youth employment in sub-Saharan Africa. The aim is to inform new areas of research support that will build an evidence base for practical and policy-relevant solutions.

Opinions stated in this paper are those of the authors and do not necessarily reflect the views of the International Development Research Centre and the MasterCard Foundation.

About the authors

Laterite Ltd. (www.laterite-africa.com) is a data, research, and technical advisory firm. Laterite provides services ranging from data collection and processing to a full-cycle research design, sampling, and analysis. Laterite's research team included Mallory Baxter, Arnaud Dyèvre, and Sachin Gathani.

About the International Development Research Centre

Part of Canada's foreign affairs and development efforts, the International Development Research Centre (IDRC) invests in knowledge, innovation, and solutions to improve lives and livelihoods in the developing world. Bringing together the right partners around opportunities for impact, IDRC builds leaders for today and tomorrow and helps drive large-scale positive change. For more information on IDRC, please visit: www.idrc.ca

About the MasterCard Foundation

The MasterCard Foundation works with visionary organizations to provide greater access to education, skills training and financial services for people living in poverty, primarily in Sub-Saharan Africa. As one of the largest, private foundations, its work is guided by its mission to advance learning and promote financial inclusion to create an inclusive and equitable world. Based in Toronto, Canada, its independence was established by MasterCard Worldwide when the Foundation was created in 2006. For more information on the Foundation, please visit: www.mastercardfdn.org

Contact

International Development Research Centre
PO Box 8500, Ottawa, ON
Canada K1G 3H9
Tel: (+1) 613-236-6163; Email: sig@idrc.ca
www.idrc.ca

COVER PHOTO: GRAHAM HOLLIDAY

Contents

Acronyms	ii
Executive summary	1
1. Introduction	5
2. What do we know about youth employment in Rwanda?	7
2.1. Rwandan definitions	7
2.2. Youth employment in Rwanda	9
2.3. Educational attainment	13
2.4. Preparing youth for labour market entry	16
2.5. Generating labour market opportunities for youth	17
2.6. Youth aspirations and perceived challenges	19
3. Programs and policies to address youth employment	21
3.1. Government initiatives	21
3.2. Other stakeholder initiatives	22
3.3. Governance and coordination of youth employment policy and programming	23
3.4. Representation of youth perspectives	24
4. Recommendations for further research	25
5. Conclusion	29
Annexes	31
Annex A: International definition of youth employment	31
Annex B: Rwanda's TVET program	32
Annex C: Sources of labour market data	34
Annex D: Inventory of available research on youth employment in Rwanda ..	36
Annex E: Key stakeholders in youth-related policies and programs	39
References	45

Acronyms

AfDB	African Development Bank	MINALOC	Ministry of Local Government
APEFE	L'Association pour la Promotion de l'Enseignement et de la Formation à l'Etranger	MINEDUC	Ministry of Education
BDF	Business Development Fund	MINECOM	Ministry of Trade and Industry
BIC	Business Incubation Centre	MYICT	Ministry of Youth and Information and Communication Technologies
BRD	Banque Rwandaise de Développement (Rwanda Development Bank)	NBR	National Bank of Rwanda
COOJAD	Coopérative de la Jeunesse pour l'Auto-emploi et le Développement	NEP	National Employment Programme
DOT	Digital Opportunity Trust	NGO	Nongovernmental organization
EAC	East African Community	NISR	National Institute of Statistics Rwanda
EDC	Education Development Center	PSF	Private Sector Federation
EDPRS	Economic Development and Poverty Reduction Strategy	RCA	Rwanda Cooperative Agency
EICV	Enquête Intégrale sur les Conditions de Vie des Ménages (Integrated Household Living Conditions Survey)	RDB	Rwanda Development Board
ILO	International Labour Organization	TVET	Technical and Vocational Education and Training
IPAR	Institute of Policy Analysis and Research	UCW	Understanding Children's Work programme
IYF	International Youth Foundation	UNCDF	United Nations Capital Development Fund
LMIS	Labour Market Information Systems	UNDP	United Nations Development Program
LO/FTF	Danish Trade Union Council for International Development Cooperation	VUP	Vision 2020 <i>Umurenge</i> Program
MIFOTRA	Ministry of Public Service and Labour	VVOB	Vlaamse Vereniging voor Ontwikkelingssamenwerking en Technische Bijstand (Flemish Association for Development Cooperation)
MIGEPROF	Ministry of Gender and Family Promotion	WDA	Workforce Development Authority
MINAGRI	Ministry of Agriculture and Animal Resources	YES	Youth Employment Systems

Executive summary

Rwanda's large and growing youth population presents both a challenge and an opportunity to policymakers. Rwanda is currently at a turning point in its demographic transition: fertility rates are decreasing and the labour force is growing as the youth population ages. If Rwanda's economy is able to productively absorb this population, the country could reap the benefits of a 'demographic dividend'. However, the scale of this challenge should not be underestimated. Rwanda's population is extremely young; at present the median age is 22.7, and 78 percent of the population falls below the age of 35. The government estimates that over the next five years, 125,000 jobs need to be created every year just to absorb new entrants into the labour market.

The Rwandan context

Using current ILO definitions, only 4.1 percent of working-age youth, individuals between the ages of 16 to 35, are considered unemployed. This figure, however, paints a misleading picture of the youth employment situation in Rwanda. A much larger share cannot find adequate work, in terms of hours worked, security of employment, or remuneration. Many of these individuals are engaged in subsistence agriculture or need to work multiple jobs in order to earn a living. The most pressing challenge faced by Rwandan youth is that of underemployment: two-thirds of them work less than 35 hours per week, the threshold for underemployment in Rwanda. Their wages are significantly lower than adult workers, and a higher share of the youth population are employed in informal jobs.

The severity of the youth employment challenge is not the same across genders or in rural and urban areas in Rwanda. Young women are more likely to be unemployed than young men: their unemployment rate stands at 4.9 percent across Rwanda against 3.2 percent for males. They are also working fewer hours per week on average (28, compared with 37 for young males). This gender difference is exacerbated in urban areas where unemployment rates are higher: 5.6 percent for males, 12.6 percent for females.



JENNIFER HUYDA FOR MASTERCARD FOUNDATION

Current interventions

Youth employment-related issues have received considerable attention from Rwandan policymakers. The Government of Rwanda has been engaged for more than a decade in programs specifically targeting youth and aiming to improve their job prospects. Four main ministries are involved in the design of policies aimed at addressing the youth employment challenge: the Ministry of Public Service and Labour, the Ministry of Education, the Ministry of Trade and Industry, and the Ministry of Youth and ICT. Policy is then implemented by three main government agencies and initiatives: the Business Development Fund, the Rwanda Development Board, and the Workforce Development Authority.

Through its recently enacted National Employment Programme (2014), the Government of Rwanda has redefined its strategy to address labour market challenges. This is articulated around four pillars:

- Skills development,
- Entrepreneurship and business development,
- Labour market interventions, and
- Coordination and M&E of national employment interventions.



In terms of specific actions targeted at youth, the National Employment Programme focuses primarily on the provision of vocational training through the Government of Rwanda's Technical and Vocational Education and Training (TVET) program. Many development partners, international and local NGOs, civil society actors, and private organizations are also implementing programs aimed at helping youth gain productive jobs. Many donor country development agencies are either directly implementing or funding programs addressing youth employment-related challenges. In line with the Government of Rwanda's focus, most of these programs are trying to improve the general level of skills of the Rwandan youth labour force. Among NGOs, the most notable international organizations addressing the issue are the Education Development Center through its *Akazi Kanoze* training program, Oxfam with its Sustainable Livelihood microbusiness support initiative, VVOB (the Flemish Association for Development Co-operation), L'Association pour la promotion de l'Enseignement et de la Formation à l'Etranger and Belgian Technical Cooperation through their joint TVET Program, and Plan International through its Village Savings and Loan program. In addition to these efforts, a large number of local NGOs are deeply engaged in promoting youth employment.

Finally, many local civil society associations — cooperatives, youth organizations, professional and labour organizations — are helping to promote youth employment and, in some cases, to deliver government programs. One youth association, YES Rwanda, is trying to make youth voices better heard and incorporated in policymaking. From the supply-side of the job market, the Private Sector Federation, the main business association, is a key partner of the Government of Rwanda in the implementation of the National Employment Programme and runs its own initiatives to stimulate business activity in Rwanda.

Knowledge gaps and research needs

There is a growing body of research on youth employment in Rwanda. This research has been produced by a wide variety of actors ranging from government to local NGOs, academics, and international organizations. In this paper, we examine the state of knowledge on youth employment as it relates to both supply- and demand-side issues, the coordination and governance of policies and programs for youth employment, and the extent to which intervention design incorporates youth voices.

On the supply-side, the literature is dominated by program documents and assessments reflecting the focus on skills training and development programs in employment policy in Rwanda. From these documents, three critical issues emerge: low levels of educational attainment in the labour force; a shortage of individuals with strong technical skills; and poor alignment between the skills taught in vocational training centres and market needs.

What is lacking in the literature is rigorous impact evaluation of the variety of existing training programs. There is little evidence documenting if these programs work, and if they do, how they work. Hard evidence linking participation in skills building programs to improved labour market outcomes would allow government and civil society to allocate funding more efficiently and design more effective, targeted programs specific to the Rwandan context.

With regards to labour demand, the literature highlights the depth of the job creation challenge facing the Rwandan economy. It must grow at a rate sufficient to absorb new entrants to the labour market and provide higher quality jobs to those currently underemployed. This challenge is exacerbated by the inelasticity of employment to growth in Rwanda. A one percent change in the growth rate leads to a less than one percent change in employment. One of the primary challenges associated with creating new jobs is finding a way to stimulate the growth of micro-, small- and medium-sized enterprises (MSMEs). Access to capital for new entrepreneurs and MSMEs is one identified obstacle, but more research into the constraints on their growth is needed.

On the governance of youth employment issues, four related challenges emerge from the literature:

- coordination,
- ownership.
- implementation, and
- monitoring and evaluation.



The establishment of the new National Employment Programme is intended to address many of these issues, but its implementation is too recent to assess impact.

Finally, the representation of youth voices in the literature on youth employment policy is limited. The studies that directly survey youth rely primarily on small samples, with the exception of the recent school-to-work-transition survey undertaken by the Institute for Policy Analysis and Research (IPAR). While these provide valuable insights, it is questionable how representative the small-sample surveys are of the various segments of the youth population. From the available literature, however, some trends in youth perceptions are apparent. First, there is a universal interest in acquiring skills. Second, intermediation services that match job seekers with employment opportunities are not widely accessible. Third, new entrants to the labour market struggle to acquire work experience — young graduates especially lament a lack of internship or apprenticeship programs. And finally, training programs are not designed in ways that are accessible to youth — both in terms of timing and cost.

Despite the emergence of a vibrant literature on youth employment issues in recent years, there remain a number of areas where there are gaps in our understanding of the nature of the challenge and the efficacy of possible solutions. Our recommendations for future areas of research are as follows:

- i. The nature of underemployment,
- ii. The growth of the informal sector,
- iii. Rigorous impact evaluation of training programs,
- iv. Gender disparities in employment outcomes,
- v. Youths' aspirations in the labour market, and
- vi. The impact of cross-border labour mobility in the East African Community.

1 Introduction

Youth employment is a policy challenge of critical importance in Rwanda. In addition to having the highest population density in continental Africa (World Bank, 2015), Rwanda's population is young and growing. According to a series of reports on youth demographics, and economic and social context undertaken by the National Institute of Statistics Rwanda (NISR) in 2014¹, at present, more than half of the population is below the age of 20. Between 2015 and 2020, the population is projected to grow at a rate of 2.6 percent per year, and over this period, more than 125,000 young people are expected to join the labour force annually. By 2050, forecasters predict that the population of working-age individuals in Rwanda will reach 15 to 16 million — triple its current size (World Bank, 2015).

Official unemployment — at 4.1% — is low, but it masks persistent high levels of underemployment.

Officially, the youth unemployment rate in Rwanda is 4.1 percent. While it appears encouragingly low, this statistic masks serious challenges in the Rwandan labour market including persistent underemployment, the continued dominance of employment in subsistence agriculture and high levels of job insecurity in the nascent but growing services sector. Therefore, in addition to absorbing the thousands of young people that enter the labour market each year, Rwanda's economy will have to expand at a rate fast enough to generate higher paying and more secure jobs for those already active in the labour force.

While Rwanda's growing youth population poses significant employment challenges for the country, it also presents an unprecedented opportunity. Rwanda is at a turning point in its demographic transition. After more than a decade of high and stable fertility rates following the 1994 genocide, the average number of children per woman fell to 4 in 2012, well below the sub-Saharan average of 5.1 (World Bank, 2013). This drop in



BRENDAN BANNON FOR MASTERCARD FOUNDATION

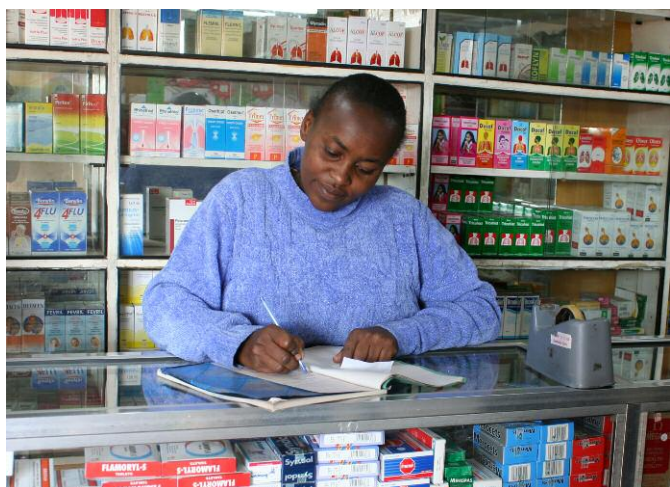
fertility has important implications for the country and its economic structure. As the proportion of working-age youth increases and the number of dependent children per family falls, Rwanda's growing labour force could be the driver of solid and sustained economic growth. By saving more of their disposable income and investing in the health and education of children, Rwandan families could reap substantial benefits from declining fertility, human capital accumulation, and wealth generation — they could harness the *demographic dividend*.

Realizing the economic opportunity generated by this demographic shift is not, however, guaranteed. How Rwanda manages to capture the benefits of the demographic dividend is dependent in large part on how effectively the country can provide jobs to its expanding working-age population and how well it addresses the central issues of youth unemployment and underemployment.

¹ Unless otherwise noted, statistics cited here are drawn from these reports. See NISR 2014 under References.

Rwandan authorities are well aware of the importance of capitalizing on the demographic transition; the government's guiding policy documents, Vision 2020 and its second Economic Development and Poverty Reduction Strategy (EDPRS II), recognise that Rwanda's most valuable resource is its people and make employment a national priority. The recently enacted National Employment Programme (2014) is in line with this objective. Private sector-led job creation is thought to be one of the pivotal factors in enabling Rwanda to graduate to a middle-income country status in the medium term, the key objective of the EDPRS II.

This study aims to provide an overview of the youth employment landscape in Rwanda. We summarize the current literature on the topic, describe the central policies and programs of government and civil society, and map key stakeholders. Based on a review of the existing literature and a series of interviews conducted by Laterite Ltd. with various stakeholders, we make recommendations on potential areas for future research and engagement. The study thus highlights some clear entry points for those seeking to add knowledge to our current understanding of youth employment in Rwanda.



GLOBAL FINLAND: FMILMA KETTUNEN

2 What do we know about youth employment in Rwanda?

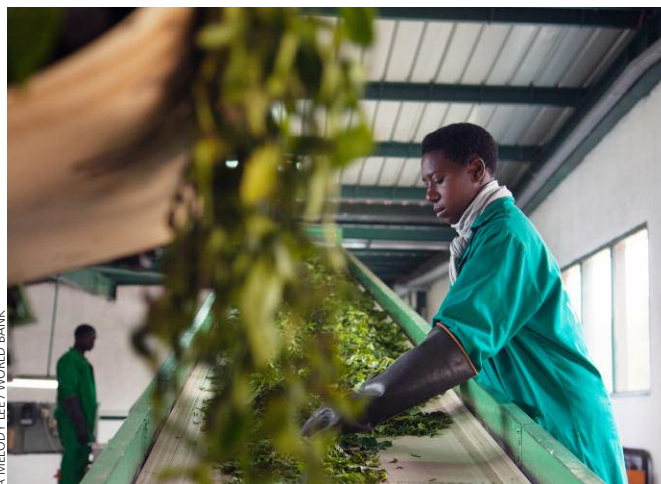
Employment is a complex concept and difficult to distil to a single definition that fits all contexts. To facilitate cross-country study of the topic, however, the International Labour Organization (ILO) has put forward an international standard widely used by statistical agencies around the world.² While Rwanda has adopted the ILO's definition of employment, the country uses a different, broader definition of youth. In this section, we discuss the Rwandan definition of youth employment and highlight what its divergence from the international standard might imply for analysis and policy making. We then look at the latest figures from the 2012 Census and the 2011 EICV household survey to describe the current state of affairs in the youth labour market in Rwanda. We focus on labour supply statistics looking at demographics, economic activity, and educational attainment.

Youth employment in Rwanda refers to working individuals aged 16 to 35.

2.1. Rwandan definitions

Youth employment

The Government of Rwanda uses the International Labour Organization (ILO) definition of employment — having worked in paid or self-employment at least one hour in the previous week — throughout public policy documents and in national statistical databases. The Rwandan definition of youth and consequently, youth employment, is however broader than that set by the ILO. The NISR defines youth as any person aged 14 to 35, inclusive, in contrast with the ILO which defines youth as individuals between the ages of 15 and 24, inclusive. Using the Rwandan definition, 40 percent of the country's total resident population can be categorized as youth (NISR, 2014a). When referring to working-aged youth however, the NISR only includes individuals aged 16 to 35. Working-aged youth make up 35 percent of the Rwandan population. Youth employment in Rwanda therefore refers to employed individuals between the ages of 16 and 35, inclusive.



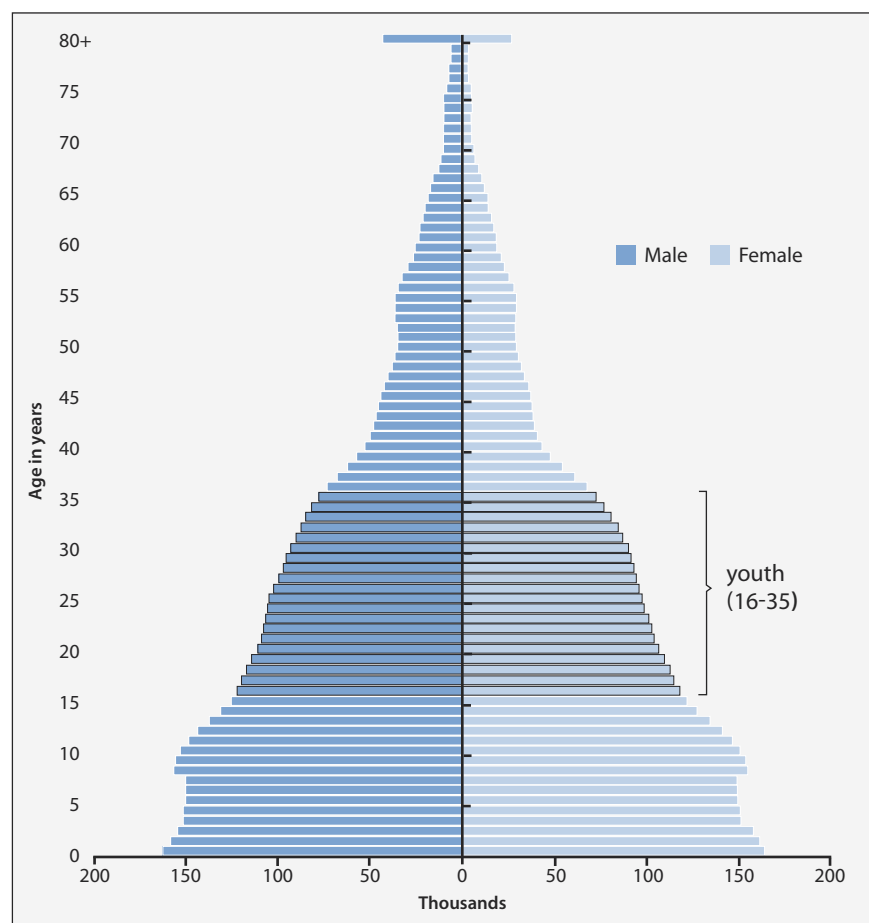
The NISR has consistently used this definition across its two major publications: the latest *Enquête Intégrée sur les Conditions de Vie des Ménages (EICV)* – a national household-level survey conducted every five years – and the 2012 Population and Housing Census. Similarly, the Ministry of Public Service and Labour (MIFOTRA) and the Ministry of Youth and ICT (MYICT) have adopted this definition of youth in the National Employment Programme and the National Youth Policy.

While it diverges from the ILO, the broad Rwandan definition of youth is in line with that set out in the African Youth Charter which was unanimously adopted in 2006 by Heads of States of the African Union to guide policies and programs that will support youth empowerment and development across Africa.³ The Charter's broad definition of youth reflects that the extension of the concept of youth beyond the age of 30 is common in sub-Saharan Africa, with many countries including Ghana, Kenya, South Africa, and Tanzania — taking a similar approach.

² The ILO definition of employment is summarized in Appendix A.1.

³ Accessed July 15, 2015 from the UNESCO website.

Figure 1: Rwandan population pyramid in 2015 (projected)



Source: NISR (2014c), Main Indicators Report

Implications for research and policy

The use of such a broad definition of youth has notable implications for researchers and policymakers in Rwanda. Because the youth category encompasses a twenty-year age range, it includes diverse employment situations: primary and secondary school dropouts, new entrants to the labour market, experienced workers, chronically unemployed persons, etc. These different groups within the youth population each face markedly different challenges. Consequently, each generates unique research questions and necessitates distinct policy responses.

Figure 1 illustrates how expansive the definition of working-aged youth is in the Rwandan context. The Rwandan population is very young: the median age is 22.7 and 35 percent of Rwandans are between 16 and 35 (NISR, 2014a). An additional 41 percent of the population falls between 0 and 14 years old. This latter group, while not yet part of the youth category, will have implications for youth employment policy in the coming years. On the upper end of the distribution, only 22 percent of the population is above the age of 35.

Unemployment and underemployment

Under the current definition of employment used by the ILO and the Rwandan government, only 4.1 percent of the overall youth population is considered unemployed. For a number of reasons, this indicator is not the most appropriate to understand the underlying dynamics of youth employment in the Rwandan context. First, the underdevelopment of social welfare programs for the unemployed makes it impossible to survive without working in some capacity, even if it provides only subsistence income. In addition, the Rwandan labour force is largely made up of self-employed workers who tend to take on additional tasks when economic conditions slacken, rather than staying idle. Finally, traditional modes of labour organization, where tasks and income are shared between workers in hard times, result in more people working fewer hours than if the tasks were completed by fewer, more fully employed individuals (Greenwood, 1999). The official measure of employment therefore captures many individuals who are engaging in activities solely to ensure their survival. Many of these working poor are individuals who earn subsistence incomes, have multiple and vulnerable jobs, and wish to work more hours. For these reasons,

the unemployment rate is not a representative indicator of the situation facing youth in Rwanda's labour market.

It is instead more informative to look at various measures of underemployment. Underemployment, as defined by both the ILO and the NISR, refers to all situations in which labour is insufficiently utilized. It covers two main cases:

- (i) **Invisible underemployment:** When workers are over-qualified for their current occupations. These workers would be more productive in other jobs.
- (ii) **Visible underemployment:** When workers are engaged in part-time employment while willing and available to work longer hours. Individuals in visible underemployment are working less than a nationally defined working time threshold (ILO, 2014).

Many of the working poor earn subsistence incomes, work multiple jobs, and wish to work more hours.

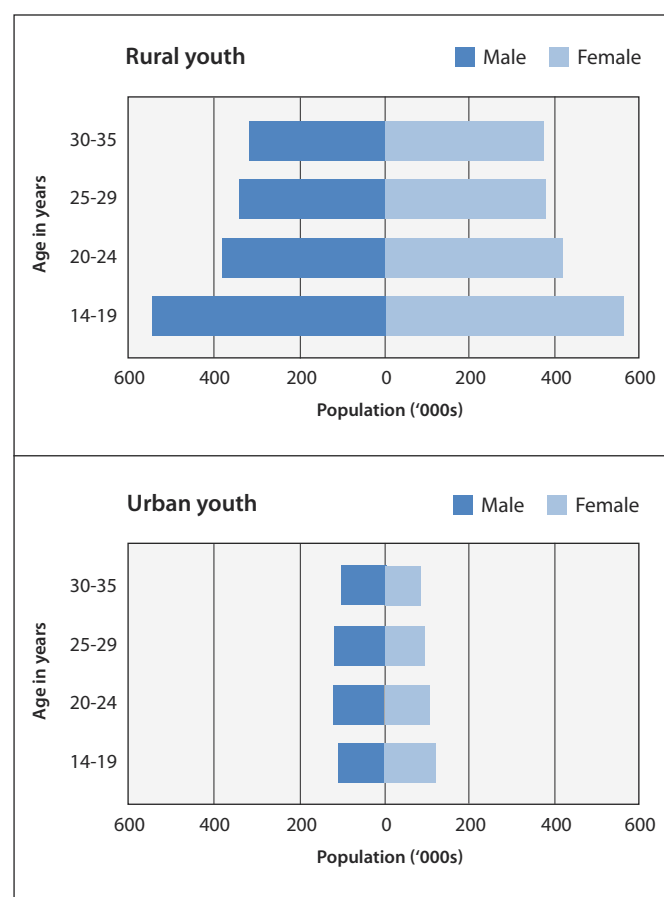
Due to the difficulty of measuring whether or not a labourer is over-qualified, ILO statisticians recommend focusing on the "visible" component of underemployment. The threshold of weekly hours worked below which a person can be considered visibly underemployed varies between countries, making international comparisons difficult. For example, Costa Rica uses a cut-off of 47 hours per week while most OECD countries set it at 30 hours per week (ILO, 2014). In Rwanda, this threshold is defined by the NISR (2014b) as 35 working hours per week. Using this definition, 65 percent of Rwandan youths between 14 and 35 years of age can be considered underemployed. This phenomenon is most common in agricultural jobs: 66 percent of underemployed youths are either unpaid family farm workers, independent farmers, or in wage farming (NISR, 2012b).

The NISR collects data on underemployment via the EICV and computes the underemployment rate for the Government of Rwanda's official publications, but — to the best of our knowledge — no independent research on youth underemployment has been conducted in Rwanda to date. The EICV data about hours worked in the past seven days is publicly available and easily accessible on the NISR website.

2.2. Youth employment in Rwanda

This section uses primarily the 2012 census data for labour statistics, as no comprehensive labour force survey has been conducted in Rwanda to date.⁴ Two recent national surveys report relevant labour statistics — the census and the EICV, a nationally representative household survey. We have chosen to use the census rather than the EICV because the former is more recent and reliable at the time of preparing this report.⁵ It uses updated population projections based on new data, while the 2011 EICV extrapolates population trends based on the 2002 census. However, some statistics, like those related to underemployment, are not reported in the census. In this particular case, we rely on the EICV. Finally, statistics related to the labour market should be interpreted with caution in both surveys, as labour markets were not the primary focus of either. For a detailed overview of labour force data available in Rwanda, please see Annex C.

Figure 2: Youth population pyramids

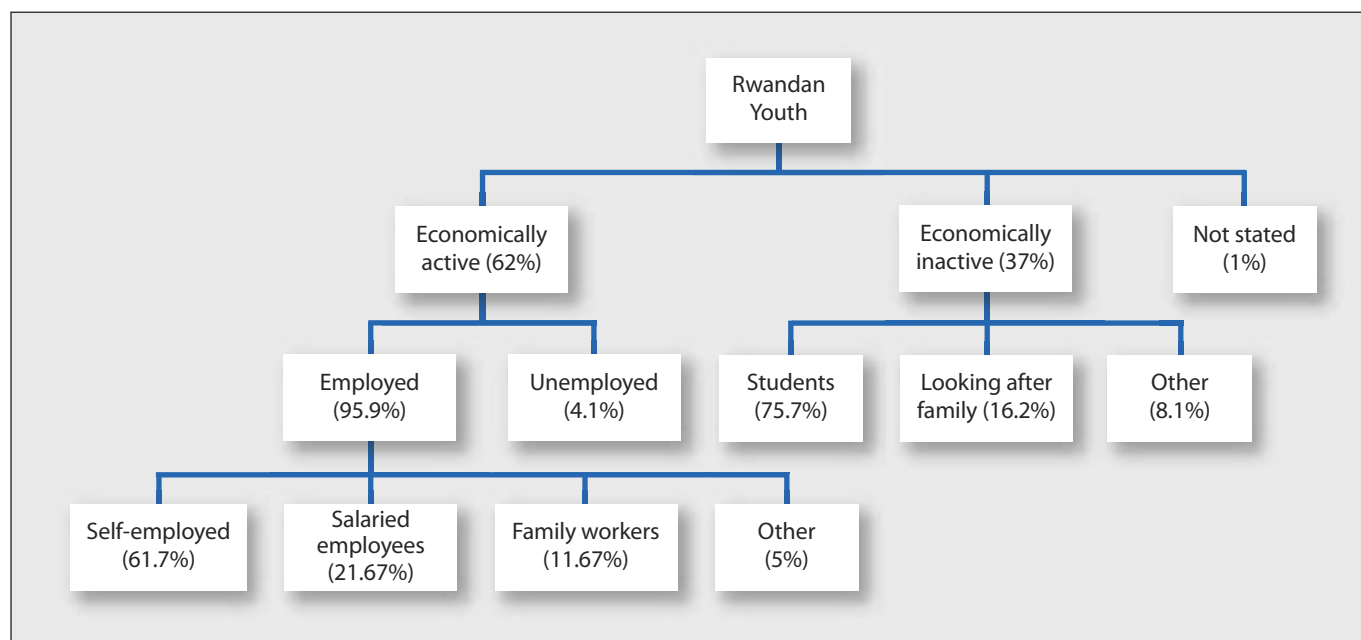


Source: Thematic Report – Socio-Economic Status of Youth, Census 2012

⁴ The first national labour force survey is to be conducted in 2016 by the national statistical agency.

⁵ Data for the latest EICV (the fourth) has been collected and analysis is underway. The data is expected to be released later in 2015.

Figure 3: Breakdown of youth population by employment status



Source: Thematic Report – Socio-Economic Status of the Youth, Census 2012

Demographics

The total population of Rwanda is 10.5 million individuals, 40 percent of whom fall in the youth category (using the 14 to 35 age range). Between the 2002 and 2012 census, the youth population increased by 30 percent, from 3.2 million to 4.2 million individuals, but held a stable share of the overall population.

The rural youth population is four times as large as the urban youth population in Rwanda. While significantly more youth aged 14 to 35 live in rural areas, youth make up a much larger share of the total population in urban areas. This trend is particularly striking in Kigali, where 53 percent of the city's total population falls in the youth category, and 79 percent of all youth in the capital are migrants, primarily from the Northern, Southern and Western Provinces. The population pyramids in Figure 2 show the breakdown of youth by age in rural and urban areas. The rural youth population decreases significantly between the 14-19 and 20-24 age ranges, dropping from 1,107,000 to 802,000 individuals. In contrast, the urban youth population remains relatively stable across youth subcategories at approximately 200,000 individuals in each age bracket.

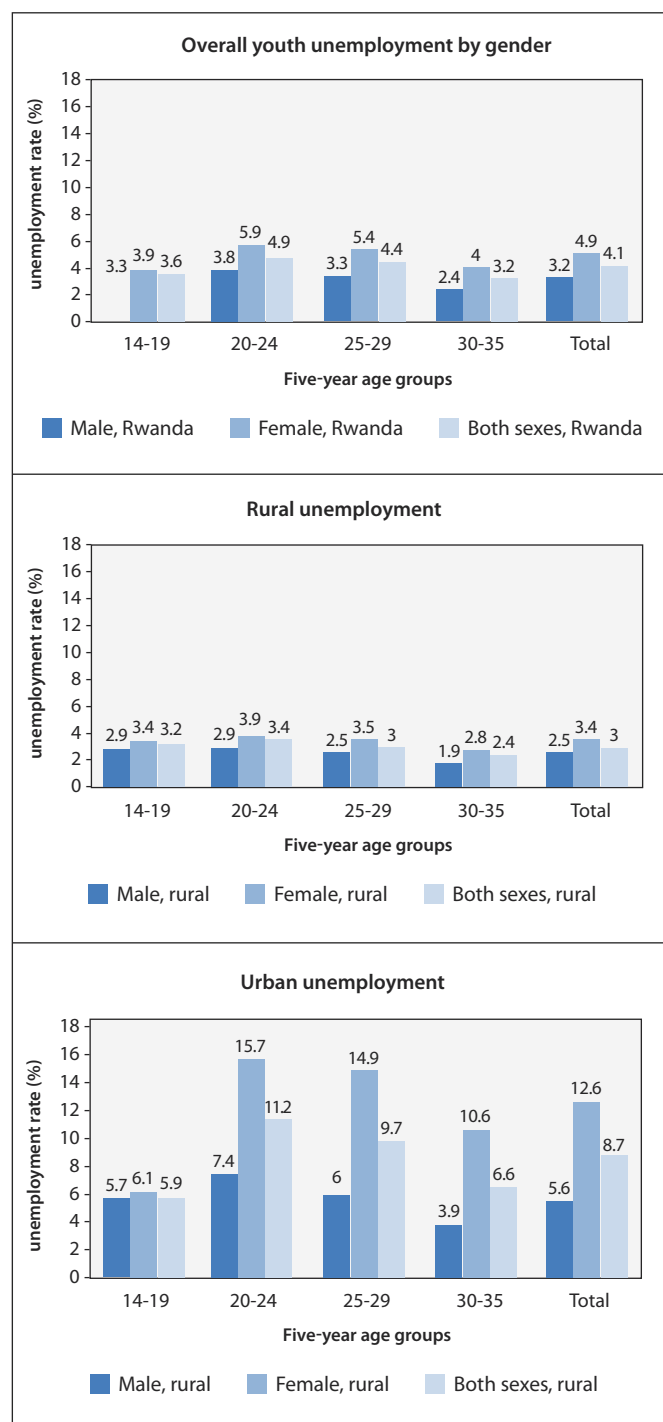
Urban unemployment rates are significantly higher than the national average, particularly for young women.

Economic activity

The majority of the youth (14-35) population is economically active. Figure 3 shows the breakdown of the Rwandan population by economic activity. Sixty percent of youth are considered employed and only 4 percent are unemployed. Of those who are economically inactive, the vast majority is currently in school.

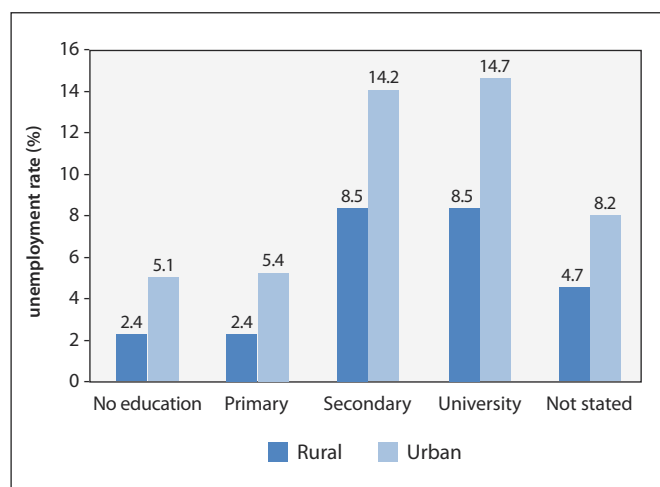
Figure 4 breaks the unemployment rate down by gender, by rural and urban regions, and by five-year age groups. Urban unemployment rates are significantly higher than the national average, particularly for young women. Figure 5 further disaggregates the unemployment rate, looking in particular at unemployment by highest level of education achieved. While it appears from this chart that higher education has a negative relationship with employment prospects, these figures do not capture the quality of the jobs secured. There are very high levels of employment in non-wage subsistence agricultural activities in rural areas, jobs that require no formal education. There are relatively fewer career-track jobs available for university graduates. The high unemployment rates for university graduates suggest a significant mismatch between available jobs and skills development (NISR, 2014a).

Figure 4: Youth unemployment by gender and location



Source: Thematic Report – Socio-Economic Status of Youth, Census 2012

Figure 5: Unemployment rate by highest level of education



Source: Thematic Report – Socio-Economic Status of Youth, Census 2012

Table 1 below shows the breakdown of employment by sector for youth who are currently employed. Sectors are defined using the International Standard Industrial Classification of All Economic Activities (ISIC). Consistent with the overall population, the vast majority of youth are employed in agricultural activities.

Table 1: Economically active youth by activity

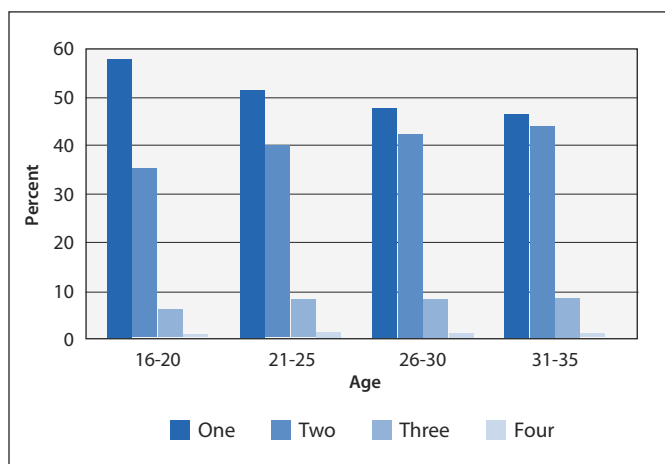
Sector	%	Sector	%
Agriculture, forestry and fishing	70.2	Administrative and support service activities	0.7
Wholesale and retail trade; repair of motor vehicles and motorcycles	5.9	Human health and social work activities	0.7
Activities of households as employers; producing for own use	4.4	Mining and quarrying	0.5
Construction	3.7	Financial and insurance activities	0.4
Manufacturing	3.0	Professional, scientific and technical activities	0.3
Transportation and storage	2.6	Electricity, gas, steam and air conditioning supply	0.2
Education	1.9	Information and communication	0.2
Accommodation and food service activities	1.0	Water supply, sewage, waste management and remediation activities	0.1
Public administration and defence	1.0	Arts, entertainment and recreation	0.1
Other service activities	1.0	Real estate services	0.0

Source: Thematic Report – Socio-Economic Status of Youth, Census 2012

64% of the employed population aged 16 to 29 are underemployed.

To get a better understanding of the youth employment challenge it is important to look beyond the unemployment rate and consider the nature and duration of work. The EICV contains data on both the number of jobs held and hours worked in the previous seven days which serve as a good indicators of time-related underemployment. Figure 6 shows the number of jobs worked by those who are employed in five-year age groups from 16 to 35. The share of the population holding more than one job increases in higher age groups, with over 40 percent of 31-35 year olds holding two or more jobs. Figure 7 shows the number of hours worked by individuals aged 16 to 29 who were employed in the previous seven days. Adding up those who worked less than 35 hours — the threshold for underemployment in Rwanda — shows that 64 percent of the employed population aged 16 to 29 are underemployed. The EICV reports only provide data for these age ranges, which unfortunately, do not align exactly with the 16-35 definition of the youth labour force.

Figure 6: Number of jobs held by employed individuals

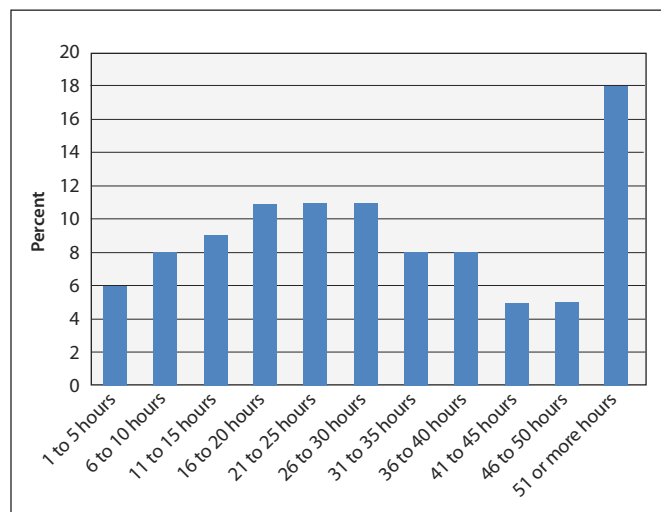


Source: Thematic Report – Economic Activity, EICV3 2012

These statistics reveal that about one-third of employed individuals aged 16 to 29 work 20 hours or less per week; more than half of working individuals aged 16 to 19 work less than 30 hours; and an estimated two-thirds work less than 35 hours a week (the threshold below which an individual is considered to be underemployed). This data confirms that despite often working multiple jobs, Rwandan youth face a serious challenge of underemployment.

⁶ Data is unavailable for the 16-35 age group.

Figure 7: Number of hours worked by employed individuals aged 16 to 29⁶



Source: Thematic Report – Economic Activity, EICV3 2012

Related to underemployment is the prevalence of informal work. Short-term or seasonal employment, highly variable income streams, and limited entitlements or benefits are all issues related to quality of work and well-being. Using data from a survey conducted in Rwanda in 2012, the Wage Indicator Foundation has constructed a five-point Informality Index based on the nature of contracts or agreements under which individuals work. They find that informality is significant across all age categories. Approximately 40 percent of those under 29 fall in the highest category of informality. This falls to approximately 35 percent for those aged 30 to 39 and rises to over 40 percent again among those aged 40 and above. When breaking informality down by gender, they find a slightly higher portion of women in the highest informality category than men (Besamusca et al., 2012).

Another critical concept linked with quality of work is that of wages. While the national surveys that form the basis for this section report on income, they do not report directly on wages. To better understand remuneration for hours worked, we turn again to the Wage Indicator Foundation's 2012 survey in Rwanda. They find that median net hourly wage in their sample of study is 450 RWF/hr. They show that wages increase steadily with age, with those 29 or younger making on average of 289 RWF/hr and those 50 or older making on average 971 RWF/hr. Wages also appear to increase in a steady, near-linear relation to both formality of employment and education level. Further, wages are slightly lower for women than men (Besamusca et al., 2012).

In 2011, 62% of employed workers in Rwanda lived on \$1.25/day.

Despite high economic growth rates at the national level, poverty remains pervasive in Rwanda. In their 2014 report, the Danish Trade Union Council for International Development Cooperation summarized 2011 figures on working poverty. They found that 62 percent of employed workers in Rwanda live on \$1.25/day and 82 percent live on \$2/day or less. They report that these figures are much higher than the sub-Saharan average of 44 percent of workers living on \$1.25/day and 67 percent living on \$2/day. Further, the Rwandan middle class is very small with 4.1 percent of employed workers earning between \$2-4/day and only 2.6 percent earning \$4-20/day (Danish Trade Union Council for International Development Cooperation, 2014).

2.3. Educational attainment

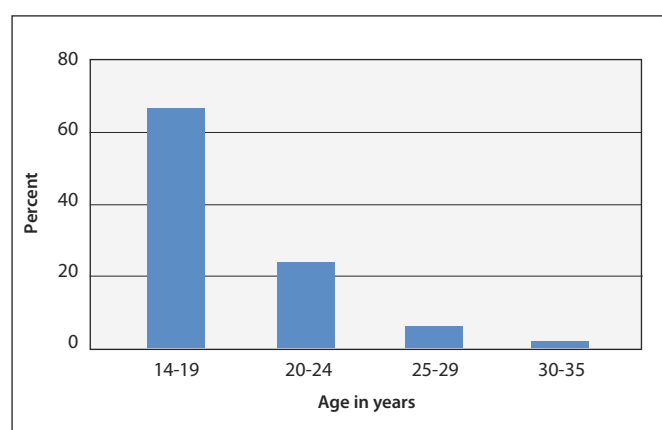
The census reports on a variety of aspects of educational attainment. In this section, we focus on enrolment and literacy. Figure 8 shows the share of youth enrolled in school, either in primary, secondary, or some form of tertiary education (including college and vocational training programs). Until 2012, Rwanda operated a nine-year free education system that consisted of six years of primary school, for those aged 7 to 12, and three years of lower secondary school, for those aged 13 to 15. In 2012, the government extended basic education to include upper secondary, three additional years for 16 to 18-year-olds.

While enrolment rates are high, many students fail or repeat grades, or join the system very late, so that many older youths are still in school.

In reality, many students fail or repeat grades, or join the education system very late, resulting in students in the classroom who are well above the target age for their grade level. In addition to vocational training and tertiary education, this age mismatch at the secondary level in part explains why many youths in the upper age groups are still enrolled in school.

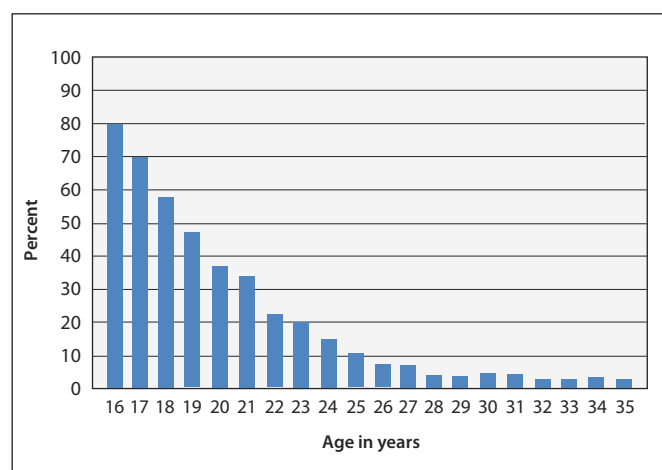
As shown below in Figure 8, a large share of the youth population is in school. This trend, however, declines markedly with age. Finer disaggregation of enrolment or attendance by age is not available in the census reports. These figures do exist, however, in the slightly older EICV (2010/11). Figure 9 below shows school attendance by age for working-age youth. Attendance rates drop from 80 percent at 16 years to 4 percent at 28 years of age. After 28, attendance appears to plateau at a low level.⁷ This chart shows that attendance rates decrease steadily with age, decreasing at a slightly faster rate between 16 and 20 and a slightly slower rate between 20 and 28. There does not appear to be a single pivotal year where school attendance declines the fastest.

Figure 8: Percentage of youth enrolled in school, by age



Source: *Thematic Report – Socio-Economic Status of Youth, Census 2012*

Figure 9: Percentage of youth who attended school in the last 12 months, by age



Source: *EICV3 microdata*

⁷ Note that the figure makes no distinction between levels of education: primary, secondary, and higher education are all included. As a result, someone aged 20 could be enrolled in a university or still be in secondary school because of repeated grades.

Figure 10 shows the breakdown of activities of economically inactive youth by age. As youth move into higher age brackets, enrolment in school declines and, simultaneously, economic inactivity is increasingly explained by domestic responsibilities. “Other” — the share of youths neither studying nor engaged in domestic responsibilities — also increases with age. This category includes people who cannot work because they are ill or disabled and discouraged workers. Any individual who engages in some form of work, even part time, is considered economically active and therefore not captured in Figure 11 below. Students who also work part time, for example, are not considered economically inactive.

The burden of domestic responsibilities falls more heavily on young women, and increases with age.

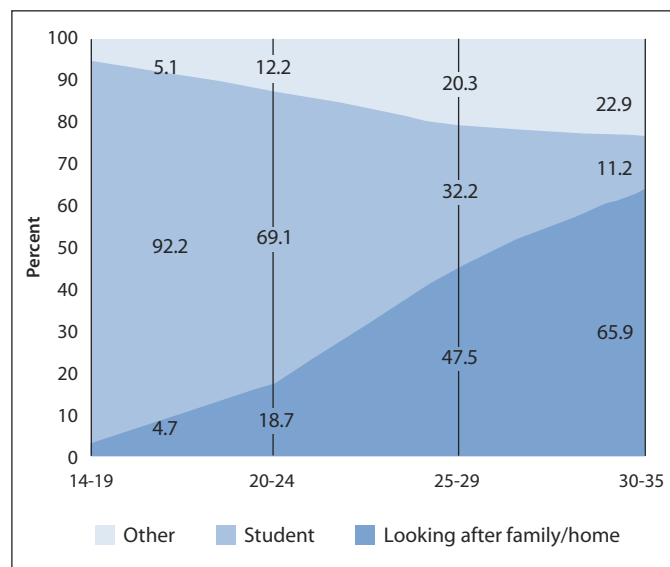
The mix of activities of economically inactive youths differs by gender. Amongst the economically inactive, the share of women looking after their family or home is more than twice that of men — 21 percent compared to 9 percent as shown in Figure 11 below. The trend of domestic responsibilities increasing with age for women also appears to be present among economically active women. Data from the EICV shows that young women work fewer hours than men and that this gap grows with age. Using the median of weekly hours worked



MASTERCARD FOUNDATION

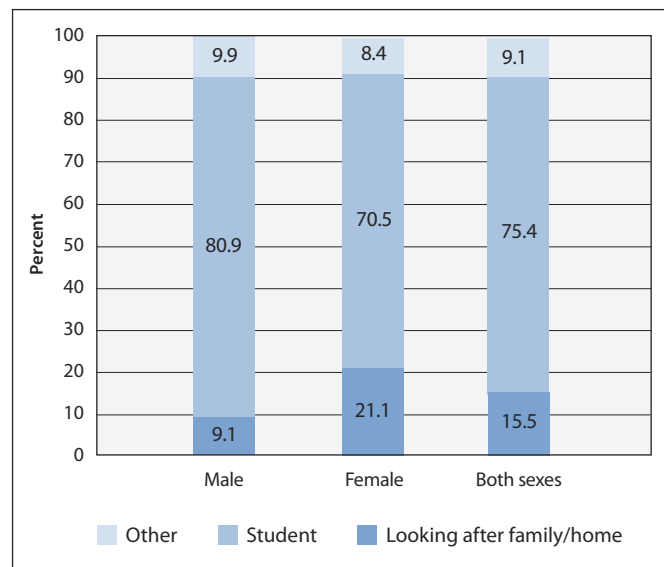
from the EICV data, it appears that in the youngest group (aged 14 to 19), women work three hours less per week while those at the upper end of the age distribution (30 to 35) work 10 hours less. Linking this observation with that shown in Figure 10, it seems that young working women are increasingly occupied with domestic responsibilities as they get older. This phenomenon is illustrated by both women who leave the labour force, and economically active women who work fewer hours.

Figure 10: Activities of economically inactive youth, by age group



Source: Thematic Report – Socio-Economic Status of Youth, Census 2012

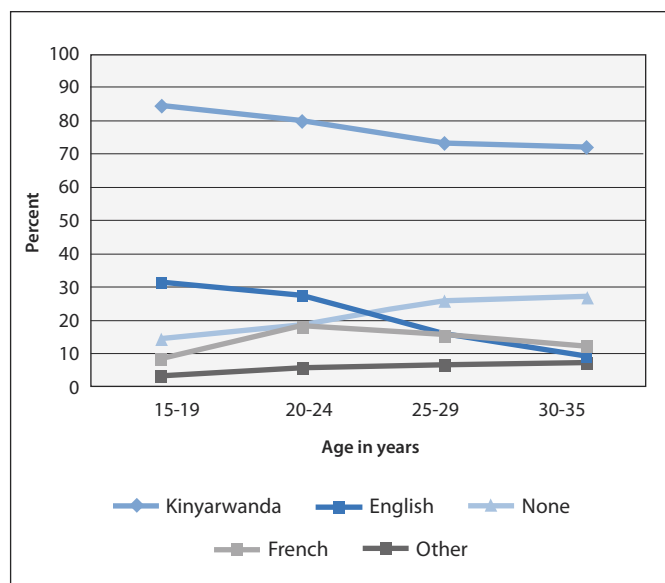
Figure 11: Activities of economically inactive youth, by gender



Source: Thematic Report – Socio-Economic Status of Youth, Census 2012

Figure 12 shows self-reported literacy statistics by age group and language for youth. Kinyarwanda, English, and French are the three official languages in Rwanda. In 2008, instruction in secondary schools was changed from French to English. This transition period generated a number of challenges in the education system as teachers had to switch their primary language of instruction resulting, in some cases, in a temporary decline in the quality of instruction. This shift in the primary language of instruction is visible in the literacy rates broken down by age group reported in Figure 12. This chart shows higher proficiency in French for older individuals who would have attended secondary school before 2008, and higher proficiency in English in the lower age groups.

Figure 12: Self-reported literacy rates by age group and language



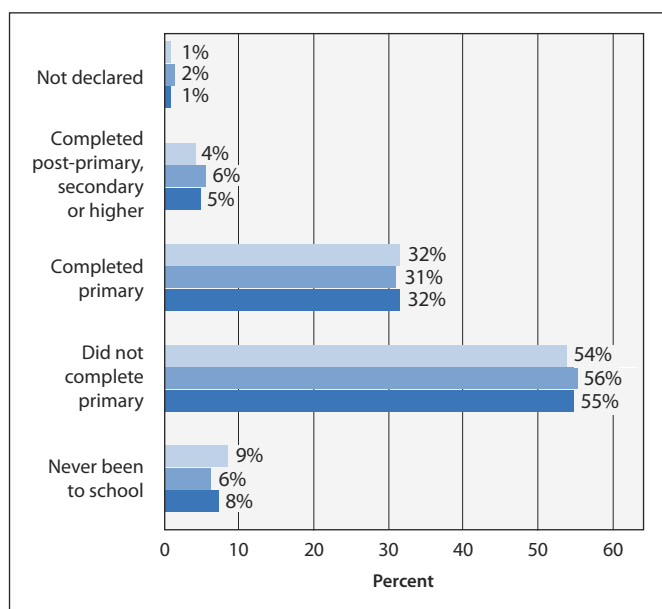
Source: *Thematic Report – Socio-Economic Status of Youth, Census 2012*

In Rwanda, a large share of the youth population, 62 percent, has not completed primary school. Because the youth age range is so wide, many of those at the upper end of the category should have been in primary and secondary school during or just after the 1994 genocide. While enrolment rates are currently high, many of today's youth saw their education disrupted during this period. As a result, one-third (32 percent) of the youth population has completed primary school while only 5 percent has completed post-primary, secondary, or higher education (NISR, 2014a). Gender disparities in youth educational attainment are small (see Figure 13).

Less than 1% of youth are in technical schools.

These figures for highest levels of educational attainment do not account for individuals in the youth age range who are still studying. Some individuals considered here may still continue on to secondary school or university. Vocational training in Rwanda remains a small component of the overall education system. According to the recently developed TVET-Management Information System, only 23,600 students are currently enrolled in technical schools, less than one percent of the youth population.⁸ Please refer to Annex B for a presentation of the vocational training system in Rwanda.

Figure 13: Level of education of youth by gender



Source: *EICV 3, Thematic Report, Youth*



RWANDA GOVERNMENT

⁸ As reported on the TVET-MIS website, July 9, 2015.

2.4. Preparing youth for labour market entry

Having a high performing and inclusive educational system is one of the fundamental requirements of developing a strong labour supply. The Government of Rwanda, through its Vision 2020 plan, does not aim to simply increase the number and quality of jobs available in Rwanda but aspires to a wholesale structural transformation of the economy — a shift that will require an entirely new set of skills in the labour force (ILO, 2010). This puts significant new demands on the Rwandan education system.

While secondary school and university graduates have higher levels of unemployment, the jobs that educated workers eventually get are likely to be more secure and better paid.

In spite of noteworthy increases in school enrolment over the past decade, the Rwandan labour force still suffers from low levels of educational attainment and 87 percent of the labour force has not received an education above the primary level (United Nations Rwanda, 2014).

Given this shortage, it is not surprising that there are high returns to education in Rwanda. There is, however, more friction in the labour market for more highly educated Rwandans. The data shown previously in Figure 5 indicate that secondary school and university graduates have higher levels of unemployment than the rest of the population. The jobs that educated workers eventually get, however, are very likely to be more secure and better paid (UCW Program, 2011). For highly skilled Rwandans, two issues stand out: the lack of job market intermediation services that could help link them to a suitable job; and the scarcity of suitable jobs available on the market.

In terms of developing skills, one of the most important components of the educational system as it relates to employment policy is the promotion of technical vocation and educational training (TVET). It is often argued that a strong TVET system is critical for providing needed technical skills to the labour market. Rwanda faces a number of challenges in this regard. It is widely noted in the literature that Rwanda suffers from a critical skills shortage (IYF, 2011; UCW Program, 2011; UN Rwanda, 2014).

In 2009, the Ministry of Public Service (MIFOTRA) undertook a National Skills Audit that looked at skills shortages by economic sector. They found that in general, there is a 60 percent shortage of skilled technicians in Rwanda. In 2012, the Rwanda Development Board (RDB) undertook a similar exercise, conducting a National Skills Survey from which they produced thematic reports in eight sectors: manufacturing; ICT; mining; energy; construction; tourism; agriculture; and finance and insurance. The reports point toward a general lack of soft skills (leadership, human resource management, business communication, innovation, and languages) across almost all strategic sectors. Some sectors are suffering more than others from skills gaps, especially manufacturing, finance and agriculture. Although all reports recommend strengthening the vocational training scheme in Rwanda, they often prioritize other reforms. One of the recurring recommendations is to facilitate the school-to-work transition through internships and graduate programs.

As a result of skills shortages, Rwandan businesses often have to rely on imported labour to fill the gaps. Technical jobs are largely taken by more qualified workers from neighbouring countries, primarily Kenya and Uganda. More study is needed on the extent of migrant labour working in Rwanda, and the impact of EAC labour mobility policies on the opportunities for and challenges to Rwandan youth seeking employment.

In addition to increasing the general level of skills in the labour force, policymakers need to ensure that the skills youth acquire are aligned with market needs. Some evidence from the evaluation of small-scale training programs suggest that alumni had very little success in gaining decent work after the training (Hosseini, 2008). In general, it appears that skills development programs tend to be supplier lead and not responsive to the needs of the market (IYF, 2011; UN Rwanda, 2014). One way to address the mismatch of developed and demanded skills is to more deeply involve the private sector in the design of the vocational training curriculums (UN Rwanda, 2014).

In 2008, the Ministry of Education developed a TVET policy in order to “address the critical shortage of qualified technical and vocational manpower in the labour market” (TVET Policy, 2008). An initial assessment of the TVET program was carried out by the Workforce Development Authority (WDA) in 2010. This study developed a database of 12,062 TVET program participants reaching back to the 1980s. It found that of the people surveyed who had participated in the TVET program, 45 percent were currently employed while 46 percent were unemployed. While this research contributes to knowledge about the sector, it is unable to draw conclusions on whether the programs have a significant impact on participants’ ability to find employment.

One of the main weaknesses of the current TVET program is its limited inclusiveness. The TVET system in Rwanda could be adapted to ensure that it is accessible and responsive to women and to students in rural areas (ILO, 2010). In addition, the literature reviewed here suggests that the quality of training delivered through TVET is at times low. Training programs would benefit from teachers with practical experience and the equipment needed to give students hands-on experience in addition to theoretical knowledge (UN Rwanda, 2014).

Recent assessments point to three key labour supply issues:

- *Low levels of education*
 - *A shortage of technical skills*
 - *Gaps between market needs and skills taught in vocational training*
-

Another area of concern is the absence of a standardized diploma recognition system. To aid employers in screening and placing candidates, the ILO has argued in favour of establishing a central regulatory body to “bring order to the plethora of different certificates presently issued by the various agencies providing vocational training” (ILO, 2010). Under the National Employment Programme of 2014, the WDA is tasked with the establishment of a National Certification Scheme for short-term vocational training, but as far as we are aware, it has yet to be implemented.

In sum, publications by government agencies and international organizations point to three critical labour supply issues in Rwanda: low levels of educational attainment in the labour force; a shortage of individuals with strong technical skills; and poor alignment between the skills taught in vocational training centres and market needs. While the studies cited above

give some insights into ways to improve the implementation of TVET and other training programs, rigorous impact evaluation of current programs’ success in helping alumni secure work is missing from the literature. A better understanding of the efficacy of these programs, and an ability to attribute employment outcomes to training programs, would allow policymakers to design more effective programs and better allocate resources.

2.5. Generating labour market opportunities for youth

In this section we review literature that addresses questions related to economic growth and job creation – generating demand for workers. This is a broad topic that includes literature on issues ranging from the state of the macro-economy to support for entrepreneurship and access to capital.

The challenge of stimulating demand for labour in the Rwandan economy is immense. As noted in the introduction, 125,000 young Rwandans are projected to join the labour force annually over the next five years. The challenge is not only to generate employment for these new entrants, but also to improve the quality of current jobs — in terms of both pay and stability. If the country can successfully meet this challenge, it could harness the benefits of the demographic dividend (World Bank, 2013). If it fails however, civil unrest, resentment, and delinquency could grow among the large underutilized youth population (Abbott and Batoni, 2011; Malunda, 2011; AfDB, 2014).

Research on employment elasticity of growth suggests that employment policy should target priority sectors based on their ability to absorb labour while growing.

While Rwanda has achieved considerable economic growth over the past decade, observers worry increasingly about the phenomenon of jobless growth (UN Rwanda, 2014). The United Nations Economic Commission for Africa (UNECA) has carried out important research on the interplay between GDP growth and job growth — the *employment elasticity of growth* — in the East African region (UNECA, 2013). In Rwanda, they find that employment, both formal and informal, is inelastic to growth, meaning that a one percent change in the growth rate leads to a less than one percent change in the rate of job creation.⁹ Further, they break their analysis down by sector showing very high employment growth elasticity in mining

⁹ A sector whose job growth is inelastic to economic growth still experiences an increase in the number of its workers in time of economic expansion, although the growth is less than proportional.

Table 2: Employment elasticities by sector in Rwanda (Total working population)

Sector	Employment	GDP/Worker (RWF)	Sector growth (%)	Employment growth (%)	Employment elasticity (%)
Agriculture	3,596,000	340,000	5.3	1.2	0.23
Mining and quarrying	48,000	1,000,000	5.0	21.4	4.28
Manufacturing	112,000	2,250,000	5.3	6.9	1.30
Utilities	10,000	800,000	12.8	22.4	1.75
Construction	146,000	2,170,000	15.0	17.4	1.16
Trade	444,000	1,110,000	11.3	8.4	0.74
Transport & ICT	91,000	3,160,000	12.3	10.3	0.84
Financial services	20,000	5,450,000	10.2	8.9	0.87
Government	211,000	1,490,000	11.1	8.4	0.76
Other services	228,000	1,940,000	5.5	2.5	0.45
All Rwanda	4,960,000	772,000	8.2	2.9	0.35

Source: UNECA, 2013

and quarrying¹⁰ and low growth elasticity in agriculture and the public sector, two sectors that employ a large share of the population and, in the case of agriculture, predominantly low-income individuals. Table 2 summarizes employment elasticities of growth by sector, across all age groups.¹¹ In light of these findings, it has been suggested that to be successful, employment policy should support priority sectors based on their ability to absorb labour while growing (UN Rwanda, 2014).

In addition to understanding and prioritizing sectors based on their employment potential, it is also important to focus on improving the overall business climate and maintaining macro-economic stability and growth. Companies must be able to generate strong revenue growth in order to have the resources to hire. The cost of labour, compared to its return, may indeed be prohibitively high. One report notes that “most companies realize the need for ICT service but can’t afford to hire university graduates” (IYF, 2011).

To stimulate business growth, the government, development partners, and NGOs have established a multitude of business development centres and entrepreneurship programs. In 2014, the RDB evaluated the government’s primary entrepreneurship program, and found that it had helped to create 25,100 jobs from 2009 to 2011, even though these were temporary jobs.

It also reported that the majority of youths created their businesses because they were unemployed; the will to develop a new idea was a secondary motivation. Finally, it summarized three main obstacles to business creation: (i) the lack of capital; (ii) insufficient skills; and (iii) the lack of collateral to access funds. The Government of Rwanda has initiated many programs to support job creation through small- and medium-enterprise (SME) growth¹², yet many of the businesses supported by these programs fail. Many have highlighted the need for more research on how to support the creation of viable businesses and how to promote longer-term, more stable employment opportunities.

In the literature, some reports have pointed out that the high failure rate of small businesses can be attributed in part to a lack of entrepreneurial skills and spirit among Rwandan youth (Malunda, 2012; RDB, 2014). The RDB suggests for instance, that entrepreneurship classes should be introduced at the primary level to foster a culture of entrepreneurship among the country’s youth. When looking to support entrepreneurship, it is important to distinguish between those genuinely interested in founding a business and those who go down this route by necessity, discouraged by the difficulties they faced when trying to find a salaried position. The distinction between ‘necessity’ and ‘opportunity’ entrepreneurship has received a

¹⁰ In general, the mining sector tends to have a very low employment elasticity. In the Rwandan context however, the sector is characterized by low capital investment and high reliance on labour intensive artisanal mining methods.

¹¹ Unfortunately, these statistics have not been calculated specifically for the youth population.

¹² See Section 3.1. for more detail on these programs.

great deal of attention in the economic literature,¹³ yet no studies reviewed for this paper investigated this theme in Rwanda.

Through its strategic policy documents — most notably the EDPRS II and Vision 2020 — the Government of Rwanda has prioritized private sector growth as a means to increase employment. The private sector in Rwanda is dominated by micro-, small-, and medium-sized enterprises (MSMEs). MSMEs make up 98 percent of businesses and account for 84 percent of all off-farm employment (UN Rwanda, 2014). The primary constraint identified in the literature to the growth of MSMEs, and consequently to their potential to contribute to the growth of employment opportunities, is access to capital (Abbott, 2002; RDB, 2014).

According to the ILO (2010), poorly functioning financial markets in Rwanda are likely to “slow down the pace of economic development and structural transformation.” Established financial institutions often perceive SMEs as high risk and are reluctant to lend to them (UN Rwanda, 2014). In addition, banking transactions are concentrated in Kigali and lending is thereby restricted to a small number of large firms operating in just a few sectors (ILO, 2010).

This limited access to finance has tangible consequences for MSME development and youth employment. With formal channels closed off, the majority of small enterprises are self-funded; this finding is supported by the conclusions of a study of household enterprises by Abbott and co-authors (2012) and by a study of individuals who benefitted from an RDB entrepreneurship program (RDB, 2014). Access to credit, the literature makes clear, is a key obstacle to the establishment by young entrepreneurs of new businesses and the growth of existing MSMEs. As such, it acts as a barrier to job creation in Rwanda. How to broaden access to finance, and identify other ways support the growth of household enterprises and MSMEs is an area that would benefit from further investigation (Thomas, 2015).

From a more systemic perspective, it is important to understand the links between macroeconomic policies and job creation. We did not identify any published Rwanda-specific research on the link between fiscal or monetary policy, and youth employment. The ILO, however, is currently working on a report investigating this relationship in Rwanda as part of a global series.¹⁴

In sum, the literature on demand-side challenges in the labour market highlights the depth of the challenge facing the Rwandan economy in terms of job creation. As noted earlier, over the next five years, an estimated 125,000 people will join the labour force annually. Many hundreds of thousands of additional underemployed workers are searching for more and better jobs. Yet at present, the Rwandan economy produces 92,000 new jobs per year (EDPRS II, 2013). This simple statistic highlights the depth of the labour demand problem in the country: there are simply not enough jobs.

2.6. Youth aspirations and perceived challenges

In addition to looking at youth qualifications and labour market opportunities, interventions to support youth employment must also reflect their own aspirations and perceptions of the opportunities and challenges that await them in job markets.

Aspirations

From the literature reviewed, a preliminary understanding of Rwandan youths’ goals and desires emerges. The professional aspirations of youth differ significantly depending on their levels of education, age, and gender. There is however one unifying desire across these various segments of the population: developing one’s skills.

Youth with only primary education face great difficulties in the labour market. They generally aim to find small jobs in marketplaces and construction sites as day labourers. Young men are also visible in two professions: moto-taxi driving and selling mobile phone air time cards in the streets. Employment opportunities for girls and young women are more limited. Many who completed only primary school work in precarious, poorly paid positions as house maids.

Studies that reflect youth perspectives show that across all age groups, youth seek to increase their level of education.

Youth with a secondary education face less dire employment prospects. Many delay their entry into the labour market in order to improve their English proficiency and IT skills. Many youth with a secondary education are interested in job opportunities in the ICT sector. The 2011 International Youth Foundation (IYF) study indicates that they are much less attracted to employment in agriculture, though they recognize the large employment potential of this sector.

¹³ See for instance Acs (2006) for an introduction and review.

¹⁴ This report is expected to be released late summer 2015.

Studies that incorporate youth perspectives show clearly that, across all age groups, youth seek to increase their level of education. While the desire is common, the type of education they seek is different. Young people who have completed secondary school want to go on to university, while youth with lower education want practical training to rapidly acquire marketable skills.

Challenges

In looking at the challenges to job market entry that youth perceive, the literature suggests that Rwandan youth see little assistance available to help them secure a job. Five main obstacles to employment are identified: (i) a shortage of skills; (ii) poor labour market intermediation; (iii) a lack of work experience; (iv) limited access to credit; and (v) poorly designed training programs.

When asked to identify the main challenges that prevent their productive inclusion in the workplace, in a study undertaken by IYF (2011), youth ranked limited IT and business skills as their chief obstacles. These obstacles appear to be equally binding for youth interested in self-employment and those interested in salaried employment. This problem is compounded by the premium employers place on university degrees. There still appears to be a tacit understanding in Rwanda that university education is the principal marker of a qualified worker. The literature suggests that this perception has two regrettable consequences: (i) job seekers who are unable to pursue higher education feel unconfident and unmotivated; and (ii) employers undervalue training programs like the TVET. Young people could acquire these skills on the job, through internships and apprenticeships. However, schools and universities are not offering enough of these schemes and employers complain about graduates' lack of work experience (WDA, 2010; IYF, 2011).

A second problem identified by the youth population is the limited infrastructure available to match job seekers to job opportunities. As the IYF surveys reveal, youth are not familiar with programs such as YES Rwanda or other NGOs working to improve job market intermediation. IPAR's School-to-Work Transition study finds that the majority of employed youth find

their jobs through social ties whereas those still in school tend to seek employment by answering job advertisements (Malunda et al., 2015). Social networks seem equally important for those looking to start their own business. A small-scale case study of youth seeking self-employment in Gasabo District found that youth with larger social networks had better chances of self-employment (Biseruka, 2010).

University students do not appear to receive much assistance in obtaining a job, as career guidance at many institutions is limited. According to the IYF survey, some unemployed youth indicated that they simply gave up looking for jobs — almost half because they could not afford transportation to look for jobs in other localities. Although this result should be taken with caution due to the small size of the sample, it points to serious limitations in the availability and awareness of tools to match job seekers and employers in Rwanda. Although a number of job sites have been initiated in recent years, the challenge persists, especially in rural areas where Internet access is limited. Only slightly more than half of those interviewed in the IYF survey said that they had access to the Internet (IYF, 2011).

The third issue addressed by youth echoes a challenge identified in the more general labour demand literature — a lack of access to credit. The main barrier to formal finance cited by youth was the inability of most to assemble the collateral required by banks to obtain a loan and start their own enterprises.

Finally, vocational training programs currently in place need to be better adapted to their target population's constraints. A 2009 USAID report indicates that youth want modular training courses that accommodate their schedules — some are still studying, others are working. Time is not the only issue, however; many young people have difficulty paying for training programs, both in terms of tuition and foregone income. The report recommends offering modest compensation to the poorest participants in order to improve program attendance.

3 Programs and policies to address youth employment

As a core development issue, youth employment is a priority for Rwandan policymakers and for a range of international and local NGOs, civil society actors, and the private sector. In this section, we map the landscape of major policies and interventions by government and various development partners to enhance the labour market prospects for Rwandan youth. While we aim to identify some of the key players, the landscape is vast, and this is not an exhaustive list of all actors engaged in addressing issues related to youth employment in Rwanda.

An analysis of the areas of focus by type of stakeholder reveal that most of the interventions are focused on the labour supply side of the issue. Almost half of all government ministries and agencies have a policy or program trying to improve the quality of the labour supply in Rwanda (mostly via training programs). The same focus is observable among civil society stakeholders, international NGOs, and donors.

3.1. Government initiatives

For more than a decade, the Government of Rwanda has tailored programs to target youth and improve their job prospects. Four main ministries have led policy development to address the youth employment challenge, with three additional government agencies and initiatives taking the lead in implementing these policies, as outlined below.

In 2014, the Government of Rwanda introduced a new National Employment Programme (NEP). The NEP is the country's guiding policy document for addressing issues related to youth employment. It aims to coordinate actions of the many relevant ministries and government agencies addressing employment issues and is articulated around four pillars: (i) skills development; (ii) entrepreneurship and business development; (iii) labour market interventions; and (iv) coordination and monitoring and evaluation (M&E) of national employment interventions. The concrete steps taken by the Government of Rwanda's ministries under these four pillars are discussed below.



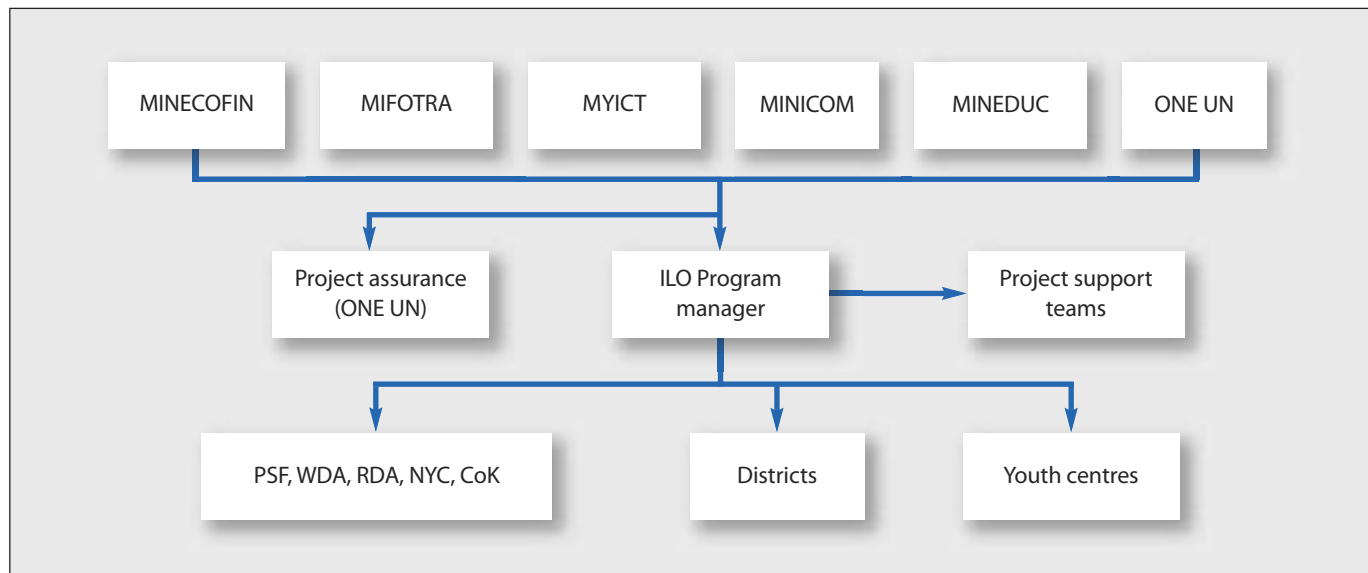
AMELODY LEE / WORLD BANK

The four key government ministries currently addressing the youth employment challenge in Rwanda are:

- (i) The Ministry of Public Service and Labour (MIFOTRA) through the National Employment Programme and the Five Year Program for Priority Skills Development;
- (ii) The Ministry of Trade and Industry (MINICOM) through the NEP and the *Hanga Umurimo* Program;
- (iii) The Ministry of Education (MINEDUC) through the NEP and the National TVET Policy; and
- (iv) The Ministry of Youth and ICT (MYICT) with the National Youth Policy and the National Youth Council.

In implementing government policies, the Workforce Development Authority (WDA), the Rwanda Development Board and the Business Development Fund (BDF) are the main actors in action against youth underemployment. In particular, the WDA, under the Ministry of Education's direction, plays a critical role in implementing the Government of Rwanda's youth employment strategy. The specific responsibilities of these agencies are detailed in the 2014 NEP policy document.

Figure 14: National Employment Programme management structure



Source: Authors' adaptation from UN Rwanda (2014)

Network analysis on 41 public actors (agencies and ministries), civil society organizations, and international donors conducted for this study suggests the Government of Rwanda's policy space is centred around the Workforce Development Authority and the Ministry of Youth and ICT. While the Ministry of Public Service and Labour (MIFOTRA) is the main public actor on the issue (in terms of budget and the number of initiatives), MYICT and WDA intervene in three out of the four policy areas considered (supply and intermediation for both, plus demand for MYICT and research for WDA). Two ministries, whose initiatives related to youth employment were not thought of as central appear to be important in the Government of Rwanda's policy space: the Ministry of Local Government (MINALOC) and the Ministry of Gender and Family Promotion (MIGEPROF). This is mainly due to the fact that they intervene both on the supply and the demand side of the issue (via training programs and by financing businesses).

More detail on the roles of various ministries and agencies in implementing youth-related policies and programs can be found in Annex E.

3.2. Other stakeholder initiatives

Many development partners, international and local NGOs, civil society actors, and labour and professional organizations also implement programs. Reflecting the Government of Rwanda's focus, most donor country development agencies

are implementing or funding programs to improve the general level of skills of the Rwandan youth labour force. Local civil society organizations are also helping to promote youth employment and in some cases, they help to deliver government programs.

Here we identify some of the key stakeholders, outside the Rwandan Government, working on youth employment. Further detail on the individual organizations and initiatives carried out by these stakeholder groups can be found in Annex E.

International donors and NGOs

Many international NGOs operate in Rwanda, including Oxfam, Plan International and others. Several directly address the issue of youth unemployment and underemployment while many others engage with the issue tangentially. International NGOs that work directly on youth employment primarily focus programming on supply-side issues, providing training and sometimes job search support to youths.

From the literature, two major donors appear to be most active on youth employment issues: USAID and the German development agency, GIZ. USAID is financing the *Akazi Kanoze* program implemented in Rwanda by the Education Development Center (EDC). GIZ runs its own interventions — mainly on labour market intermediation and TVET education promotion — and appears to be the most visible international donor on the youth employment scene.¹⁵

¹⁵ Retrieved July 19, 2015 from the GIZ in Rwanda web site.

Research institutions

The Institute for Policy Analysis and Research (IPAR) is the main research think tank operating in Rwanda. IPAR is a registered independent, not-for-profit research organization that has been operating since 2008. It has received support from the International Development Research Centre as well as the African Capacity Building Foundation. The organization conducts research on a wide variety of policy relevant topics, including youth employment.

Local NGOs and civil society actors

There is a plethora of civil society organizations in Rwanda engaged in improving youth employment. Cooperatives, youth associations, and labour and professional organizations have been vocal in making the youth challenges better known to policymakers and to the wider public. Beyond advocacy, many also take concrete steps to directly address the issue.

3.3. Governance and coordination of youth employment policy and programming

Due to the crosscutting nature of the youth employment issue, a wide range of government ministries and agencies are involved in efforts to address youth employment. In the Rwandan context, there has historically been little coordination among various ministries and agencies that address youth employment (Malunda, 2011; IYF, 2011). For example, ministries and agencies have, in the past, run multiple separate business plan competitions that might have had a stronger impact if coordinated. Lack of coordination can lead to a duplication of efforts and an inefficient use of resources.

Given the crosscutting nature of the youth employment issue, and the wide range of agencies involved, coordination of efforts is a serious challenge.

Related to the coordination problem is a lack of clear ownership and oversight over youth employment issues and outcomes. Both the Ministry of Youth and ICT and the Ministry of Labour and Public Service bear some responsibility for youth employment issues, but the boundaries between the two have not been clearly demarcated (Phororo, 2013). This lack of ownership has meant that in practice there has been little accountability within government for youth employment outcomes (Malunda, 2011). Without accountability, it is difficult to ensure proper implementation of policies. On that point, the Understanding Children's Work report argues that the key challenge facing Rwanda is not developing strong policies but rather "one of operationalizing those policies" (UCW Programme, 2011).

The National Employment Programme attempts to address a deficit of policy level evaluation.

While the government and NGOs have engaged in some M&E at the program level, there has been little evaluation done at the policy level. It appears that policymakers have addressed this deficit in the new National Employment Programme (NEP) of 2014, which includes better provisions for monitoring and evaluation. The 2014 NEP policy document assigns a central role to the Labour Market Information System unit of MIFORTA, where labour market statistics are being centralized and made public. Further, one percent of the NEP budget has been allocated to coordination and M&E, which is to be led by MIFOTRA (MIFOTRA, 2014). While the 2014 National Employment Programme is too recent to have been evaluated, on paper it addresses many of the challenges highlighted above. For example, it aims to improve coordination of policy by establishing a secretariat to whom the involved ministries and agencies will report; it improves ownership by assigning specific target outcomes to implementing bodies; and it includes provisions for consistent M&E.



3.4. Representation of youth perspectives

To what extent are policies and programs that aim to address the youth employment challenge integrating youth perspectives on their needs, constraints, and aspirations? In the literature, we see some effort on the part of international donors and NGOs to incorporate youth perspectives in their research and program design. Government publications, on the other hand, particularly evaluations, do not appear to have made strong efforts to directly survey youth or report on their perspectives in research. Here we examine reports that include youth perspectives, summarizing what is known, and suggesting areas for additional research. From the literature reviewed and interviews conducted for this report, it appears that overall, youth voices are not adequately represented in the youth employment debate in Rwanda.

While some international donors and NGOs have tried to incorporate youth perspectives in their research and program design, government evaluations seem to lag behind in reflecting youth views.

Of the studies reviewed in this paper, four in particular are noteworthy for their reflection of youth voices: USAID (2009); IYF (2011); and IPAR (2015). Each of these studies directly solicited youth input through interviews, focus groups, or quantitative surveys. While the first report by USAID was a very small-scale study, it incorporates findings from in-depth individual interviews and focus groups with youth to evaluate their experiences participating in two youth employment programs in Rwanda. The second study is an assessment of the youth employment landscape in Rwanda, conducted jointly by EDC and USAID in 2009. This study reports findings from interviews and focus groups with more than a hundred young people in order to collect their testimonies on the challenges they faced in the labour market.¹⁶ The third study, a detailed

youth survey, conducted by the International Youth Foundation in 2011, looks at the nature of youths' attitudes and aspirations (IYF, 2011). It pooled the responses of one hundred young people, 36 employers and 40 other stakeholders. The samples surveyed in these three papers are small and may therefore not be representative of the broader youth population. Nevertheless, the findings appear to align with those of more general studies. The most recent study to include youth voices was a school-to-work transition study presented at the 2015 IPAR annual research conference. IPAR conducted a survey of 2500 youth to examine school to work transitions, and more specifically to analyze job search and recruitment methods and to better understand the determinants of youth earnings (Malunda et al., 2015).

Government policy documents and program evaluations do not seem to have substantially included youth perspectives or to have directly surveyed youth. We are not aware of any recent surveys of youth opinion conducted by government agencies that have been publicly disseminated. To better understand youth expectations, the Workforce Development Authority analyzed its TVET database in 2010 in which all participants in the training program were registered. While the data is informative about what trainees expect from the program, it gives only an indirect and partial account of their aspirations.

Further, interviews with civil society organizations suggest that in Rwanda there is insufficient advocacy on behalf of youth interests and new ways can be found to include youth voices in policymaking. The National Youth Council (NYC) is a body of youth representatives elected at every level of government that serves as a platform for youth to voice their opinions and concerns, but its primary focus is not employment. To date, acknowledging the exceptions listed above, there has not been sufficient effort made to understand and incorporate youths' own lived experiences into policy and program design.

¹⁶ Note that the rigour of the selection process of the youths interviewed is questionable. The assessment team "selected youth 'from the street' — those hanging around near the market looking for work, a few engaged in street vending and

several from the Nyamirambo neighborhood of one of our team assistants" (p. 13). In this regard, we doubt that the sample is representative of youth in Rwanda.

4 Recommendations for further research

The literature reviewed above reveals considerable potential for a rich research agenda on youth employment in Rwanda. There is a growing body of work that describes well the nature of the youth employment challenge faced by policymakers. A breakdown of available labour market data can be found in Annex C, and Annex D presents an overview of the current research literature relevant to youth employment in Rwanda. Knowledge gaps remain, however, in a number of key areas. Based on these gaps, we have identified six potential areas for further research, as listed below. The timing to conduct new research in this area is opportune as the NISR will be conducting the first national labour force survey in 2016. This survey should provide researchers with purpose-built data, enabling in-depth analysis of complex topics such as underemployment that are covered only tangentially in existing data sets.

The six recommended areas for future research are as follows:

(i) Understanding the nature of underemployment

Underemployment is one of the key challenges related to youth employment in Rwanda, yet relatively little analysis has been conducted on the issue. The EIVC thematic reports provide descriptive statistics which highlight hours and number of jobs worked by youth, but we are not aware of any major studies or critical analysis on the topic.

In order to design targeted policies to help youth transition into better-paid and more secure full-time jobs, it would be beneficial to better understand the nature and dynamics of underemployment in Rwanda. What is the experience of an underemployed worker in the labour market? How does this vary by sector, by gender, by skill level, or age? What are the bottlenecks preventing individuals from securing more formal, stable employment? While the EICV data provides some insights, our comprehension of patterns of underemployment and how they evolve over time would be greatly improved with frequently collected longitudinal data. Combining this data with records of government interventions would enable researchers to shed light on what works to pull young people out of prolonged underemployment in Rwanda.



JENNIFER HUXTA FOR MASTERCARD FOUNDATION

(ii) The growth of informal sector businesses

It is estimated that only a small proportion of the workforce, approximately seven percent, is in stable employment in the public sector or the formal private sector (EDPRS II, 2013). As with the issue of underemployment, national surveys like the EICV and the census give some insights into the nature of informal employment by asking about hours worked and number of jobs worked, but our understanding of the sector is limited. As with the issue of underemployment, the lack of frequent data on the informal sector is an impediment to study its evolution and its relationship with formal employment.

The government and NGOs have supported a number of entrepreneurship and business development programs yet many of the ventures they assist fail to grow. Lack of credit has been identified as a key constraint, but are there other reasons these businesses struggle? The determinants to the success of these firms, and of their ability to grow from small household enterprises into more established, formal employers, have not been sufficiently investigated. This issue is highly relevant for Rwandan policymakers who see the formal private sector as a motor of employment growth.



HAND IN HAND INTERNATIONAL/GEORGINA GOODWIN

(iii) Gender disparities in employment outcomes

Of the recent literature, only one study by the African Development Bank (2014) and one program document by the UN and the Government of Rwanda (2014) specifically investigate issues of gender inequality in employment. It appears that not enough research has been conducted on the difficulties that young women face — such as high unemployment rates in urban areas, precarious domestic work, and a higher degree of informality in their economic activities — and how to address them.

We propose three sub-questions related to gender could be investigated. The most pressing is that of urban unemployment: in Rwandan cities, the unemployment rate of women is two to three times as high as that of men (NISR, 2014a). The research on this topic is primarily descriptive and the causes and patterns of this phenomenon have not been thoroughly investigated. Secondly, young women are working fewer hours per week than men and the gap widens with age. The causes of this phenomenon are unclear, but likely candidates include domestic responsibilities; dependency on the family household or a partner; or gender discrimination in the labour market. Finally, a trend that mirrors declining hours worked by women in the labour force is that the share of economically inactive individuals who are female and fulfilling domestic responsibilities increases with age. Understanding the reasons why women diminish their hours worked and increasingly

leave the labour force is important for designing policy to support female employment. The scale of gender differences on the Rwandan labour market is all the more intriguing as Rwanda is performing extremely well on other measures of gender equality, such as in educational enrolment and representation in government.¹⁷ Translating this gender equality from the school system to the labour market remains an ongoing policy challenge.

(iv) Rigorous impact evaluation of training programs

To date, no rigorous impact evaluations of government and NGO programs addressing youth employment have been conducted. The government has conducted a number of program assessments that rely primarily on raw enrolment and placement numbers to assess the effectiveness of national programs like *Hanga Umurimo* — a nation-wide initiative to educate young Rwandans in entrepreneurial skills and provide them with seed capital; TVET; or *Agaciro Kanjye*, which provides training in income-generating activities and specialized skills in ICT and in entrepreneurship.¹⁸ NGOs and international donors appear to have adopted a similar approach.¹⁹ While these studies provide information about the reach and implementation of programs, there is a lack of evidence attributing observed outcomes to a particular intervention. A rigorous evaluation of some aspects of these programs — such as the effectiveness of the internships scheme or vocational training — would equip the government and key stakeholders with solid knowledge about what works and what does not to improve employment prospects for youth.

Further, rigorous evaluation would help identify through which mechanisms interventions affect outcomes and build a body of evidence about how to best design effective programs in the Rwandan context.

TVET programming is one example of a labour supply intervention that is extraordinarily popular around the world but appears to have a mixed record in terms of impact. There are several recent evaluations of youth trainings in developing countries such as Malawi (Cho et al., 2013), the Dominican Republic (Card et al., 2011), Colombia (Attanasio et al., 2011), and India (Maitra, P., & Mani, S., 2013) that have shown mixed results. These evaluations point to a need to rethink the delivery of TVET programs in those contexts. The efficacy of TVET in stimulating youth employment in Rwanda has not been

¹⁷ Retrieved July 28, 2015 from the Social Watch website, Gender Equity Index 2012.

¹⁸ See, for instance, the National Employment Programme policy document (2014) and the relevant ministry websites.

¹⁹ See the webpage of the Akanzi Kanoze project by EDC, Oxfam's flyers, or Plan International's VSLA webpage.

thoroughly studied, and policymakers would benefit from evidence to guide their investments in the sector. More generally, throughout the series of interviews conducted for this study, a number of interviewees reported that the lack of impact evaluation was preventing policymakers from understanding what policies and programs are most effective at stimulating youth employment in Rwanda.

(v) Youths' aspirations and challenges

We have identified a handful of reports that incorporate youth perspectives into research on labour markets in Rwanda. These studies are incredibly useful in that they provide direct insights into the challenges faced by youth that can inform improved policymaking and program design. One key limitation of these studies, however, is that they generally consider only very small samples and have non-rigorous selection techniques. The insights, therefore, have limited applicability outside the narrow purpose for which the data was collected. Future research could be extremely useful to policymakers and local stakeholders if it provides a detailed and recent account of what youths expect from the government, what they aspire to professionally, and which skills they are interested in acquiring. In particular, research that includes the diverse set of perspectives within the youth population would be of use — such as on different age groups, rural vs. urban youth, gender, and education level, etc. Understanding the lived experiences of youth across a wide range of situations would aid in targeting policy and programming to meet their needs.

(vi) Cross-border labour mobility

As noted in section 2.4, Rwanda's businesses often rely on imported labour to bridge the skill gap in the country, despite the high rate of underemployment among Rwanda's youth. To date, there has been little research conducted on the effects of labour mobility in the East African Community on labour markets for youth in Rwanda. More information on the scale of this phenomenon, on the kind of jobs that seek the skills of foreign workers, and on the reasons that the Rwandan education system is unable to provide these skills would be beneficial. Further, research on the opportunities created by increased trade and labour mobility would help policymakers design programs to better position Rwandan youth to take advantage of these opportunities.



GWENDOLYN STANISLURI/IFPRI

5 Conclusion

This study has presented an overview of the key characteristics of the Rwandan labour market. It has summarized the state of our current understanding of youth employment in Rwanda, outlined the main policies and programs through which stakeholders are responding to the challenge, and made suggestions about possible research entry points. The analysis presented in this paper is underpinned by analysis of available government statistics, a comprehensive review of the research and programming literature, and interviews conducted with stakeholders.

Rwanda is faced with an important and pressing challenge. Youth underemployment is currently an impediment to the country's economic development and could compromise progress on its development goals, if not addressed. In addition to providing productive employment for the thousands of youths entering the labour force every year, Rwanda's economy must grow fast enough to move its current workers from low-productivity, agrarian activities to formal, stable, and better paid jobs. While this challenge is significant, Rwandan youth also have the potential to drive economic development. The shifting demographic structure of Rwandan society offers prospects for capitalizing on a bigger and more skilled and knowledgeable labour force, with fewer dependent individuals per worker.

Well aware of this potential, Rwandan policymakers and international donors have dedicated considerable resources to the issue. Yet the depth and persistence of the problem remains a source of concern. Research has a key role to play in guiding future initiatives by government, international donors, and civil society organizations to address youth unemployment and underemployment.

We have identified six priority areas for further research on youth employment in Rwanda: (1) understanding the nature of underemployment; (2) addressing the constraints to growth of businesses in the informal sector; (3) examining gender disparities in the labour market; (4) conducting rigorous impact evaluation to build a body of evidence about the efficacy of skills



training programs; (5) incorporating youths' perspectives into policy and program design; and (6) studying the impacts on the youth labour market of increased trade and labour mobility resulting from integration of the East African Community. Research on these topics has the potential to generate important and policy-relevant insights. This research agenda would greatly benefit from a planned labour force survey, currently being piloted by the Government of Rwanda's statistics institute. There is considerable demand for new research and data in Rwanda on youth employment, especially from practitioners and program managers who need reliable and up-to-date information to tailor their interventions to market needs.

Many stakeholders would be valuable and interested interlocutors in this research agenda. First and foremost, the Government of Rwanda through the four key ministries implementing the National Employment Programme as well as the government's key implementing agencies. Secondly, the two key research organizations in Rwanda, the NISR and IPAR. Thirdly, international research and economic development organizations, including the ILO, the many relevant United Nations bodies, and the World Bank have produced a valuable body of research on employment in Rwanda. Their expertise



IAN MASIAS / IFPRI

and insights should be sought. And finally, international donors, global NGOs, and domestic civil society associations could provide advice grounded in their Rwandan experience, and external researchers could benefit from their long-established networks. Amongst international donors, USAID and GIZ are particularly active in the area of youth employment. Among international NGOs, EDC is deeply engaged in the sector. Within Rwanda, the Private Sector Federation, a professional organization that promotes the interests of Rwandan business, and YES Rwanda, a national youth association, could offer insightful perspectives from both ends of the youth labour market.

Youth employment is a critical policy challenge in the Rwandan context. If the government is able to create the conditions to employ the high numbers of youth entering the labour market each year, and improve the quality of employment for those currently working but underemployed, the country could reap significant benefits from its 'demographic dividend'. If the employment challenge is not addressed however, it may compromise the country's positive growth and development trajectory.

The government, donors, NGOs, and civil society are well aware of this challenge and are actively working to promote positive youth employment outcomes. With new policies and programs being implemented at the national level, and the first labour force survey being carried out in 2016, it is an opportune time to engage in a new research program on youth employment issues. Policy-relevant research that helps to shed light on the challenges facing Rwandan youth, and what works in addressing those challenges, could help the country realize the potential benefits of a young and growing labour force.

Annexes

Annex A: International definition of youth employment

In 1982, the International Labour Organization (ILO) adopted the “Resolution concerning statistics of the economically active population, employment, unemployment and underemployment.” This resolution developed a set of general guidelines to measure key labour-related indicators in a standardized way, with the objective of ensuring comparability across national studies.

With regard to employment, under the 1982 resolution, an individual is considered employed if *they have engaged in paid employment or self-employment for at least one hour in the week preceding the survey*. With regards to youth, the ILO considers youth to be *any individual falling between the ages of 15 and 24, inclusive* (ILO, 2014). Therefore, youth employment includes any individual that satisfies the definitions of both “employed” and “youth.” This definition of youth employment is the commonly accepted international standard, and is used by international organizations, including the World Bank,²⁰ the United Nations,²¹ and the European Commission.²²

The time period from 15 to 24 is an important developmental period in a young person’s life. The youth category encompasses individuals at various stages of maturity and position in the labour market. Due to the diversity of situations covered, the ILO suggests further disaggregating youth into two categories: *adolescents* (15 to 19 years old) and *young adults* (20 to 24 years old).



Following a decision taken at the 19th International Conference of Labour Statisticians (2013), the ILO will adopt a new definition of unemployment in 2016. It will no longer classify non-wage agricultural labour (i.e. subsistence farming) as employment (any activity by which one produces goods or provides services for pay or profit). Under this new definition, the unemployment rate in Rwanda could increase significantly.

²⁰ Retrieved May 13, 2015 from the World Bank Group website: Data, Total youth unemployment.

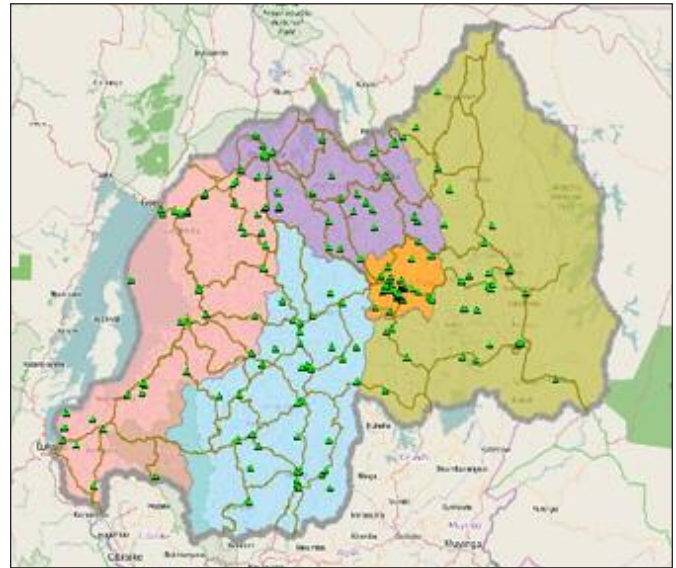
²¹ Retrieved May 13, 2015 from the United Nations website: Millennium Development Goals, Goal 1.

²² Retrieved May 13, 2015 from the Eurostat website: Statistics explained, Youth unemployment.

Annex B: Rwanda's TVET program

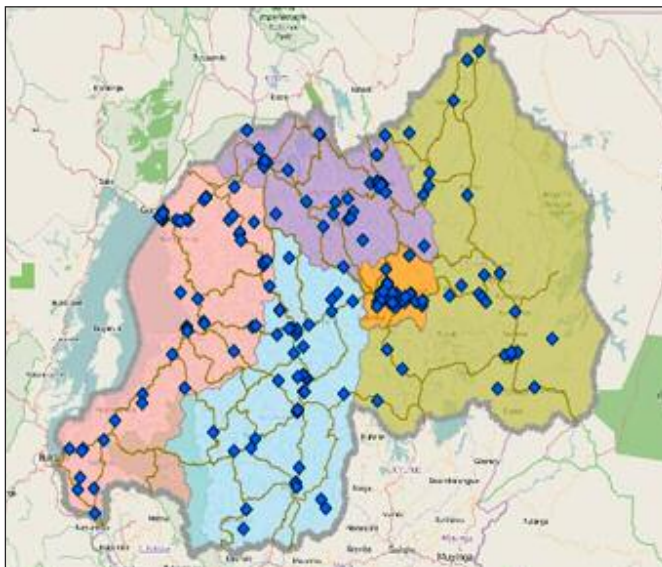
In Rwanda, TVET is delivered through integrated polytechnic regional centres in each province that provide training and qualifications at a level close to that of university diplomas. The system is further complemented by technical secondary schools, offering three-year training that leads to a “craftsman” certificate, and vocational training centres, whose short-term courses typically last for six months to one year and which are mainly designed for pupils who did not complete lower secondary education. In addition to running the polytechnical, technical, and vocational schools, the Workforce Development Authority is responsible for providing training manuals to schools, developing modules for vocational training, creating a national certification for the short-term vocational training component of the country's TVET program, setting up business incubation centres in TVET schools, and collaborating with partner companies hosting the apprentices. TVET is run in parallel to the standard education system and offers a complementary way to acquire skills. Table A-1 below summarizes how the TVET program is included in the Rwandan education system. Maps 1, 2 and 3 show the geographical coverage of the TVET schools.

Map 1: Vocational training centres (190)



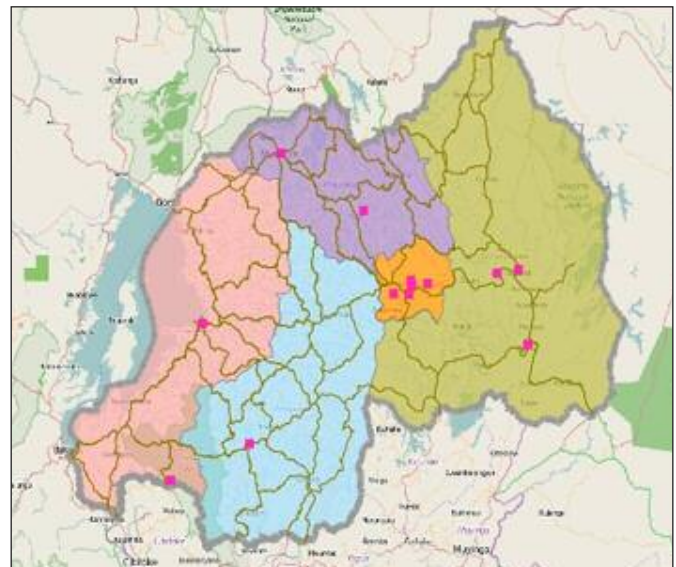
Source: TVET-MIS, via OpenStreetMap

Map 2: Technical secondary schools (181)



Source: TVET-MIS, via OpenStreetMap

Map 3: Integrated polytechnic regional centres (13)



Source: TVET-MIS, via OpenStreetMap

Table A-1: TVET and the Rwandan education system

Phase	9-year Basic Education					12-year Basic Education				Post-Secondary	
Age	...	11	12	13	14	15	16	17	18	19	20
Class	...	P5	P6	S1	S2	S3	S4	S5	S6		
Primary											
Groupe Scolaire											
						General Secondary Schools				University	
						Vocational Training Schools					
						Integrated Regional Polytechnic Centers					
							Technical Secondary Schools				
<div> <div></div> Standard Education System <div></div> TVET Education </div>											

Source: Paxton (2012)



ADAM COHN

Annex C: Sources of labour market data

One of the key enablers of comprehensive policy research is the availability of data. In 2014, recognizing the importance of statistics to the government's employment priorities, the National Institute of Statistics of Rwanda (NISR) developed a Labour Statistics Framework. The Framework documents the currently available sources of labour market information — including a summary table which categorizes all available labour market data sources that underpinned the Framework. It further provides a roadmap for improving the collection and coordination of labour market information in line with international standards to facilitate policymaking, program implementation and evaluation (NISR, 2014b).

Labour statistics cover a wide variety of topics and therefore overlap with a number of other national statistics systems. They are compiled from a wide variety of sources ranging from nationally representative surveys to administrative data collected by government ministries and agencies.

For an introduction to the state of the youth labour force in Rwanda, the website of the Labour Market Information System (LMIS), an initiative of the Rwanda Development Board now spearheaded by MIFOTRA, offers a good overview of the labour market data available in Rwanda. The LMIS is the Government of Rwanda's main portal for accessing labour statistics. It gathers labour market data from MINEDUC and government agencies — NISR, RSSB, RRA, and RDB. The data offers reliable statistics at a high level of granularity; many labour market indicators can be disaggregated at the district and the sector levels, between urban and rural areas, by gender, and by levels of qualification or educational attainment. Most of the statistics reported on the website are publicly available but they are scattered across many government reports and databases.

The main advantage of the LMIS is that it makes this data quickly and easily available in one place. It also provides simple visualizations of the main statistics and their evolutions over time. LMIS is a useful initiative from the Government of Rwanda, as it provides quick and easy access to essential statistics. But it suffers from the absence of a database specifically dedicated to labour force indicators (most of the labour force data comes from the EICV and the Census) and the lack of longitudinal data at the individual level.

Supply-side data

The two most recent sources of nationally representative data useful for supply-side labour market analysis are (i) the Integrated Household Living Conditions Survey (EICV) and (ii) the National Census.

EICV 3, 2010/11

The EICV is conducted every 5 years with the most recently available survey conducted in 2011. After 2011, the frequency of the EICV was increased to every 3 years. As such, it was conducted again in 2014, but the data from this most recent survey are not yet publicly available. The EICV is comprehensive and is a reliable source of available labour supply data. It includes information on employment, underemployment, hours of work, wages and benefits, and information on job search methods and participation in special government employment programs. We, however, prefer the census for labour market data because of its reliability and date of collection (one year after the EICV). The EICV data is publicly available, on the NISR's website, after registration.²³

Housing and Population Census, 2012

The national census has been completed four times: 1978, 1991, 2002, and most recently in 2012. As such, it is currently the most recent nationally representative data available with which to examine labour supply in the country. NISR has published thematic reports that summarize the census data. The full data set however, has not been publicly released.

The NISR warns users of two methodological limitations of the census for labour market studies (NISR, 2014b). The census contains:

- (i) **No measurement of underemployment:** The NISR did not collect data on working hours and income from work, making it impossible to compute statistics such as the underemployment rate.
- (ii) **No account of multiple occupations:** The working population in Rwanda routinely works in multiple jobs. Census data, however, took into account only an individual's main economic activity.

In spite of these limitations, this study uses the census data as it is more recent and more reliable. However, we use the EICV when the statistics we are interested in, such as underemployment data, are not reported in the census publications.

The NISR has produced 16 thematic reports focusing on youth using the data from both the EICV and the census.

²³ See NISR website, EICV3, <http://microdata.statistics.gov.rw/index.php/catalog/36>

These reports document demographic trends across a variety of indicators, including youth employment. They provide a comprehensive overview of the size of the population, education levels, and employment levels broken down by age group, rural and urban areas, and by district.

An additional resource for supply-side information is the Rwanda Skills Survey conducted in 2012 by the Rwanda Development Board. This research is presented in eight sectoral reports and provides detailed information on the skills required as well as the training programs available in each sector.

Demand-side data

Data on labour demand can be compiled from a variety of disparate sources including macroeconomic indicators produced by central agencies, nationally representative firm and sector surveys, and administrative data from government agencies.

The Ministry of Finance and Economic Planning (MINECOFIN) publishes macroeconomic indicators that are useful in understanding the business climate in the country. The World Bank's Doing Business indicators also provide insights in this regard.

Another key source of information on labour demand comes from the administrative data of relevant government agencies. The Rwanda Social Security Board (RSSB), the Rwanda Revenue Authority (RRA), and the Rwanda Development Board (RDB) are examples of agencies that collect information indirectly from enterprises on employment levels, wages, social security benefits, migrant workers, and so on. Researchers in Kigali have had access to this detailed data at the firm level in the past, through the RRA. A discussion with the relevant agency would need to be engaged if one were to use their data. Fortunately, a lot of the information collected by these agencies is compiled in MIFOTRA's Labour Market Information System.

Further, demand-side data is available from two national surveys conducted in Rwanda. In 2011/12, the NISR undertook a comprehensive National Manpower Survey. As part of a regional effort to know more about East African labour markets, MIFOTRA initiated the project and received technical support from the ILO. It contains data on formal sector establishments (in the public and the private sectors), informal ones, and about education or training institutions. This survey data is publicly available.²⁴ In 2014, NISR conducted another firm-level survey, the Establishment Census, three years after the first edition. The report of the Establishment Census and some summary statistics were published in June 2015. The Establishment Census collected considerable amounts of information on the economic activities and characteristics of Rwandan establishments (such as size, formality and employee numbers). The

summary data is freely downloadable²⁵ but for more detailed firm-level data, one has to rely on the previous edition of the Establishment Census.²⁶

Demand-side data in Rwanda appears to be reliable but its infrequency and lack of disaggregation makes it hard to use for planning and forecasting. EDC, an international NGO providing employability-enhancing training to Rwandan youths, reported that it could not use demand-side data to tailor its programs to local market needs. The available demand-side information is in many areas too old and too aggregated (geographically and sectorally) to use as a basis for informed decisions.

Looking forward: Rwanda's annual labour force survey

While there is a good amount of information presently available to support a research agenda focused on youth employment in Rwanda, the NISR has noted a number of challenges with the current state of labour force statistics in the country. These include incompleteness, inconsistency in concepts, definitions and classifications, differences in approach to data collection, low data quality, variability in the frequency of data collection, and a lack of coordination (NISR, 2014b). The differences in methodologies and periods of data collection make the combination of multiple data sources a risky exercise, and particular attention must be paid to the definitions used for each data set. Furthermore, few surveys have been replicated using similar methodologies, resulting in a lack of comparable time-series data. For the two periodical surveys conducted in Rwanda, the EICV and the census, the time separating the various iterations is often too long to allow for meaningful analysis. Finally, the absence of panel data prevents researchers from studying employment patterns at the firm- or individual-level, over time.

As part of the establishment of a Labour Statistics Framework, the NISR plans to improve coordination and coverage of relevant labour force data collection efforts. This effort includes the introduction of an annual labour force survey starting in 2016 and an annual integrated business survey from 2015, and the continuation of the Establishment Census (of which the next edition is expected in 2017) (NISR, 2014b). Next year's first edition of the annual labour force survey is highly anticipated amongst key stakeholders in the employment sector. NISR, which is rolling out the pilot of this survey in 2015, plans to conduct two surveys each year in order to capture the seasonality of economic activities. This had never been done before for any of NISR's surveys. It is also expected that the new labour force survey will provide essential information about the informal sector in Rwanda.

²⁴ See NISR website, 2011-2012 National Manpower Survey, <http://microdata.statistics.gov.rw/index.php/catalog/48>

²⁵ See NISR website, 2014 Establishment Census, <http://www.statistics.gov.rw/publications/establishment-census-report-2014>

²⁶ See NISR website, 2011 Rwanda Establishment Census, <http://microdata.statistics.gov.rw/index.php/catalog/62>

Annex D: Inventory of available research on youth employment in Rwanda

There is a growing body of research on youth employment in Rwanda that has been produced by diverse actors, ranging from government bodies to local NGOs, academics, and international organizations. This Annex provides a high level overview of the research currently available on youth employment in Rwanda. It reviews recent studies that have been conducted on youth employment from a supply-side and demand-side perspective as well as literature on the governance of youth employment in Rwanda. It then summarizes studies that address employment issues from youths' own perspectives. The overview presented here illustrates the current efforts to understand the youth employment challenge in Rwanda but it is not meant to be a comprehensive catalogue of all studies on the topic.

To conduct this exercise, we considered a wide range of sources of information. We reviewed papers published in academic journals and by local think tanks, studies conducted by intergovernmental organizations, NGOs, donor agencies, and detailed program documents. We also reviewed research produced by government ministries and agencies, including national policy documents, thematic notes, and program evaluations. One of the key enablers of comprehensive research is the availability of data. A detailed discussion on labour market data in Rwanda can be found in Annex C, above.

Table A-2 provides a summary of the number of papers reviewed for this study by type. While considerable efforts were made to identify relevant studies, this is not an exhaustive list of all literature on the subject of youth employment in Rwanda.

Table A-2: Literature reviewed by type

Source type	Number of papers identified
Published academic research	14
NGO/IGO/donor research	10
NGO/IGO/donor documents/evaluations	4
Government policies	6
Government statistics	9
Government evaluations	14
Total	57

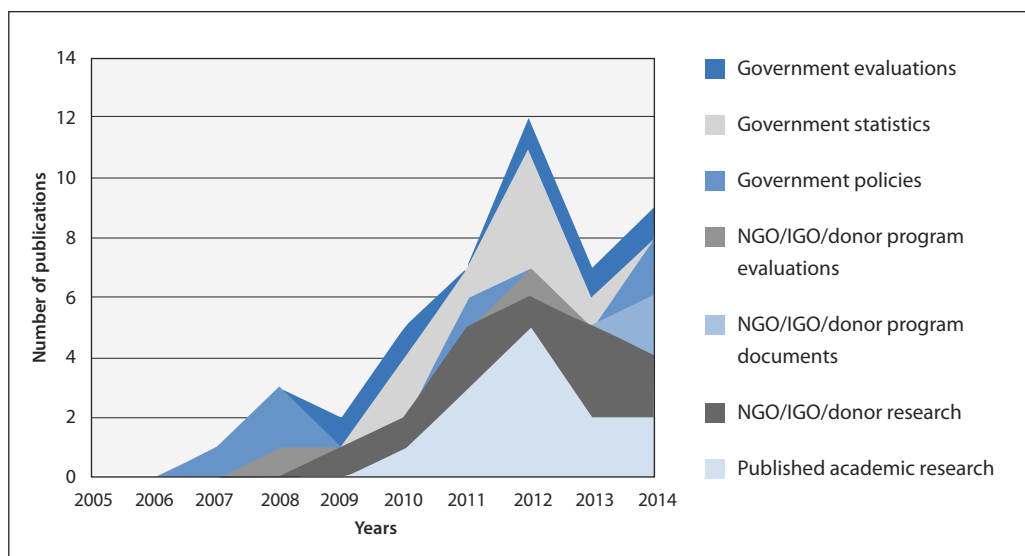
Source: Authors' calculations



Figure A-1 charts the literature reviewed for this study by type and year published. It shows a clear and encouraging trend of growth in the volume of research published on the topic of youth employment in Rwanda — both by local and global institutions and individuals. The spike in publication around 2012 is largely reflective of the publication of various summary

documents by government of the findings from the EICV and the National Census. There was also a clear increase in academic work around that time, presumably enabled by the availability of new data. Table A-3 below summarizes the major research papers drawn on in this report, several of which reflect that increase in data availability.

Figure A-1: Type of research published in the last 10 years



Source: Authors' calculations

Table A-3: Key papers reviewed

Title / Author	Summary
Fourth Population and Housing Census Thematic Report: Socio-economic status of youth (NISR, 2012)	This is the summary report of 2012 Census data focusing on youth published by the National Institute of Statistics of Rwanda in January 2014. It provides summary information on demographics, the socio- cultural characteristics of youth, education, economic activity, and household characteristics.
EICV3 thematic report: Youth (NISR, 2012)	This is the summary report of the most recently available EICV data on youth published by the National Institute of Statistics of Rwanda. It provides valuable summary data on demographics, education, employment and economic activity, health and fertility, and migration.
Rwanda country study: Raising productivity and reducing the risk of household enterprise (Abbott, 2013)	This report summarizes the fieldwork done for a large-scale survey on raising the productivity of household enterprises in Rwanda. Abbott notes the importance of the sector to employment and structural transformation in the Rwandan economy. She also presents findings on the key challenges facing the household enterprise sector in Rwanda.
Rethinking youth employment coordination in East Africa (Phororo, 2013)	This paper by Hopolang Phororo of the ILO's Tanzania country office is an invaluable resource for understanding the governance of youth employment policies in Rwanda. Phororo summarizes the current policy landscape in a number of East African countries, including Rwanda, and makes the case for taking a more coordinated approach.

Title / Author	Summary
Evaluation of Rwanda's youth and employment policies (Malunda, 2011)	Published by the Institute for Policy Analysis and Research (IPAR), this was the first evaluation of the Rwandan National Employment Policy of 2008. The paper does not evaluate impact, meaning it makes no attempt to measure the change in employment outcomes attributable to the NEP; it focuses on assessing the implementation of the policy. It looks specifically at efforts to support the rural sector, the private sector, youth, women, the disabled, and demobilized soldiers. In addition, it makes recommendations for implementation and future policy development.
Rwanda youth employment assessment report (USAID, 2009)	This major study, conducted by the Education Development Centre, provided background research for a proposed USAID project, the Rwanda Youth Opportunity Project. The research identifies the main characteristics of the target group, youth aged 15-24; it outlines the main issues facing Rwanda's labour market; it engages in a mapping exercise of stakeholders, policies and institutions; and makes recommendations for the design of the proposed project. This source is unique in that the team included young researchers and made efforts to include the youth perspective in their findings.
Analysis of gender and youth employment in Rwanda (AfDB 2014)	This report by the African Development Bank provides a useful and up-to-date overview of current issues in the youth labour market in Rwanda. It is unique among the literature we reviewed in that it also attempts to determine the factors associated with employment outcomes in Rwanda using a multinomial logit model.
Towards high quality growth and structural transformation in the Eastern Africa region (UNECA, 2013)	This major study, conducted by UNECA on macroeconomic and social developments in East Africa, provides estimates of the employment elasticity of growth at the national level and by sector.
Joint flagship program document: Youth and women employment (UN Rwanda, 2014)	This is the program document for the United Nations Rwanda and the Government of Rwanda's flagship program for youth and women employment, 2014-2018. It gives an in-depth overview of the current youth employment situation in Rwanda and describes the proposed program in detail, providing the goals, governance structure, and four-year work plans and budget.
Rwanda labour market and youth survey assessment report (IYF, 2011)	The International Youth Foundation is a US-based worldwide network of businesses, youth associations, and civil society partners whose mission is to improve youth employment prospects through research advocacy and specialized programs. In 2011, it conducted an assessment of employment trends for youth, their skill levels, and the availability of training programs. It surveyed 100 young people to get a better understanding of their aspirations and the challenges they faced. This study is particularly informative about youth voices.
Understanding children's work and youth employment outcomes in Rwanda (Understanding Children's Work programme, 2011)	Understanding Children's Work is an inter-agency research program led by the ILO, UNICEF, and the World Bank. It produced a comprehensive assessment report of child labour and youth employment in Rwanda, based on data collected by the national statistical agency. It is a rigorous overview of the two issues and it explores the link between them as, "today's jobless or inadequately employed youth are often yesterday's child labourers."
Rwanda forging ahead: The challenge of getting everybody on board (ILO, 2010)	One of the few studies investigating the link between growth and job creation in Rwanda, this report focuses on youths' access to productive employment and offers a detailed, sector-specific analysis of the economic growth-job creation nexus. It further identifies six constraints to converting growth into more jobs: (i) the need to better train the Rwandan labour force; (ii) the problems associated with poor physical infrastructures; (iii) the pressure on the ecosystem that current modes of productions are exerting; (iv) the rise of inequality; (v) the underdevelopment of the financial system; and (vi) a general business environment that could be more conducive to doing business. The paper makes general recommendations about the best way to overcome these limitations.

Annex E: Key stakeholders in youth-related policies and programs

i. Government ministries:

Ministry of Public Service and Labour (MIFOTRA)

MIFOTRA is central to the Rwandan government's efforts to address challenges related to employment. It is responsible for two major components of the National Employment Programme enacted in 2014: labour market intervention and monitoring and evaluation. The NEP strategy for fostering productive employment is ambitious and has set the guidelines for government action in several areas, among which challenges specific to youth occupy a prominent place. Its goal is to achieve productive and freely chosen employment for Rwandans entering the labour force over the next five years. This objective is seen as instrumental to meeting the government's key EDPRS II goal of achieving middle-income status by 2020. In addition to the NEP, MIFOTRA is in charge of implementing the 2013 Five Year Program for Priority Skills Development to deliver EDPRS II. The policy aims at bridging the skill gap in seven key sectors: infrastructure, agriculture, natural resources, investment, trade and industry, ICT, and health and education, through public-private partnerships.

Ministry of Trade and Industry (MINICOM)

MINICOM is responsible for the implementation of the second pillar of the NEP: entrepreneurship and business development. Since 2011, it has overseen the *Hanga Umurimo* project (which in Kinyarwanda means "create your own job"). *Hanga Umurimo* is a nation-wide initiative to educate young Rwandans in entrepreneurial skills and provide them with seed capital to start their own businesses. Its main aims are to stimulate innovation, empower communities with business skills, and identify individuals with the aptitude to generate and sustain profitable business ideas. The initiative is rolled out in partnership with the Business Development Fund, a commercial bank created by the Rwanda Development Board in 2011, which guarantees 75 percent of the funding provided by a bank on pre-selected projects. In its 2014 policy document, MIFOTRA reports that 3,000 new businesses have been created since the start of *Hanga Umurimo*. The *Kurumera* apprenticeship scheme — a major component of the *Hanga Umurimo* — has enabled almost 15,000 youths to receive professional training. Official figures report that it led to the creation of 17,000 jobs (MIFOTRA, 2014).

Although Rwandan officials are confident that the program is speeding up development, no rigorous evaluation has been completed to date.

Ministry of Education (MINEDUC)

The Ministry of Education is responsible for implementing the skills development component of the NEP, which appears to have been given the highest priority, and accounts for 72 percent of the program's budget. Its main mission is to strengthen the current TVET program, increasing its regional penetration as well as the number and the quality of the training programs delivered. On the ground, this component of the NEP is implemented by the Workforce Development Authority, a government agency that is responsible for practical interventions such as providing training manuals and equipment for short-term training sessions; maintaining working relationships with companies that employ TVET graduates; and developing the TVET curriculum. TVET programming is guided by the Ministry's TVET policy of 2008.

Ministry of Youth and ICT (MYICT)

The Ministry of Youth and ICT's focus on employment issues is guided by the National Youth Policy (2004) and the National Employment Programme (2014). MYICT has two main programs targeting youth employment: Youth Employment for Global Opportunities (YEGO) and *Agaciro Kanjye*. Through them, the Ministry of Youth and ICT provides training in income generating activities as well as in specialized skills, in ICT and in entrepreneurship. With YEGO, MYICT has set up 21 training centres at the district level, including the Kimisagara One Stop youth employment centre in Kigali. MYICT also provides packages to kick-start businesses in these activities once young trainees graduate from the program. It also finances the *Coopérative de la Jeunesse pour l'Auto-emploi et le Développement* — COOJAD — which lends money to innovative youth entrepreneurs. Lastly, MYICT is collaborating with the Ministry of Gender and Family Promotion (MIGEPROF) to roll out the Women and Youth Access to Finance program. The program is destined to build capacity among youths and women and to improve their financial literacy.

Other ministries

Other ministries are indirectly involved in addressing issues related to youth employment. The Ministry of Finance and Economic Planning (MINECOFIN), for instance, is involved in the oversight of the NEP. It is also involved in setting policies for economic growth and is therefore an integral actor on questions of labour demand. MINALOC delivers, through the Rwanda Local Development Support Fund, the Vision 2020 *Umurenge* Program (VUP). VUP is a social protection program that provides unconditional cash transfers and public works employment to the poorest members of Rwandan society. Many other Ministries run specific, specialized skills development in their areas of focus. MINAGRI, for instance, cooperates with the Israeli organization AgroStudies to send students to Israel for year-long internships focused on horticultural training.

ii. Relevant agencies and independent entities²⁷ established by government:

There are three main actors in the government's action against youth underemployment: the Workforce Development Authority, the Rwanda Development Board, and the Business Development Fund. In particular, the Workforce Development Authority, under the Ministry of Education's direction, plays a critical role in the implementation of the Government of Rwanda's strategy for youth employment. The specific responsibilities of these agencies are detailed in the 2014 NEP policy document.

Workforce Development Authority (WDA)

The WDA is an agency of government established in 2008 with the overarching objective of providing "demand-led, competency-based skills development" in order to become a "regional center of excellence in workforce development".²⁸ Its activities are organized under four areas of focus: (i) skills development through vocational training; (ii) business incubation (entrepreneurship development); (iii) setting industry standards; and (iv) regulation and accreditation. One of the primary activities of the WDA is the regulation and implementation of flagship TVET education in Rwanda. In practice, this entails providing training manuals, modules for vocational training, creating a national certification for the short-term vocational training component of the TVET, setting up Business Incubation Centres (BICs) in TVET schools and collaborating with partner companies hosting the apprentices. To ensure that skills taught are in line with market needs, the WDA has established an employer-led council for consultation called the Manpower Skills Training Council. WDA has also set up three specialized academies for vocational training: the Africa Digital Media Academy, the Remera Hospitality Academy and the Rwanda School of Music and Art. Further, the WDA manages the TVET Management Information System, runs a skills development fund for rapid skills delivery, and supports the training and skills development components of the World Bank's Adolescent Girl Initiative. Please refer to Annex B for a more detailed presentation of the TVET.

The WDA is supported by a number of international partners, including the Belgian Technical Cooperation agency; the Flemish Association for Development Cooperation and Technical Assistance; the Association pour la Promotion de l'Éducation et de la Formation à l'Étranger; the Netherlands Organization for International Cooperation in Higher Education; the Foundation of Netherlands Volunteers; the German Government development agency (GIZ); the African Development Bank;

the Japan International Cooperation Agency; the Korean International Cooperation Agency; Canada's Department of Foreign Affairs, Trade and Development; and the World Bank.

The Rwanda Development Board (RDB)

The Rwanda Development Board also occupies a central position in implementing government policy on youth employment. RDB is an independent agency of government that reports directly to the President of Rwanda. It streamlines government services for investment and private sector development including agencies involved in business registration, investment promotion, environmental clearances, privatization, SME growth, and human capacity development. Specifically on employment issues, it is engaged in a close collaboration with the Ministry of Trade and Industry in the implementation of the entrepreneurship and business development component of the National Employment Programme. To this end the RDB is primarily responsible for building infrastructure and developing curriculum for entrepreneurship training programs. The RDB is responsible for Rwanda's network of 30 business development centres throughout the country. In 2011, the RDB established a public-private partnership model to operate these centres, which provided entrepreneurial development services, business registration, training/counselling, advisory services, facilitation services for access to finance, tax advisory, and IT services. The RDB also runs an internship program for youth, along with an Entrepreneurship Development Program which seeks to support youth entrepreneurs, increasing the number of new start-ups and strengthening their business skills.

Business Development Fund (BDF)

The Business Development Fund is an independent financial organization created by the Government of Rwanda and the Development Bank of Rwanda (BRD). It is a commercial fund, now financed by MINICOM, the Ministry of Finance and Economic Planning (MINECOFIN), the BRD, and the Rwandan central bank. The Fund's mission is to provide funds to entrepreneurs (youth and non-youth) as part of the National SME Development Policy. To its clients, the BDF provides credit guarantees, lines of credit, matching grants and advisory services. The Ministry of Local Government (MINALOC) also plays a role in the local implementation of BDF's services by ensuring regional penetration. The Business Development Fund is financed by MINECOFIN, MINICOM, and BRD, regulated by the National Bank of Rwanda and partners with the BRD, MINAGRI, MIGEPROF, MIFOTRA, MINALOC, RDB, the PSF, the RCA, UNCDF, and UNDP.

²⁷ As of the time of writing, MIFOTRA Minister Judith Uwizeye had recently introduced a bill in Parliament to establish a Capacity Building and Employment Service Board. This proposed Board would, according to the New Times, aim to analyze labor market information and coordinate capacity building. The initiative has not

yet gone to vote. Retrieved from the New Times website October 12, 2015 at <http://www.newtimes.co.rw/section/article/2015-07-09/190439/>

²⁸ Retrieved from the WDA web site September 28, 2015 at http://www.wda.gov.rw/about_us

National Institute for Statistics of Rwanda (NISR)

The NISR is Rwanda's statistical agency. It is in charge of conducting the EICV and the National Census. Going forward, under the NEP, it will also be responsible for the 2014 Labour Statistics Framework, including carrying out the annual labour force survey.

National Capacity Building Secretariat (NCBS)

In 2013, the Government created the National Capacity Building Secretariat under MINECOFIN. Its mandate now includes strengthening capacity in the public sector, private sector, and civil society. The Secretariat's Sector Skill Council is responsible for maintaining a permanent dialogue between the private sector and the government on the promotion of skills development in strategic economic sectors.

National Youth Council (NYC)

Established in 2003, the National Youth Council is an agency under the Ministry of Youth and ICT that acts as a body to coordinate, advocate for, and design and implement youth-friendly programs. Local youth councils elect peer representatives in each the 2,000 Rwandan cells (one of the smallest administrative divisions). From these, leaders' representatives are selected at the sector level, at the district level, and so on, up to the national level. The NYC offers a system of representation that should give youth a voice in government. It also works with other stakeholders to support youth entrepreneurship programs. While the NYC has an extensive network, its activities on employment did not feature prominently in our review of the literature on youth employment in Rwanda.

iii. International NGOs

This assessment is based on a review of the available literature, complemented by interviews conducted with some of these stakeholders. To map the NGO program space in Rwanda, we compiled a list of all NGOs whose activities featured in the literature reviewed for this paper. After verifying that their actions were still ongoing, we updated the information about their programs. To report on other NGO initiatives not covered in the literature, we reviewed a registry of NGOs operating in Rwanda, made available online by the Rwanda Education NGO Coordination Platform (RENCNCP)²⁹ and through the community-based Aid Evaluator website.³⁰ The NGOs presented are thus those that are most active and visible in the youth employment space in Rwanda.

Education Development Center (EDC)

The Education Development Center is one of the principal organizations targeting youth employment-related issues in Rwanda. EDC is an American NGO, funded by the United States Agency for International Development (USAID). It is currently implementing the *Akazi Kanoze* project (which in Kinyarwanda means "work well done"). Through *Akazi Kanoze*, young people are provided market-relevant training sessions and are linked to jobs or supported to pursue self-employment. EDC does not provide vocational training to youth, but provides complementary training modules that are more generally aimed at enhancing employability. After a successful pilot carried out between 2010 and 2014, *Akazi Kanoze* is now in its second phase of implementation in which the program will be scaled to the national level. This project will run until 2016.

EDC delivers employability training in cooperation with 45 local partners in 150 schools. The *Akazi Kanoze* approach is mostly demand-driven: EDC staff identifies market needs before creating training curriculums. According to EDC, as of March 2015, the program had enrolled almost 20,000 trainees (equally split between males and females) out of which 8,000 obtained a job or were engaged in income-generating activities. In spite of the considerable efforts EDC has made to evaluate its impact, it has been pointed out that it is particularly difficult to keep track of all *Akazi Kanoze* graduates. EDC conducted an evaluation of the program in 2014, but the sample size was small (300 trainees) and the evaluation was not done by external observers. EDC is currently preparing a larger impact evaluation of its program, to be rolled out between 2015 and 2016.

In 2011, EDC also initiated the Literacy, Language, and Learning (L3) project, in partnership with MINEDUC. This project aims to establish national standards for literacy and numeracy in grades 1 to 4, providing special assistance to struggling learners in Mathematics, English, and Kinyarwanda while also introducing innovative learning techniques. On the L3 project, EDC is working with four implementing partners (Concern Worldwide Rwanda, the International Education Exchange, and Volunteer Services Overseas) and one government agency (the Rwanda Education Board). While the program does not solely target youth employment, it does have a focus on strengthening future job seekers' basic skills and is included in EDC's wider strategy of bettering youth prospects.

²⁹ Retrieved May 29, 2015 from the RENCNCP website.

³⁰ Retrieved May 29, 2015 from the Aid Evaluator website.

Oxfam

In Rwanda, Oxfam is active in addressing the youth employment challenge through its Sustainable Livelihoods program which aims to create job opportunities for Rwandans living in poverty. Oxfam mainly offers assistance to smallholder farmers, however this support is time-bound; it expects the supported businesses to quickly become self-sufficient. Oxfam's long-term vision is to create gender-sensitive and pro-poor models of work that can be replicated by the government. Notably, Oxfam is one of main the NGOs focusing on addressing gender disparities.

Plan International

Plan International is an international NGO focusing on children's protection. It supports life skills education and training schemes in Rwanda through its Economic Security program. It is focused on unemployed and socially disempowered youths. As part of this program, Plan initiated in 2012 the Village Savings and Loans Association (VSLA) for youths with disabilities. In association with the Parlement des Jeunes Rwandais, it now runs 278 VSLA centres across Gatsibo district in the Eastern Province. It is hoping to help disabled youths achieve successful employment and independent living.

Digital Opportunity Trust (DOT)

DOT Rwanda is an international social enterprise headquartered in Canada that partners with MYICT, the WDA, and the youth association YES Rwanda to deliver two training programs: ReachUp and StartUp. It trains university graduates to deliver lectures about ICT and business skills in disadvantaged communities and to the owners of small businesses in these communities. According to statistics reported by DOT, the organization has trained 180 university graduates to teach its program courses, and reached 35,000 young people between 2010 and 2013.³¹

TechnoServe

TecnoServe is an NGO working to strengthen rural youth development through enterprise creation in Rwanda. Since 2011, it has aimed to deliver skills training, business development services, and mentoring to 15,000 young farmers across Kenya, Uganda, and Rwanda. It has reached 48,000 youth beneficiaries and in 2014 expanded its operations to Tanzania. TechnoServe reports that the 15,000 beneficiaries of the first phase of the program experienced an average increase in wages of more than 200 percent, and 70 percent of the beneficiaries are now saving regularly. The program is now planned to run until 2019.³²

SNV

SNV, a Dutch international non-profit, is implementing a regional training program to improve skills in agribusiness and renewable energy across Rwanda, Mozambique and Tanzania. The five-year Opportunities for Youth Employment (OYE) program (2014-2018) has recently received support from MYICT. It aims to help 4,000 young Rwandans find stable employment with youth-led renewable energy enterprises and in farming.³³

iv. International donors

A wide range of donor country development agencies are either directly implementing or funding programs addressing youth employment related challenges in Rwanda. Two major donors feature prominently in the literature: USAID and GIZ. USAID is indirectly intervening in the issue by financing EDC's *Akazi Kanoze* program. On the other hand, the German development agency GIZ runs its own interventions and appears to be the most visible international donor on the youth employment scene. GIZ's activities are divided into two main programs: strengthening a labour market intermediation service in Kigali and promoting TVET education.³⁴ It has helped the City of Kigali to set up and run its first employment centre (the Kigali Employment Service Centre), which provides career counselling and job application support services. So far, it has helped 260 job seekers to secure employment.³⁵ GIZ is also providing training on a range of technical areas, including auto mechanics, information and communications technology, construction, electronics, and electrical engineering to approximately 1,300 TVET teachers.³⁶

Since 2010, the Belgian Development Agency (BTC) has been a central partner in the implementation of the Government of Rwanda's TVET programs, in consortium with APEFE (L'association pour la promotion de l'Enseignement et de la Formation à l'Etranger) and the Flemish Association for Development Cooperation and Technical Assistance, VVOB. BTC implements an important component of the TVET program. It works to build capacity within the WDA and provides training for three principals of technical schools. Its assistance is planned to end at the end of 2015.³⁷

³¹ Retrieved July 29, 2015 from the DOT Rwanda website: <https://rwanda.dotrust.org/>

³² Retrieved July 29, 2015 from TecnoServe Rwanda website: <http://www.technoserve.org/our-work/where-we-work/country/rwanda>

³³ Retrieved July 29, SNV website: <http://www.snvworld.org/>

³⁴ Retrieved July 19, 2015 from the GIZ in Rwanda website: <http://www.giz.de/en/worldwide/332.html>

³⁵ From information shared at MIFOTRA Regional Employment Forum, May 26, 2015

³⁶ Retrieved July 19, 2015 from GIZ in Rwanda website: <http://www.giz.de/en/worldwide/332.html>

³⁷ Retrieved October 13 from BTC website: <https://www.btcctb.org/en/country/17/projects-list>

The UK Department for International Development (DFID) is not as highly visible in the literature as the two previously mentioned aid agencies. However, it appears to be financing many international NGOs addressing youth employment-related challenges. It provides sources of credit for instance to the Village Savings and Loans Associations that CARE manages (DFID, 2015). It also provided teacher training for the expansion of Kavumu and Rukara Colleges of Education.³⁸

v. Local NGOs and civil society organizations

Two reports, by EDC/USAID (2009) and IPAR (2012), provide initial lists of the civil society organizations that deal with youth employment. These lists have been updated for this review.

NGOs

Many local NGOs are deeply committed to improving job prospects for youth in Rwanda:

- The African Leadership And Reconciliation Ministries (ALARM) is running trainings in leadership;
- The Akilah Institute for Women provides undergraduate education for “outstanding women”;
- Emerging Leaders and Entrepreneurs of Rwanda builds capacity of young entrepreneurs, and runs a business plan competition as well as an entrepreneurship summit;
- Educate Rwanda tries to develop an entrepreneurial spirit among youth;
- The Esperance Education Institute dispenses short courses to improve the employability of youths from disadvantaged socio-economic backgrounds;
- The Babson-Rwanda Entrepreneurship Centre aims to build a supportive ecosystem for entrepreneurship in Rwanda, and provides training for young entrepreneurs;
- The Strive Foundation is providing vocational training; and
- ASSIST-Rwanda runs a program placing youths in cleaning jobs and cottage industries in partner organizations (largely government and aid agencies). It targets orphans and vulnerable children and tries to restore their confidence as well as building their skills. It has a partnership with the cooperative organization COOJAD whereby young people can access lines of credit with which they can use to start businesses.

Cooperatives

The cooperative movement in Rwanda is coordinated by the Rwanda Cooperative Agency (RCA). The Government of Rwanda sees cooperatives as a powerful vehicle through which members can engage in income-generating activities and, potentially, in productive employment. With regards to employment promotion, the RCA runs business plan training for aspiring cooperative enterprises and supports them in accessing funds. It aims to bridge gaps in information and in entrepreneurship education. The majority of the RCA’s targeted beneficiaries are unaware of the availability of start-up funds and often lack the entrepreneurial acumen that RCA’s trainings can provide (Malunda, 2012).

COOJAD is a government-funded cooperative that plays a key role in providing aspiring entrepreneurs with adequate funds. Funded by MYICT through the National Youth Council, its principal mission is to provide funding to youths who are starting small businesses, but its responsibilities also extend to monitoring and capacity building. It advises youth on how to develop viable businesses through personalized training programs. Finally, since most of its clients are illiterate or never went to school, COOJAD updates them with the latest government policies and initiatives. In their 2009 report, EDC and USAID indicate that the average amount lent by COOJAD was one million Rwandan Francs (USD1,400) (USAID, 2009).

Youth associations

While the literature review stresses that youth advocacy and government accountability are areas that could be improved there are some associations working hard to give the youth a platform to voice their opinions.

YES Rwanda appears to be the most organized and active youth association in Rwanda. Founded in 2000 as part of the global Youth Employment Network, YES Rwanda provides intermediation services that aim to better match job seekers and employers. To this end, it has generated a database of current job opportunities that youths are encouraged to consult when looking for a job. In addition, they offer training in basic computer skills, resume writing, and interview preparation. Lastly, YES Rwanda serves as an advocacy platform for youth, offering a way for individuals to voice their opinions via online forums and journal articles (USAID, 2009).

The *Association pour la Developpment et la Transformation Sociale* (ADTS) aims to build self-reliant and creative communities in Rwanda. They run a program with Norwegian People’s Aid that helps youth develop enterprises, build self-confidence, and form cooperatives.

³⁸ Retrieved May 26, 2015 from DFID Development Tracker: <http://devtracker.dfid.gov.uk/>

Professional organizations

The Private Sector Federation (PSF) is a professional organization headquartered in Kigali that promotes the interests of Rwandan businesses. It is the major private stakeholder in the youth employment challenge and an important interlocutor with the government. PSF takes an active part in MIFOTRA's TVET program via its internship scheme. Every six months, PSF matches 300 recent graduates with firms. Sixty percent of these placements are converted from internships into employment (Malunda, 2012). Since 2006, the PSF has also been involved in the deployment of business development services at the district level. These services consist of business training, mentorship for business plan writing, and facilitation of access to finance for SMEs.

Since 2004, the PSF has also run an annual business plan competition. The competition now funds 100 projects a year, and winning projects typically have guaranteed access to a loan worth 10 million Rwanda francs (some USD14,000). Interest rates on these loans are negotiated down to between 11 and 14 percent (from 17 percent) by PSF. On average, PSF estimates that five jobs per winning business are created, for a total of 500 jobs a year. Note that MINICOM, through its *Hanga Umurimo* program, also runs a business plan competition. These competitions are very similar but run in parallel. Researchers at IPAR have recommended pooling resources to benefit from economies of scale and to avoid duplication (Malunda, 2012). The Private Sector Federation also provides data about the employment situation that is used by MIFOTRA for monitoring employment trends (Malunda, 2012).

Labour organizations

In Rwanda, there are 36 registered trade unions organized under four national trade union confederations: La Centrale des Syndicats des Travailleurs du Rwanda (CESTRAR), Congrès du Travail et de la Fraternité (COTRAF), Conseil National des Organizations Syndicales Libres au Rwanda (COSYLI), and the Association of Christian Unions (ASC-Umurimo). CESTRAR is the largest, with 97,000 members from 20 unions, the strongest being in the education and transport sectors. COTRAF has another 20,000 members and was formed from the former Industry, Garage, Construction, Mines, and Printers Workers Union. The Danish Trade Union Council for International Development Cooperation (LO/FTF) reports that trade unions in Rwanda represent two percent of the labour force (LO/FTF, 2014).

The National Labour Council is a tripartite body with representation from unions, employers' organizations, and government that could act as arbitrators during labour disputes (LO/FTF, 2014). The Public Service Commission performs a similar function for public service institutions and employees, providing independent oversight and an appeals process for grievances.

In addition to labour unions, two workers associations that engage in employment promotion activities were highlighted in the literature: COATB (Association of Workers in the Building Trades) and ATRADORWA (Association of Domestic, Hotel and Restaurant Workers). COATB is a Kigali-based cooperative which links its 12,000 members to employers in the construction industry (LO/FTF, 2014). COATB provides not only training in masonry but also in basic literacy. Finally, it tries to create a unified community of masons in the country. ATRADORWA acts on behalf of young people who are seeking jobs and already employed in the hospitality sector, including house-keeping. In 2010, ATRADORWA became M.J. Enterprises, a for-profit training business. The company places on average 60 youth per month in households, after training them to perform domestic tasks (it previously placed only 20 youths per month according to USAID, 2009). Trainees pay for the instruction they receive and potential employers pay to access M.J. Enterprise's pool of qualified domestic workers. After being placed in a household, the domestic workers pay 10 percent of their wage to the company. M.J. Enterprises then funds further trainings in part with this ongoing source of income.

References

- Abbott, P. (2013). Rwanda country study: Raising productivity and reducing the risk of household enterprise. Kigali: Institute of Policy Analysis and Research & World Bank.
- Abbott, P. & Batoni, F. (2011). Disaffected and delinquent male youth in Rwanda: Understanding pathways to delinquency and the role of rehabilitation and vocational skills training. Kigali: Institute of Policy Analysis and Research.
- Abbott, P., Murenzi I., & Musana S. (2012). The role of non-farm household enterprises in poverty reduction, employment creation and economic growth in Rwanda. *Rwanda Journal*. 26(B): 68–92.
- Abbott, P. & Rwirahira J. (2011). Re-evaluating the role of the informal sector: The role of household enterprises in poverty reduction and employment creation in Rwanda. Kigali: Institute of Policy Analysis and Research.
- Acs, Z. (2006). How is entrepreneurship good for economic growth? *Innovations: Technology, Governance, Globalization* 1(1), 97-107.
- African Development Bank. (2014). Analysis of gender and youth employment in Rwanda. Tunis: Author.
- African Development Fund. (2013). Skills, Employability and Entrepreneurship Program (SEEP) II: Appraisal Report. Tunis: Author
- African Union. (2006). *African Youth Charter*.
- Attanasio, O., Kugler, A., & Meghir, C. (2011). Subsidizing vocational training for disadvantaged youth in Colombia: Evidence from a randomized trial. *American Economic Journal: Applied Economics*. 3(3): 188-220.
- Baah–Boateng, W., Ansu, Y., & Amoako-Tuffour, J. (2013). Mapping of country information on employment, unemployment and policy initiatives. Accra: African Centre for Economic Transformation.
- Besamusca, J., Tijdens, K.G., Ngeh Tingum, E., Mbassana E.M. (2012). Wages in Rwanda: WageIndicator Survey 2012. Amsterdam: WageIndicator Foundation.
- Biseruka, D. (2010). *How do young people in Rwanda seek self-employment in a tight labour market: A case study of GASABO District in Kigali-City* (Master's thesis). Retrieved from Erasmus University Thesis Repository. <http://hdl.handle.net/2105/8773>
- Blattman, C. & Ralston, L. (2015). Generating employment in poor and fragile states: Evidence from labor market and entrepreneurship programs (White paper prepared for World Bank groups). Washington, DC: World Bank.
- Bosire, K. J. & Nzaramba, K. (2013). Entrepreneurship skills development and growth of small and medium enterprises in Rwanda (case study: “Caplaki”) 2007-2011. *International Journal of Information Technology and Business Management*. 17(1): 12-28.
- Card, D., Ibarrran, P., Regalia, F., Rosas-Shady, D., & Soares, Y. (2011). The labor market impacts of youth training in the Dominican Republic. *Journal of Labor Economics*. 29(2): 267-300.
- Chigunta, F. (2002). The socio-economic situation of youth in Africa: Problems, prospects and options. Paper presented at the Youth Employment Summit, Alexandria, Egypt, September 2002. Retrieved from yesweb.org/gkr/res/bg.africa.reg.doc
- Cho, Y., Kalomba, D., Mobarak, A. M., & Orozco, V. (2013). Gender differences in the effects of vocational training: Constraints on women and drop-out behaviour (World Bank Policy Research Working Paper 6545). Washington, D.C.: World Bank.
- Coscia, M., Hausmann R., & Hidalgo, C.A. (2013). The structure and dynamics of international development assistance. *Journal of Globalization and Development*. 3(2): 1-42
- Danish Trade Union Council for International Development Cooperation (LO/FTF). (2014). Rwanda Labour Market Profile. Copenhagen: Ulandssekretariatet/ LO/FTF Council.
- Department for International Development. (2015). Summary of DFID's work in Rwanda, 2011-2016. United Kingdom: Author.
- Government of Rwanda. (2005). *National Youth Policy*. Kigali: Ministry of Youth and ICT.
- Government of Rwanda. (2008). *Technical and Vocational Education and Training (TVET) Policy in Rwanda*. Kigali: Ministry of Education.
- Government of Rwanda. (2009). Situation of four pilot TVET institutions in Rwanda. Kigali: Workforce Development Authority.
- Government of Rwanda. (2010). Findings from the TVET graduates database. Kigali: Workforce Development Authority.
- Government of Rwanda. (2010). Employment and its projection in Rwanda. Kigali: Workforce Development Authority.
- Government of Rwanda. (2010). *Rwanda Youth Statistical Indicators*. Kigali: Ministry of Youth and UNICEF.
- Government of Rwanda. (2013). *Skills Area and Numbers of Priority Skills Required across Rwanda: Five Year Program for Priority Skills Development to Deliver EDPRS II (2013 - 2018)*. Kigali: Ministry of Public Service and Labour.
- Government of Rwanda. (2013). *Economic Development and Poverty Reduction Strategy II*. Kigali: Ministry of Finance and Economic Planning.
- Government of Rwanda. (2014). *National Employment Programme*. Kigali: Ministry of Public Service and Labour.
- Greenwood, A. M. (1999). International definitions and prospects of underemployment statistics (Seminar paper). Retrieved from: http://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/publication/wcms_091440.pdf

- Hossein, C. S. (2008). Understanding the impact of employment, entrepreneurship and training programs on youth in Jordan and Rwanda (USAID microNOTE #52). Washington, D.C.: USAID.
- Independent Evaluation Group, The World Bank Group. (2013). *Youth employment programs: An evaluation of World Bank and IFC support*. Washington, DC: Author.
- International Labour Organization. (2010). Rwanda forging ahead: The Challenge of getting everyone on board. Geneva: Author
- International Labour Organization. (2013). 19th International Conference of Labour Statisticians: Report of the conference. Geneva: Author.
- International Labour Organization. (2014). Time-related under-employment. In *Key Indicators of the Labour Market, 8th Edition* (pp. 81-88). Geneva: Author.
- International Youth Foundation. (2011) *Assessment report: Rwanda labor market and youth survey*. Retrieved from: http://www.iyfn.org/sites/default/files/Rwanda_Labor_Market_&_Youth_Assessment_Report.pdf
- Kirui, M. (2011). Polishing skills for effective employability: Youth Internship Program. Kigali: Rwanda Development Board.
- Maitra, P., & Mani, S. (2014). Learning and earning: Evidence from a randomized evaluation in India. *GCC Working Paper Series*. GCC 14-05. Retrieved from: http://repository.upenn.edu/cgi/viewcontent.cgi?article=1013&context=gcc_economic_returns
- Malunda, D. (2011). Evaluation of Rwanda's youth and employment policies. Kigali: Institute of Policy Analysis and Research-Rwanda.
- Malunda, D. (2012). Rwanda case study on economic transformation. Kigali: Institute of Policy Analysis and Research-Rwanda.
- Malunda, D. et al. (2015). School-to-work transitions in Rwanda: Drivers and policy options (Conference presentation). Kigali: Institute of Policy Analysis and Research-Rwanda.
- National Institute of Statistics Rwanda. (2011). National manpower survey report. Kigali: Author.
- National Institute of Statistics Rwanda. (2012a). EICV3 thematic report: Economic activity. Kigali: Author.
- National Institute of Statistics Rwanda. (2012b). EICV3 thematic report: Youth. Kigali: Author.
- National Institute of Statistics Rwanda. (2012c). Main Indicators report, Census 2012. Kigali: Author.
- National Institute of Statistics Rwanda. (2012d). Productivity and youth employment (EDPRS thematic guidance notes). Kigali: Author.
- National Institute of Statistics Rwanda. (2014a). Fourth Population and Housing Census: Socio-economic status of youth (Thematic report). Kigali: Author.
- National Institute of Statistics Rwanda. (2014b). Labour Statistics Framework of Rwanda. Kigali: Author.
- National Institute of Statistics Rwanda. (2014bc). Fourth Population and Housing Census: Main Indicators report. Kigali: Author.
- National Institute of Statistics Rwanda. (2015). Establishment Census 2014. Kigali: Author.
- Paxton, W. (2012). IPAR observatory report: The Rwandan education and skills system. Kigali: Institute of Policy Analysis and Research-Rwanda.
- Phororo, H. (2013). Rethinking youth employment coordination in East Africa (Occasional papers 2013/1). Dar es Salaam: International Labour Organization.
- Ronnås, P., Backéus, K., & Scheja, E. (2010). Rwanda forging ahead: The challenge of getting everybody on board (Employment sector working paper no. 62). Geneva: International Labour Organization.
- Rwanda Development Board. (2013). Internship impact assessment report. Kigali: Author.
- Rwanda Development Board. (2014). Entrepreneurship impact assessment report. Kigali: Author.
- Thomas, A. (2015). Sub-Saharan employment developments: The important role of household enterprises with an application to Rwanda (IMF working paper WP/15/185). Washington, D.C.: International Monetary Fund.
- Understanding Children's Work Programme. (2011). Understanding children's work and youth employment outcomes in Rwanda. Kigali: Author.
- United Nations Economic Commission for Africa. (2013). *Tracking progress on macroeconomic and social developments in the Eastern Africa region 2012-13: Towards high quality growth and structural transformation in the Eastern Africa region*. Addis Ababa: Author.
- United Nations Rwanda. (2014). Joint flagship program document: Youth and women employment. Kigali: Government of Rwanda and United Nations Rwanda.
- USAID Rwanda. (2009). Rwanda youth employment assessment report. Washington, D.C. Kigali: Education Development Center.
- Usengumukiza, F. & Barhuta, P. (2012). The role of the state in economic development, employment challenges and policies: A case of Rwanda. Retrieved from: <http://www.festanzania.org/files/fes/pdf/YLTP%20RegConf%20Presentations/Country%20Paper%20Rwanda.pdf>
- World Bank, Rwanda. (2013). Rwanda Economic Update, Edition 5: Seizing opportunities for growth with a special focus on harnessing the demographic dividend. Kigali: Author.
- World Bank. (2015). World development indicators/population density. Retrieved from: <http://data.worldbank.org/indicator/EN.POP.DNST> on October 12, 2015