

**THE ROLE OF THE STATE IN ECONOMIC DEVELOPMENT,
EMPLOYMENT CHALLENGES AND POLICIES**

A CASE OF RWANDA

A country paper presented to Friedrich-Ebert-Stiftung(Nairobi-Kenya) by:

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ACRONYMS

BDS	Business Development Services
CESTRAR	Centrale Syndicale des Travailleurs du Rwanda
CMP	Common Market Protocol
COOJAD	Cooperative des Jeunes Actifs au Developement
CSOs	Civil Society Organizations
EAC	East African Community
EAC PS	East African Community Partner States
EDPRS	Economic Development and poverty Reduction Strategy
EICV	Etude Integree des Condition de Vie (Integrated Household Living Conditions Survey)
FED	Friedrich-Ebert-Stiftung
GoR	Government of Rwanda
IPAR-RWANDA	Institute of Policy Analysis and Research-Rwanda
IPRC	Integrated Polytechnic Regional Centers
LMIS	Labor Market Information System
MAGERWA	Magazins Generaux du Rwanda
MINEAC	Ministry in charge of East African Community
MINIYICT	Ministry of Youth and ICT
MIFOTRA	Ministry of Public Service and Labor
NEP	National Employment Policy
NISR	National Institute of Statistics of Rwanda
NTBs	Non-Tariff Barriers
NYC	National Youth Council
NYP	National Youth Policy
PSC	Public Service Commission
PSF	Private Sector Federation
RDB	Rwanda Development Board
TI-R	Transparency International -Rwanda
TVET	Technical Vocational Education and Training
UN	United Nations
WDA	Workforce Development Agency

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BACKGROUND AND OBJECTIVES OF THE ASSESSMENT

In the aftermath of the 1994 tragic situations faced by Rwanda, labor sector was one of the most affected segments of the national life. Major challenges in this important area of the national economy included among others, limited employment opportunities leading to high unemployment and underemployment levels, especially for the youth; high illiteracy rate; under-representation of women in wage-earning jobs; insufficient data on the labor market, etc¹.

To face this important challenge, Rwanda adopted various policies and overall programs. The leading Vision 2020 is a clear sign that the country is ready and committed to address economic and developmental issues that the country was endlessly facing. Crucial for achieving VISION 2020 was improved education policies, which is largely linked to economic development and labor policies². The labor market would be increased through creating opportunities and enabling at least 7million (out of projected 13 million) Rwandans access off-farm jobs.

Further, Vision 2020 considers regional integration as one of the key pillars that would help alleviate poverty and boost Rwanda's economy by 2020.

Rwanda was accepted as a member of the East African Community in 2007. As a land-locked country, this move was a result of several efforts to access regional blocks and to access the regional market; hence striving to improve her political, social and economic development within the region.

Several agreements are signed as a process to consolidate the community and strengthen ties between member states. One of these agreements is the Common Market Protocol (CMP). The CMP was signed by EAC country members in November 2009 and became effective in July 2010.

Generally, the CMP intends to widen and deepen cooperation among the Partner States in the economic and social fields for the benefit of the Partner States. Specifically, the protocol is meant, among other specific objectives to accelerate economic growth and development of the Partner States (PS) through the attainment of the free movement of goods, persons and labor, the rights of establishment and residence and the free movement of services and capital. Article 10 of the CMP guarantees the free movement, within the region, of workers who are the citizens of the member states. It entitles a worker to apply for employment and accept offers of employment actually made; move freely within the territories of the partner states for the purpose of employment; and conclude contracts and take up employment in accordance with the contracts, national laws and administrative actions.

In the spirit to assess the employment policy in Rwanda and consequently identify challenges that face labor market in Rwanda, the Friedrich-Ebert-Stiftung commissioned consultants from all EAC member states to make studies and objectively gauge the reality on the fields as in the implementation of the above policies in member countries.

¹ Republic of Rwanda, National Employment Policy, Kigali, 2007, p. 5

² Republic of Rwanda, Vision 2020, p.13

The overall objective of the studies is to assess Rwanda's employment policies by analyzing legal and institutional frameworks and draw recommendations on how to address identified challenges.

Within the framework of this paper, the assessment shall be guided by the following structure which will be applied by other countries studies in order to ensure comparability:

1. Policy/intervention process, sectoral focus, institutional design, major actors, state of implementation and evaluation, alignment with the country's growth and development strategies
2. Policy/intervention tools, description and evaluation (public works programs, wage subsidies, counseling, job search skills, labor market reforms to reduce rigidity, others).
3. Extent to which the policy/intervention fosters entrepreneurship (information, micro-credits, financial incentives such as subsidies and vouchers, youth empowerment, incubators, others).
4. Extent to which the policy/intervention promotes skills training for young people (vocational training including apprenticeship systems, voucher systems, role of informal sector, market- and demand-orientation of training).
5. Strategies for strengthening labor market institutions (employment service, relationship between trade unions and employers, labor market signaling, etc).

This paper will therefore help the readers to understand the employment policy in Rwanda, trying to deeply analyze and answer concerns raised above. Deeper analysis of Rwanda's legal and institutional frameworks will help the reader to understand the identified challenges and how the country can overcome employment-related problems.

Chapter I. RWANDA'S EMPLOYMENT LEGAL AND INSTITUTIONAL FRAMEWORKS

1.1. LEGAL FRAMEWORKS

Before assessing how far the country has gone in setting up capable institutions mandated to monitoring better implementation of employment related policies and laws, it is equally important to first of all examine the legal framework. As a member of EAC, this analysis will also be based on provisions that are used to integrate citizens from EAC sister members.

1.1.1. Legal provisions on Labor

Rwanda, as a country committed for rule of law, is governed by various laws including those related to labor and employment in both public and private sectors.

A series of laws and policies have been drafted and promulgated to meet these requirements. These legal instruments that will be discussed in details in the coming sections are subjected to the Rwandan constitution which provides that, in art. 37, every person has the right to free choice of employment and that persons with the same competence and ability have a right to equal pay for equal work without discrimination. Art. 38 of the same instrument reserve the rights of employees to form or join trade unions aiming at defending their rights while art. 39 clarifies how different rights related to organizing strike are to be exercised.

i. National Employment Policy

The National Employment Policy was designed in December 2007 with the aim to shape lights on different challenges that the employment was then facing. The policy came as part of series of programs aiming at improving socio-economic development in line with the Economic Development and poverty Reduction Strategy (EDPRS) and the Rwanda's Vision 2020.

The challenges identified by this policy as hindering the employment in Rwanda are *low investment level; limited employment opportunities; high unemployment and underemployment levels especially for the youth; high illiteracy rate, underrepresentation of women in wage-earning jobs and the insufficient data on labor market*³.

The policy proposes the following solutions:

- ❖ Rural Sector development
- ❖ Private sector and entrepreneurship development support;
- ❖ Youth employment promotion;
- ❖ Women employment promotion;
- ❖ Employment promotion for vulnerable groups;
- ❖ Strengthening the labor intensive approach on economic and social infrastructure programs;
- ❖ Human resource development and employability;

³ Republic of Rwanda, National Employment Policy, 2007, p.6

- ❖ Promotion of tripartism and social dialogue;
- ❖ Social security promotion.

The effective implementation of this policy is not a unique task for the Government of Rwanda. It rather requires the partnership between the GoR, the Private Sectors as well as Civil Society Organizations, which are the main employers in Rwanda.

ii. New Labor Law

A new law N° 13/2009 of 27/05/2009 regulating labor in Rwanda has been promulgated to replace the law n°51/2001 of 30 December 2001 establishing the labor code. Why this change after two public service reforms (2001 and 2006 respectively)? As a fast growing economy, Rwanda has seen various reforms aiming at quickly transforming socio-economic situation of the country. In this regards, there was a need to review the 8 years old law which, according to commentators was not responding to the current challenges and meeting existing development requirements. Two main issues were to be addressed: working hours and maternity leave period.

The change prolongs the possible working hours from 40 to 45 per week in all government departments, but leaves it to employers and employees to negotiate the maximum hours an individual employee may work per week, depending on the amount of work that the employee must do⁴. Changes also provides for 12 consecutive weeks and according to art. 64 the beneficiary can decide to take the leave 2 weeks before the delivery time. However, different to the previous labor law, beneficiary is only allowed to be paid full salary for the 6 first weeks. She can rather choose to extend the maternity leave and benefit only 20% of her salary or return to work to be able to earn the total amount of her salary. In the later case, the mother has the right to 2 hours of rest until the leave period expires. The new bill is thus more woman-friendly. In the old law, women were entitled to 12 weeks maternity leave while retaining two-thirds of their salary.

The new bill also takes a tough stance on forced labor, with penalties ranging from 3 months to 5 years in prison and a fine between Frw 500,000 and Frw 2m depending on the graveness of the crime.

Another equally crucial provision of Rwanda's labor legal documents is the non discrimination criteria during recruitment. This is equally important since Rwanda's employment conditions prior to the 1994 genocide were more or less discriminatory based on ethnic or regional belongingness of the candidate. However, the law goes beyond national boundaries. Art. 12 provides that it shall be forbidden to directly or indirectly make any discrimination aiming at denying the worker the right to equal opportunity or to the salary especially when the discrimination is based, among other criteria, the country of origin.

Concerning articles regulating foreigners working in Rwanda, the new labor law (Art. 18) stipulates that, apart from issues to working permits for foreigners working in Rwanda that are determined by immigration and emigration laws, the contract of employment for foreigners working in Rwanda shall be governed by this law and shall be written. It is crucial to hereby note that, according to the annex to the CMP on free movement of persons(Regulation 5 on Entry, Stay and Exit) any citizen who wishes to enter the

⁴ http://www.loc.gov/lawweb/servlet/lloc_news?disp3_l205401275_text visited on 24th August, 2012

partner country will only be required an identity card and will be allowed a stay of not more than six months. It was also agreed by member states that in case such person wishes to extend their stay, they shall require the migration bureau to facilitate the extension.

It shall be reminded that persons entering a Partner State for any other lawful purpose other than as workers or as self employed persons are also provided this opportunity.

If it is, according to the Annex II of the CMP, allowed for EAC citizens to enter and be employed under the same criteria of the citizens of the sister member country, to what extent this must be applicable? In other words, what kind of jobs is open and which ones are restricted under these provisions? While Kenya and Uganda have been as generous as to allow other citizens to access some of administrative works, it should be reminded that Rwanda has only opened up for professionals highly qualified in technical areas such as engineering, health, science, and qualified teachers⁵.

It is to be noted that these legal provisions govern formal employment. The limitations to these arrangements are that the big number of the Rwandan population will be marginalized given that the formal sector (both public and private) employed about 295,742 workers in 2002⁶, a number which rose to 650,000 in 2010⁷.

1.1.2. Access to Employment Opportunities: Rwanda Labor Market Information System

Access to employment is one of the major challenges that face unemployed persons and workers wishing to upgrade their working situation. Several initiatives are put in place by national and international institutions in relation with facilitating job seekers get enough information and advice on job market.

In Rwanda, the Government, Civil Society Organizations and other involver stakeholders have worked around the clock to avail existing jobs. This information has mainly been using institutional notice boards, newspapers and radio/tv announcements.

In addition to these classic mechanisms, in 21st century, it is crucial to mention that nowadays that information technology is preferred especially mostly by the youth. In this regards, regulation 12 of the CMP provides that Access to Employment Opportunities, in the form of LMIS among others, must be put in place to benefit all EAC member countries' citizens.

In this regards, Art. 1 of the cited regulation instructs that "The Partner States shall endeavour to collect and disseminate information on job vacancies and put in place labor market information systems to facilitate access to employment opportunities by the citizens of the Community"⁸.

⁵ See p31 of the Annex II of the CMP, regarding Rwanda's list of workers allowed under this framework.

⁶ Republic of Rwanda, National Employment Policy, Kigali, 2007, p.

⁷ National Institute of Statistics in Rwanda, EICV 3 (2010-2011),

⁸ EAC CMP, Annex II, p. 8

What has Rwanda done so far to ensure this article is implemented? The Labor Market Information System was designed by Rwanda Development Board to provide quantitative and the qualitative information and intelligence on the labor market that can assist labor market agents in making informed plans, choices, and decisions related to their business requirements, career planning, education and training offerings, job search, recruitment, labor policies and workforce investment strategies⁹.

The system contains the following main menus among others:

- **Economic data** where we find information such as GDP, Rwanda labor indicators and foreign direct investment jobs created
- **Capacity building** where we find information regarding primary schools, secondary schools, tertiary schools, TVET schools and capacity building institutions
- **Job market** where we find information such as job seekers registration, jobs available, skills, internship and voluntary work, careers, workers rights and safety and health at work among others
- **Publications** where we find reports developed and published by LMIS or any other official source
- **LMIS intranet** where we find the LMIS standing system

1.2. INSTITUTIONAL FRAMEWORK

Good laws are pillars of Rwanda's rapid development and this applies in all sectors of national life. However, one cannot neglect the role played by different institutions that foster good governance and promote good neighborhood at home and at regional level. For the purpose of this paper, these institutions have been categorized as regulatory institutions and implementing institutions.

1.2.1. Regulatory Institutions

Employment regulatory institutions are defined as branches of the Government defining, monitoring and regulating employment policies and laws geared at ensuring their better implementation and safeguarding employees (considered as weak part of the employment contract) welfare and security at workplace.

Regulation in the sphere of employment and industrial relations takes place either through the exercise of legal regulatory powers, through social partner actions or by way of a combination of both¹⁰. Some of these institutions are the following:

i. The Ministry of Public Service and Labor (MIFOTRA)

MIFOTRA is member of the Rwandan cabinet and is mandated to reinforce the national labor standards, promote job creation and institutionalize an efficient and

⁹ <http://lmis.gov.rw/home/>, visited on 20th August, 2012

¹⁰ <http://www.eurofound.europa.eu/areas/industrialrelations/dictionary/dictionary4.htm>, visited on 30th August, 2012

modern public service management framework that will enable private and public sector organizations to perform at their best and effectively contribute to improving the lives of the Rwandan population.

ii. Ombudsman's Office

This constitutional institution was established by the Law n° 25/2003 of 15/08/2003 as modified and completed until today. The mandate of the Ombudsman's office are as follows:

- a. Acting as a link between the citizen and public and private institution;
- b. Preventing and fighting against injustice, corruption and other related offences in public and private administration;
- c. Receiving and examining in the aforementioned context, complaints from individuals and independent associations against the acts of public officials or organs and private institutions and to mobilize these officials and institutions in order to find solutions to such complaints if they are well founded.
- d. Receiving declarations of assets of public officials as listed by the law

The Ombudsman's office has been key, since its establishment in fighting injustice at workplaces. The office has managed, for several times, to settle a series of issues raised by public servants and for some cases, ordered return to work if it was found that the employee was illegally fired.

Among the complaints related to labor include also unpaid salaries and arrears as well as terminal benefits¹¹.

1.2.2. Implementing institutions

To attract more people into employment and modernise social protection systems, the Government should implement employment policies intended to achieve full employment, improve quality and productivity at work, and strengthen social and territorial cohesion. To do so, the Government of Rwanda in collaboration with other stakeholders has put in place effective and independent bodies geared towards better implementation of employment-related policies. These include the following:

i. The Public Service Commission (PSC)

The Public Service Commission (PSC) is a Government institution provided for by Article 181 of the Constitution of the Republic of Rwanda of June 4, 2003 as amended to date. Law no 06/2007 of 1st February, 2007 governs the organisation, functioning and administration of the Public Service Commission.

The mission of the PSC is to 'Provide independent oversight public service recruitment and appeals over grievances, to ensure public servants are selected and supported to act on the highest principles of equity, transparency, good governance and integrity.

¹¹ <http://ombudsman.gov.rw/en/complaints.php> last visited on 18 September, 2012.

The main strategy to achieve this is to identify and promote internal procedures based on these principles within all public service institutions; to establish and put in place thorough oversight systems and procedures; and address grievances efficiently and effectively through an objective Final Appeal Body.

ii. The Workforce Development Agency (WDA)

WDA is a public institution established by the law No 03/2009 of 27/03/2009 with a mission to promote and guide the development and upgrading of skills and competencies of the Rwandan workforce in order to enhance its competitiveness and employability through the Technical and Vocational Education and Training (TVET) system.

WDA particularly performs its activities to achieve the following missions:

- to regularly identify TVET subjects recognized in Rwanda;
- to develop curricula and standards on technical and vocational education in Rwanda;
- to conduct inspections of observance of standards;
- to set up a labor market information collection system in order to develop curricula and standards tailor-made to labor market needs;
- to teach and train vocational and technical trainers at all levels;
- to train workers in various positions in order to upgrade their technical and hands-on skills;
- to set up a streamlined system for conducting exams, vocational and technical certification and accreditation ;
- to sensitize and to facilitate investors to invest in vocational and technical training in Rwanda;
- to promote employment through entrepreneurship development in collaboration with relevant authorities;
- to establish a National TVET qualification framework that ensures vertical and horizontal mobility and one that is well integrated in the national qualification framework;
- to establish relationships with other regional and international agencies carrying out similar missions.

As the country embarks on developing sector development strategies under Economic Development Poverty Reduction Strategy (EPDRS), the issue of capacity which largely constrained implementation of the programs under PRSP 1 is among the most important priorities to be addressed. Skills development strategies in all sectors constitute an important ingredient in the respective sector development processes.

In the past decade, the institution has heavily contributed in terms of training young technicians in number of fields. These include Agriculture and Livestock (Field Crop Grower, Veterinary Nurse, Veterinary Assistant, Forestry Worker, and Food processing).

The WDA also trains middle technicians in ICT more specifically in Software Development, Multimedia, and Network Administration.

As one of the fast growing sector and unfortunately one of fields in which it is recognized to have weakest capacities in the country, hospitality also attracted WDA’s attention. Majors in this area include cooking, food and beverage, and culinary. Technical servicing is again one field in which young Rwandans are trained with the vision to help them compete at the labor market. They are trained in Welding, Panel Beating, Engine Mechanics, Auto electricity, Domestic electrical, Masonry, Plumbing and Carpentry.

iii. The Public Sector Federation (PSF)

The Private Sector Federation - Rwanda (PSF) is a professional organization, dedicated to promote and represent the interests of the Rwandan business community. It is an umbrella organization that groups 9 professional chambers. It was established in December 1999, replacing the former Rwanda Chamber of Commerce and Industry.

Its core mission is to represent and serve the interests of the entire private sector through lobbying and advocacy, while at the same time providing timely and relevant business development services that lead to sustainable private sector led economic growth and development.

Since its establishment, the PSF has developed 2 strategic plan as a guide to successful future for itselevenmeber association. After the implementation of the strategic plan 2005-2010, the PSF has reported to following key achievements¹²:

Table 1. Public Sector Federation achievements

Strategic Objectives	Achievements
Strategic Priority 1: Promote Entrepreneurship and Business Growth	<ul style="list-style-type: none"> • Articulated a National BDS Development Plan • 17 Business Development Services (BDS) centres opened • Business Plan Competitions undertaken • Investment Corporations (or MINI-RIGs) program launched (total pledged 7.701 bn FRW in 2007/08)
Strategic Priority 2: Build Private Sector Capacity	<ul style="list-style-type: none"> • Developed a capacity building plan for SMEs and Cooperatives and received funding from African Capacity Building Foundation • Initiated a partnership with Maastricht School of Management (MSM) for long term training • Active involvement in TVET development • PSF institutional capacity strengthened
Strategic Priority 3: Effective private sector	<ul style="list-style-type: none"> • Represented private sector in PPP meetings • Removal of non service based fees (e.g. 1.2% on business registration, 4% on MAGERWA. 2.25% on mortgage registration, 6%

¹² http://www.psf.org.rw/index.php?option=com_content&task=blogcategory&id=18&Itemid=52, last visited on 18th September 2012.

Strategic Objectives	Achievements
advocacy to influence Policy reforms	<ul style="list-style-type: none"> on property transfers etc.) Lifting the ban on movements of commercial trucks after six pm Actively participated in the review of business laws Leading the restructuring of the arbitration center Active involvement in the amendments of labor code and national social security policy
Strategic Priority 4: Support active involvement in Regional and International Trade	<ul style="list-style-type: none"> Successful organisation of annual international trade fairs Signed agreement with Spacial Solutions for the new international Trade Fair and Exhibition Park Promoting intra-regional trade through the reductions of NTBs Active participation in EAC and EPAs negotiations
Strategic Priority 5: Develop Quality Member Services and enhance Communications	<ul style="list-style-type: none"> Developed a strong communication strategy and a new identity for PSF Conducted a first ever business operators' census Performed donor fundraising campaign Improved membership revenue collection (RwF 106 million approx)

Source: Private Federation, 2012

1.2.3. Oversight and advocacy

The oversight of workers' rights promotion and advocacy are mainly the responsibility of civil societies organizations operating in the field.

Generally in Rwanda, all workers union centers are grouped under the *Trade Union Centre of Workers of Rwanda* (Centrale Syndicale des Travailleurs du Rwanda – CESTRAR). This Centre was established in 1985 and groups 20 syndicates to date.

At the start CESTRAR was forced to work in a participatory way with the government rather than full advocacy, due to political influence from the then government which provided financial support¹³. This constituted a major challenge whereby the centre could not advocate for employers with the fear to face financial crisis.

¹³ <http://focus.rw/wp/2010/11/for-cestrar-to-be-effective-much-more-effort-is-required>

Chapter II. ADDRESSING WOMEN AND YOUTH EMPLOYMENT AS CULTURALLY MARGINALIZED LAYERS OF THE RWANDAN SOCIETY

Youth and women constitute a bigger percentage of the Rwandan Society. As far as employment is concerned, women represent women account for 55.2 percent of the 4,492,000 economically active populations though 2008 data stated that they have low rates of employment (34.6 percent) in the formal public sector¹⁴. Since then the GoR have implemented several policies and adopted a number of measures to empower this important part of the Rwandan society.

On the other hand, though the criteria on recognized by the United Nations (UN) defines the youth as people that are between 15 and 19 years old (adolescents) and those who are aged between 20 and 24 (young adults), the National Youth Policy (NYP) has, taking into account political, socio and economic considerations, defined a young person as a person who is considered as such by the society, thus concluding that in Rwanda, the youth is made up of persons aged between 14 and 35¹⁵.

2.1. WOMEN EMPLOYMENT

Rwanda has been praised, in the last decades, for her policies to empower women in all sectors of national life. In this section, readers will be able to understand how Rwandan women have been empowered to contribute to the national development both in decision making organs as well as in other labor sectors such as in private (formal and informal) sector.

2.1.1. Gender in position of leadership

Empowering women implies facilitating them access to positions in leadership for many reasons. Firstly, their presence in decision making organs will help them discuss with their male colleagues on decisions that will positively impact especially ordinary women who are culturally marginalized.

Secondly, they will ensure that they advocate for them especially when it comes to laws and regulations that, if not represented in these organs (particularly in the Parliament), would possibly not considered in the society.

This high level representation as detailed in the table below, derives from the Constitution, which in its article 9 vowed to ensure equality of all Rwandans and between women and men reflected by ensuring that women are granted at least thirty per cent of posts in decision making organs. The implementation of this important commitment of the Rwandan population is reported in the following table.

Table 2: Women in position of Leadership

Level of Administration	Male		Female	
	No	%	No	%

¹⁴ African Development Bank, Rwanda: Gender Assessment, Progress Towards Improving Women's Economic Status, Nov. 2008.

¹⁵ Republic of Rwanda, MINICYOUTH, National Youth Policy, 2006

Executive (Ministers and State Ministers)	16	50	8	50
Legislative ¹⁶	52	54.5	54	45.5
Judiciary (Supreme Court, Judges and Inspectors)	185	67	113	33
Local Government (only Members of the Bureau District Councils)	56	62	34	28

Source: Adapted from NISR, Statistical Year Book, 2011, p15.

As indicated in the table above, women have been very much empowered especially in positions of power, be it in the executive, judiciary, legislature and as low as in the local government.

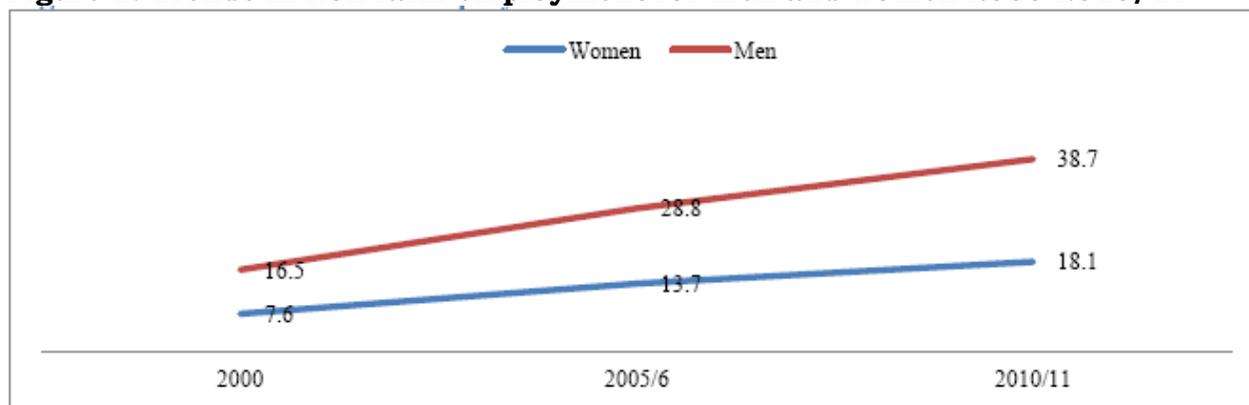
In the executive power, out of 16 Ministers, 8 are women. It is important to note that out of 3 State Ministers, 3 (67%) are women.

The trend of women representatives in the Parliament (both Senate and Chamber of deputies is the most interesting not only in Rwanda, but also worldwide. In the last parliamentary term, women counted 45%, a percentage which increase to 56% in the last elections. The electoral system in Rwanda, in alignment with the Constitution, has reserved 30% of sits in the chamber of deputies, in addition to the 30% of the 50 seats reserved for political parties that have taken part in the elections. The are two main advantage for women in position of parliamentarians in Rwanda.

2.1.2. Women in farming and non-farming activities

Although women are represented in decision-making organs, a wide majority of Rwandan women practice farming as well as non-farming activities.

Figure 1: Trends in Non-farm employment for men and women 2000-2010/11



Source: IPAR, Innovative Approaches to Creating Opportunities and Incorporating Young Youth into Rwanda's Labor Market, 2011

According to a study conducted by IPAR¹⁷ women's trend is not that much encouraging. While men employed in the farming and non-farming activities represent 38.7%, women represent only 18.1%. This is a clear indication that a majority of women in Rwanda still depend on their husbands' financial revenues.

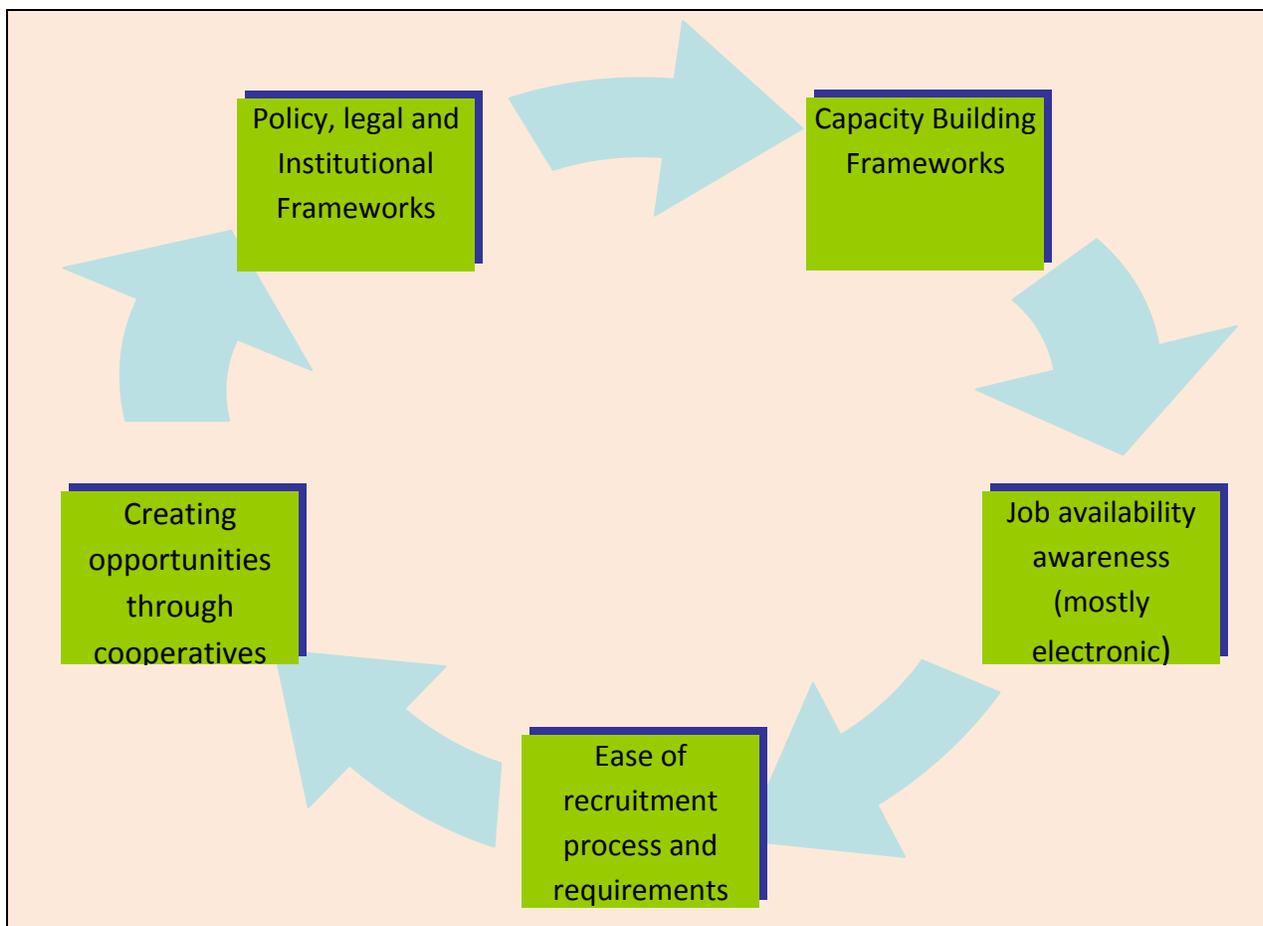
¹⁶ Women in the lower Chamber are 56%, the first in the world

¹⁷ IPAR, Innovative Approaches to Creating Opportunities and Incorporating Young Youth into Rwanda's Labor Market, 2011, p15.

Indeed, the trend is discouraging because women in this employment category have only increased by 11% while men's trends have increased by 22.2%, thus doubling women's trend. What does this mean for policy makers? They should increase the sensitization campaigns and empowerment towards women in Rwanda's rural areas in particular.

2.2. YOUTH EMPLOYMENT PROMOCION IN RWANDA

Figure 2. Youth employment promotion cycle



Source: Authors, 2012

The matrix presented above describes four main interdependent enabling factors to effectively address issues related to youth unemployment.

Whereas policies and legal frameworks play an important role in addressing the above mentioned issues, capacity building must be incorporated in national strategies so that the youth can be able to compete upon completion of their formal/informal education. Equally important is the dissemination of advertised jobs. In most of the cases, youth organizations and newspapers play a complementary role vis -a -vis employers in informing job searchers (especially young generations) about job market. This goes hand in hand with easing recruitment process especially the recruitment requirements.

The following table details how far Rwanda has gone in addressing the above-mentioned issues, with the objective to facilitate the youth to effectively get access to job.

Table 3: Achievements vis-à-vis contributing factors

Factors	Institution	Achievements
Policy, legal and Institutional Frameworks	Parliament, MINYICT and NYC	The Government represented by the Ministry of Youth and ICT in collaboration with the Parliament have enacted the National Youth Policy which facilitate youth to face, among other challenges employment and poverty.
Capacity Building Frameworks	Ministry of Youth and ICT	MINYICT has a One Stop Employment and Productive Youth Center in Kimisagara, Kigali that offers: (i) Entrepreneurship training programs, (ii) Training in ICT and different Sports activities and (iii) Talent Spotting. MINYICT has 18 Youth Training Centers in different parts of the country that offer training in Income generating activities for example tailoring, arts and crafts to mention but a few. Youth trained are also offered a minimum package to kick – start these activities once they graduate from this training.
	Workforce Development Agency (WDA)	Professional education is one of the key to industrial development and labor promotion especially among the youth. WDA has introduced a series of professional schools and center to strengthen youth capacity and improving technical capacity in Rwanda. These include the Technical Vocational Education and Training (TVET) and the Integrated Polytechnic Regional Centers (IPRC), among others.
	Rwanda Development Board (RDB)	The Rwanda Development Board (RDB) has gone beyond educational training by initiating the “Rwanda Youth Internship Program”. This initiative aims at improving their skills development and practical experience. To support this program, each Ministry, Public Agency or Private institution interested in hosting a university graduate specify the number of interns required, the duration of each placement; specify the departments and required profiles.
Job availability awareness (mostly electronic)	Various institutions/ Department	ICT has created a greater impact in Rwanda. In particular, all Government institutions have invested in advertising available positions in their institutions through websites. CSOs and Media groups like Youth Employment Systems, Akazi.com , Umurimo.com, etc. have invested in job advertisements

Factors	Institution	Achievements
Ease of recruitment process and requirements	Public Service Commission (PSC)	The PSC has availed requirements and application forms online for all job seekers. In addition, the institution has reduced the requirement documents, by instructing that all payable documents be requested only if the candidate has been selected.
Creating opportunities through cooperatives	MINIYICT, MINICOM, RCA	Through the Rwanda Cooperatives Agency, the Ministry of Commerce and the the Ministry of Youth and ICT have introduced a number of cooperatives with the aim to boost youth employment and access to financial opportunity. The most popular are COOJAD and UMURENGE SACCO.

Chapter III. ASSESSING RWANDA'S RANKING IN INTERNATIONAL INDEXES

Rwanda as many other countries are subjects to ranking by various indexes with the aim to assess progress vis-à-vis a number of indicators in a given sector.

In this section, we intend to comparatively gauge the state of employment by assessing how those countries performs as per the human development employment indicators and the immigration statistics in these countries.

3.1. HUMAN DEVELOPMENT EMPLOYMENT INDICATORS

To start with, the Human Development Employment Indicators break down three main related indicators, and these include: employment to population ratio, employed people living on less than \$1.25 a day and the rate of unemployment.

Table 4: Human Development Employment Indicators

HDI Rank	Employment to population ratio (% of population ages 15-64)		Employed people living on less than \$1.25 a day (% of total employment)	Rate of Unemployment (%)
	1991	2008	2000-2008	2008
Burundi	84.9	84.2	87.2	14 ⁻
Kenya	73.4	73.0	22.9	12.7*
Rwanda	86.6	80.3	79.5	1.2*
Tanzania	87.4	78.0	90.0	11.7
Uganda	81.8	83.0	55.7	1.9 ⁻

Source: EAC Statistical portal, Global Speculators and allAfrica.com; in Impact Assessment Study of East African Community Common Market on Rwanda's Economy, July 2012.

As per the table above, Rwanda is relatively doing well in the 3 indicators of the Human Development Employment. The active population in 2008 was estimated at 80.3% of the total population, slightly higher than that of Tanzania and Kenya, a clear indication that, if employed, this population would highly contribute to the growth of the country devastated by horrible events of 1994.

On the other hand, figures are not encouraging if we consider the indicator on the employed people living on less than \$1.25 a day. The table indicates that more than 70% of employed population live on less than 35\$ per month. This explains how the pay is low compared to Kenya and Uganda, though the situation is worse in Burundi and Tanzania. In Rwanda, this can be explained by a very little number employed in a formal sector which relatively pays better while the bigger number of employed are found in the informal sector and gain less.

It is equally important to tackle the unemployment rate issue. As it can be noticed in the figures represented in table above, Rwanda has the lowest employment rate, with only 1.2% of her active population has been found jobless in the year 2008. For the same year, Burundi counted the biggest unemployment rate (14%) followed by Kenya and Tanzania with 12.7% and 11.7% respectively. The highest rate of unemployment in Burundi was inevitable by then as it was the only fragile state. The country had held her 1st elections 2 years earlier after long period of war. How do we explain this in Kenya and Tanzania, given their industrialization which is supposed to create jobs to their own citizens? Another equally interesting question related to this is whether these countries will easily accommodate their EAC neighbors and open for competition even when they can't satisfy their own population seeking for jobs.

3.2. LABOR MARKET EFFICIENCY

As labor can in one way or another equally affect economic situation and socio-political one, how does Rwanda stand?

According to the World Economic Forum's Global Competitiveness report, Rwanda has the highest labor market efficiency among the EAC Partner States with an index of 5.3 and its ranked 9th globally followed by Uganda with an index of 4.8 and by Kenya with 4.62. Next to the three countries are Tanzania with 4.28 and Burundi is the least with 4.25.

With the free movement of labor, the later is expected to move from a market which is less efficient to a market that is more efficient. This implies that when the EAC Common Market comes into effect, more workers will be expected to easily access the labor market in Rwanda more than the other Partner States due to its efficiency¹⁸. This goes hand in hand with the openness of the market as well as ease of crossing borders through not only sound policies but also accommodative and welcoming citizens.

Another important issue to raise at regional level is the elimination of work permits as per the Common Market Protocol signed by the Head of States of the EAC country member states. The Assessment¹⁹ on the implementation of the EAC's CMP reveals that Rwanda and Kenya have taken the lead through elimination of work permits, at a bilateral level, between them. In the case of Rwanda, the elimination of work permits is extended to all citizens of EAC PS. An important element in the process of elimination of work permits, wholly or partially, is the conclusion of the Mutual Recognition of Academic and Professional Qualifications.

¹⁸ Assessment, p41

¹⁹ P. 40

Chapter IV. EMPLOYEES' SATISFACTION IN RWANDA AND LEGAL FRAMEWORK AWARENESS

This chapter analyses various data related to the satisfaction of employees and proposes to collect and analyze views from various employees from different angles. Data analyzed derived from an independent sources as well as authors' quick survey conducted on employees within Kigali City.

4.1. EMPLOYEE'S SATISFACTION IN RWANDA

The role of employers and that of employees towards successful achievement of the organization are key for effective employment. This said, the employing organization is mandated to do whatever this may cost to ensure the satisfaction of its employees. This one sided statement is due to the fact that it has a more or less impact to the production of the organization. Scholars have argued that making employees happier and healthier increases their effort, contributions and productivity (Fisher 2003; Harter et al 2002, 2006; Judge 2001)²⁰ and that improving their motivation requires that workers perceive a match between their own goals and those of the organisation (Kanfer 1999).

According to a position paper of the Institute of Policy Analysis and Research (IPAR), firms with satisfied employees are more likely to have satisfied customers than other firms²¹. The authors concluded; considering developed, transitional and developing economies that:

- Firms with satisfied employees have lower labor turnover, are more productive and more profitable;
- The main factors influencing employee satisfaction do not vary much by type of economy or country;
- The main determinants of employee satisfaction are extrinsic factors such as pay and benefits and hours of work, opportunities for training, work relationships, variety of work tasks and control over how the job is done;
- Employer controlled flexibility of contract and hours and location of work tend to reduce satisfaction while employee controlled flexibility increases satisfaction;
- In developing countries the physical conditions of the work place, sanitation facilitates and the safety of the workplace also influences employee satisfaction.

The study also reveals that there has been only limited research on employee satisfaction in Rwanda, and where it has been conducted, the research covered only the public sector. This fact has motivated us to conduct a short survey to guide us for the next surveys. The short survey was conducted with the intention to know how much selected respondents are aware of legal instruments on labor in Rwanda, to gauge their satisfaction on how these instruments responds to their needs, and finally, how they are satisfied with institutions in charge of regulating employment in Rwanda.

²⁰ Quoted by IPAR-Rwanda, Assessing Drivers Of Employee Satisfaction and the Implications for Rwanda: A Position Paper, 2011, p7.

²¹ Idem, p.

4.2. LISTENING TO EMPLOYEES' VIEWS: A QUICK SURVEY

To feed in the legal and institutional information as well as other source of data used in this paper, authors chose to conduct a quick and short survey on the awareness and appreciation of the National labor policy, the New labor Law. The short survey also tackled issues related to satisfaction and confidence with institutions in charge of regulating labor in Rwanda.

4.2.1. Methodology of the quick survey

The survey attracted 20 employees randomly selected from the public and private sectors as well as CSOs with a wide range of experienced respondents.

4.2.2. Characteristics of the respondents

Table 5: Characteristics of the respondents

Characteristics	Frequency	%
Gender		
Male	11	55
Female	9	45
Total	20	100
Age		
Between 15-25	2	10
Between 26-35	13	65
Between 36-45	4	20
46 and above	1	5
Total	20	100
Education		
Primary	0	0
Secondary	3	15
A0 level	12	60
Masters	4	20
PhD	1	5
Total	20	100
Are of employment		
Public Sector	7	35
Private Sector	7	35
CSO	6	30
Total	20	100
Job experience		

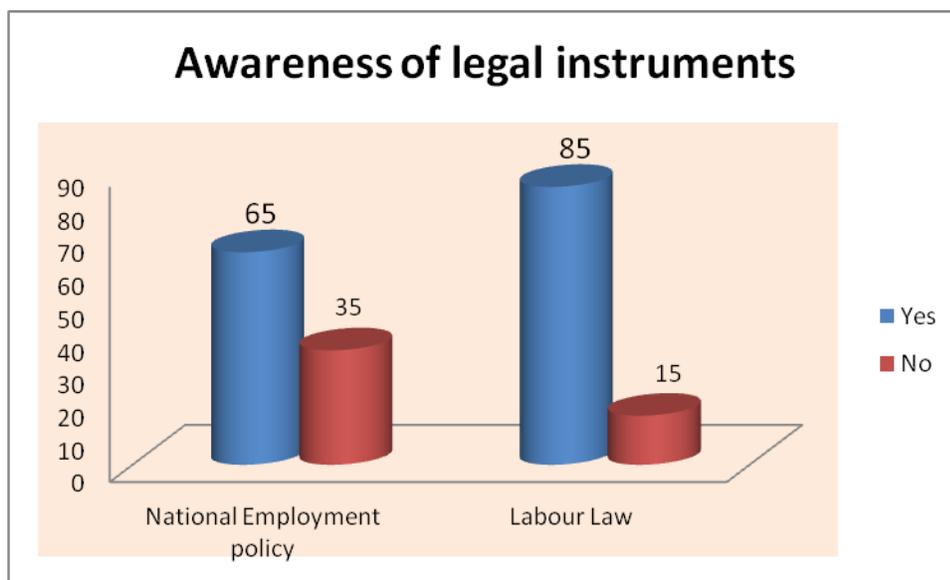
Characteristics	Frequency	%
Less than 2 years	6	30
Between 2-5	11	55
Between 6-10	2	10
10 and beyond	1	5
Total	20	100

Source: Authors' quick survey

4.2.2. Awareness of Rwanda's main legal instruments on Employment

Even though legal instruments have been availed by the Government on Rwanda, authors were curious to know, whether they are known by the beneficiaries. These are, for the sake of this paper, employees in different sectors of Rwanda's employment sphere.

Figure 3: Awareness of legal instruments by respondents



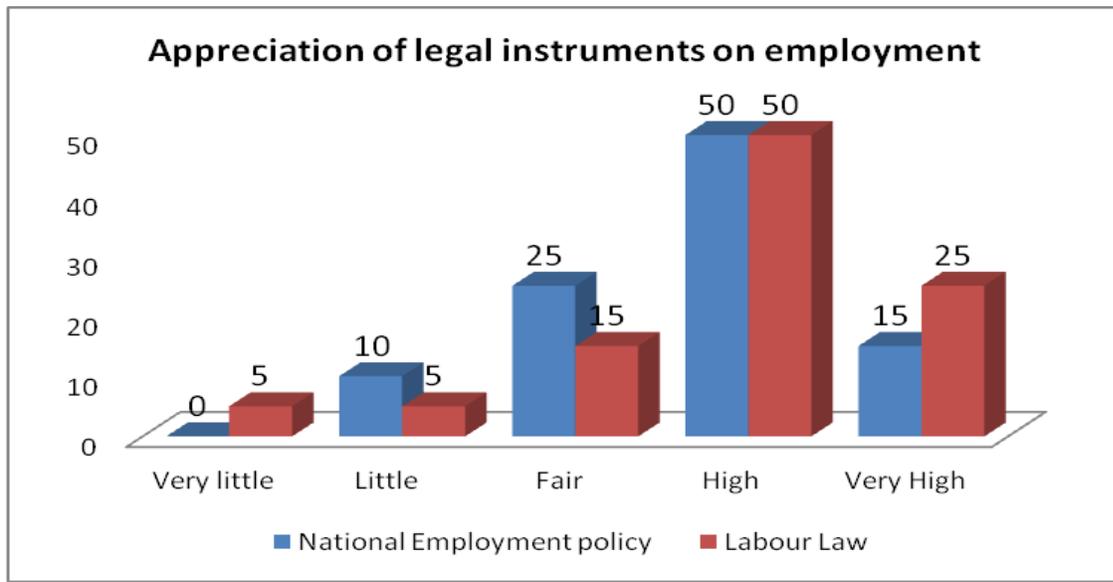
Source: Authour's quick survey

The awareness of the NLL is far higher than the NEP (85% and 65% respectively). There is however, no evedence on the involvement of employers on the awareness campaigns. The Government and other employers are key actors in the campaigns though employees have interests in order to be on safe side in case of misunderstandings.

4.2.3. Appreciation of legal provisions by respondents

Employee's rights are their weapons to avoid employers abuse of power. However, the awareness is not enough to be able to effectively use these instruments. This said, authours decided to ask selected employees their level of appreciation of these provisions.

Figure 4. Appreciation of legal instruments on employment



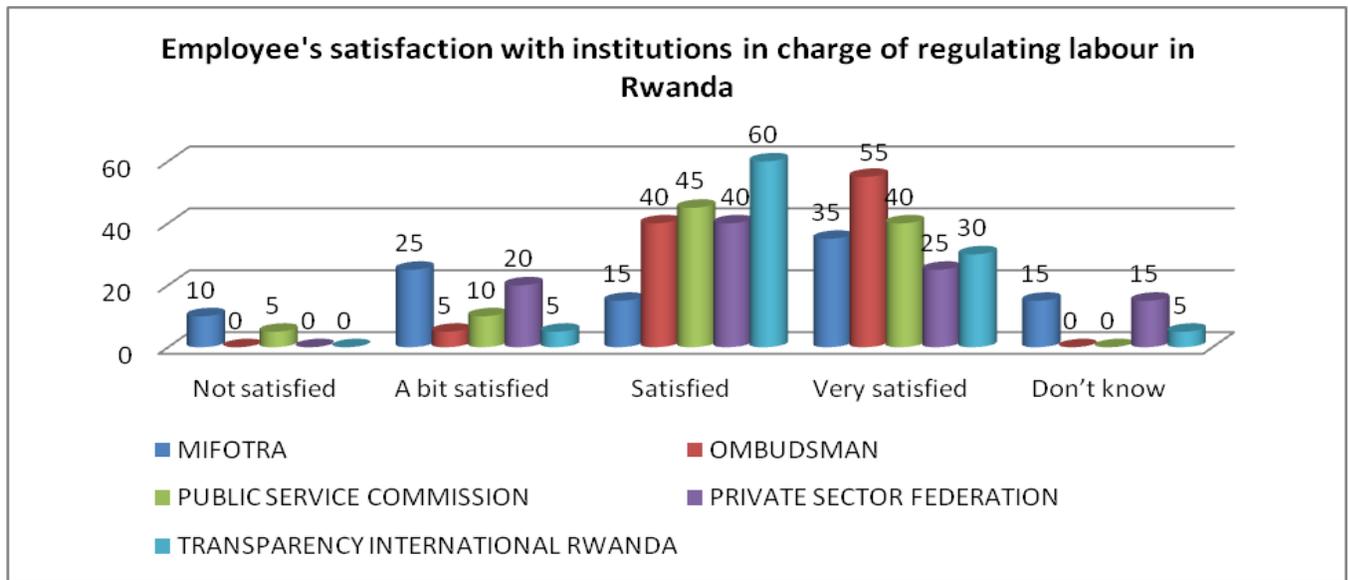
Source: Authours' quick survey

Results on the appreciation reveal that the appreciation of the NEP as high the labor law even though both at the level of 50% each. Further, the labor law was extremely appreciated by 25%, while 15% of respondents expressed the same on the NEP.

4.2.4. Satisfaction with institutions in charge regulating labor in Rwanda

The section on “Institutional framework” was informative on which institutions are in charge of monitoring the implementation of legal instruments on labor in Rwanda. These institutions are subject to assessment on whether they are trusted enough by their clients, i.e the employees. This is very important to avoid violent conflicts between employers and employees in case of misunderstanding. The figure provides the answer on this common ground.

Figure 5. Employee’s satisfaction with institutions of regulation



Source: Authour’s quick survey

The graph above is very informative. It shows however, that citizens highly trust the Ombudsman’s Office with 95% of satisfied and very satisfied combined. This is a clear message to other institutions that injustice prevails though

On the other hand, civil society is the second most trusted institutions with a high rate of employees who express their satisfaction in TI-R. If we consider satisfied and very satisfied, the rate raises to 90%.

Chapter 4. MAJOR CHALLENGES IN RWANDA'S EMPLOYMENT

4.1. DEMOGRAPHIC CHALLENGES

Rwanda is one the most populated nations in Africa. The General Population and Housing Census conducted by the National Institute of Statistics in Rwanda reveled that in 2002, the total population was 8,128,553 on only a total surface area of 26,338Km², with the average of 300 people per Km².

The projected situation is however alarming as illustrated by the table below.

Table 6. The high population projection (2007-2022)

year	Total population	Male population	Female population	Percent 0-4	Percent 5-14	Percent 15-49	Percent 15-64	Percent 65 and over	Percent female (15-49)
2007	9,556,669	4,597,277	4,959,393	17.13	25.13	49.33	55.14	2.59	49.91
2008	9,834,124	4,737,433	5,096,691	17.3	24.95	49.24	55.23	2.52	49.81
2009	10,124,927	4,884,228	5,240,699	17.45	24.85	49.06	55.25	2.45	49.63
2010	10,428,754	5,037,503	5,391,252	17.59	24.82	48.82	55.21	2.38	49.39
2011	10,745,236	5,197,070	5,548,166	17.7	24.86	48.56	55.1	2.33	49.12
2012	11,073,944	5,362,712	5,711,232	17.8	24.96	48.28	54.94	2.3	48.83
2013	11,414,031	5,534,141	5,879,890	17.86	25.05	48.08	54.8	2.29	48.63
2014	11,764,863	5,711,047	6,053,816	17.88	25.22	47.85	54.61	2.3	48.39
2015	12,125,840	5,893,074	6,232,766	17.86	25.47	47.6	54.35	2.32	48.14
2016	12,496,460	6,079,969	6,416,491	17.81	25.78	47.32	54.06	2.35	47.85
2017	12,876,243	6,271,487	6,604,756	17.74	26.15	47.01	53.74	2.38	47.54
2018	13,265,836	6,467,991	6,797,845	17.64	26.35	46.88	53.59	2.42	47.38
2019	13,664,744	6,669,229	6,995,516	17.53	26.52	46.79	53.48	2.46	47.25
2020	14,072,509	6,874,964	7,197,544	17.4	26.67	46.74	53.41	2.52	47.17
2021	14,488,685	7,084,972	7,403,713	17.27	26.78	46.73	53.38	2.58	47.12
2022	14,912,874	7,299,049	7,613,825	17.12	26.86	46.76	53.37	2.65	47.12

Source: NISR, Population Projection 2007-2022, July 2009, p.22

The table above reveals that the total population in Rwanda will be 14,072,509 of which 53.41% will be between 15 and 64 years old. What does this mean for such a growing economy? The challenge here is that if this population is not employed, or if there is a high rate of unemployment, the vision 2020 would have been a dream, far to be realized.

Another important figure that needs to be highlighted in this table is the gender disparity. It is projected that of 14,072,509 total population, 48.9% (6,874,964) are male, while 51.1% (7,197,544) are female. This challenges the Government of Rwanda to keep on empowering the Rwandan women so that they find a place in the future employment opportunity both at local and regional levels.

Whereas some see the population boom as a challenge, one needs to highlight that Rwandan leaders have seen it as an opportunity. According to the Vision 2020, the population, if well trained and equipped with necessary knowledge, Rwanda might export manpower to other countries especially in EAC sister countries and collect foreign remittances as well as investments from responsible Rwandans in Diaspora. In the same perspective, investors especially in the area of industrial areas who would need competent employees would get there from the source, thus increasing the employment rate in the country and low cost labor, which has benefited highly populated countries like India and China.

4.2. SKILLS AND HUMAN CAPITAL CHALLENGES

The vision 2020 sets human resource as the one of the key pillars of the country's development, aspiring to be a knowledge base economy. This target was set after realizing that this indicators is causing a big loss for the Rwandans.

As a result of the set goals in this area, how far has Rwanda gone in increasing the literacy level of her citizens? According to the Vision 2020 document, the literacy was to be increased from 48% to 80% and 100% in 2010 and 2020 respectively.

Reports reveal that although this is viewed as unrealistic and ambitious targets, this indicator is on the way to be realized. The EICV 3 disclosed an increment of Rwandans who are able to read, from 65.3 (EICV 2) to 69.7% (15 years and above)²².

The encouraging part of this indicator is that the literacy rate has increased in young populations; i.e people aged 15 and 24. In this category, the literacy raised from 76.9 in the EICV 2 to 83.7 in the EICV 3.

However, amidst of the year 2020, there is still a high skills gaps²³ in the Rwanda's employment sectors as highlighted in the Skills Audit Report which revealed that Rwanda's human capital is concentrated in a few occupations. The report shows that education sector dominates others, accounting for 60 % of the total skilled workforce. Agriculture accounts for another 15 %, that is, a combined 75 percent by only two occupations. It is also extremely bottom heavy since the artisan cadre constitutes three quarters of the skill base. In addition, it deviates from the normal pyramidal structure i.e. widening progressively towards the base. This is on account of a particularly weak technician cadre that, at only 8 %, is about half the size of the professional cadre²⁴. This shows that Rwanda still faces capacity gaps at all levels of employment, a fact that invites the Government to strengthen its efforts in education, both formal and informal.

²² Republic of Rwanda/ NISR, EICV 3, 2010-11, p.52

²³ The skill gap is the difference between the available skills and the requirement in the sector, occupation, or cadre.

²⁴ Republic of Rwanda, National Skills Audit Report, 2009, p.9

4.3. RURAL URBAN MIGRATION

Rural urban migration is defined as the movement of people from the rural areas or the country side to urban centres or towns or cities²⁵. The movement of people is a result of push or pull factors. Pull factors refer to opportunities which are in towns that attract people while push factors are the problems that exist in rural areas that make them move away to towns.

Causes of rural-urban migration are arguably many, but the most impactful are as follows:

- Impact of high population related to scarcity of land for carrying out agriculture and settlement;
- Occurrence of drought and conflicts has resulted into massive movements of people to towns;
- Limited social and economic facilities and infrastructures like education, electricity, water etc. in rural areas;
- High expectations of opportunities like availability of employment, among others;
- Out casts from families, ending up as prostitutes, thieves, etc.

Effects of these movements are as many as the causes. The rural-urban migration has impacted the agriculture and increased high rate of unemployed population in urban areas. The same is the main cause of prostitution and other immoral practices which result into crimes especially committed by young men and women from rural areas.

²⁵ Rwanda Education Commons, Human Geography of Rwanda, 2010

CONCLUSIONS AND RECOMMENDATIONS

The Government of Rwanda considers employment as an important condition for a sustainable development and a shortcut to eradicate poverty. This is proved by the establishment of legal and institutional frameworks that are meant to promote employment and protect employees.

As revealed by this paper, there have been efforts in integrating women and youth in the employment systems of the country. Equally important to note are means deployed to ensure employment of these categories in terms of informal and off-farm employment.

There has been also a significant step in the employment process. These include the advertising systems as well as the ease of application files. This is important especially for university leavers who are not able to find enough funds required for required documents such as notified degrees, judicial files, etc. The RDB initiative to help young undergraduates gain experience is a commendable step towards practical experience.

This paper also revealed that job satisfaction is key for institutional achievements. However, there was no sufficient data to seriously analyze how satisfied Rwandan employees are. To bridge this gap, authors have conducted a short survey to know the level of awareness and satisfaction vis-à-vis legal instruments; i.e the NEP and NLL. Further information was gathered to find out how confident employees are towards institutions in charge of combating injustice at work place. Result show that the awareness and satisfaction are at a high level, an good sign that employees are safe and know their rights. As for the institutions to regulate employment in Rwanda, employers are most comfortable with the Ombudsman's work, followed by Transparency International and the Public Service Commission. Among the highest ranked we find two Government Institutions that deal, among other assignments, with these cases on a daily basis.

The employment situation proves, however, to be having some weak points, which tempt us to formulate the following recommendations:

1. It was revealed that the population boom negatively affect the employment development in Rwanda. The Rwandan authorities at all levels should create measures whereby these challenge can be turned into opportunity.
2. The higher skills category especially professionals, technicians and associate professionals, which in Rwanda still lacks, will continue to be negatively affected as Rwanda has opened up for EAC PS in these categories. The Rwandan government should therefore deploy enormous efforts to build as much capacity as possible in these categories so as to prepare for competition from EAC PS. The same should happen to the formal education which stills lags behind compared to the capacity needs in Rwanda.
3. A number of issues have been identified as causal factors that influence rural-urban migration. Though the Government in collaboration with Development Partners and CSOs has made considerable efforts to promote professional agriculture and create informal job, a lot still needs to be done.

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